NAZI MINDSET SHOWS NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, although it has been several weeks since "Holocaust" was aired on television, I feel that several of the points raised in that show were of such importance as to merit repetition. Genocide is not an easy crime to visualize, and the death of six million people is really beyond most people's comprehension.

The antisemitic hysteria which swept Germany during the Hitler era is one of the most compelling arguments in behalf of the Genocide Convention. The Nazi leadership directed all of its hostility at a minority group within the country, a hostility which grew so intense that the Nazis started on a program of systematic extermination of the Jewish race. Six million Jews were exterminated in history's most horrifying example of genocide.

Even the insinuation that a person was of Jewish descent was treated with the gravest of seriousness by the Nazis. In the film itself, Dorf, a Nazi officer, had to go to great pains to defend himself from the charge that he may have had some Jewish blood. As did many Germans, he had to undergo rigorous background investigations. A person with Jewish blood was in grave danger of losing his life.

There were in fact indications during the film that Dorf had indeed been related to a Jew. And certainly in his youth he had been friends with Jews, as his family had long been friends with the Weisses, the principal Jewish family in the film.

But as a Nazi officer, Dorf became one of the main agents in the holocaust itself. At one point, he even raised his own gun and shot down several Jews during an execution. A man who had had no real bitterness toward the Jews prior to Hitler's rise to power became caught up in the mindset of the Nazi rhetoric, a mindset which called for the extermination of the Jewish race.

The Genocide Convention was drafted in the hope of keeping such a mindset from ever again carrying outs its genocidal policies. It would make the destruction, in whole or in part, of a racial, national, religious, or ethnic group a crime under international law. I applaud the intent of this treaty, and I am ashamed that even though President Truman signed the treaty in 1948, the Senate has yet to ratify it. Every President since Truman has pleaded with the Senate to ratify the convention, the support for this treaty has been bipartisan. I urge the Senate to ratify the Genocide Convention as soon as possible.

ORDER FOR RECESS FROM CLOSE OF BUSINESS TOMORROW UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 10 o'clock a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 o'clock a.m. by unanimous consent. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of H.R. 130, Calendar Order No. 670, which is referred to as the petroleum marketing bill. There is a time limitation on that bill. On tomorrow, only titles I and II will be considered; no amendment to title III will be in order.

At no later than 12:30 p.m. tomorrow, the bill (H.R. 130) will be laid aside until Tuesday, May 9. There will be rollcall votes on amendments to H.R. 130 during the morning, but once it is laid aside no later than 12:30 p.m., the Senate will then take up Senate Resolution 219, Calendar Order No. 682, the senior intern bill.

At the time the Senate goes on that bill, Mr. CURTIS will be recognized to call up an amendment. There is a time limitation on the Curtis amendment of not to exceed 30 minutes, and under the order there will be a vote up or down on the Curtis amendment, so I am sure that will be a rollcall vote.

There is another amendment specified in the order, that being Mr. ALLEN's amendment. At no later than 2:30 p.m. tomorrow the Senate will vote on Senate Resolution 219, so I see prospects for two or three or more rollcall votes tomorrow.

The Senate will not be in session late tomorrow.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 5:38 p.m. the Senate recessed until tomorrow, Friday, May 5, 1978, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate May 4, 1978:

DEPARTMENT OF ENERGY

Robert D. Thorne, of California, to be an Assistant Secretary of Energy (Energy Technology).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

WISCONSIN SUPPORT FOR THE BOUNDARY WATERS WILDERNESS ACT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FRASER. Mr. Speaker, despite the wealth of lakes located in Wisconsin's beautiful northwoods, approximately 10,000 Wisconsin residents travel to the wilderness lakes of the Boundary Waters Canoe Area each year. Wisconsin visitors constitute 7 percent of all BWCA users; more than 70 percent of these visitors choose to explore the BWCA by paddling a canoe, hiking, snowshoeing, or cross-country skiing. That so many people from Wisconsin come to the BWCA to seek a nonmotorized wilderness experience is testimony to the unique appeal of the area: It is the Nation's only lake-land canoe wilderness.

Legislation that would enhance the wilderness protection afforded the BWCA while respecting the economic needs of northern Minnesotans has been developed by my colleagues PHIL BURTON and BRUCE VENTO. The Burton-Vento bill, H.R. 12250, was reported from the House Interior Committee on April 10. It could reach the floor within the next few weeks.

The March 30 edition of the Milwaukee Journal contained an editorial endorsement of the Burton-Vento bill which reflects the substantial stake Wisconsin residents, as well as countless other Americans, have in the future of the Boundary Waters Canoe Area. I commend the article to my colleagues' attention:

PRESERVING A SPLENDID WILDERNESS

At long last, legislation to preserve Minnesota's superb Boundary Waters Canoe Area (BWCA) appears to be emerging from the legislative wilderness. A compromise bill, which seems acceptable, is expected to be considered and then endorsed by a House Interior Subcommittee next week.

The boundary waters area is immense—a million acres of wilderness lakes and forests along the Minnesota-Canadian border. It is the second largest unit in the National Wilderness Preservation System. It contains the largest virgin forests remaining in the eastern half of the United States.

Yet, despite its nominal wilderness status, the BWCA remains plagued by conflicts. Portions have been logged, off and on, for 75 years (there now is a temporary moratorium on cutting). Powerboat use has marred the tranquility of some of its mirror lakes. Resumption of snowmobiling, now banned, threatens its winter peace. Mining interests eye the land.

The compromise, proposed by Reps. Bruce Vento (D-Minn.) and Phillip Burton (D-Calif.), should guard this national treasure against such intrusion while offering fair, new opportunities for commerce and motorized recreation in the huge Superior National Forest outside the wilderness boundaries.

Specifically, the Vento-Burton compromise would maintain existing wilderness boundaries, with some minor additions. It would set up a national recreation area outside

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

the BWCA for logging and motorized recreation. It would ban logging and mining in wilderness portions.

Powerboating would be allowed on 13 lakes around the edge of the wilderness, but not in it—with the exception of two lakes on which motor use would be phased out by 1984. To compensate logging companies for loss of BWCA timber, they would be allowed to harvest timber outside the area.

It is a reasonable compromise. After the expected subcommittee approval, it faces rough rapids in the full House Interior Committee and on the House floor. It deserves to weather both tests, intact.●

VOLUNTEER ACTIVIST AWARD PRESENTED

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. PEPPER. Mr. Speaker, I want to call the attention of my colleagues to a notable event that recently took place here in Washington. A few days ago, in a ceremony at the headquarters of the Organization of American States, the National Volunteer Activist Award was presented to the Marion County, Fla., Task Force on Child Abuse. The award is given by the Germaine Monteil Foundation, through the National Center on Voluntary Action.

As we are now beginning to recognize, child abuse has long been one of the most sadly ignored problems in our communities. Fortunately, that is no longer the case in Marion County, Fla. Many dedicated and concerned people from all over the county, under the fine leadership of Mrs. Lois Graw of Ocala, have put together the Marion County Task Force on Child Abuse, with the objective of bringing this scourge out of the closet and seeking to conquer both its causes and its tragic effects.

Last November, the task force sponsored a conference on child abuse. The support and participation was overwhelming—over 300 persons had to be turned away. Participants included over 400 representatives from the Florida State Department of Health and Rehabilitative Services, the Marion County Health Department, the County Mental Health Association, Central Florida Community College, "Vision", and numerous other civic and professional groups. I was privileged to address the conference, and I was considerably impressed with the tremendous concern from throughout the community.

The Marion County Task Force on Child Abuse—one of the first of its kind—is helping to set a model for other communities throughout Florida and around the country. I am enormously proud of the work they are doing, and I can think of no more deserving recipient of the National Volunteer Activist Award. I offer my sincerest commendations to Mrs. Graw and the many other committed people on the Task Force. Their devotion and their continuing efforts are helping to ensure that no Marion County child will ever again be the victim of torture, neglect, and brutality.●

THE 75TH ANNIVERSARY OF TUNA CANNING INDUSTRY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. AuCOIN. Mr. Chairman, the year 1978 marks the 75th anniversary of the tuna canning industry in the United States and I feel it is timely to pay more than passing note of this event since many of my constituents depend upon this industry for their livelihood.

Although the industry traces the early days of its founding to southern California, I am reminded by one of the Northwest's food processing pioneers, John S. McGowan, vice president of Castle & Cooke Foods, and president of Bumble Bee Seafoods, a division of Castle & Cooke, Inc., that major developments in the industry also can be attributed to the endeavors of Oregonians.

It is a matter of record that Bumble Bee was launched in 1899 when seven canneries, operating at the mouth of the Columbia River, joined forces as the Columbia River Packers Association. Their target was the chinook salmon, for years a favorite food of Pacific Northwest Indian tribes living along the great river and a commodity which the Hudson's Bay Co. had shipped to England and Australia in large wooden barrels preserved with salt.

For 30 years the Columbia River Packers Association knew only success with no marketing problems until the Depression of 1929. Until then the firm had never gone out aggressively to sell its pack, preferring to sit back and wait for customers to come in.

As the depression deepened, the Columbia River Packers Association found its warehouses overflowing, so management transferred a young man named Thomas F. Sandoz from his production job to the marketing division with sales as his primary goal.

Sandoz, with 8 years sales experience before joining Columbia River Packers in 1928, became the first man in the firm ever to call on customers. He startled his bosses by selling 17 carloads in the East, all for cash, and he also began building a better relationship with the trade.

Made sales manager in 1938, Sandoz sold most of each year's pack before it ever went into cans, yet Columbia's growth was pretty much limited unless it could find something else for its people to market.

That "something else" as it turned out, was swimming right off the Oregon coast, less than a day's sail from the cannery at Astoria. It was albacore, the prized white-meat of the tuna family, and its 1938 "discovery" by salmon fishermen who had gone beyond their usual limit, revolutionized Columbia River Packers' operations.

Albacore were out there in tremendous schools. Tuna, unlike salmon, are unique because of their abundance and widespread distribution in the world's oceans.

They also are high-speed travelers. Tuna tagged off Baja, Calif., have been found, 175 days later, at Midway Island, halfway acros the Pacific. The fast fish are also extremely sensitive to water temperature, constantly racing through the ocean to follow the changing warm surface currents.

Now that they had been found in large numbers off the Oregon Coast, Columbia River packers wanted to capitalize on this doorstep discovery.

Within a year, in 1939, Columbia River packers opened the first tuna cannery in the Northwest, adjacent to its salmon facility at Astoria. Acceptance of the new product under the Bumble Bee label was immediate. Since that time, the tuna canning industry has grown to become the single largest U.S. fisheries industry with canneries in Oregon contributing to the total U.S. tuna pack which in this diamond jubilee year, will amount to over 30 million cases worth more than $850 million.

Today, the canned tuna industry has an estimated $1 billion impact on the Nation's economy and employs over 30,000 persons directly with additional thousands in related industries. The product is found in more than 30 percent of all American homes. It is firmly established in the American diet because it is recognized as a delicious, economic and convenient source of complete protein and essential vitamins and minerals.

The State of Oregon takes its place among this country's leaders in the production of food and other agricultural products, with nearly half the State, or about 30 million acres, thickly forested and leading the Nation in the production of forest products. Oregon is also a leader in the production of berries, pears, cherries, filberts, walnuts and vegetables, with a total of nearly 30,000 farms, many of them worked by the same family for over a century. It is a further tribute to our great state and her people to be among the three States responsible for the major contributions to the great success of the tuna canning industry over the past 75 years.●

THE 116TH ANNIVERSARY OF CINCO DE MAYO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FARY. Mr. Speaker, on Friday, millions of Mexicans and Mexican Americans will celebrate the 116th anniversary of one of Mexico's greatest triumphs—the Battle of Cinco de Mayo, where on May 5, 1862, patriotic Mexican forces exhibited their love of freedom by repelling the invading French force of Napoleon III, thus striking a resounding blow for the cause of Mexican independence.

Collapse of the Mexican economy in 1861 led to the suspension of Mexican payments on debts to several foreign nations, including France, England, and

Spain. Protesting this suspension of payments, the creditor countries established a triple alliance and sent a combined land and naval force to Vera Cruz, Mex., demanding settlement of the debts in question. The English share of the force consisted of 700 marines and the Spanish share only 300 since those nations were interested only in a perfunctory display of force in support of their demands. But the French Government had something else in mind, a fact made evident by the landing of 4,500 troops at Vera Cruz in January of 1862.

When President Juarez of Mexico announced to the representatives of the triple alliance that he would recognize only the claims of the holders of bonds that had been adjusted by formal conventions, the Spanish and English representatives recognized the rights of Mexico and called off their troops. Only the French failed to come to an agreement and revealed their true colonialist intentions by invading the country, heading straight for the capital city. On the way, they were joined by Mexican forces hostile to the democratic government of President Juarez.

On May 5, 1862, the French invaders attacked the Mexican defensive emplacements at Pueblo. Three times the French infantry swept forward and three times fell back, maimed and battered by Mexican shot and shell. When the French swung about, heading for Guadalupe, word was sent to the defenders of Guadalupe to hold fast and they complied. Once again repulsed, the French retired in confusion and the battle was over. Mexico had triumphed.

The battle of El Cinco de Mayo was not conclusive in and of itself. Reinforcements were mustered in France and dispatched to Mexico. The French invaded again and this time captured Mexico City, driving out the Juarez government and placing the Austrian Archduke Maximilian as Emperor of Mexico.

But delay in obtaining this result, stemming from Mexican success in the battle of El Cinco de Mayo, made this adventure long and expensive for the French. Napoleon's hopes for gaining important commercial advantages fell before the weight of European public opinion, now admiring of Juarez and the courageous Mexican army.

Maximilian's regime in Mexico proved too fragile for the intense hopes and aspirations of independence-minded Mexicans, for on May 14, 1867, Maximilian finally surrendered and made way for a new dawn in Mexico's history.

The bravery exhibited by Mexican soldiers on "El Cinco de Mayo" has never been forgotten in Mexico or here in the United States. That bravery is evident in the contributions made by Mexican Americans in our own Armed Forces. During World War II and the Korean war, more Mexican Americans earned the Congressional Medal of Honor (17) and other decorations for bravery than any other single ethnic group. And more recently, during the Vietnam war, the valor displayed by the same ethnic group was again shown as additional Congressional Medals of Honor were awarded.

Mr. Speaker, I am proud to say that in my own Fifth Congressional District, I have two of the three largest Mexican American communities in the Chicago area. To them and to those of us who recognize the significance of this great day, El Cinco de Mayo symbolizes the courage and love of freedom that enabled Mexican patriots to triumph over a foreign power that sought economic advantage at Mexico's expense. I am confident that my colleagues will join me and our Mexican and Mexican American friends in paying tribute to the valor and patriotism of those who fought and died on El Cinco de Mayo.●

SUN DAY—A FEW THOUGHTS ABOUT THE FUTURE OF SOLAR ENERGY

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BAUCUS. Mr. Speaker, Americans should be encouraged by recent congressional action in the area of solar energy. Congress has done more than just declare today Sun Day. It is actively seeking ways to promote use of solar energy. I think the 95th Congress can take credit for elevating solar power to a place among our top energy priorities.

Our national energy crisis is real. Another Arab oil embargo could cause far more disruption in our way of life than we experienced in the winter of 1974. Our increasing dependence on foreign oil is largely responsible for our trade deficit, which is a severe threat to our economic well-being.

We must find and develop other sources of energy besides fossil fuels, which are running out, and nuclear power, which is beset by problems, most notably waste disposal.

Sunlight is safe. The supply is not declining. There are many ways to use it—from relatively simple water heaters that many homeowners can afford to giant solar satellites costing billions of dollars.

But the Federal Government cannot develop solar power on its own. Congress can create the climate to encourage use of solar energy, but the private sector must seize the opportunity to develop the technology.

The biggest disadvantage of solar power now is its cost. I believe we can make the hardware affordable to all if American industry attacks the problem with the imagination, dedication, and the money that has resulted in so many things never even dreamed of by our grandparents becoming part of our daily lives.

Thus I am particularly pleased by House approval Tuesday of a bill, of which I was a cosponsor, that would create a solar and renewable loan program within the Small Business Administration (SBA).

We found that while small businesses are taking the lead in development of solar equipment, many have nearly exhausted their capital resources. Yet SBA has consistently refused to loan money to these firms because of fears that solar technology is too risky.

This bill will set SBA straight. Solar power technology is viable and should not be discriminated against.

Last year I introduced a package of three bills entitled "The Solar Energy for Homes Acts." These bills would alter requirements of several Federal housing loan programs to permit them to finance purchase and installation of solar equipment.

I introduced these bills for a very simple reason. A number of builders complained to me that various Federal loan programs precluded the use of solar heating and cooling equipment in homes. This concerned me because solar technology is rapidly improving and can already substantially reduce fuel and electricity costs to homeowners. Although such equipment is expensive, its cost is declining while the prices of fossil fuels and electricity are rising. Homeowners using Federal loan programs should have the option of installing solar heating and cooling systems.

One of these bills is now law. It explicitly provides that money loaned under Farmers Home Administration housing loan programs may be used for solar equipment.

The second bill is included in the National Energy Act that is now being considered by a House-Senate conference committee. It allows limits on housing loan programs under the jurisdiction of the Department of Housing and Urban Development to rise by up to 20 percent to cover the extra costs of solar equipment.

The third bill would allow the Veteran's Administration to increase a veteran's loan guaranty eligibility by up to 20 percent of the value of his home to finance purchase and installation of solar energy systems. That bill is still being considered by the Veterans' Affairs Housing Subcommittee.

In the meantime, the committee has introduced legislation establishing a revolving loan program to assist veterans in purchasing and installing solar energy systems. The bill authorizes $750,000 for the program and permits loans of up to $5,000. Loans would be made at the VA rate of interest without regard to the $33,000 maximum direct loan limit and without any charge against a veteran's entitlement.

Tuesday I testified in support of this bill before the subcommittee. While it does not go as far as my veterans' bill, I think the subcommittee's bill is a definite improvement over the present situation.

However, I did urge the subcommittee to conduct a complete examination of ways that VA loan programs can be adapted to finance cost-effective alternative energy systems on a routine basis, beyond the limits of a special loan program. I think there is a need for the type of broad change in the VA program proposed in my bill, as I hope the demonstration loan program will show.

I have also been a sponsor of numerous other bills to promote the use of solar energy. They include:

A bill to provide for a research, development and demonstration program to determine the feasibility of collecting solar energy in space for transmission to Earth where it can be used to generate electricity. While these satellites are surely controversial, in view of our present energy situation we need to take a careful look at all reasonable solutions.

A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology.

A bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries.

A bill to establish a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States.

A resolution to study the feasibility of installing solar energy equipment in the House Office buildings.

A bill to authorize the inclusion of solar energy research, development and demonstration programs in certain agricultural programs.

A bill to provide for incentives for the commercial application of solar energy, energy conservation and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses and facilities owned or occupied by nonprofit organizations.

A bill to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings.

A bill to facilitate the transition from energy technologies that use depletable energy sources to solar energy technologies.

I have also supported tax incentives for homeowners installing solar equipment. These provisions were approved in different forms by both the House and Senate as part of the National Energy Act. I am confident that these measures will be included in the final law.

We, in Washington, have at last recognized the potential benefits of sun power as a clean and virtually unlimited source of energy. I hope Americans will take advantage of it whenever possible in their homes and businesses.

Anyone who has watched a sunrise knows that glowing orange orb rising into the sky is a thing not only of great beauty, but of immense power. That power warms our earth, lights our days, and provides the energy to raise all living things. We can make it do more.●

OIL BLACKMAIL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. ROSENTHAL. Mr. Speaker, I have joined a majority of my colleagues on the House International Relations Commitee in introducing a resolution of disapproval to block the President's all-or-nothing package of aircraft sales to the Middle Last.

The element of the President's proposal that troubles us most deeply is his plan to sell 60 F–15 fighter-bombers to Saudi Arabia. This plane, the most advanced of its type in the world today, far exceeds the Saudis' legitimate military needs and threatens to upset the delicate balance of power in that volatile part of the world. Presence of those 60 advanced fighters—50 percent more than the administration is willing to sell the Israelis—would transform Saudi Arabia into a frontline confrontation state in the Arab-Israeli conflict.

The Saudis have hired a public relations firm and launched a massive lobbying effort to make sure they get all the planes they want.

Of course, no one would seriously consider selling the Saudis such sophisticated and lethal weapons were it not for a weapon they already possess—the oil weapon. Lurking behind this whole sorry story is the threat of another Arab oil embargo led by the Saudis like the one they imposed in 1973–74.

Anyone who says there is no linkage between the F–15 and oil just is not paying any attention to what is going on. In two major interviews published in the past week, Saudi Oil Minister Sheikh Ahmad Zaki Yamani warned that American refusal to sell the F–15 is bound to affect Saudi attitudes toward key issues such as oil and support for the dollar.

What does Sheikh Yamani really think? What does he say to the Saudi technocrats, intellectuals, and college students who will be the next cadre of Saudi statesmen and managers? What does he say to American journalists?

To answer these questions, I am inserting into the RECORD today a transcript of questions submitted by the audience and the answers provided by Sheikh Yamani following Sheikh Yamani's lecture at Riyadh University entitled "Rules of the Petroleum Game." The questions and answers were published in the Jedda newspaper 'UKAZ, dated April 22, 1978, and republished in this country April 27 by the Foreign Broadcast Information Service of the U.S. Government. The second item is Sheikh Yamani's interview with two Washington Post reporters in Riyadh published May 2.

I strongly urge my fellow Members to read and consider the statements—and threats—of the Saudi Oil Minister, Sheikh Yamani:

RULES OF THE PETROLEUM GAME

Question. I had the impression that the "petroleum game" meant the use of oil—among other things—for political purposes and that such use was restricted to the Palestinian Arab problem; that is, its use as a means of political pressure in order to neutralize the Western world's support for Israel. But Your Excellency's reference to the fact that the Islamic bloc owns 70 percent of the world's oil reserves made me understand that this game could also be a good tool if used positively and systematically in the service of Islamic causes. Is this belief or conclusion correct?

Yamani. Yes, the conclusion or belief is undoubtedly correct, and we want the Islamic countries to support Islamic causes because when the Moslems of the world unite under one banner the world will submit to them. But the Western world will do all it can to divide the Moslems, especially if it feels the effects this great power that Islam possesses. I, as a Moslem, do not believe that God has bestowed the Islamic nation with this vast wealth without a divine purpose. We pray to God that he may give us success in this objective.

Question. Is petroleum being used as a source pressure to influence the political decisions of many countries in the service of Arab interests? If not, why not?

Yamani. I believe that petroleum is a political power and weapon and that it was used several times in a manner serving Arab interests. It was used in 1973 not to punish the Western countries but as a means of drawing the attention of Western opinion to two factors: First, that the world is in need of the Arab nation and, second, that there is an Arab-Israeli problem. We have succeeded in this and public opinion in the West and the United States now knows that it needs the Arab nation and that there is an Arab-Israeli problem. It has begun to understand the details and implications of this problem.

We also used petroleum, in accordance with our political thinking, at the Ad-Dawhah [OPEC] meeting in order to let the West know not only that it needs the Arabs, but also that it can depend on them as an effective power. We succeeded in this as well. In fact, despite all the criticism we heard following the Ad-Dawhah conference, both at home and abroad, it has been proved to the Arab nation that the Saudi attitude led to a radical change in U.S. and European public opinion and served the Arab cause.

Question. Is petroleum power superior to financial power in the game of international relations?

Yamani. I wish my colleague [finance minister] Shaykh Muhammad Aba al-Khayl were with us in order to share in answering this question. Perhaps this should prompt the university's administration to invite his excellency to talk about the financial game.

In fact, petroleum is an important political weapon, but it is not absolutely superior to the political power of the financial weapon, a weapon that the Kingdom of Saudi Arabia possesses. Unfortunately I am not familiar with the way this political power is currently being used. His Excellency brother Muhammad Aba al-Khayl is the one who can talk to you about this power which, if used in an organized way, would definitely add to our strength, God willing. I hope this will be so.

Question. I would like Your Excellency to explain the role the 10 Ramadan [October] war played in enabling the oil-producing countries to gain control over their petroleum and to fix a suitable price for it.

Yamani. This is a very important question. Some Arab quarters believe that had it not been for the Ramadan war the oil-producing countries would not have been able to increase their prices, and we would not have plunged into the oceans of wealth we now enjoy. This is wrong. Two months before the Ramadan war we notified the oil companies that we would increase our oil prices sharply. A committee—which I had the honor to chair—was set up in order to negotiate with the oil companies. We met in Vienna, but God decreed that war should break out during the meeting. Those negotiating on behalf of the oil companies were afraid of upsetting the countries they represented. Somehow, in a manner that is still a mystery to me, they were able to make us fix the prices of our oil. Then we set a date for another meeting in Kuwait in order to establish a suitable price for oil. Later the Arab

countries agreed to meet in order to decide how to use oil as a means of pressure in the service of the Arab cause. We decided that since the majority of us would meet in Kuwait in order to decide on oil prices, we should also discuss at the Kuwait meeting the Arab decisions on oil. We met there for these two purposes and adopted our decisions. Therefore, there was no connection between what was being rumored and what was being done.

Nevertheless, the turmoil that occurred in the oil markets as a result of the great reduction [in oil production], undoubtedly enabled us to adopt another decision in Teheran to increase oil prices further.

Question. How great a loss have Saudi Arabia and the United States incurred as a result of the drop in the value of the dollar?

Yamani. With regard to the United States, it is the first to benefit from the drop in the value of the dollar. What is happening now is an American policy aimed at improving the U.S. balance of payments with regard to other industrial states, such as Japan and West Germany. Its objective is also to absorb the surplus interest on oil funds.

As for Saudi Arabia, it has undoubtedly lost a great deal because of the drop in the value of the dollar. But if we look at the drop from the point of view of the amount of oil we sell, then the outlook is different. Should we link prices to special drawing rights or to the currencies by which we import—the currencies of 11 countries which we established and called the second "Geneva basket"? We will not be able to calculate profit and loss until we make calculations backdated to 1976 or 1975. This is a matter in which I do not wish to indulge. But the loss for us Saudis lies in the fact that, first, we obtain our income in dollars at the rate of $12.70 per barrel. We used to convert these dollars to Saudi riyals at the rate of 3.51 riyals to the dollar and spend accordingly to pay wages, various contracts and other things in the kingdom.

Now, despite the fact that we have tried to reduce the value of the riyal as much as possible to make it compatible with the dollar rate, a gap still exists. The dollar rate is now 3.44 riyals. This difference, although small, when multiplied by the amounts we spend at home, allows us to see the magnitude of the first loss.

As for the second loss, it lies in the contracts we conclude with Japan, West Germany, Britain, Switzerland and other countries whose currency rates have increased. We receive dollars, which we then convert into the currencies of those countries, and thus our financial commitments increase by 16 or 20 or 25 percent, according to the country from which we import. This is the second loss.

The third loss is one that occurs on paper. Most of our investments are in U.S. dollars. If the dollar loss is temporary and will be recouped once the dollar rate goes up once again—we believe that the dollar will go up once again—it is in our interest not to take any action that may cause a further fall in the dollar rate. This explains the attitude of Saudi Arabia that you hear about regarding the question of the dollar. It is a sound attitude despite the great loss and despite the fact that it contradicts the attitude of the other oil-producing countries. But it is an attitude that stems from Saudi interest.

Question. Will you please tell us what stage the negotiations between the Kingdom of Saudi Arabia and the companies owning the Aramco Company have reached, and what is the future outlook for this public utility after the government has taken control of it? Will it become a public institute like other institutes?

Yamani. In fact the negotiations have been concluded and we took control of all Aramco facilities in January 1976. Financial arrangements have likewise been completed. But the control agreement has not yet been signed. I hope that it is now in its final stages. The establishment of a national petroleum company to replace the Aramco Company is also in its final stages. It will not be an institution but, God willing, a national company operating on a commercial basis.

Question. Regarding the world oil market, it is estimated that there will soon be a surplus of 3 billion barrels a day [as published]. Is the Kingdom of Saudi Arabia suffering from a cash surplus because it is unable to use all the amounts that accumulate as a result of the kingdom's large volume of production? What prevents the kingdom from reducing production, thus realizing the two objectives of protecting oil prices on the world market and conserving the oil underground rather than selling it for money which is decreasing in value daily because of the drop in the dollar?

Yamani. In fact, if we apply the principle of supply and demand and link it to prices, our supply of oil, as a result of adhering to oil prices and not giving any discounts as some countries do, automatically leads to reducing our production. Production in the kingdom has indeed dropped in accordance with this golden economic rule. It is now 7.5 million barrels instead of 8.5 million barrels [presumably daily]. There has actually been a reduction in Saudi production, as the originator of this question, brother 'Abd ar-Rahman Khalaf, wishes.

Question. I understand from Your Excellency that oil will not be used against Moslems. But I believe that Your Excellency is aware that accusing fingers are being pointed—alleging that oil is being used against Moslems—I mean the oil of Moslems. For example, Israel is using Iranian oil against the Arabs, and the Philippines receives oil despite the fact that it is trying to uproot Islam and Moslems from its country. What is the kingdom's attitude toward this problem in particular and OPEC's attitude in general?

Yamani. I don't think that the claim that oil is being used against Moslems is true. We have recently heard an implicit threat by Iran against Israel—that it would cut off oil supplies to it if Israel does not act less arrogantly. This is a serious threat to Israel. As for the question of the Philippines, its consumption of oil is small and it can import that amount from many other countries because its situation differs from that of Israel, which is located in the midst of our Arab and Islamic group. Israel is now trying to import oil from Mexico, which is a distant country, and thus its transportation expenses would increase greatly.

Question. In his recent speech at the opening of the meeting of the Board of Governors of the Arab Bank, His Royal Highness Prince Fahd said that Saudi Arabia will balance its production in order to conserve it for our coming generations. Does this mean that the kingdom will reduce its production?

Yamani. Saudi production has reached very high levels. His royal highness' statement has clarified this matter very precisely. He stressed that the interests of future generations must be taken into consideration despite all the pressures to which we might be subjected.

Question. The dollar crisis is worsening daily. Will it remain so or will measures be taken to curb this crisis?

Yamani. I have said in response to other questions that I believe that the United States itself planned what is happening now. The reason for this is that the U.S. balance of payments has changed to its disadvantage and that foreign trade is now in favor of Japan, West Germany and other countries. Japan is refusing to lift barriers in the face of foreign imports. Therefore, the United States, by reducing the value of the dollar, is making U.S. goods competitive with Japanese goods in all parts of the world. It is also setting up barriers against Japanese goods so that they will not enter U.S. markets easily. The value of the yen has increased as it is; therefore, after some time the situation will readjust itself once the balance of payments becomes balanced or closer to being balanced, which in turn will normalize the dollar.

Japan and West Germany call for checking the drop in the value of the dollar and try from time to time to make the United States change its policy. The United States usually responds more with words than action. It recently decided to sell some of its gold reserves in order to rectify the situation; nevertheless it is still buying and storing large quantities of oil. This leads to weakening the balance of payments and to a further drop in the dollar. The situation is still ambiguous. I believe the real solution will come through rectifying the foreign trade situation, in which case the United States will be able to rectify the dollar situation without using it as a means of pressure.

Question. It has been reported in some U.S. newspapers that the United States is preparing to train an army to protect oil interests in the Arab gulf. Will this happen as a reaction to any Soviet move?

Yamani. God only knows. I do not think that the United States would prepare an army just to protect oil interests against some Soviet move, because such a move would mean a world war. The U.S. Army is already capable of protecting oil interests, but such a measure would lead the Arab oil-producing countries to adopt a national attitude, as happened during the October war. This is another eventuality that would lead to a military or nonmilitary move by the United States. In any case, present conditions do not warrant our further discussion of this matter. We hope that the problem will be solved without a confrontation of this kind.

Question. In case the dollar continues to fall and the United States decides to devalue it, in Your Excellency's opinion, what is the best way out of this dilemma? Is it increasing oil prices or linking these prices to other currencies, such as the Japanese or German, and why?

Yamani. In the past we linked oil prices to the dollar; then we changed this and linked them to a group of currencies which we called "the first Geneva basket." This currency basket included the dollar. Then we excluded the dollar and set up a second basket which we called "the second Geneva basket," consisting of 11 currencies with which we import from abroad. Then we went back to the dollar once again. In 1975 we decided to link prices with Special Drawing Rights [SDR], but then again we suspended our decision and went back to the dollar. In fact this is a double-edged weapon. If we link ourselves to a group of currencies and the dollar goes up, then we lose. And if we stick to the dollar and its value goes down, then we lose. Therefore, our actions must be wise and calm. Furthermore, Saudi dollar investments are subject to other burdens and considerations that may be different from those of the rest of the oil-producing countries.

Question. You said that great efforts need to be exerted for a whole generation at least before an economically viable substitute for oil is found. What does this mean?

Yamani. A generation in fact is meant to represent 25 years, but I cannot be sure in the present circumstances. We now expect that after 25 years we will have reached such an advanced technological state that we will

be able to rely on new energy sources other than oil. But the matter depends on radical changes in our outlook, our methods of action and our style of work.

Question. Since everything is bound to come to an end, will you please tell us about substitutes for oil? The kingdom depends on oil revenues and should the oil be exhausted—God forbid—we would have budget deficits in all sectors.

Yamani. Yes, God is going to permit [the oil to be exhausted]. Oil will be exhausted because we produce it. Every barrel that leaves this country will not come back. Oil is going to be exhausted and, in my opinion, it represents industry, mining, agriculture and manpower. Technology and science are the real wealth. Without technology we will remain as we are—a poor, underdeveloped state suffering from all the problems we are suffering now.

Question. If an oil-producing country stops producing oil, how serious is the impact?

Yamani. Very serious. Some countries cannot stop producing. For example, if Kuwait stops, life there would come to a halt.

This is because the gas used for electricity and water distillation is the gas that comes out with the oil. The same thing applies to Saudi Arabia. We cannot reduce our production below the level of the gas we need, especially if major industries are established in the kingdom. Nevertheless, the gas project which we have begun implementing is, God willing, about to be completed. This project will provide the gas we need for energy for industry as well as for export, depending on how much we can increase or decrease production without jeopardizing our use of it as a political weapon.

Question. In Your Excellency's talk about the front of producing countries you spoke about various changing factors, such as the volume and quality of production, political tendencies and the sea lanes for oil exports—all of which could be a source of disagreement when a certain strategy needs to be laid down for the petroleum game. Can Your Excellency throw light on three additional factors and discuss their impact and dimensions in this game; namely, increasing or fixing production, increasing or pegging oil prices, and payment in dollars or other currencies?

Yamani. Regarding fixing or increasing production, we have fixed it. This has now led to checking the decline in world oil prices because we have both fixed production and pegged the prices. We have shouldered the burden of reducing production alone. Other countries, like Nigeria, Algeria and Libya, reduce their prices from time to time, but we turn a blind eye to this. When Kuwait also wanted to do so we agreed with it, because the kingdom is a big state and can endure this. We also reduced prices at times, but we resorted to increasing production at one time in order to prevent an excessive increase in oil prices following the Ad-Dawhah conference. However, we did so calmly and within narrow limits. This is because relations with OPEC are far deeper than our relations with any other quarter and our interests are closer and bigger.

As for increasing or pegging the price of oil, I do not believe that the price of oil is now likely to increase, because prices are currently dropping and there is a surplus in world production. As for pegging prices, this we have done even though other countries are not doing the same.

As for payment in dollars or in other currencies, payment must be in dollars. We must distinguish between the use of the dollar as a means of payment and as a means of pricing. I sell a barrel of oil at $12.70 and cannot use other currencies such as the mark or the yen because, otherwise, the following would happen: First, it would lead to a sharp drop in the dollar; second, it is almost impossible to find another currency as large as the U.S. dollar—a currency large enough to accommodate the demands of world oil transactions. No other country would accept the use of its currency in oil transactions. If, for example, we were to use the yen, the Japanese prime minister would come to us in Riyadh and beg us to change our decision because it would shake the Japanese economy. The use of the yen as a means of payment is unimaginable. People who understand currency matters understand this and know that it is impossible.

I can see that there are more than 50 questions yet to be asked, and if I have to answer them all it would take us long hours. However, the large number of questions should encourage me to meet with you again. Peace and God's blessings be upon you.

YAMANI LINKS F15s TO OIL, DOLLAR HELP

(By Peter Osmos and David B. Ottaway)

RIYADH, SAUDI ARABIA.—Saudi Oil Minister Sheikh Zaki Yamani warned yesterday that a refusal by Washington to sell F15 jet fighters to his country would have an adverse effect on Saudi Arabia's present oil production policy and support for the U.S. dollar.

In an interview, the soft-spoken Saudi oil strategist said, "We place great importance and significance on this transaction. We feel we badly need it. It's for our security. It is to defend Saudi Arabia.

"If we don't get it, then we will have a feeling you are not concerned with our security and you don't appreciate our friendship," he said.

The Saudis have been expressing their concern privately to Americans, but this is thought to be the first time a high official has publicly warned of the possible consequences of the failure of the F15 deal.

While asserting that Saudi oil production and dollar policies are based first on economic considerations, Yamani said that U.S. failure to supply the aircraft would certainly diminish "the amount of [Saudi] enthusiasm to help the West and cooperate with the United States."

Yamani's comments on the proposed sale of 60 F15 fighters to Saudi Arabia were delivered without a hint of rancor. But in the past, as in the case of the 1973 oil embargo, the Saudis gave warning signals in a similarly guarded manner.

Comments by Yamani and other senior Saudi officials leave no doubt that, as Yamani put it, the plane sale is regarded here as a "test" of "the first importance" for the "special relationship" between the United States and Saudi Arabia.

Yamani said that Saudi Arabia's continuing willingness to support the dollar at enormous cost to his own country depended in some measure on this special relationship. If it were upset, he said, so too would be the Saudi attitude toward the continued backing of the U.S. currency.

"We prefer right now to stay with the dollar. We don't want to further deteriorate the value of this currency. But this doesn't mean we are not going to change our position," he said.

Despite heavy pressure from most other oil exporting countries, Saudi Arabia continues to support the pegging of oil prices to the U.S. dollar, thus helping maintain the value of the American currency. In addition, it has been investing billions of its surplus oil dollars in U.S. banks and industry—in effect recycling American energy costs.

Yamani pointed out, as he often has in the past, that Saudi Arabia has no need to produce as much oil as it does today and could finance its ambitious economic development program with an output of only 5 million barrels a day instead of the present 8 million.

In fact, he said, his country was losing money by producing so much oil to meet Western needs instead of leaving it in the ground where its value appreciates much faster than any dollar investment. Referring to the loss of revenue due to such high production paid for mostly in dollars, Yamani said, "It is on the whole not a pleasant thing to do."

Asked whether Saudi Arabia's level of oil production could be effected by the congressional decision on the F15 jet sale, Yamani said, "I am not ruling out completely any linkage."

The United States is counting on a substantial boost in Saudi production to meet its ever growing energy consumption.

In Washington and other Western capitals, Yamani is seen impecably dressed in three-piece suits from the best international tailors. But here in his plush office at the Petroleum Ministry, he was garbed in the simple, traditional long-flowing gown and headdress worn by the Saudi men.

Yamani said he had just been forced to cancel a trip to Washington because of the press of work. But he said that he felt the Carter administration "fully appreciates" the importance of the plane sale and of the overall Saudi-U.S. partnership. He noted nonetheless an imbalance in the weight each country seems to attach to the special relationship.

"From our side, it is developing without any restrictions and at a very great speed. I don't think it is developing in the same manner and speed from your side," he remarked.

He said he would like the United States to do more in providing technology to Saudi Arabia, spurring its development and helping it solve its financial problems.

"We need especially your help to bring peace to this area and I should put much emphasis on this," he said in a reference to the Arab-Israeli hostilities.

One matter that is unlikely to be affected by the outcome of the plane sale controversy is the Saudis' progressive takeover of the huge Arabian-American oil Company (Aramco), which produces about 98 percent of all Saudi oil.

Yamani said that his government planned to buy out the last 40 percent of Aramco still held by four American oil firms "very soon" and that it was only a question now of finishing up "homework" on the establishment of a national oil company.

When that occurs, Aramco will cease to exist. Its senior staff will be transferred to the new Saudi company and a firm will be set up by the American oil companies to "help" the Saudis, he explained. Americans, he said, will perform the functions they have in the past, "except make policy. In matter of fact, this is what is happening now."●

PRESIDENT'S COMMITTEE HONORS HANDICAPPED AMERICANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FINDLEY. Mr. Speaker, today the President's Committee on Employment of the Handicapped presented the Presi-

dent's trophy honoring the handicapped American to James D. Jeffers.

Mr. Jeffers lives in Chatham, Ill., and works in Springfield, the hometown of Abraham Lincoln. He has carried out the Lincoln spirit in devoting his life to help clear the way so that handicapped persons receive opportunities for having full and meaningful lives. That is the right of every American. Mr. Lincoln would be proud of Jim Jeffers.

When Mr. Jeffers served as the first executive director of the Architectural Transportation Barriers Compliance Board here in Washington, he took the lead in getting the Federal Government to overcome architectural barriers in its buildings so that those who are handicapped could have access to their Government. While serving on Illinois Gov. Richard Ogilvie's staff he coauthored the Illinois Equal Opportunities for the Handicapped Act of 1971. That act protects the disabled from discrimination in employment, housing, and in financial and property transactions.

Mr. Jeffers has been a paraplegic since an automobile accident while he was attending high school. Yet he has allowed no obstacle to stand in his way. By accepting the award, Mr. Jeffers symbolizes in the most practical way that, given a reasonable chance, handicapped persons can make some of the most valuable contributions to American life.●

TURKISH ARMS EMBARGO

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GILMAN. Mr. Speaker, yesterday I voted against the action taken by the Committee on International Relations to repeal the current arms embargo against Turkey. By a vote of 18 to 17, the committee agreed to an administration request to lift the congressionally imposed ban on arms sales to that nation. This embargo, as you recall, was legislated after Turkey violated U.S. laws by using American supplied weapons for offensive purposes in its August 1974 invasion and occupation of Cyprus.

Unfortunately, the Cyprus crisis remains unresolved. The adverse consequences of a continuation of the current unrest increases with each passing day. In my opinion, the United States must continue to use the influence and leverage provided by the embargo to insist that the violation of our law is ended with the removal of the Turkish troops in Cyprus.

In October 1975, I voted with the majority of the Congress in passing legislation to partially lift the embargo against Turkey. It was our hope that such action would encourage Turkey to reach a settlement on the Cyprus question. As a result of that action, we have permitted military sales totaling $125 million in fiscal year 1976, $125 million in fiscal year 1977, $175 million in fiscal year 1978, and an administration request of $175 million for fiscal year 1979.

As we have seen, the objectives of the Congress in partially lifting the embargo have not been realized. Yet this new effort to completely repeal the embargo has been undertaken despite the lack of any substantial progress toward a settlement on Cyprus.

As stated by the New York Times in its April 9, 1978, editorial, this action to repeal the embargo as argued by Secretary of State Vance—

Is thus urging the Congress to join him in betting that once the American restrictions are removed, the Turkish government of Prime Minister Ecevit will be able to make large concessions that could not be made while the limits remain . . . the bet may be a bad one.

In an earlier editorial on March 31, 1978, the Times correctly pointed out that:

Strong sentiment continues in Congress that Turkish concessions are necessary before normal military relation can resume. That sentiment is justified. Turkey broke United States law and violated the spirit of its alliance when it used American weapons to expel Greek Cypriots from their homes and farms. Having made its point, Ankara should now pull back.

The editorial continued by pointing out that—

the Turkish occupation force is the central issue in contention, the first moves must come from Ankara.

By voting to maintain the embargo, I am not seeking punitive or discriminatory action against Turkey and I am not questioning her strategic importance or association with NATO. What I am seeking is that Turkey live up to the responsibilities required of all good allies and full partners in the defense of the free world.

When this legislation is brought to the floor of the House for consideration and final passage, I urge my colleagues to reconsider the action taken in the Committee on International Relations to lift the arms embargo against Turkey. The lifting of this embargo will remove the major incentive for Turkey to respond. I urge a retention of the current embargo.

For my colleagues' information, the complete text of the New York Times editorials follows:

[From The New York Times, Apr. 9, 1978]

TAKING A CHANCE ON TURKEY

Secretary of State Vance told Congress last Thursday that if only it would lift its restrictions on shipments of American arms to Turkey, the Turks and Turkish Cypriots would put forward new proposals for a Cyprus settlement. He may be right. But the issue is not whether there will be new proposals. Rather, it is whether the proposals will move Turkish troops back from the 40 percent of Cyprus they now occupy to a zone more nearly proportional to the 18 percent of the island's population that is Turkish. Secretary Vance is thus asking Congress to join him in betting that once the American restrictions are removed, the Turkish Government of Prime Minister Ecevit will be able to make large concessions that could not be made while the limits remain.

The bet may be a bad one. In Turkey's politics, no time is a good time for conceding territory to Greek Cypriots. And Mr. Ecevit's position seems less strong now than it did when he returned to office last Jan. 1. In Parliament he has been able to govern without the votes of ultranationalists. But in the streets extremists continue their campaigns of violent intimidation that have taken more than 100 lives this year. There is no reason to think that Mr. Ecevit himself does not want to be generous so as to remove the Cyprus problem from his crowded agenda. But in the prevailing political climate, concessions that are even remotely acceptable to the Greek Cypriots may be impossible. And once American pressure is removed, Mr. Ecevit will have even less reason to take political risks.

Secretary Vance emphasized the strains that the limits on arms shipments impose on Turkish politics and Turkey's links to NATO. But he glossed over the comparable strains on Greek politics, and Greece's links to NATO, if removal of the restrictions is not accompanied by a satisfactory outcome on Cyprus. Greece is no less important to NATO's southern flank than Turkey. Any bargain that "saves" Turkey for the alliance at the cost of losing Greece would be hollow indeed. And if, as is likely, Congress should refuse to ease the limits on Turkey, the Administration's present approach risks alienating both countries.

Turkey's spokesmen decry what they see as an American tilt toward Greece, and they say that they only want Americans to be "even-handed." Yet in the present Cyprus situation, removing the arms limits would amount to a tilt toward Turkey. So long as Ankara's troops remain where they are on the island, Congress should retain the only leverage it has.

[From the New York Times, March 31, 1978]

THE WAY BACK FROM CYPRUS

Since 1974, when Turkish troops, using American weapons, occupied two-fifths of the island of Cyprus, relations between Ankara and Washington have been sour. Congress has limited the flow of additional arms until Turkey pulls back its forces; successive Turkish Governments have refused to define their conditions for withdrawal under such pressure. Both the United States and Turkey will end up losers if no way can be found to break out of this bind. Turkey could point the way by revealing its proposals for a Cyprus settlement.

Turkey's invasion was scarcely unprovoked. The 18 percent Turkish minority on Cyprus had never been well treated by the Greek majority. And in July 1974, a coup brought to power a hard-line Greek-Cypriot faction that seemed likely to take even less account of Turkish-Cypriot rights. Although the insurgent regime lasted only a few days, that was long enough to precipitate Ankara's invasion.

Ankara has reacted to the limit on arms sales—$175 million this year—by sharply restricting American use of NATO facilities in Turkey. Under steady pressure from Greek-Americans, Congress has remained firm. But the Ford Administration strongly deplored the Congressional restrictions as harmful to NATO—and thus caused the Greek Government to curtail its military cooperation with NATO. The Carter Administration has tried to straddle the issue. It has continued discussions for a defense agreement that would substantially increase American military aid to Turkey. But it has implied that it would not conclude the agreement until there had been progress on Cyprus. Early this month, Secretary of State Vance was explicit: Wash-

ington would not move, he told Congress, until it had examined proposals for Cyprus promised by Turkey's new Prime Minister, Bulent Ecevit.

More intolerable "linkage," responded Mr. Ecevit—and this time from the Administration, not merely from Congress. He countered with reverse linkage: no Cyprus proposals until the heat is off. That message, and subsequent hints that Turkey might withdraw its half-million men from NATO's command and even sign a nonaggression pact with Moscow, caused a high-level American delegation to hurry to Ankara this week to attempt to set things right.

That won't be easy. Strong sentiment continues in Congress that Turkish concessions are necessary before normal military relations can resume. That sentiment is justified. Turkey broke United States law and violated the spirit of its alliance when it used American weapons to expel Greek Cypriots from their homes and farms. Having made its point, Ankara should now pull back. Greek Cypriots—and Greece—realize there can be no return to the old arrangements on Cyprus. They acknowledge that Turkish Cypriots should enjoy nearly complete autonomy, including a territorial zone of their own, but one roughly proportionate to the size of the Turkish-Cypriot population.

There is every reason to believe that both Prime Minister Ecevit and the Turkish military leadership would like to pull back. Because the Turkish occupation force is the central issue in contention, the first moves must come from Ankara. Since the issue continues to be the most explosive one in Turkey's politics, such a move would be painful. But Mr. Ecevit is in a strong parliamentary position; unlike his predecessor, he does not depend upon ultranationalists for his majority.

Turkish disassociation from NATO would be costly to the United States. But it is the Turks who should calculate the benefits of full participation in NATO; it is they who face the risks of weakened ties to the West. Meanwhile, those who would support NATO by lifting the restrictions on arms to Turkey should remember that Cyprus is just as emotion-wrenching an issue in Greece. It would not strengthen the alliance to appease Turkey at the expense of turmoil in Greece.●

LAND USE ALREADY CONTROLLABLE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GRASSLEY. Mr. Speaker, we are continually hearing about how developers in the private sector are responsible for removing vast amounts of agricultural land from production. However, in my opinion, too often we overlook the effects of decisions of units of government at all levels on taking agricultural land out of use.

For example, everyone is aware that the placement of water and sewer lines around a town or city, to a great degree, dictates where development will occur. To further illustrate the point, a recent project announcement from the Farmers Home Administration in the U.S. Department of Agriculture approving a loan application in the comments section stated:

The loan will be used to purchase agricultural land and develop an industrial site. The project will help to attract private business enterprises which will alleviate unemployment in the trade area."

Mr. Speaker, I am very concerned about the removal of land from the production of agricultural commodities, especially its effects on family farmers and those who are trying to get started in farming, but my concern is more a fear of Government policies that promote industrial and residential development of prime agricultural land than fear emanating from private development.

Recently, an article by Frances de Buhr appeared in the opinion section of the April 13 edition of the Mason City Globe Gazette in which she expressed in a concise and commanding fashion many of the same concerns I have just stated. In order that I might share this article with my colleagues, the text of her opinion follows:

LAND USE ALREADY CONTROLLABLE

(EDITOR'S NOTE.—The following commentary is a transcript of remarks made by Frances de Buhr at the third public hearing of the Cerro Gordo Land Preservation Policy Commission.)

(By Frances de Buhr)

I represent no group. I am here because I have noticed in the paper that you wanted input from private citizens. Having listened to the legislature debate a land-use policy and having read in the newspaper the procedures you are attempting to follow, I have a couple of questions to ask.

It seems to me as I observe the development of Iowa land, there are no new developments that haven't been made possible by decisions by some unit of government to extend water and sewer beyond the existing city limits. The junior college was taken east of town. Water and sewer was provided by a unit of government. The city limits were extended, and now the Zoning Commission will decide how that land is to be developed between here and there.

West of town, first the fairgrounds had water and sewer extended. Now Armour and the hospital are being built west of town with the promise that water and sewer would be provided. The roads already existed. The city limits were extended, thereby guaranteeing the protection of fire and police.

I haven't seen any unscrupulous land developers developing agricultural land whose actions weren't preceded by a decision meted out by a unit of government! Federal funds have assisted state and city and county decisions for development. No private citizen has gone out and developed agricultural land west, east, north or south of Mason City who wasn't following in the steps of a unit of government extending water, sewer, roads and police protection.

Why are you asking for citizen input? Do you want suggestions for some superstructure or commission overseeing federal and state and county and city decisions? These units of government are the ones making the decisions. Not I. Not you. Not even our Zoning Commission. They simply decide who is going to develop the rest of the land once water, sewer, roads and police protection are provided.

I followed the charts that Mr. Williams (Spencer Williams of Iowa State University Extension Service) showed us and I have no objections to the suggestions, but we don't decide who develops the land. The units of government decide. Then it becomes a very political issue as to how the rest of the land is going to be developed. I ask myself if I am being led on a wild goose chase being asked for input.

I come back to the fact that I don't represent an area of government except as my vote counts in the city elections, and it seems to me that maybe we are being asked to set up another huge bureaucracy to play around with what is left once the unit of government decides to extend the facilities necessary for development.

I close by quoting last night's (March 15) editorial in the Globe-Gazette. "Zoning is honored at least as often in the breach as in the observance." It goes on to ask how we are going to curb this proliferation of globbling up of Iowa's valuable farm land.

Well, it would seem to me that if federal government funds were cut off tomorrow in the form of loans and in the form of grants for water and sewer, we wouldn't have to worry about any further development of Iowa land beyond agricultural means.●

SEVENTY-FIVE PHILIPPINE JESUITS PROTEST FRAUD IN THE RECENT REELECTION OF PRESIDENT MARCOS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. DRINAN. Mr. Speaker, I attach herewith a statement issued by 75 Jesuit educators and churchmen in the Philippines. The first signature on this protest is the Very Reverend Joaquin G. Bernas, S.J., provincial of the Jesuit Order in the Philippines. Other signers include the former provincial, Father Francis X. Clark, S.J., and Bishop Francisco F. Claver, S.J. Virtually all of the other signers have been associated with the Ateneo University in Manila.

All of the signatories are Filipino citizens; they protest the widespread irregularities in the recent elections in the Philippines. The letter states that at this time "there are no effective legitimate avenues of justifiable protest" and that, as a result, President Marcos is requested to create an independent investigative group to look into the conduct of the elections. The letter of the Filipino Jesuit leaders also requests that President Marcos drop the charges of the many people seized in a mass arrest of the protesters in a demonstration held on April 9, 1978, to protest the illegalities in the election.

The statement, which was denied publication in the press in Manila, follows:

APRIL 16, 1978.

His Excellency FERDINAND E. MARCOS,
President of the Philippines,
Malacanang Palace, Manila.

MR. PRESIDENT: We the undersigned Filipino citizens are convinced:

1. that widespread irregularities, some of them violative of human rights, characterized the last elections in the Metro Manila area;

2. that the widespread irregularities substantially affected the outcome of the last elections in the Metro Manila area;

3. that therefore the protest march held last April 9, 1978, was a justifiable form of protest;

4. that therefore the mass arrest of the protestors was violative of human rights;

5. that the political climate now is such that there are no effective legitimate avenues of justifiable protest and that, for as long as this climate continues, recurrent disturbances will endanger the nation and the welfare of the people.

We therefore ask, in the name of the human and Christian values sacred to our nation:

1. that you create an independent investigation body, other than the COMELEC, with sufficient authority to look into the conduct of the last elections and to recommend appropriate action;

2. that you open up effective legitimate avenues of protest;

3. that the charges against those who were arrested in connection with the April 9 protest march be dropped.

We have written this letter in our own name and in the name of the many voiceless, especially the poor, who have suffered from these injustices, and we offer it in the spirit of true reconciliation among our people.

Signed:

Joaquin G. Bernas, S.J., Elmer A. Romero, S.J., Ramon Mores, S.J., Samuel C. Dizon, S.J., Vicente San Juan, S.J., E. P. Hontiveros, S.J., Mateo A. Sanchez, S.J., F. X. Clark, S.J., Bienvenido, F. Nebres, S.J., Antonio B. Lambino, S.J., C. Silverio, S.J., Arsenio C. Jesena, S.J., J. Diaz, S.J., D. Macalam, S.J., Agustin L. Nazareno, S.J., Sim Sunpayco, S.J., O. A. Millar, S.J., H. Maceda, S.J., J. Mario Francisco, S.J., Pedro C. Sevilla, S.J., Al Nudas, S.J., Victor R. Salanga, S.J., Ando Macalinao, S.J., Santiago A. Gaa, S.J., Sulpicio Quipanes, S.J., Rey Ocampo, S.J., Atilano Quidlat, S.J., Placido Que, S.J., Juan E. Montenegro, S.J., Benigno A. Mayo, S.J., Catalino G. Arevalo, S.J., Francisco F. Claver, S.J., Luis E. Pacquing, S.J., Francisco Demetrio, S.J., Renato V. Jimenez, S.J., William P. Klintworth, S.J., and Ramon Prudencio S. Toledo, N.S.J.

Jose C. Blanco, S.J., Tim Ngodcho, S.J., T. M. Ofrasio, S.J., Raphael de Ocampo, S.J., Ruben M. Tanseco, S.J., Alexander C. Benedicto, S.J., Walter L. Ysaac, S.J., Faustino G. Refuerzo, S.J., Mon H. Taroy, S.J., Danilo M. Madrazo, S.J., Joe Vibar Nero, S.J., Antonio S. Samon, S.J., Vic Ibabao, S.J., William J. Schmitt, S.J., Alberto V. Ampil, S.J., John N. Schumacher, S.J., Florencio R. Cuerquis, S.J., Vitaliano R. Gorospe, S.J., Jose R. de Leon, S.J., Raul J. Bonoan, S.J., C. O. Lim, S.J., Nicomedes T. Yatco, S.J., Edmundo M. Martinez, S.J., Will H. Kreutz, S.J., Rodolfo A. Malasmas, S.J., Dennis Ma. C. Rago, S.J., R. Javellana, S.J., Ruben G. Reyes, S.J., F. Ll. Ramirez, S.J., Vicente Marasigan, S.J., Frank Lynch, S.J., Nemesio S. Que, N.S.J., Ludovico M. Eduave, N.S.J., Nick Luna, N.S.J., Solito Barana, N.S.J., Ted Butalid, S.J., Antonio J. Ledesma, S.J., and Miguel Ma. Varela, S.J.●

EXPLANATION FOR ABSENCE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BALDUS. Mr. Speaker, colleagues, I rise to explain that I was unable to be in attendance at sessions of the House on Monday, May 1, Tuesday, May 2, and the beginning of session today, May 3, because I was in North Dakota attending funeral services for my mother-in-law, Mrs. Anna Lokken Reiten.

I would also like to express my appreciation to the distinguished gentleman from Iowa, Representative NEAL SMITH, for the ability which he demonstrated in assuming the floor management responsibilities for me on H.R. 11713, solar energy sources loan program. I would further like to thank Representative BERKLEY BEDELL of Iowa for his excellent statements on the floor in support of the bill, and to commend the whole House for passing this legislation by such an overwhelming margin.●

RICHMOND PUBLIC SCHOOL CELEBRATES 50TH ANNIVERSARY

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEDERER. Mr. Speaker, over the last 50 years, the Richmond Public School located at Belgrade and Ann Streets in my congressional district in Philadelphia has served the community and has provided an education to countless thousands of Philadelphia's children. The school will be celebrating its 50th anniversary on May 25 and 26, and I think it fitting that as the Representative from this congressional district, I bring the inspiring story to the Members of this House.

The history of the Richmond School goes back to 1846, when the first school was erected. This section of Richmond, sometimes called Port Richmond, originally the name of a tract of land on the township of Northern Liberties, adjoining the Delaware north of Ball Town and south of Point-to-Point is the home of this famous school. The name of Richmond was derived from the two county seats in the vicinity—the Richmond Lodge, which in 1808–09 belonged to the Fox family. It was incorporated as a district on February 27, 1847, a year after the school was erected, under the title of "The Commissioners and Inhabitants of the District of Richmond, in the County of Philadelphia." It extended along the Delaware River to a point some distance northwest of the upper end of Petty Island; then northwest nearly to the point where Frankford Creek makes its most southerly bend; then southwest to Westmoreland Street; northwest along the same to Emerald Street, southwest along the same to a lane running from Frankford Turnpike to Nicetown Lane; along the Frankford Turnpike to the north boundary of Kensington and down the same to Gunner's Run and along the stream to the Delaware River. The area was 1,163 acres. It became part of the city in 1854.

Mr. Speaker, indeed this area is rich in history. Richmond School was the 40th school in the city system. The original price of the structure was $7,597.93, a bargain for the education return on the investment.

The present structure was erected in April of 1929 and was part of district 7 which now is district 5 of the Philadelphia school system. The cornerstone of the present building was in place in 1928; 50 years this May.

Mr. Speaker, Richmond School is more than an educational institution—it is part of the history and culture of the Port Richmond area. The school is the representation of the strength of the Port Richmond area and its citizens, most of whom have lived there for all of their lives. It is a unique school, with a unique history and a unique spirit. The pride that our people have for their school is a source of real strength to all the residents of the city.

The graduates of the Richmond School have gone on to serve their city, State, and Nation in both war and peace. Many of these graduates have distinguished themselves in service of their community and all have been good citizens.

Someone once said, "the purpose of education was to teach people to deal with their fellow human beings." The history of the Richmond School as witnessed by their graduates proves that education of the highest order has been the goal of this school.

Yes, Philadelphia has real problems like most big cities—yet, because of the community devotion exhibited by the residents of Port Richmond to their school, I am quite confident the challenges we face as a city can be met.

Mr. Speaker, may I extend my sincere congratulations to all the residents of the Port Richmond area on this anniversary of the Richmond School. May I also extend these congratulations to Mr. Irving Rosen, principal of the school and to Mrs. Phil Carroll, president of the Home School Association and to all the distinguished members of the association. Additionally, may I express my personal pride for the opportunity these wonderful people have given me to represent them in this august body.●

PLIGHT OF PAVEL PERETZOVICH ABRAMOVICH—A TRAVESTY OF JUSTICE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEHMAN. Mr. Speaker, I wish to call attention to the plight of Pavel Peretzovich Abramovich who wishes to emigrate from the Soviet Union to Israel. Mr. Abramovich, a respected electronics engineer, applied for permission to go to Israel in 1971 and has been repeatedly refused.

The courage and endurance which Mr. Abramovich and his family have revealed is a lesson to us all. It is courageous that Mr. Abramovich now openly lists his occupation as a Hebrew teacher, unremarkable in any place but the

Soviet Union where it is impossible to obtain textbooks, training, or the official recognition accorded teachers of other foreign languages. Pavel Abramovich is one of a small group of heroic figures, the Hebrew teachers of Moscow, who are self-taught and dedicated to a future in Israel.

Pavel has publicly renounced his Soviet citizenship, claiming instead, Israeli citizenship. He has sent appeals to the United Nations Human Rights Commission, issued press statements, and has been arrested on several occasions for protesting the treatment of Soviet Jews. His home has been repeatedly searched and personal property confiscated.

Pavel has now been threatened with the familiar charge of "parasitism," an example in "Catch-22" logic, despite the fact that he has been earning his own income by teaching. This pattern of harassment begins with the first application for an exit visa. The loss of livelihood, the curtailment of mail, the harassment of being searched, arrested, and finally tried for "parasitism" and sentenced to years in labor camps or prisons is this kind of persecution endured by those who wish only to leave Russia and live in Israel.

The willingness of Pavel Peretzovich Abramovich and other Soviet Jews to stand up and to resist Soviet violation of the Helsinki accord, and to endure the hardships resulting from this choice of conscience, should move those of us who are not bound by such constraints to speak out against this travesty of justice. Our action on behalf of Soviet Jews can only give them strength to persevere until freedom has been achieved.●

DEPARTMENT OF JUSTICE HISTORY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. RODINO. Mr. Speaker, recently the Attorney General of the United States, the Honorable Griffin B. Bell, gave the "Sonnet Lecture" before Fordham Law School. The title of the lecture was "The Attorney General: The Federal Government's Chief Lawyer and Chief Litigator, or One Among Many?"

It is a thoroughly well-researched, well-articulated history of the Department of Justice and its role as the Government's chief legal voice. It points up some disturbing facts. Judge Bell is to be commended for his inciteful look at the problem and his desire to bring stability to Federal law.

I would like to take this opportunity to share the Attorney General's remarks with my colleagues:

THE ATTORNEY GENERAL: THE FEDERAL GOVERNMENT'S CHIEF LAWYER AND CHIEF LITIGATOR, OR ONE AMONG MANY?

I became Attorney General with fixed expectations about the Department of Justice. Despite its size and recent history I expected to find a strong Department with a clear understanding of its place in the nation's government and a confident vision of its future.

After only a few weeks on the job I began to question my expectations. Now, well into my second year, I believe I fully appreciate the realities of the Department of Justice.

The truth is that the Department of Justice is strong. But it is a strength born solely of the outstanding individuals who comprise it. The Department as a whole draws little strength or stability from a clear conception, either within the Department or elsewhere, of the role that the Department should play in our Federal government. Least of all is there a clear course charted for the future of the Department.

As Attorney General I am unavoidably caught up in several great issues: the investigation of Korean influence-buying in Congress, the investigation of past abuses in the Federal Bureau of Investigation, the national effort to develop a response to the influx of undocumented aliens, and several others. But these headline-grabbing issues will pass, many to become mere footnotes to history. As much as possible without short-changing sensitive matters of the immediate moment, I am focusing on the Department of Justice as a whole—past, present, and future. It is my firm belief that clarifying the position and role of the Department of Justice in the order of government is of first importance to the long-range interests of the nation.

Tonight I want to share some of what I have learned about the Department, some of my perceptions of its current problems, and some tentative views on its proper place in our system.

The Department of Justice today has 54,528 employees, including 3,806 attorneys (2,008 in the Justice Department and 1,798 in the United States Attorneys Offices). About 92% of our attorneys are involved in the trial and appeal of lawsuits. The other 300 attorneys supervise divisions or offices, render legal advice, consult with Congress or other departments and agencies regarding legislation, and—to a quite limited extent—draft and interpret rules and regulations.

Shortly after I took office, the President asked me to determine the total number of lawyers in the Government and their functions. I learned that such information had not been gathered in several years, so we started an inventory of every department and agency in the Government. We discovered 19,479 lawyers who are performing "lawyer-like" functions—litigating, preparing legal memoranda, giving legal advice, and drafting statutes, rules and regulations. These lawyers are distributed throughout the departments and agencies, and practically no agency is too small to have its own "General Counsel."

Some of the 15,673 Federal lawyers in Government agencies outside the Department of Justice are handling litigation themselves; some are involved in direct support of the Justice Department's litigation efforts. Others are involved in other administrative law functions within their agencies. About one-fourth of all the Federal government's lawyers, 5,247[1] to be exact, are in the Department of Defense and the military services where they administer a totally separate court-martial system under the Uniform Code of Military Justice.

Although I am the chief legal officer in the Executive Branch, I have learned that I have virtually no control or, direction over the lawyers outside the Department of Justice, except indirectly in connection with pending litigation.

I. HISTORY OF THE DEPARTMENT

It may come as a surprise to many of you, as it did to me, to learn that the Department of Justice is little more than a century old. For over eighty years the nation had only an Office of the Attorney General. This fact alone, and the reasons for it, go far to explain the absence of strong traditions and clearly defined roles to undergird the present Department.

The first Congress created the Office of Attorney General in the Judiciary Act of 1789, at the same time it created the federal court system. The Act called for "a meet person, learned in the law, to act as Attorney General for the United States," but gave him little power. He was to do nothing more than represent the United States before the Supreme Court and, upon request, to give opinions on matters of law to the President and heads of departments. Congress also clearly intended the Attorney General to rank below the heads of the three departments—War, Foreign Affairs, and Treasury—which existed at the time. First, it ranked the Attorney General behind them for succession and protocol purposes. Whereas the salary for the heads of departments was set at $3500, that of the Attorney General was only $1500. And, whereas the department heads were given ample staff and quarters, the Attorney General received nothing beyond his salary—no funds for office rent, clerk hire, stationery, postage, candles, oil for lamps, or coal for a heating stove. The Attorney General was required to pay all expenses out of his own pocket.

Historians have discerned two motives behind Congress' treatment of the Office of Attorney General. The first was frugality; the new nation was unsound financially and Congress had to cut corners wherever possible. But the second and important motive for our purposes was fear of a strong Attorney General. Those early representatives vividly remembered the tyranny that could result from strong central enforcement of laws, and they hesitated to create machinery in the executive branch that possibly could serve as an engine of oppression. Nowhere was this concern more evident than in the arrangement for the enforcement of penal law and the representation of the federal government in civil litigation at the trial level. The Judiciary Act gave the Attorney General no role in either matter, vesting both powers exclusively in the thirteen United States Attorneys, then called district attorneys, who were totally independent of the Attorney General.

The first Attorney General, Edmund Randolph, made his first report to the President in 1791. In it he sought redress of the very handicaps that Congress had intentionally placed upon him. He requested authority to participate in litigation in the inferior courts, in order to have some input into making the records in cases which he eventually would have to argue in the Supreme Court. He requested authority to supervise the district attorneys, because they already had shown tendencies toward uneven enforcement of the laws. And he requested a clerk to help him with the simple mechanical chores of his office. President Washington endorsed all three requests and transmitted them to Congress—where they got nowhere.

The congressional snub of Randolph's recommendations in 1791 established a pattern that was to persist for decades. Seven Attorneys General has succeeded Randolph before Congress in 1818 finally appropriated funds for the hire of a clerk. Despite renewed recommendations by President Jackson in 1829 and 1830, by President Polk in 1846, and by President Pierce in 1854, it was not until 1861—a full 70 years after the first request by Randolph and Washington—that Congress finally gave the Attorney General some measure of authority over the district attorneys.

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[1] Including 3,739 in uniform.

The congressional opposition to these requests by successive Administrations illustrates the persistence throughout much of the nineteenth century of the fear of a strong Attorney General. As the federal government grew its legal business grew along with it. There were periodic attempts by some Administrations and some members of Congress to gain support for the idea of a centralized law department to handle that legal business. The unfailing reaction of Congress to each new increment, however, was to create a law officer, usually known as a Solicitor, in the department generating the legal issues and put him in control of the resulting litigation with no duty to answer to the Attorney General. The first Solicitor was created in the Treasury Department in 1820. The next fifty years witnessed a steady stream of such officers—Solicitors for the Navy, for the War Department, for the State Department, for the Post Office, for Internal Revenue.

As for the Attorney General, the Congress was perfectly willing to add piecemeal to his duties, for instance placing him on the Patent Board making him a member of the Sinking Fund Commission—whatever that was, and rerouting Executive Clemency petitions from the State Department to him. But Congress refused to authorize any enlargement of his legal domain. And it was careful to keep the Attorney General's staff just large enough—some would say too small—to assist him with his already assigned duties, so there was no chance of his augmenting his power by asserting de facto control over legal business where Congress had refused him de jure authority. In fact, in debates over how to handle new increments of federal litigation, those who opposed the creation of a law department invariably cited the overworked state of the Attorney General as proof that the new business could not be lodged with him.

At some point, of course, the fear of centralized authority had to dissipate as the memories of legal oppression from the old world receded and the federal government increased in power without becoming more prone to abuses of the states or individuals in the process. Added to that development was a growing belief that centralization of the legal activity of the federal government would be more efficient and thus cheaper than the system of Solicitors and relatively independent district attorneys. That system had effectively broken down under the continuing press of new business in the 1860s, resulting in the hiring of numerous outside counsel at considerable expense.

The conjunction of these two threads—acceptance of the idea of centralization, and a desire for economy—helped to create the Department of Justice in 1870. The debates in Congress at the time evidence a third reason for the move: the need to insure that the federal government spoke with one voice in its view of and adherence to the law. Senator Jenckes of Rhode Island, in explaining the proposal to the Senate, addressed himself to the existing Solicitors and expressly spelled out this purpose:

"I need not dwell upon the manner in which these officers have performed their duties. I have no doubt they have performed them to the best of their ability and honestly in every case. But we have found that there has been a most unfortunate result from this separation of law powers. We find one interpretation of the laws of the United States in one Department and another interpretation in another Department. . . ."

* * * * *

". . . It is for the purpose of having a unity of decision, a unity of jurisprudence, if I may use that expression, in the executive law of the United States, that this bill proposes that all the law officers therein provided for shall be subordinate to one head."

The act establishing the Department of Justice sought to remedy the problem of divergent executive branch legal views by giving the Attorney General supervision over the several departmental solicitors as well as the district attorneys and any outside counsel employed on behalf of the United States. The position of Solicitor General was created as an assistant to the Attorney General, as were two positions of Assistant Attorney General. The act also gave the Attorney General and the Department of Justice control of all criminal and civil litigation in which the United States was interested.

On its face the fact of 1870 seemed to presage preeminence for the new Department of Justice and a new era of economy and harmony in the legal business of the federal government. But two serious oversights by Congress at the time effectively doomed from the outset this attempt to consolidate and rationalize the federal legal activity. First, Congress failed to repeal or modify the statutes establishing the various solicitors as independent legal officers and defining their duties. The 1870 act did state that they now were subject to "supervision" by the Attorney General, but that is a vague term and the solicitors continued to claim their same pre-1870 powers and independence. The second oversight greatly compounded the difficulties caused by the first. Congress gave the new Department no building or other quarters where all of the attorneys under the Attorney General's supervision could concentrate their offices. The solicitors stayed in the buildings housing their old departments, where they were subject to continuing supervision by the heads of those departments rather than their nominal new boss, the Attorney General.

Congress was exhibiting a curious ambivalence about the role of the Attorney General and the Department of Justice, appearing to give them total control over the nation's legal business on the one hand but failing to take action necessary to make that control effective on the other. Within five years of creating the Department of Justice, Congress took three steps that showed it had not been serious about centralizing all legal activity under the Attorney General. In 1871 and 1872 it created two new Assistant Attorney General positions but expressely assigned them to the Interior and Post Office Departments where they were subject to supervision by the heads of those departments rather than the Attorney General. And in 1874 Congress re-enacted all of the old laws defining the roles of the solicitors, with no attempt to modify their powers so as to subject them to more effective Attorney General control.

The creation of the first independent regulatory agency, the Interstate Commerce Commission, in 1887, with the express Congressional intent that it not be under the control of the President or the Executive Branch, added a new dimension of what Congress intended the role of the Department of Justice to be. There is some evidence that the Commission handled most of its cases in the lower courts from the beginning, and that it cooperated with the Solicitor General in the presentation of its cases to the Supreme Court. In any event, in 1910 President Taft sent a special message to Congress recommending that all litigation affecting the government be under the control of the Department of Justice and specifically objecting to the practice of the Interstate Commerce Commission in employing its own attorneys who, "while subject to the control of the Attorney General, act upon the initiative and upon the instructions of the Commission." After a vigorous debate in Congress—centering largely on whether the Department of Justice would have authority to second-guess the Commission on the merits—Congress enacted legislation allowing the Commission to intervene as a party and, as such, to be represented by its own attorneys. Justice Department attorneys could therefore oppose the Commission's attorneys in court, and indeed, that has happened on a number of occasions, although the Commission and the Solicitor General have cooperated to file joint briefs in the Supreme Court in most cases.

During most of the pre-World War I period, however, the Attorney General was nominally the head of all federal legal activity, but the solicitors and their offices retained their actual independence. The Labor, Commerce, and Agriculture Departments were created, each with its own solicitor. And at the Attorney General's suggestion the two Assistant Attorneys General in the Post Office and Interior departments were made Solicitors in acknowledgment of their real independence from him.

There was one bright spot for the Attorney General during this period. In 1886 the last vestige of the earlier concern with downgrading the Attorney General was removed when the Attorney General was restored to the fourth rank among Cabinet positions for protocol and succession purposes. Previously it had ranked behind all other heads of departments, even those created after the Office of Attorney General.

At the outset of World War I many new agencies were created in the federal government to meet the emergency situation. Following the lead of the older departments, these agencies all insisted on their own legal counsel and authority over their own litigation. Their demands created enough confusion that the question of the lack of centralized litigating authority was brought to President Wilson's personal attention. The result was an Executive Order under which all solicitors and other law officers were directed to submit to the Attorney General's authority, and the Attorney General's legal opinions were made binding on all executive departments. But this Executive Order was promulgated under an act giving the President temporarily expanded powers for the war effort and it expired along with the act six months after the armistice. The predictable result was an almost immediate return to the status quo ante, with all solicitors and other legal officers reasserting their independence from the Attorney General.

In 1920, the Interstate Commerce Commission attorneys were granted statutory authority to appear for the Commission "in any case in court." Later that same year, the United States Shipping Board was given the right to employ attorneys to "represent the board in any case in court." Soon a Veterans Bureau was established, and its attorneys were given control over all veterans' litigation.

Before long, different parts of the government again were making different interpretations of the same laws and again taking inconsistent positions before the courts. In 1928, the Attorney General in his Annual Report likened the situation to that which existed prior to the creation of the Department of Justice in 1870. He noted that only 115 of the 900 [2] legal positions in the executive departments and agencies in Washington were even nominally under this control. The Attorney General recommended that serious consideration again be given to con-

[2] Compared to 3,806 of the 15,740 Federal civilian lawyers today.

solidating all legal activities under the chief law officer of the Government.

A few months into his Administration, President Franklin Roosevelt issued an Executive Order centralizing all litigating authority in the Department of Justice and giving the Attorney General the exclusive right to supervise United States Attorneys. Roosevelt's action, like that of the Congress in 1870 and President Wilson in 1918, resulted from a perception that decentralized control of the government's legal affairs had led to chaos and excessive expense.

Roosevelt's effort met the same fate as the two before it. The trend away from centralized responsibility started again almost immediately. The National Labor Relations Board was established in 1934 and the Securities and Exchange Commission in 1935, and both were given the power to conduct their own litigation. The cycle of disintegration and reform had continued.

The exceptions to centralized litigation authority which were created during the next 35 years mostly involved new independent regulatory agencies, although one Executive Department, the Department of Labor, also received some independent litigating authority. Agencies such as the Federal Communications Commission, Federal Power Commission (now Federal Energy Regulatory Commission), Federal Maritime Commission, Atomic Energy Commission (now Nuclear Regulatory Commission), and the Equal Employment Opportunity Commission, were granted at least some degree of independent litigating authority. Since about 1969–70, new grants of independent litigating authority have literally seemed to explode, with authority not only going to independent agencies such as the Consumer Product Safety Commission, the Commodities Futures Trading Commission, and the International Trade Commission, but also some Executive Branch agencies such as the Environmental Protection Agency. Today some 31 separate Federal government units have or exercise authority to conduct at least some of their own litigation.

II. THE PRESENT

The basic statutory scheme today is the same as in 1870: except as otherwise authorized by Congress, the conduct of litigation in which the United States, an agency or officer thereof is a party, or is interested, is reserved to officers of the Department of Justice, under the direction of the Attorney General. The problem is the number of exceptions authorized by Congress. Professor John Davis has aptly characterized the situation as follows:

". . . a continuing effort by Attorneys General to centralize responsibility for all government litigation in Justice, a continuing effort by many agencies to escape from that control with respect to civil litigation, and a practice by Congress of accepting the positions of the Attorneys General in principle and then cutting them to pieces by exceptions."

Prosecution of all criminal violations is controlled by the Department of Justice, and I do not understand that authority to be seriously challenged, but there is no consistent or rational statutory scheme applicable to agencies in civil litigation. The curious patchwork of civil litigation authority cannot be explained in terms of a congressional conception of the role of the Justice Department. Some grants of separate litigating authority seem to have been enacted simply because of loud and persistent complaints from the agencies seeking such authority. Others seem designed to increase the control of particular Congressional committees or subcommittees over particular agencies or programs. Neither a Congressional body which works closely with an agency, nor the agency itself, wants the Justice Department making decisions counter to their desires. Feifdoms have been created, and the Justice Department's efforts to ensure uniformity in Government litigating postures can constitute a real threat to them.

Some recent grants of independent litigating authority have occurred in strange ways. For example, the litigating authority of the Federal Trade Commission was significantly enlarged in 1973 by an amendment tacked onto the Trans-Alaska Pipeline Authorization Act on the floor of the Senate by Senator Jackson, thereby avoiding veto.

I recognize that Congress intended some regulatory agencies and government corporations to be independent of the Executive Branch and the President. The independence has extended to independence from the Department of Justice in legal matters, including litigation. The price of such independence is high, as it can and sometimes does result in two sets of government lawyers opposing each other at taxpayer expense. More importantly, it requires the Judicial Branch to decide interagency disputes that might be resolved more easily and better through the mediation of the Department of Justice.

I do not favor the independence of these regulatory agencies and Government corporations in legal matters. I think it is unseemly for two Government agencies to sue each other. It requires the Judicial Branch to decide questions of Government policy, a role never envisioned by our country's founding fathers. It is time-consuming and expensive. I believe it would be possible to preserve the independence of these bodies even if they were represented by the Justice Department. Such a system would be more efficient and would reduce the amount of judicial intrusion into intra-government disputes. The Department of Justice can exercise a review and supervisory function in an effort to bring uniformity to Government legal positions and still recognize the independence of the regulatory agencies' enforcement efforts.

My predecessors as Attorney General have shared my view that the Justice Department should represent the regulatory agencies. To date, however, Congress has been willing to pay the price of independent litigating authority for those agencies.

If separate litigating authority is going to continue for independent regulatory agencies and government corporations, then we should at least devise a rational system for the conduct of such litigation. One agency's case often will affect other regulatory agencies or Executive Branch departments. At the least, an agency should be required to alert the Justice Department in such cases so that the views of the Executive Branch can also be presented to the Court. If a case could affect the entire Government, such as an employment discrimination claim or a Freedom of Information Act complaint, the Justice Department should have control of the litigation rather than the single agency which is party to the case. The position taken by a single agency on a question of general concern should not bind the entire Federal government.

It is my view that the Justice Department should represent all Executive Branch departments and agencies. The Department must, of course, work closely with its clients in a cooperative effort, recognizing the peculiar expertise and abilities of agency lawyers and delegating authority to agency lawyers in certain circumstances, but always retaining final control in the Justice Department.

A study of federal legal offices in 1955 found that the absence of lines of authority from agency general counsels to the Attorney General contributed to the diversity of legal positions in the Federal Government. The report of that study strongly supported centralized litigation authority in the Department of Justice.

President Carter last August directed his Reorganization Project to study the way the Government's lawyers are used, stating that he considers "the effective use of legal resources to be a vital part of . . . [the] Administration's effort to improve the performance of the Federal Government. . . ." The President hopes that better use of these resources will enable the Federal government better to comply with its own rules and regulations and thus prevent unnecessary litigation and administrative delay. The President stated that he also hoped to improve the procedures for conducting government litigation in order to ensure more uniform application of the law.[3]

III. THE FUTURE

The President's Reorganization Project is completing its study and will forward its recommendations to the President in the next few weeks. This seems a particularly appropriate time to discuss the proper role of the Department of Justice in the future.

It is clear that the Solicitor General must continue to perform his current function of representing all the Executive Departments and the independent regulatory agencies. As counsel for the Federal Government, the Solicitor General is responsible for presenting cases to the Supreme Court in the manner which will best serve the overall interests of the United States. He is also responsible for deciding whether lower court decisions adverse to the Government should be appealed, and whether the Government should file *amicus curiae* briefs in cases to which it is not a party. During the past Term, the Government filed or supported petitions for writs of certiorari in 107 cases, 76% of which were granted. That percentage should be compared to the percentage of all petitions granted—6%. This reflects the Solicitor General's careful screening of the Government's cases, and his skillful advocacy in presenting the Government's views in an accurate and balanced manner. Last year was not exceptional—over the past decade, the Supreme Court has reviewed only 6–10% of the cases presented to it, but taken 60–70% of the Government's cases.

The United States is involved in about one-half of the cases decided on the merits by the Supreme Court each year. The Solicitor General's overview of all these cases is critical to avoiding inconsistencies in the Government's positions. His responsibility to the entire Government helps him avoid litigating a significant legal issue with Government-wide impact in a case which, because of its factual or procedural context, is a poor vehicle. An agency often does not see this broader picture—vindication in the pending case is often more important than the long-range interests of the United States. Solicitor General Erwin Griswold made that point in this way:

"The Solicitor General's client in a particular case cannot be properly represented before the Supreme Court except from a broad point of view, taking into account all of the factors which affect sound government and the proper formulation and development of

[3] In addition to studying the proper allocation of litigation authority, the President's Reorganization Project is examining several other issues that touch on the future role of the Justice Department. These include the flow of information between Government lawyers, the hiring and retention of lawyers, and their training.

the law. In providing for the Solicitor General, subject to the direction of the Attorney General, to attend to the 'interests of the United States' in litigation, the statutes have always been understood to mean the long-range interests of the United States, not simply in terms of its fisc, or its success in the particular litigation, but as a government, as a people."

The Solicitor General's screening function is an aid to the Supreme Court itself because of the large volume of cases filed there. The Court recognizes and supports this role. Chief Justice Burger sent a letter to Congress in 1971, on behalf of a unanimous Court, in response to a Congressional inquiry whether the Securities and Exchange Commission should be empowered to conduct its Supreme Court litigation independently of the Solicitor General's office. The Chief Justice noted the Solicitor General's "highly important role in the selection of cases to be brought here" and predicted that diluting the Solicitor General's authority would very likely increase the workload of the Supreme Court.

The various Solicitors General have been careful in the exercise of their authority, and the Office is well-respected by other departments and agencies for its expertise, independence, and objectivity. Although Congress has authorized several agencies[4] independently to file petitions for a writ of certiorari in certain categories of cases, such separate petitions have been relatively infrequent, presently averaging one or two a year. The Solicitor General's Office recognizes that control over the Government's litigation is not intended to transform the Department of Justice into a super-agency sitting in judgment on the policy decisions of other departments or agencies. With a few notable exceptions, such as the antitrust and the civil rights laws and the Freedom of Information Act, Congress has committed elsewhere the primary responsibility for most of the policy decisions in the Government.

It is my belief that all 3,800 lawyers in the Justice Department can perform with the same degree of independence, objectivity and litigation expertise as the twenty attorneys in the Solicitor General's office. Agency lawyers are enmeshed in the daily routine of a specific Government agency, and cannot be expected to litigate cases with the broad perspective and objectivity that ensures proper representation of the best interests of the entire Government, and therefore the people. Justice Department lawyers have the perspective and objectivity, but they must take care not to interfere with the policy prerogative of our agency clients. An agency's views should be presented to a court unless they are inconsistent with overall Governmental interests, or cannot fairly be argued.

Agency lawyers are often experts in their own regulatory and enforcement programs and statutes, and are often deeply involved in their agency's programs. Justice Department lawyers and United States Attorneys are litigation experts, and perform a critical function in translating the agency's programmatic expertise into effective briefs and arguments for judges who deal with an almost bewildering variety of cases and problems involving the Federal Government.

I recognize that our lawyers must better utilize the expertise of our client agencies. Since taking office I have recognized that we need to improve onr day-to-day working relationships with other agencies. We have taken new steps to ensure advance consultation with client agencies before cases can be settled, and to ensure that our client agencies are properly informed of the progress of pending cases. In short, we have tried to develop a new sensitivity to treating our client agencies as any private lawyer would treat a client. To help nurture this sensitivity, we are devising a new system of evaluating the performance of our lawyers which will include consideration of comments from the agencies they have represented.

We are considering other steps to more effectively and better serve our client agencies. A number of agencies feel that the Justice Department has not devoted sufficient effort to affirmative enforcement of their programs because of the demands of an increasingly heavy civil defensive caseload. One way to meet this problem may be the establishment of a group of attorneys who would litigate only affirmative agency cases.

Overburdened and strained resources continues to be a problem for the Justice Department, just as it was during our early history. We are examining ways to better manage the resources we have, including a better system of dividing civil cases between Washington and the field. We also have to work with our client agencies to make the most effective use of our attorneys. For example, every case does not need an agency lawyer in the field, an agency lawyer in Washington, a Justice Department lawyer in Washington, and an Assistant United States Attorney to review and agree to the filing of each pleading. More sensible delegations of responsibility simply have to be worked out. As a first step we are considering significantly increasing the authority of United States Attorneys to settle monetary claims against the Government without first getting approval from Washington. In keeping with our concern for the views of our client agencies, however, if the client agency objects to the proposed disposition we will require review of the matter at a supervisory level of the Justice Department in Washington.

I would like to speak for a moment to another issue related to the Justice Department's role of representing agencies in litigation. I believe Justice can and should play a greater role in pre-litigation counseling of other departments and agencies.

After all, one of the principal functions of a lawyer is to "keep all clients out of court"—that is, to advise him or her how to accomplish objectives without leaving him or her vulnerable to suit. This legal counsel role for government agencies is now generally performed by their own general counsels. Functioning as a lawyer independent of the agency, the Department of Justice can provide the agency a dispassionate view of legal problems associated with policy objectives. Moreover, as chief litigator for the government, the Department is able to apply the knowledge and experience it gains in that arena to anticipating potential legal difficulties presented by agency activities.

A good example of how that experience has been put to use is in the area of agency affirmative action efforts. The Department has probed this complex area of the law through its experience in formulating a position in the *Bakke* case, as well as in representing the Department of Commerce in extensive litigation over the minority business enterprise provision of the Public Works Employment Act of 1977. By gaining familiarity with the issues common to all affirmative action programs we are able to advise of potential legal problems. Thus, the experience gained in filing a brief *amicus curiae* on behalf of the United States and representing the Department of Commerce might be utilized in advising the Department of Defense or representing the Labor Department.

Because the Department has become familiar with potential problems in the affirmative action area, I have brought those questions to the attention of the various departments and have offered the services of the Department in advising them on the establishment of such programs. For example, the Department has taken the position that an affirmative action program is legally justified if necessary to remedy the effects of past, public, and private discrimination. Articulation of such a purpose will aid a court in evaluating the legality of a program if it is later challenged. Moreover, we can advise agencies how to tailor their programs to accomplish their remedial objectives. In this way we hope to establish a uniform position throughout the government, to enable agencies to better accomplish their goals and to avoid litigation.

The Freedom of Information Act is another example of a set of legal principles and public policies which pertain to all federal activities and which should be interpreted and respected throughout the government with a fair degree of uniformity. There is a clear need for effective governmentwide coordination to avoid conflicting interpretations by various Government agencies. In 1977 the Justice Department consulted with other federal agencies over 400 times on Freedom of Information Act questions not then in litigation, and we feel these efforts make an important contribution to securing a uniform application of the law.

Since 1789, the Attorney General has been charged by statute with responsibility for providing the President and the heads of departments with his opinion on questions of law. With regard to the President, this responsibility was extended in 1870 to the giving of the Attorney General's "advice" as well as his opinion on legal questions.

Most opinions are rendered on questions that will not ultimately be resolved by the courts in litigation. Attorneys General have traditionally declined to render formal legal opinions on questions then in litigation. These opinions of the Attorney General are generally regarded as authoritative within the Executive Branch, and they may often have the salutary effect of avoiding litigation by acting as a check on Executive conduct that may not be in accord with the law.

Historically Attorneys General have personally approved and signed their opinions. Until 1950, preparation of those opinions was vested generally in the Solicitor General or the Assistant Solicitor General. In 1950, the latter position was abolished and the opinion preparation function was transferred to what is now the Office of Legal Counsel, headed by an Assistant Attorney General. In addition to preparing his formal legal opinions, that office, acting for the Attorney General, renders legal advice and opinions to the Executive Branch and agencies on a daily basis under the same rules as are followed with respect to formal opinions of the Attorney General.[5]

[4] These include the Federal Communications Commission, Nuclear Regulatory Commission, Interstate Commerce Commission, Federal Maritime Commission, Maritime Administration, and Secretary of Agriculture (under the Packers and Stockyards Act and Perishable Commodities Act). Additionally, the Tennessee Valley Authority has in some cases represented itself before the Supreme Court.

[5] Formal opinions of the Attorney General have been published in the past. We are now preparing for publication the first volume which will contain the separate opinion letters and memoranda of the Office of Legal Counsel as well as the formal Attorney General opinions.

The increased complexity of our society and the Government's relationship to it over the past several decades is reflected in the opinion-giving functions performed by the Attorney General and his subordinates. Today, the subject matter encompassed by that function is as broad as the activities of the Government itself. It is not an overstatement to say that, in this complex society, the need for sound legal advice in advance of Governmental action has become particularly acute. There is no substitute for doing something right the first time.

Another important objective—and one perhaps more difficult to achieve—furthered by the opinion function is ensuring that the many diverse agencies of Government speak with one voice on the many legal issues that cut across the responsibilities of more than one department or agency. In the past, the reconciling of inter-agency disputes regarding questions of law arising in litigation has often not taken place until specific cases are brought to the attention of the Solicitor General after a decision by a federal district court on the question involved. Where no litigation is involved, the opinion function may serve and has served to harmonize diverse legal opinions and to ensure that the Government acts legally.

As we examine what the role of the Department of Justice should be in the future, we must consider the fact that the past several years have seen a frequent voicing of the idea of an "independent" Attorney General. This concept encompasses the entire Department of Justice and contemplates some kind of formal measures to insulate it from Executive Branch pressures in carrying out its law-defining and law-enforcing responsibilities. The currency of this "independence" movement is partly due to the Watergate experience. Many people called not only for a cleansing of the Department but for the removal of the potential for abuse forevermore. In 1976, President Carter made the subject a part of the national debate by proposing during his campaign that the Attorney General be appointed for a term of between five and seven years, with removal occurring only upon Congressional and Presidential approval.

Discussions about the role of the Attorney General and his need for independence from policy matters are not new to the political scene. From the inception of the office of Attorney General, in the Judiciary Act of 1789, there has been ambiguity about the role, and disagreement about the independence, of the Attorney General. The Judciary Act described the functions of the office in terms seemingly without relation to the policy-making, politically-rooted tasks of the rest of the Executive Branch:

". . . to prosecute and conduct all suits in the Supreme Court in which the United States shall be concerned, and to give his advice and opinion upon questions of law when required by the President of the United States, or when requested by heads of any of the departments, touching any matters that may concern their departments."

The opinion-giving responsibility of the Attorney General was for "questions of law" only. Moreover, President Washington's letter to Edmund Randolph urging him to become Attorney General, indicates he was seeking a skilled, neutral expounder of the law rather than a political adviser:

"The selection of the fittest character to expound the laws, and dispense justice, has been the invariable object of my anxious concern. I mean not to flatter when I say that considerations like these have ruled in the nomination of the attorney general of the United States, and that my private wishes would be highly gratified by your acceptance."

Notwithstanding those noteworthy independent beginnings, our attorneys general soon came to know the tensions created when the independence of their deliberations came in contact with the policy preferences of the Presidency. Senator George H. Williams, who was later to become Attorney General himself, related such a clash during the controversy in 1830 over the national bank:

"Consulting with his Attorney General [President Jackson] found that some doubts were entertained by that officer as to the existence of any law authorizing the Executive to [designate certain banks to be depositories of U.S. funds], whereupon Old Hickory said to him, 'Sir, you must find a law authorizing the act or I will appoint an Attorney General who will.' "

This tension between the Attorney General's role in dispassionately defining the legal limits of execution action, or in steering the course of litigation, and the Presidential desire to receive legal advice facilitating certain policy decisions, has occurred in modern Administration as well.

In 1940, President Roosevelt determined to provide the British with 50 destroyers in exchange for long-term leases on British territory in the Western Hemisphere. However, the United States had in 1939 proclaimed its neutrality, which potentially barred such an exchange. As a result, three legal questions were posed to then-Attorney General Robert H. Jackson:

(1) Could the President acquire the leases by an executive agreement between himself and the British Prime Minister, or must the agreement be submitted to the Senate as a treaty? (2) Did the President have the authority to dispose of the 50 destroyers, and if so, on what conditions? (3) Did the statutes of the United States forbid delivery of such war vessels by reason of the belligerent status of Great Britain?

Although each of these issues was difficult, Jackson answered each in the affirmative in an opinion issued on August 27, 1940, and the exchange was made. But a respectable, though by no means unanimous, body of legal opinion in the United States thought that Jackson had gone too far in accommodating the law to the exigencies of politics.

A somewhat different account of limited independence of an attorney general is reported in Francis Biddle's account of the internment of Japanese in World War II. Biddle, Attorney General under Roosevelt, stated that at the time of the internment proposal he thought the program "ill-advised, unnecessary, and unnecessarily cruel." However, he did not so advise the President, and the Justice Department subsequently defended the action successfully before the Supreme Court. Biddle explained that he "was new to the Cabinet, and disinclined to insist on my view to an elder statesman [Secretary of War Stimson] whose wisdom and integrity I greatly respected."

A final illustration of the pressures on an attorney general when a President seeks a legal opinion on a course of action he deems to be necessary took place during the 1962 Cuban missile crisis. President Kennedy had determined to take some action, but there was concern whether Soviet ships bearing arms to Cuba could be stopped and searched, since a blockade is normally considered an act of war. The question posed to Attorney General Robert Kennedy was whether the ship searches could be denominated a "quarantine," and thus be a lawful defensive measure short of war. Because of time pressures, the opinion was hammered out in oral discussions between Justice and State Department lawyers. Notwithstanding grave questions of constitutional and international law, the opinion was favorable to the President's wishes.

This is due in part to the multi-faceted nature of the Attorney General's job. The Attorney General has a variety of responsibilities: to prosecute violations of federal law, to represent the United States in judicial proceedings, either as lawyer for client agencies and departments or as amicus in cases of national importance, to provide legal opinions on questions submitted by other departments and agencies, to provide requested comment on pending legislation, to propose and steer Justice Department legislation through the Congress, and to advise the President on the appointment of federal judges and prosecutors. These tasks and responsibilities require varying degrees of contact and coordination with the Executive Branch on the one hand, and independence from the Executive Branch on the other. Thus, the independence of the Attorney General has only a general, and uneven, tradition to support it, and a complexity that resists easy resolution.

The Executive Branch inevitably encounters legal questions arising out of its policy formulation and implementation alternatives. As a matter of good government, it is desirable generally that the Executive Branch adopt a single, coherent position with respect to the legal questions that arise in the process of government. Indeed, the commitment of our government to due process of law and to equal protection of the laws probably requires that our executive officers proceed in accordance with a coherent, consistent interpretation of the law to the extent that it is administratively possible to do so. It is thus desirable for the President to entrust the final responsibility for interpretations of the law to a single officer or department. The Attorney General is the one officer in the Executive Branch who is charged by law with the duty of advising the others about the law and of representing the interests of the United States in general litigation in which questions of law arise. The task of developing a single, coherent view of the law is entrusted to the President himself, and by delegation of the Attorney General generally. That task is consistent with the nature of the office of Attorney General.

Moreover, with a few rather significant exceptions, the Attorney General is removed from the policy-making and policy implementation processes of government, and this is especially true when he deals with legal questions that arise in the administration of departments other than his own. It makes sense to assign the task of making definitive legal judgments to an officer who is not required, as a general matter, to play a decisive role in the formulation of policy. Such an officer enjoys a comparative advantage over policymakers in the discharge of the law-giving function.

Therefore, some have suggested that the independence of the Attorney General should be increased and secured institutionally, within the limits imposed by the Constitution. It has been suggested that an executive order could be issued that would endorse the concept that the Attorney General must be free to exercise independent judgment in his litigating function and in his counseling function, subject only to the constitutional prerogatives of the President. Such an Order could provide that the Attorney General's opinions on questions of law, as opposed to questions of policy, would be binding in

certain circumstances. It could establish removal procedures that would require the President to justify the removal of an Attorney General because of differences of opinion over questions of law. It might also include an expiration provision, terminating the Order on the inauguration of President Carter's successor, but the order could be a model for future administrations. I haven't reached any conclusions as to whether I would recommend to President Carter that he issue such an Executive Order. However, as we discuss and decide the future role of the Department of Justice, careful consideration must be given to this problem.

In the Bakke case and in some other instances, I have played an important role as a buffer between our truly independent litigating lawyers in the Department of Justice, including the Solicitor General and his staff, and other government officials outside the Department of Justice. In these specific instances, I think I have been successful in preserving the independent positions taken by our Justice Department lawyers. A refined definition of the Attorney General's role in such disputes is something that is clearly needed as we decide our charter for the future.

I have mentioned a number of important questions tonight that deserve careful consideration as we re-examine what the role of the Attorney General and the Department of Justice should be in the future. Although our client is the Government, in the end we serve a more important constituency: the American People. As the President seeks to make our increasingly complex Federal Government more responsive to the needs of the people, we must improve the performance of the Government's lawyers, including the Department of Justice. I hope we can do that in part by developing a clear concept of just what the role of the Attorney General, the Justice Department, and indeed, the Government lawyer, should be.

We covered a lot of history tonight. I don't know if you've been as fascinated listening to the history of the Department as I have been in researching it and telling the story. I must share one little tidbit with you as an aside. I was very pleased to learn that the Attorney General when the Department of Justice was created, A. T. Akerman, was from Georgia. I admit that I subsequently discovered that he was born in New Hampshire, but he moved to Georgia at an early age and grew up there. While that rather significant fact doesn't have much to do with tonight's speech, it was an important discovery for an amateur Georgia historian. His lack of fame in Georgia is no doubt the result of his having been appointed Attorney General by President Grant shortly after what we in the South sometimes call the War of Northern Aggression.●

THE CARTER IMMIGRATION POLICY—AN INSIDER'S OPINION

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BURGENER. Mr. Speaker, the President's proposals for dealing with the illegal alien problem were an utter disaster when they were put forward last year. The President's suggestion for a wholesale amnesty for illegal aliens has spurred the entry of a never-ending stream of illegals into this country. This flood, if not stopped, threatens to sap our country of many millions of dollars of fraudulently-collected benefits under various programs. Mr. Richard W. Walker, a constituent of mine and a 6-year veteran criminal investigator with the U.S. Immigration and Naturalization Service, recently offered his assessment of the Carter administration's illegal alien policy in an article in the San Diego Tribune.

I commend this article to my colleagues for the excellent inside look it takes at a difficult problem as viewed by one who must cope with this problem every day.

I commend Mr. Walker's candor, and should I find his forthrightness is rewarded in the same fashion General Singlaub's was, I plan to battle this administration tooth and nail in his behalf.

AN IMMIGRATION MAN SPEAKS OUT

(By Richard W. Walker)

I have been employed for the last six years with the U.S. Immigration and Naturalization Service as a criminal investigator.

The recent request of Immigration and Naturalization Commissioner, Leonel Castillo, to the Attorney General regarding short-term action to reduce the number of illegal aliens to a "mere fraction of the current number" parallels in its logic the Carter administration's alien package now pending in Congress. A close examination of these proposals reflects that they will not stem the flow of illegals into the United States, nor is there going to be any concerted effort by this administration or the Castillo leadership to stop that flow.

Castillo's proposal to hire 500 new Border Patrol officers for the next three years is needed. However, even if deployed solely along the 2,000 mile unfenced southern border of the United States, this increased personnel will not create a substantial new obstacle to illegal entry. This is not to demean the heroic efforts of our Border Patrol officers. The present Chula Vista, Calif., Border Patrol Sector now apprehends as many as 1,000 illegals per day. Being caught once only means that the alien will have to try again until he eventually succeeds. The Border Patrol now apprehends no more than one out of every three illegal entrants.

Increased enforcement of the service's antismuggling effort is needed, but only as one aspect of the enforcement program. The present increase of anti-smuggling activity to the near abandonment of any emphasis on other investigative enforcement activity is a "sop" being tossed to the American public in the name of enforcement of the immigration laws. Remove every alien smuggling ring from operation and the tide of humanity will continue without hesitation. The expressed commitment to the anti-smuggling effort in conjunction with proposals for increased enforcement of labor, safety, and wage law violations by employers who habitually hire illegal aliens is laudable. However, as isolated programs they are aimed at the exploiters of illegal aliens, not illegal aliens themselves. Remove the illegal alien and you remove the source of exploitation.

The present I&NS leadership must be described as anti-enforcement. Service officers have been ordered to use the term "undocumented alien" instead of "illegal alien," despite the fact that the former term is a misnomer. There are "illegal aliens" who are documented and "legal aliens" who are undocumented. Criminal investigators have been told to drop the public use of the word "criminal" from their official job title established by the U.S. Civil Service Commission. Exclusive of alien smuggling, what enforcement occurs in the interior cities of the United States occurs in spite of and not because of any support from the president and commissioner Castillo. Nowhere in the Castillo or Carter proposals is any mention of increased efforts at removal of the millions of illegal aliens presently in the United States.

Castillo proposes a stepping up of the naturalization applications of legal resident aliens so that they may more quickly immigrate immediate family members and delay the present periods of required departure for illegal alien family members already in the United States in violation of law. This proposal is clearly aimed at rewarding those who have violated both United States criminal and administrative law. In conjunction wtih the administration's proposal to create various new categories of non-deportable aliens, the president and commissioner Castillo have provided the long sought key to law enforcement. Illegal activity can be reduced to a "mere fraction" by simply legalizing that activity.

Castillo proposes raising the ceiling on legal immigration from Mexico from 20,000 per year, the maximum quota limitation possibility for every other country in the world, to 50,000. What justification is there for considering such a privilege for Mexico? Do the remainder of the world's countries not contain persons equally desirous and qualified to immigrate to this country? Under present laws, this country accepts a half million new legal immigrants per year, far more than any country in the world. There is no quota limitation on the numbers of spouses, minor children, and parents of United States citizens who may immigrate.

Practical support for family planning in Mexico and increased economic investment in Mexico as proposed by Castillo may be welcomed by some in that country. However, coming from an administration that appears unable to curb domestic inflation, or decrease unemployment, especially among blacks, such efforts would surely make an insignificant dent in the economic and population problems of that country. At present, 40 percent of Mexico's population is unemployed or underemployed. At the present birthrate that country will double its present 65 million population in the next twenty years. A time bomb is ticking across our southern border that will not be stilled by the location of a few new factories in the interior of Mexico.

No other country in the world would tolerate such blatant violation of the integrity of its borders. A physical barrier, a fence, must be constructed along the southern border of this country and secured by as many border personnel as are necessary. Until our borders are secure, no program will succeed. Serious consideration must be given to a counterfeit-resistant national identity card. Remarkably, the government which now documents its population from cradle to grave in the form of Social Security Cards, drivers licenses, welfare, medical, and food stamp cards, etc. is reluctant to recommend national identification as proof of the right to re-

ceive all of those benefits. There must be a commitment to the enforcement of the immigration laws presently in existence. This means an increased efforts to remove illegal aliens presently in the United States.

The "knowing" employment of illegal aliens must be made a criminal violation with penalties severe enough to deter such activity. If such proposals are not acceptable to the American population, then a new Immigration and Nationality Act is needed. Service policy as set by the present leadership and judicial interpretation have emasculated the law to the point where the immigration controls of this country can only be termed as hypocritical and chaotic.●

MARYLAND DOES NOT NEED A MARXIST

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BAUMAN. Mr. Speaker, my good friend Pat Buchanan has a remarkable ability to articulate the views of many Americans on many issues. He has done so for many Marylanders who have been dismayed to learn that the University of Maryland is considering the appointment of an avowed Marxist as head of the Department of Government and Politics.

I have taken the time to read some of the writings of the professor in question and have found him to be not only a militant Marxist but a radical activist seeking coverts to a political and economic philosophy that most Americans find totally objectionable. In one of his writings he openly attacks the Christian religion.

While such views may not be popular, anyone should have the right in this country to express his thoughts. But there is certainly no obligation on the part of the taxpayers of Maryland to hire and pay for this kind of person in a major academic post at our State university.

I have urged Dr. Wilson Elkins, president of the university, to veto this possible nomination. Let the professor get his own soapbox without Maryland taxpayers footing the bill.

The article follows:

MARYLAND NEEDS A MARXIST?

(By Patrick J. Buchanan)

WASHINGTON.—The University of Maryland has just nominated an avowed Marxist socialist to chair the department of government and politics. The professor is Bertell Ollman, a 42-year-old scholar of impressive credentials, an avowed Marxist, but no Communist. Or so he contends; and the usual progressive forces are circling the wagons in support of his appointment.

Can a man be both an exponent of academic freedom and an opponent of Ollman's nomination. The answer, simply, is yes.

Academic freedom is nothing more than the freedom of a scholar to inquire, to study, to teach, in the arena of his acknowledged expertise. It is not a constitution right. It is a privilege, conferred upon the academic community by the larger society. It does not exempt any professor from discrimination on the basis of ideological or political views.

As a state school, Maryland University should be responsive to the citizens who subsidize its operations. For the university to plant this Marxist on the top rung of its department of government is to kick its benefactors in the teeth. And the taxpayers have every right to kick back at budget time.

As anticipated, the busybodies of the American Association of University Professors parachuted into the conflict. In a letter of surpassing arrogance—one Jordan Kurland of the association penned this epistle to Maryland's Gov. Blair Lee: "Fundamental to academic freedom . . . is the principle that the appointments of professors should not be influenced by their political views but should be based on their academic qualifications as scholars and teachers."

Nonsense. A Catholic university should discriminate in its philosophy department against any professor found speaking up for abortion on demand. A Baptist school has every right to fire a closet socialist teaching a materialistic view of life. And no Jewish college is under any obligation to retain or tolerate anti-Semites in the faculty or student body.

Of late our academicians, like my brother journalists, have come to see themselves as a new priestly class in the secular society—free to carp, criticize and condemn with impunity from their privileged sanctuaries of the college campus and the city room. Yet when roasted politicians respond in kind, suggesting that some of our academics and journalists are political imbeciles who can't park a bicycle straight, we are invariably treated to pious lectures about the First Amendment and academic freedom.

If Ollman were up for chairman of the department of chemistry, his political views would be of no relevance. But that is not the case. He is an individual with an ideological slant on history, economics and politics abhorrent to the majority of Americans. And there is no obligation on the part of Marylanders to subsidize the propagation of his political faith at their state university.●

THE PUBLIC INTEREST LOBBY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. CHAPPELL. Mr. Speaker, all of us, drowning in the daily flood of incoming mail, are subjected several times per hour with pleas not to succumb to this or that—or all—so-called "special interests." It's difficult to pick up the editorial page of any newspaper or magazine without finding reference to those same "special interest" groups. With all of the words being generated about such entities, I have come to recognize that it is a broadly used title, but not a very meaningful one. Even though I have been bombarded with warnings about the nefarious objectives and overwhelming power of the "special interests," I have yet to see the term defined consistently.

What indeed is a "special interest"? Or, more to the point, what—really—is its counterpart, the so-called "public interest"? Other than the vague idea that the difference between "special" and "public" interests is sort of like that between black hats and white hats in a TV western, nobody seems to be able to pinpoint just what a special interest is. or for that matter, who.

A recent essay in Newsweek, by writer Tom Bethell, explored the possibilities of what all those journalists and commentators are talking about when they refer to the "powerful special interests." I was both entertained and enlightened by the author's thoughts on the subject, and I wanted to share his words with my colleagues.

THE "PUBLIC INTEREST" LOBBY

(By Tom Bethell)

From time to time we are told that the "special interests" exercise an undue influence over our lives. President Carter has used the phrase often. So has Common Cause, a Washington-based "citizen's lobby." Journalists have sometimes taken up the refrain. In a New York Times column early this year entitled "Does the System Work?" James Reston suggested that the answer might be no because of the threat posed by "special-interest lobbies."

Special interests are often contrasted with something called "the public interest," which is always spoken of highly. Why special interests are bad and the public interest is good is not immediately apparent. It has puzzled Sen. Mark Hatfield of Oregon, for one. He said in a Senate debate last year: "I hope the sponsors [of campaign-financing legislation] will identify who they think are special interests. Furthermore, I hope they will define for us what they mean by the term 'public interest.' And I hope they will show us where the two are inconsistent." He received no reply.

Jimmy Carter is not the first President to sound the "special interest" alarm. Theodore Roosevelt invoked the phrase; and after him Woodrow Wilson and Harry Truman. Roosevelt had in mind such capitalists as J. P. Morgan and John D. Rockefeller, who admittedly succeeded in cornering a disproportionate share of the wealth. Over the years, the phrase seems to have maintained the same meaning. For instance, Woodrow Wilson said that "the business of government is to organize the common interest against the special interests." President Carter would have substituted the word "people's" for "common."

NO PAT PHRASES

Who, then, are the special interests? I sought a definition from Common Cause, which has specialized in criticizing special interests. "It's hard to put it in a pat phrase," a spokesperson told me. "Basically, it's business, labor and professional groups. Anything not in the public interest." That seemed to embrace almost everyone except children. Certainly Rockefeller would have been surprised to learn that 40 years after his death, "labor" would be perceived as a special interest.

I requested a clarification from David Cohen, the president of Common Cause. He reassured me that labor was indeed a special interest. "There is a plethora of special interests," Cohen added. "Education can be a special interest, health can be a special interest. It has come to mean people who advocate *specific* interests, usually with great skill, resources and money."

The suggestion is that when people are concerned enough to organize themselves around *particular* issues, that interest is not a legitimate one because it amounts to a self-interest. It is not surprising, however, that

most people are so organized because most people are paid by one boss to work in one specific field—for example, making automobiles, or selling them. In this respect they are to be contrasted with public-interest lawyers, who are collectively financed by small donors and given a vague mandate to "reform" society.

UNDUE INFLUENCE?

The charge that the special interests are unduly influential might be true if the number of beneficiaries of legislation they influenced were small. But they are not. Consider the automobile. It is estimated that one out of six workers in the country has a job in some way dependent on the automobile. Or oil—an oft-criticized "special interest." The six largest oil companies have 14.3 million shareholders, who, compared with John D. Rockefeller's tightly held trusts, constitute an enormously broadened oil interest. It should not be surprising that such constituencies as these find a sympathetic ear in Congress.

What is surprising is that the far smaller public-interest lobbies should have succeeded in putting the vast majority on the defensive. They have done this by appearing in the guise not of self-interested lobbyists but of disinterested "reformers," roaming all over the political landscape to seek out "conflict of interest," which, by default, they alone define. We should bear in mind that such people have a "vested interest" in persuading us that "the system doesn't work."

One result of their endeavors is that "politics" gets a bad name. The competition for legislative favor among special-interest groups is almost a definition of politics. Resolution of these competing interests calls for compromise. Thus, politics is "the art of compromise." But now this art is often identified with corruption. By contrast, the public-interest advocate is virtuously tagged "uncompromising," as though that were the only moral posture. It is well to remember that an uncompromising person can be disdainful of the interests of others.

Politics deserves a better press than it gets. Sen. S. I. Hayakawa made this point well in a debate last year: "Disgusted with politicians," he said, "some people from time to time yearn for government without politics. Sometimes, to their dismay, they get it, as in Soviet Russia, Poland and North Korea, where the political process has been abolished."

Public-interest groups want to minimize or abolish the influence of special-interest groups in the political arena. Common Cause's favorite cause, the public financing of Congressional elections would have this effect. Candidates would be financed with public money—pure and untainted. In fact, candidates would be financed roughly in the same way that Common Cause is financed. Donations from groups would be replaced by donations from individuals—that is, taxpayers. This change would undoubtedly make politicians more responsive to the goals of the reformers.

POWER SHIFTS

We should bear in mind that reforms do not eliminate power, they merely reform it, to give the word its root meaning of "reshape." "There's no question that we're trying to shift some power relationships around," Cohen candidly admitted, although he did not go so far as to say that he was trying to channel power in his direction.

That would be the practical effect, however. Public-interest groups have a "special interest" in reforming society. The public interest vs. the special interests is not a contest between righteousness and corruption. It is simply a power struggle. A comparatively small clerical class of bureaucrats, professors and public-interest lawyers stands to gain even more power than it already has—at the expense of "the special interests," which is to say, you and me.●

OUR NATION'S "FIGHT FOR INDEPENDENCE" CHRONICLED IN MY AMERICA ARTICLES BY ED SALT, AWARD-WINNING YOUNGSTOWN, OHIO, JOURNALIST

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. CARNEY. Mr. Speaker, as you will recall, I recently commented on the fine series of articles discussing the greatness of our Nation which were forwarded to me by Mr. Ed Salt.

At that time, I inserted the first article of this award-winning series in the CONGRESSIONAL RECORD. I am pleased to present another of Mr. Salt's articles today. This article, "Fight for Independence, Part I," is the first of 13 articles which chronicle the beginnings of our Nation. I believe that these timely and informative articles deserve the attention and consideration of all of us.

[From the Boardman News, July 7, 1977]

FIGHT FOR INDEPENDENCE, I—"MY AMERICA"

(By Ed Salt)

Two hundred years ago the United States of America celebrated its first birthday. But there was no assurance that it would celebrate its second.

The actual fight for independence began with the battles of Lexington and Concord, Mass., on April 19, 1775. Fighting would continue for six and a half years, and nearly two more years would elapse before the Treaty of Paris formally ended the war in the fall of 1783.

While the war began at Lexington and Concord, the feud between colonists and the Mother Country had been going on for many, many years.

Early in colonial history, England, as she did in other parts of her empire, sought to protect British business and industry. Colonies could furnish the Mother County with all kinds of raw materials, but they were limited in what they could manufacture and where they bought their supplies.

In 1651 Parliament decreed that no goods could be shipped to England, Ireland, or to English colonies except in English, Irish or colonial ships manned primarily by subjects of the English commonwealth.

There was a loophole in this provision, however. Colonial ships could take material from the colonies and sell to other countries, then buy supplies there to bring back to the colonies.

Third, it was a serious blow of the rum industry, particularly in New England, which used large quantities of molasses to manufacture rum. It also hit the New England and middle colonies which exported huge amounts of fish, flour, lumber and horses to the French, Dutch and Spanish West Indies, receiving "hard cash" and molasses in return.

Another effect was that it promoted smuggling, and smuggling became a big business all along the Atlantic coast. It became so important that in 1775 the British government ordered writs of assistance to be used in Massachusetts.

Under these writs, customs officials could call on local authorities to enter warehouses and private homes without search warrants, to look for smuggled goods. Within a few years writs were used in Boston to seize illicit cargoes. One of the largest was a cargo from Holland valued at 10,000 British pounds (roughly $50,000 in American money).

Needing more money for the royal treasury, Parliament, in 1764, adopted the Sugar Act which imposed duty on sugar imported from the French West Indies. This strangled trade between the colonies, mainly those of New England, and the French West Indies. It also imposed a tax on foodstuff and lumber, and contained provision for strict enforcement.

The next year Parliament approved the Stamp Act which required a government stamp on all legal documents, newspapers and licenses to help support British troops which were "protecting the colonists."

Colonial protests were bitter and reaction violent. Stamp distributors were the targets of demonstrations. Some stamp distributors were hung in effigy, some were forced to resign and some had to flee for their lives. Stores of tax stamps were destroyed.

Sons of Liberty clubs were organized and soon there was a network of them throughout the colonies. These groups erected Liberty Poles in various places as rallying places and as symbols of their resistance to British acts.

Massachusetts proposed an intercolonial congress to take action against the Stamp Act. The protests, demonstrations and resistence affected business between the colonies and the Mother Country.

Early in 1766, when London merchants realized the value of their exports to the American colonies had dropped about 15 percent, they petitioned Parliament to repeal the Stamp Act. Its repeal was given royal approval less than a year after it was enacted.●

LEAA AND THE FINGERPRINT MACHINE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HYDE. A few weeks ago, Cissi Falligant, an extremely capable reporter for the Suburban Trib, a suburban newspaper in my district, called my attention to a serious situation.

Since September 1972, an extremely sophisticated $1.3 million fingerprint identification machine, purchased with Law Enforcement Assistance Administration funds, has been sitting unused and crated in the Illinois Bureau of Identification in Joliet.

When the $1.3 million grant was awarded to Illinois, the State committed $451,000 to pay 31 people to convert the State's 1.1 million fingerprints into the computer.

If things had proceeded as planned, Illinois would have been one of three law enforcement agencies in the world to own what criminologists call the most sophisticated fingerprint identification equipment in the world. In addition to Illinois, Scotland Yard and the Royal Canadian Mounted Police own such a system. If the system were in full operation in Illinois, it would save $500,000 a year by reducing the necessary number of fingerprint technicians.

Why is the Illinois machine sitting idle and crated in Joliet?

The reason is quite simple, and no doubt similar instances have happened in other States. The $1.3 million grant was applied for by Illinois Governor Ogilvie's administration which also committed $451,000 in State funds to run the machine. The funds were received from LEAA in late 1972 and conversion began in early 1973.

A new Governor, Daniel Walker, took office in 1973 and would not honor the commitment made by his predecessor. The current Governor, James Thompson, is faced with the problem of finding a use for the equipment which, in inflated 1978 figures, represents a loss of $2 million.

My office, with the very capable assistance of Judiciary Committee Counsel Tom Boyd, has been working with the State of Illinois and LEAA in an attempt to place the machine elsewhere. I am confident that a solution will be found.

However, I am concerned about why it happened in the first place. There apparently has been little effective LEAA monitoring of such grants for equipment. I should point out that under the block grant concept, designed to maximize local control, there is purposely a lack of Federal interference once the grant grant is awarded.

Nevertheless, a costly and wasteful situation developed in Illinois which could have been prevented by carefully-drawn language amending the Omnibus Crime Control Act.

I am introducing such an amendment today. An analysis follows:

1. Section 1 adds a new paragraph to section 519(1) of the Omnibus Crime bill of 1968, which lists materials contained in an annual report by LEAA to the President and to Congress. The new paragraph mandates that LEAA include with that report a description of equipment costing $100,000 or more, as well as its current use status.

2. Section 2 provides, in effect, the penalty section of the bill. It gives LEAA the authority to require a State Planning Agency to refund the "federally assisted part" of the cost of any equipment purchased through LEAA which has not been placed in use within one year after the stated date for the commencement of such use. Furthermore, the State is required to update its status throughout the "useful life" of the machinery. "Federally assisted part" is referenced because the funds which contribute to the purchase of the item may not come from LEAA while still coming from the federal government. A State should not be permitted the loophole of juggling these funds to keep from technically falling under this legislation.

3. Section 3 adds a new paragraph nineteen to section 303(a) of the current law. Section 303 lists information which must be included in the annual State plan outline submitted to LEAA. To make certain the State divulges the status of equipment costing $100,000, his new paragraph requires that the State make assurances to LEAA that the equipment has been put to practical use within the time period stated.

Because of the absence of such language, it is impossible to determine how widespread the problem really is; $1.3 million in taxpayers' money is now lost to the State of Illinois. Are there similar situations throughout the country? LEAA does not know.

I urge my colleagues to check with their State planning agencies and determine if equipment purchased with LEAA funds is being properly utilized, or is sitting idle. And I invite my colleagues to join me in cosponsoring legislation designed to prevent a similar waste of tax dollars in future LEAA expenditures.●

RECENT IRS ACTION FINANCIALLY CRIPPLING TO SELF-EMPLOYED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HARRIS. Mr. Speaker, since the Internal Revenue Code was enacted in 1954, the classification of whether a person was self-employed for tax purposes has been determined by law. After 1975, the Internal Revenue Service began making this determination by issuing new tax rulings that reclassified many self-employed individuals as employees, and demanded that they pay back taxes for the years they were allowed to file as independent contractors.

This reclassification has resulted in staggering tax assessments—and often double taxation—for many self-employed persons. If allowed to continue, it could easily force millions of individuals, including real estate agents, beauticians, barbers, door-to-door salespersons and gas station operators, out of business or into the bankruptcy courts.

I believe that these IRS rulings reflect a drastic reversal of more than 20 years of Treasury policy on the taxation of independent contractors, not to mention a dubious interpretation of the Internal Revenue Code.

RELIEF NEEDED NOW

On May 1, 1978, I introduced H.R. 12451, a bill to revoke for 2 years IRS rulings that would reclassify certain independent contractors as employees. The bill would prevent the IRS from applying new or duly-stated positions regarding the classification of independent contractors are inconsistent with general audit practices in effect as of December 31, 1975.

This legislation will relieve self-employed persons from arbitrary and unfair IRS audits that have threatened the collapse of many small businesses in the past 3 years. Without this bill, self-employed individuals could be assessed retroactively for payroll, unemployment, withholding, and social security taxes, meaning that they would have to pay the same taxes twice on the same income—once as an employer and once as an employee. We cannot and should not let this happen. H.R. 12451 will provide the relief many independent contractors need now in order to stay in business.

CONGRESS—NOT THE IRS—SHOULD DETERMINE WHO IS SELF-EMPLOYED

In response to the IRS rulings proposed after 1975, House and Senate conferees on the Tax Reform Act of 1976 recommended that Congress study the issue of who may file as self-employed for Federal tax purposes and resolve any ambiguities in the present law. Until this study is completed, I believe that self-employed individuals must be protected from arbitrary interpretations of the present law by the IRS. My bill will provide an interim solution by waiving any rulings dealing with the classification of independent contractors that conflict with those practices in effect as of December 31, 1978, and prevent the IRS from changing these practices for another 2 years.

I feel that H.R. 12451 will provide Congress the time needed to complete the study on the tax treatment of the self-employed, and allow us to give full and complete consideration to this important policy matter. A major change in tax treatment such as this should be decided by Congress and not the IRS. I urge my colleagues to support this legislation.

H.R. 12451 follows:

H.R. 12451

A bill to disregard, for the purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the period beginning on January 1, 1976, and ending on December 31, 1979, the determination of whether any individual is an employee for the purposes of chapters 21 (relating to the Federal Insurance Contributions Act), 23 (relating to the Federal Unemployment Tax Act), and 24 (relating to the collection of income tax at source on wages), of the Internal Revenue Code of 1954, shall be made under audit practices and regulations which are not inconsistent with the practices and regulations in effect December 31, 1975.●

FOREIGN TAKEOVER PRECEDES PULLOUT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GAYDOS. Mr. Speaker, at a time when it seems everyone is rushing to welcome foreign investors to the United States with open arms I would hope some pause long enough to consider what can happen through the takeover of an American firm.

The following "letter to the editor," which appeared in the April 26 edition of the Daily News, McKeesport, Pa., cites an example. It describes the plight of the Copperweld Corp. plant in Glassport, Pa., a plant which is an economic mainstay of that community. Three years ago Copperweld Corp. was taken over by Societe Imetal of France. Today, its Glassport plant is in danger of a shutdown or a drastic cut in production and employment.

The letter follows:

THE READERS EXPRESS THEIR VIEWS

COPPERWELD PROBLEM

I am writing in reference to the recent Business Mirror column by Michael L. Geczi, "U.S. Investment Policy Reaping Big Dividends."

We in Glassport are not particularly enthralled by Mr. Geczi's celebration of the $210 million invested in a 67 percent share of "Pittsburgh's Copperweld Corp." by Societe Imetal of France. We are certain that Mr. Geczi is convinced that throwing hundreds of millions of dollars across oceans is good business. It enhances the bottom line of most corporations, therefore it is good for most people. No so Mr. Editor.

In the case of Copperweld, a brief history is in order. The Copperweld Corp. was founded in the mid 1920's in Rankin, Pa. It soon outgrew that facility. The company moved to Glassport in 1928, moving into the evacuated facilities of Glassport Ax and Tool Co. The company did prosper! It paid its first dividend in 1935, some seven years after moving to Glassport. The dividends have continued every year.

Somehow over the years, without the help of Le Baron De Rothschild (Societe Imetal), this factory in Glassport did provide the funds to procure a steel mill in Warren, O., which dwarfed the size of the parent plant in Glassport. A fine wire plant was established in Oswego, N.Y. A structural tubing plant. A capital investment in the Glassport plant resulted in "Alumoweld," an aluminum clad wire which found an immediate market world wide.

The result was Copperweld international with wire drawing facilities in Japan, Spain, Brazil and everywhere in the world the wire is needed. All this expansion and growth generated by a small plant (maximum 600 employees) in Glassport. So astounding a growth could not escape notice. Enter Le Baron De Rothschild and Societe Imetal. A tenure offer was made, the battle enjoined.

The workers in the Glassport plant, the Warren plant, and other citizens of the area who held Copperweld shares, were asked to hold on to their shares. In the name of patriotism and company loyalty the good folks passed up a chance for a good solid profit. They did take up the flag to do battle with the Baron, in hopes of fending off a foreign takeover.

They mounted buses, marched on Washington, a congressional panel was convened in what was described in the Wall Street Journal as a "firehall in a grimey mill town." In attendance were federal officials, state officials, county officials, company officials, union officials, all joined in a common cause . . . a lost cause. We had amassed an army of Don Quixotes to go against Baron Rothschilds' wind mills. The results inevitable—the monied wind mill cast us into the mire. . . .

What has happened to this former American Company and in particular the Glassport Bimetallics plant should be of interest to Mr. Geczi who celebrates these foreign takeovers.

The Glassport plant is now in dire danger of shutdown. According to officials, the plant is obsolete, utilities too high, labor costs prohibitive, domestic market slow, competition fierce, etc., etc., etc. May we note the men working in the plant did not cause its obsolesence. The Copperweld products suffered management neglect for years.

We are told this is all happening in the name of hard business facts—The facts are a profitable plant is being closed for lust of more and bigger profits. The questions of morality or patriotism are never brought up in these decisions.

These questions must be asked. When these corporations invest American money and technology in unstable third world countries, are we to send our children to defend their property? When an American company builds massive oil tankers in Japan, mans them with Taiwanese sailors, with an Italian captain, under a Liberian flag, are American boys on American ships committed to protect them? It is time the corporative heads in their glass-walled offices ponder these questions. Perhaps the halls of Congress and the Senate as well as the White House should begin to ring with debate about these questions. . . .

Mrs. ARLENE SCHINOSI,
Mrs. MYRNA REYNOLDS,
Glassport.

THE NEED FOR QUIET IS AN INTERNATIONAL CONCERN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. ROSENTHAL. Mr. Speaker, many countries around the world have recognized that their citizens have a right and a need to be free from the disruption to their lives which is caused by the continual roar of aircraft engines, particularly during the normal sleeping hours. It is at such times when the need for peace and quiet is essential for the health and well-being of the public.

For this reason, many foreign airports have instituted night restrictions on aircraft operations. Curfews have been imposed on both night flights and runup and warmup tests. These are the findings of a survey conducted by the Town-Village Aircraft Safety and Noise Abatement Committee of Lawrence, N.Y. In yesterday's RECORD, I inserted that portion of the committee's report which deals with curfews imposed at our domestic airports. Today I would like to follow up with the results relating to foreign airports.

The report states that 37 percent of the airports have restrictions now in effect on both flight and test operations; 14 percent have flight restrictions only and 13 percent have test restrictions only. As in the case of U.S. airports, the typical restricted hours are from 11 p.m. to 6 a.m. Several of the airports surveyed commented that they had taken additional steps to reduce the effect of noise from low-flying aircraft on the surrounding populace. For example, Tegel International Airport in Berlin, Germany, reported that it has installed soundproof windows in all buildings in their approach and takeoff sectors.

These findings lend support to my legislation, H.R. 70, the Airport Noise Curfew Act, which would establish a nine-member commission to investigate the establishment of curfews on night flight operations. The report concludes that night restrictions are a feasible short-term answer to the growing noise pollution problem. Until such time as all aircraft are manufactured according to established specifications for the reduction of noise, curfews may help to alleviate this problem which is so disturbing to the emotional and physical well-being of those living near airports.

Noise is truly an international concern, and airports both here in the United States and abroad have shown that night restrictions are an effective solution. I am inserting below the second portion of the study on night restrictions. I trust my colleagues will find it as informative and impressive as the first:

SURVEY OF NIGHT RESTRICTIONS ON AIRCRAFT OPERATIONS AT AIRPORTS THROUGHOUT THE WORLD

A total of 183 airports were sent questionnaires with replies received from 70 for a return of 38% (Table 3).

Of those airports answering, the results are as follows:

	Number	Percent
Flight and test restrictions	26	37
Flight restrictions only	10	14
Test restrictions only	9	13
No restrictions	25	36
Total	70	100

The average duration of night flight a/o test restrictions are from 11 P.M. to 6 A.M.

Night restrictions on flight operations go into effect as early as 9 P.M. at two facilities [Stockholm-Arlanda and Copenhagen] and as late as 1:30 A.M. at Bremen EDDW International Airport in Germany.

At Dusseldorf I.A., take-offs are forbidden between Midnight and 7 A.M. and landings between 1 A.M. and 7 A.M.

Kristiansand I.A., in Norway, has mandatory noise abatement restrictions in effect during the entire time it is open for traffic, namely, Monday through Friday from 7 A.M. to Midnight and on Saturdays and Sundays from 7 A.M. to 10:30 P.M. This airport has its nearest population [5–6,000] about 10½ miles from its borders.

Specific restrictions range from specific take-off procedures, propeller driven aircraft only, use of specified runways, restrictions on the number of jet operations, no transit flights, only with special authorization, only noise certified aircraft to emergencies only. At Manchester I.A., in England, the only aircraft allowed to use the airport between 11 P.M. and 7 A.M. are those who do not exceed 102 PNdB. Their daytime noise limit is 110 PNdB.

Night flight restrictions have been in effect from 1957 [Belize I.A., Belize, Honduras] to 1975 at Helsinki-Ventaa I.A. in Helsinki, Finland.

	Number	Percent
Over 10 yr	9	25
5 to 10 yr	12	33
2 to 5 yr	8	22
Not given	7	20
Total	36	100

ENGINE RUN-UP AND WARM-UP RESTRICTIONS

Many of the airports have regulations that call for the use of mufflers on engine run-ups and only in specified areas of the airport that are farthest from the closest population areas. At some airports, run-ups require special permission from the airport director. At most airports, warm-ups are restricted as to length of time.

35 or 50 percent of airports responding reported restrictions on engine run-ups a/o warm-ups.

HOURS OF OPERATION

Of those facilities responding, 56 or 80 percent are open for traffic 24 hours a day, seven days a week. One, Alice Springs I.A. in Australia, is normally open only during daylight hours but is available for 24 hour operation.

At Montreal Dorval I.A., Canada, turbojets are only accepted between 7:05 A.M. and 10:55 P.M. with propeller driven aircraft accepted 24 hours a day.

The normal hours of operation at Hong Kong I.A. are from 6:30 A.M. to Midnight. If a carrier wishes to use the facility between Midnight and 6:30 A.M., a written request must be made to the Director of Civil Aviation before Midnight and the reasons for such a request must be fully explained. This regulation has been in effect for many years and reiterated in 1972.

The average hours of operation of those

airports not open 24 hours a day is from 6 A.M. to 11 P.M.

	Number	Percent
Open 24 hr a day	55	79
Other	14	20
Not specified	1	1
Total	70	100

AVERAGE DAILY OPERATIONS

The number of operations at the airports responding ranged from a low of 19 to a high of 900.

	Number	Percent
500 to 900	7	10
100 to 499	49	70
1 to 99	14	20
Total	70	100

AVERAGE DAILY NIGHT OPERATIONS

65 or 93% reported night operations that ranged from a low of 1 to a high of 85. Two were closed down completely at night.

	Number	Percent
61 to 90	3	4
31 to 60	6	9
0 to 30	61	87
Total	70	100

TYPE OF AIRCRAFT ACCEPTED

The type of aircraft accepted ranged all the way from small private planes up to B747's etc., with 2 [Bahrain I.A. and Bordeaux I.A.] accepting Concorde's.

51 or 73 percent accept all types of aircraft but Piarco I.A., Winnipeg I.A., and Lagos/Murtala Muhammed specifically noted "all except Concorde".

16 or 23 percent of the airports responding said they were not equipped to accept the larger aircraft.

1 respondent did not specify types of aircraft accepted.

It should be noted that while no question was specifically asked about Concorde, this should not be taken as an indication that all respondents are either equipped to, or necessarily willing to, accept the Concorde.

POPULATION OF AREA CLOSEST TO AIRPORT

Sidney [Kingsford-Smith] I.A. reported the population close to the airport as 3,000,000.

Dacca—1,000,000 to the north, 25,000,000 to the south. Heavy populated area all around.

12 airports or 17 percent are surrounded by populations ranging from 200,000 to 600,000.

23 or 33 percent are surrounded by populations ranging from 10,000 to 77,000.

15 or 21 percent are surrounded by populations ranging from 1,000 to 10,000.

8 or 11 percent are surrounded by populations of less than 1,000 with 4 reporting less than 100.

12 or 17 percent of the airports did not report population data.

	Number	Percent
Over 1,000 000	2	3
200,000 to 600,000	12	17
10 000 to 77 000	22	32
1,000 to 10,000	15	22
Less than 1,000	8	11
Not reporting	11	15
Total	70	100
Distance of populated areas to airport:		
At boundary	13	19
¼ to 12 mi	47	67
Not given	10	14
Total	70	100

GENERAL COMMENTS RECEIVED

Maiquetia I.A., La Guaira, Venezuela, open 24 hours a day, with average daily traffic at 180, and 11 night operations, indicated that by government decree, there is a land use program in effect.

Nairobi I.A. in Nairobi, Kenya reported no residential areas close to flight paths, yet they have a restriction on engine run-ups [not more than 50 percent power at all times]. They are open 24 hours a day with an average of 100 daily operations and 16 night operations.

Oslo I.A., Fornebu, Norway commented that they work closely with a community noise abatement committee and the carriers. They have a night curfew between 11:30 P.M. and 6 A.M. They also allow no engine run-ups or warm-ups between 10 p.m. and 8 A.M.

Bangkok I.A. Bangkok, Thailand reported that night restrictions are planned for the near future. They have a population of 40,000 within 5 Km. of the airport.

Berlin Tegel I.A., Berlin, Germany reported that the population around their airport is also affected by operations at Schoenefeld Airport in East Berlin, and that they have installed sound proof windows in all buildings in their approach and take-off sectors.

Dusseldorf I.A., Dusseldorf, Germany with a population of 9,000 at their border is working to get land use restrictions enacted.

Aeroport Francios de Valier, Port Au Prince, Haiti, normally closed from 10 P.M. to 6 A.M., commented that if they ever open for night traffic, they will consider night restrictions.

Bahrain I.A. State of Bahrain commented that the approach to their main runway is over the sea, but because of noise curfews in Europe and the Far East, all their mainline scheduled traffic arrives and departs at night. Other than Singapore I.A. [85 night operations], Bahrain has the second highest amount of night operations [60]. It should be noted that Bahrain is, at present, a terminus for Concorde from London.

Melbourne I.A., Tullamarine, Victoria, Australia reported that land under the approach paths is clear of residential developments for 4½ miles execpt south of the airport where it is clear for only 2½ miles.

Alice Springs Airport, Northern Territory, Australia indicated that they are separated from the nearest town, population of 10, by 9 miles and a range of hills. The land around the airport was purchased by the government for a dust eradication project and will exclude building on the property.

Dacca IA is going to be shifted 5 miles NE of persent site. Restrictions will be considered, if necessary, after new facilities open.

Essendon Airport has a noise abatement committee with representatives of the community, town planners, airport authority and airlines.

TABLE 3.—NIGHT RESTRICTIONS AT FOREIGN AIRPORTS

	Flight restrictions, night hours	Engine warm-up A/O run-up restrictions
Coolidge IA, St. John's Antigua		
Jan Smuts IA, Johannesborg, Republic of South Africa		
Dr. Albert Plesman IA, Curacao, Netherlands, Antilles	X	X
Princess Beatrix IA, Aruba, Netherlands, Antilles		
Bahrain IA, State of Bahrain		
Melvourne IA, Tullamarine, Victoria, Australia		X
Perth IA, Perth, Western Australia		X
Alice Springs IA, Northern Territory, Australia		
Sidney [Kingsford-Smith] IA, Mascot, N.S.W., Australia	X	X
Essendon Airport, North Essendon, Australia	X	X
Santa Maria IA, Snata Maria, Azores, Portugal		
Nassau IA, Nassau, Bahamas		
Dacca IA, Tejgaon, Dacca-15, Bangladesh		X
Calgary IA, Calgary, Alberta, Canada		
Winnipeg IA, Winnipeg, Manitoba, Canada		X
Toronto IA, Toronto, Ontario, Canada	X	
Montreal [Dorval] IA, Dorval, Providence of Quebec, Canada	X	X
Edmonton IA, Edmonton, Alberta, Canada		
Hong Kong IA, [Kai Tak], Kowloon, Hong Kong	X	X
Eldorado IA, Bogota, Columbia, S.A	X	
Ernesto Cortissoz IA, Barranquilla, Columbia		
Copenhagen Airport, Kastrup, Denmark	X	X
Birmingham IA, Birmingham, United Kingdom		X
Manchester IA, Manchester, England	X	X
Luton IA, Luton, Bedfordshire, England	X	X
Bole IA, Addis Ababa, Ethiopia		
Helsinki-Vantaa IA, Helsinki-Vantaa-Lento, Finland	X	X
Bordeaux IA, Merignac, France		
Berlin Tegel IA, Berlin, Germany	X	X
Cologne/Bonn IA, Cologne/Bonn, Germany	X	X
Bremen [EDDW] IA, Bremen, Germany	X	X
Dusseldorf IA, Dusseldorf, Germany	X	X
Frankfort/Main IA, Frankfort, West Germany	X	X
Munich-Rien IA, Munich, Germany	X	X
Nurnberg IA, Nurnberg, Germany	X	
Flughaffen-Hamburg IA, Hamburg, Germany	X	
Stuttgart IA, Stuttgart, Germany		
Timehri IA, East Bank Demorara, Guyana		
Aeroport Francois Du Valier, Port au Prince, Haiti	X	
Belize IA, Belize, Honduras	X	
Dublin IA, Dublin, Ireland	X	X
Shannon IA, Limerick, Ireland		
Ben Gurion IA, Ben Gurion Airport, Israel	X	
Napoli Airport, Napoli, Italy		
Leonardo DaVinci, Roma-Fiumicino, Italy	X	
Osaka IA, Osaka, Japan	X[1]	X
Nairobi IA, Nairobi. Kenya		X
Singapore [Paya Lebar], Singapore, Maylasia		
Rotterdam IA, Rotterdam, Netherlands	X	X
Christchurch IA, Christchurch, New Zealand		X
Las Mercedes IA, Managua, Nicaraqua		
Lagos/Murtala Muhammed, Ikeja, Nigeria		
Bergen IA, Bergen Norway		
Oslo IA, Fornebu, Norway	X	X
Kristiansand IA, Kjevic, Norway	X	X
Stavanger Airport, Sola, Norway		
Tocumen IA, Republic of Panama	X	X
Puerto Rico IA, San Juan, Puerto Rico		X
Khartoum Airport, Democratic Republic of Sudan		
Stockholm-Arlanda IA, Stockholm, Sweden	X	
Zurich IA, Zurich, Switzerland	X	X
Aeroport de Geneve, Geneve, Switzerland	X	X
Basel-Mulhouse, Basel, Switzerland	X	X
Bangkok IA, Bangkok, Thailand		X
Piarco IA, Piarco, Trinidad		
Maiquetia IA, LaGuaira, Venezula		
Pago Pago IA, American Samoa		
Edinburgh Airport, Edinburgh, Scotland	X	X
Vancouver IA, British Columbia, Canada	X	X
Schiphol Airport, Schiphol Airport, Netherlands	X	

[1] Normally closed at night.

TABLE 4.—POPULATION OF HEAVIEST IMPACTED AREAS AND DISTANCE FROM AIRPORT—FOREIGN AIRPORTS

	Distance	Population
Jan Smuts Airport, Johannesborg, Republic of South Africa	1 km	30,000.
Coolidge IA, St. John's, Antigua	4 mi	5,000.
Dr. Albert Plesman Airport, Curacao, Netherlands Antilles	6 mi	2,000 homes.
Princess Beatrix Airport, Aruba, Netherlands Antilles	½ nmi	15,000.
Bahrain IA, State of Bahrain	2 mi	Not given.
Melbourne Airport, Tullamarine, Victoria, Australia	2½ mi	10,000.
Perth Airport, Perth, Western Australia	At border	30,000.
Alice Springs Airport, Northern Territory, Australia	9 mi	10.
Sydney (Kingsford-Smith) Airport, Mascot, NSW, Australia	At border	140,640.
Essendon Airport, N. Essendon, Australia	do	20,000.
Santa Maria Airport, Santa Maria, Azores, Portugal	Not given	1,500.
Nassau IA, Nassau, Bahamas	do	400.
Dacca IA, Tejgaon, Dacca-15, Bangladesh	At border	1/25 million.
Calgary IA, Calgary, Alberta, Canada	3 mi	Not given.
Winnipeg IA, Winnipeg, Manitoba, Canada	At border	500,000.
Toronto IA, Toronto, Ontario, Canada	do	77,000.
Montreal [Dorval] IA, Dorval, Province of Quebec, Canada	do	200,000.
Edmonton IA, Edmonton, Alberta, Canada	12 mi	15,000.
Vancouver IA, British Columbia, Canada	3 mi	43,500.
Copenhagen Airport, Kastrup, Denmark	Not given	Not given.
Hong Kong [Kai Tak] IA, Kowloon, Hong Kong	¼ mi	200,000.
El Dorado Airport, Bogota, Columbia, South America	3 nmi	500,000.
Ernesto Cortissoz Airport, Barranquilla, Columbia, South America	Not given	Not given.
Birmingham Airport, Birmingham, United Kingdom	5.5 nmi	250,000.
Manchester IA, Manchester, England	At border	40,000.
Luton IA, Luton Bedfordshire, England	do	25,000.
Bole IA, Addis Ababa, Ethiopia	3 km	200,000.
Helsinki-Vantaa Airport, Helsinki-Vantaa-Lento, Finland	do	40,000.
Bordeaux IA, Merignac, France	(1)	5,000.
Berlin Tegel Airport, Berlin, Germany	Within	200,000.
Cologne/Bonn Airport, Cologne/Bonn, Germany	4–5 nmi	2,000.
Bremen EDDW Airport, Bremen, Germany	2 nmi	600,000.
Dusseldorf Airport, Dusseldorf, Germany	At border	9,000.
Frankfort/Main Airport, Frankfort, West Germany	2 nmi	53,000.
Munich-Rien Airport, Munich, Germany	2 mi	61,000.
Nurnberg Airport, Nurnberg, Germany	7 km	1,000.
Flughaffen Hamburg Airport, Hamburg, Germany	Not given	Not given.
Stuttgart Airport, Stuttgart, Germany	do	Do.
Timehri IA, East Bank Demorara, Guyana	2 mi	20.
Aeroport Francois Du Valier Port Au Prince, Haiti	6 mi	4,000.
Belize IA, Belize, Honduras	½ mi	600.
Dublin Airport, Dublin, Ireland	2 mi	35,000.
Shannon Airport, Limerick, Ireland	1 mi	7,000.
Ben Gurion IA, Ben Gurion Airport, Israel	2–4 mi	250,000.
Napoli Airport, Napoli, Italy	2 km	200,000.
Leonardo Da Vinci, Roma-Fiumicino, Italy	5 km	13,000.
Osaka IA, Osaka, Japan	Not given	Not given.
Nairobi IA, Nairobi, Kenya	do	Do.
Singapore IA, [Puya Lebar], Singapore, Malaysia	3–4 mi	60,000.
Rotterdam Airport, Rotterdam, Netherlands	1 km	750.
Schiphol Airport, Schiphol Airport, Netherlands	At border	Not given.
Christchurch IA, Christchurch, New Zealand	1½ mi	Do.
Las Mercedes IA, Nanaqua, Nicaragua	5 mi	15,000.
Lagos/Murtala Muhammed, Nigeria	1–2 km	50,000.
Bergen Airport, Bergen, Norway	Not given	300.
Oslo IA. Fornebu, Norway	8 km	Not given.
Kristiansand Airport, Kjevic, Norway	17 km	5–7,000.
Stavenger Airport, Sola, Norway	13 km	15,000.
Tocumen IA, Republic of Panama	3 mi	10,000.
Puerto Rico IA, San Juan, Puerto Rico	½ nmi	8,000.
Stockholm-Arlanda Airport, Stockholm, Sweden	3 mi	50.
Zurich Airport, Zurich, Switzerland	500 meters	45,000.
Aeroport de Geneve, Geneve, Switzerland	4–5 km	20,000.
Basel-Mulhouse, Basel, Switzerland	2 nmi	20,000.
Bangkok IA, Bangkok, Thailand	5 km	40,000.
Piarco :A, Piarco, Trinidad	Not given	50.
Maiquetia IA, LaGuaira, Venezuela	800 meters	5,000.
Pago Pago IA, American Samoa	½ mi	2,800.
Edinburgh IA, Edinburgh, Scotland	¾ mi	Not given.
Khartoum Airport Democratic Republic of Sudan	Within	3,000.

[1] Center of city, 7 miles.

PAC'S AND PUBLIC FINANCING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEHMAN. Mr. Speaker, I am including in the RECORD an editorial which appeared on April 22 in the Miami Herald.

I share the Herald's concern about the interaction of campaign contributions and congressional decisionmaking. Political action committees are proving to be just a more sophisticated form of influence buying.

Public financing of congressional campaigns would eliminate this danger of undue influence. Members of Congress would be freed from the unseemly obligations that accompany large contributions. They would instead be able to concentrate on doing their best for all their constituents and for the country as a whole.

The editorial follows:

CAMPAIGNS MUSTN'T RUN WITH PAC

The rapid growth of corporate "Political Action Committees" (PACs) bears watching. Just since 1974, they've proliferated to 566 from 89, and their contributions to candidates in 1976 topped $6.7 million.

The corporate PACs are modeled after similar groups maintained by many of the nation's labor unions. Those union PACs actually contributed slightly more money during the 1976 campaign, but the corporate PACs have been growing much faster, with 58 new ones thus far this year alone.

Some observers believe the growth of corporate PACs may be a good thing. At least their contributions are aboveboard, unlike some past corporate practices of giving secretly or disguising contributions as honoraria for speaking appearances by favored congressmen.

But the explosive growth of corporate PACs could prove to be too much of a good thing. As a Common Cause spokesman notes, the money PACs give "is of an investment nature; they're investing in power."

Even House Speaker Tip O'Neill—not noted for his dedication to reform—has expressed concern. "I worry about this Congress if the PACs keep going crazy like this," he declared shortly after the PACs ganged up to help kill public financing of election campaigns.

We share the concern over the role that contributions play in congresssional decision-making, whether the PACs giving the money are corporate or union.

Moreover, the concern grows as we see evidence that the PACs of all kinds are becoming more sophisticated in channeling their funds to congressmen whose committee assignments place them in a position to do the donor some good.

The remedy, as we see it, is twofold: For now, complete disclosure of all contributions is a must. For the long run, public financing of congressional campaigns should be tried.

Public financing will cost taxpayers some money, but it may well turn out to be a bargain compared with government by PAC.●

OBITUARY FOR THE HONORABLE WILLIAM STEVENSON, FORMER MEMBER OF THE HOUSE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BALDUS. Mr. Speaker, I would like to take this opportunity to honor the memory of one of our former colleagues, the Honorable William Stevenson, who represented the Third District of Wisconsin in this Chamber from 1941 to 1949, and who died recently at the venerable age of 86.

Although I never had the privilege of knowing Mr. Stevenson personally, I feel a special kinship with him, for he represented the same district that I now represent. I am familiar with his record and his reputation and I can assure you that Wisconsin—and the country—has lost a noble citizen.

A former teacher, school principal, lawyer, and district attorney, Mr. Stevenson served his community and his State with integrity and diligence for almost half a century. He served as a Member of this Chamber during the most turbulent years in the Nation's history. Mr. Stevenson was a solid and unassuming man, who preferred the certainty of quiet achievement to the lure of public applause. In 1949 he retired to private practice in the community he had served so long.

There is neither room here nor need to list all of Mr. Stevenson's contributions as a public servant. His value to his community and his State may be measured in part by the number of friends and neighbors and former colleagues who now mourn his passing.●

SOME FACTUAL INFORMATION ON SOLAR ENERGY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. McCORMACK. Mr. Speaker, I am inserting herewith in the RECORD factual information on congressional accomplishments with respect to solar energy, and to provide the Members with facts that may be of value in reporting to constituents, or in making speeches or answering questions about our progress on, and the prospects of solar energy.

Again this year, the Committee on Science and Technology has taken the lead

in maintaining unusual aggressive, but fiscally and technologically responsible, solar energy research, development, and demonstration programs, providing maximum feasible support for each solar energy technology.

This year, the administration requested only $341.5 million for solar energy research, development, and demonstration fiscal year 1979—an actual reduction in existing programs. (In addition, the administration requested $26.9 million for bioconversion programs and $28.4 million for solar commercialization and solar installations on Federal buildings.)

The Science and Technology Committee has increased the authorization levels for solar energy research, development, and demonstration by $134.7 million (and bioconversion by $25.7 million) as shown below.

SOLAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION

[In millions of dollars]

	Fiscal year 1974 actual obligations	Fiscal year 1978 estimated obligations	Fiscal year 1979 admin. auth. req.	Science and Technology Committee action	Total committee auth.
Heating and cooling including agriculture and industry process heat	3.3	106.3	81.1	+36.5	117.6
Thermal electric production	1.7	107.8	96.3	+.1	96.4
Wind energy	1.2	37.6	40.7	+20.0	60.7
Photovoltaics	1.4	78.8	76.1	+49.2	125.3
Ocean thermal conversion	0	36.5	33.2	+28.9	62.1
Other programs	0	10.8	14.1	0	14.1
Total solar energy	7.6	377.8	341.5	+134.7	476.2
Bioconversion	.2	23.9	26.9	+25.7	52.6

You will see that there has been phenomenal growth in all solar energy research, development and demonstration programs—6,700 percent in just 5 years; and a 43 percent increase this year over the administration's request. This is consistent with committee and congressional policy to bring energy technologies to the point where commercialization can occur, when and if it is economically competitive.

Some highlights of progress on solar energy research, development and demonstration, as initiated by the Science and Technology Committee, are listed below.

1. Solar Heating and Cooling: The solar heating and hot water phase of the Solar Heating and Cooling Demonstration program is already a sparkling success, of which we can all be proud. More than 7,000 individual residences are now equipped (or being equipped) with solar heating or solar hot water systems or both, and more than 1,300 industrial facilities and commercial and public buildings are (or soon will be) on solar energy for process heat, space heating, hot water, and, in a few cases, solar energy used for cooling.

Testing and monitoring of these demonstration units will continue during the next 5 years, and additional emphasis will be placed on developing solar cooling systems. We expect to bring at least 2,000 combined solar heating and cooling demonstration units on the line during this period, provided that reliable and competitive solar cooling systems for individual residences can be developed.

The President has called for installing solar systems in 2.5 million residences by 1985. Our goal should be to have 15 million residences equipped with solar heating, hot water and cooling by the year 2000. This will provide the equivalent of about one million barrels of oil per day, about 2% of total energy consumption at that time.

If we assume the average installed cost of solar units to be $10,000 per residence, the total investment for 15 million residences will be $150 billion. At today's world price of oil, the potential savings in full will be worth about $5.5 billion per year.

2. Thermal Electric Production: A 10 megawatt solar thermal electric generating plant is now being constructed near Barstow, California. It will be in operation within three years.

If we can get twenty 50 megawatt thermal electric power plants on the line by the year 2000, they will generate electricity at the rate of 1,000 megawatts, when the sun is shining.

If the cost goals can be met, the twenty generating plants would require an investment of about $1.3 billion. Their energy contribution would be the equivalent of about 15 thousand barrels of oil per day with potential fuel savings worth $100 million per year.

3. Wind Energy. Wind energy is created as a result of the sun's interaction with the atmosphere. A 100 kilowatt wind generator has been operating at Sandusky, Ohio for many months and a new 200 kilowatt generator has just gone into operation at Clayton, New Mexico. A 2 megawatt installation is under construction at Boone, North Carolina. Several other large wind generators will be in operation soon and many small wind generators are being tested.

If we can get 100 very large (2 megawatts each) and 100,000 small (1 kilowatt each) wind generators in operation by the year 2000, they will produce the equivalent of about 5 thousand barrels of oil per day, having a potential fuel savings worth $35 million per year. If cost goals are met, the total cost for these machines would be about $500 million.

4. Photovoltaics: This technology involves arrays of solar cells, which convert sunlight directly into electricity, (such as are used for "solar panels" on space satellites). Technical options that are now being developed include single-crystal flat plate arrays, concentrating systems and advanced material/thin film arrays.

A photovoltaic irrigation experiment using a flat plate system is operating successfully in Mead, Nebraska and a grant for a photovoltaic system has been awarded to Mississippi Community College in Blytheville, Arkansas.

The goal of our new photovoltaic bill (HR 10830) is to achieve an annual production of 2,000 peak megawatts of generating capacity within ten years. If this can be accomplished at competitive costs, then the system may grow to 20,000 peak megawatts on line by the end of the century, at a cost of roughly $20 billion (1978 dollars). The energy thus produced would be the equivalent of about 200 thousand barrels of oil per day, which at today's prices is worth about $1 billion per year.

5. Ocean Thermal Energy Conversion: This technology is focused on the development of floating power plants for converting ocean thermal energy to electricity, for either transmission to on-shore utility grids or for shipboard production of energy intensive products such as hydrogen, ammonia and aluminum. We hope to have several such systems in operation before the end of the century, and we expect OTEC to make a measurable contribution to our nations energy production during the next century.

6. Bioconversion: Projects are underway in direct combustion of wood residues, and in gasification and liquefaction of various organic materials. If by the end of the century we can convert 50% of our waste materials into liquid and gaseous fuels or into usable heat, this will be equivalent to about one million barrels of oil per day, worth about $5.5 billion per year.

To summarize:

With continued generous funding for solar energy research, development and demonstration, we may, if we are extremely fortunate, produce 3% to 5% of our total energy demand from solar energy, including bioconversion, by the year 2000. This is equivalent to about 2.5 million barrels of oil per day. At todays price of $15 per barrel delivered, the contribution of solar energy in the year 2000, will at today's prices be worth almost $14 billion per year.

Solar won't solve our energy problems during this century, and even optimistic projections for solar production won't reduce the critical demand for clean synthetic fuels from coal, and expanded nuclear energy production.

Nevertheless, the contribution that solar energy can make is worth celebrating, and we should continue with the aggressive support for solar energy research, development and demonstration, as set forth in the solar programs established by the Committee on Science and Technology.●

ANTOINETTE SLOVIK

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. TEAGUE. Mr. Speaker, Members will recall that there is pending before the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary a bill, H.R. 9114, which proposes to pay the sum of $70,000 to Antoinette Slovik, the widow of private Eddie Slovik who was executed in World War II for desertion. This measure has been endorsed by the President in a press conference and the Veterans' Administration has formally approved the proposal.

For those of us who are opposed to this matter on philosophic as well as other bases, the compilation which the Veterans' Administration has made at my request showing the amount of money Mrs. Slovik would have received if Pri-

vate Slovik's national service life insurance had been paid at the time of his death and the amount she would have received from death compensation and dependency and indemnity compensation is more than of casual interest. By a strange coincidence, the $70,000 authorized by H.R. 9114 is $909.27 less than that which she would have received if Private Slovik's service had been honorable and he had died under honorable conditions. The report provided me by the Veterans' Administration is as follows:

Showing the amount of money Mrs. Slovik would have received if Private Slovik's National Service Life Insurance had been paid at the time of his death and the amount she would have received from Death Compensation and DIC.

With regard to insurance, if he had died under circumstances that would have resulted in the payment of his National Service Life Insurance policy, his widow, Antoinette Slovik, would have received $14,925.00 as of March 1978.

The figure of $14,925.00 is based on the following:

Date of Death: January 31, 1945.

Birthday of Widow: March 13, 1915, making her 29 years old at the time of Private Slovik's death.

Law requires payments to be made in monthly installments of $37.50 each for life with 267 installments guaranteed. As of March 1978, 398 installments would have come due. Lump sum payments were not authorized at that time.

The calculations for Death Compensation and DIC are as follows:

Had Private Slovik died in service in line of duty, his widow would have been entitled to the following benefits:

Death Compensation: January 1, 1945 to December 31, 1956—$10,264.00.

Dependency and Indemnity Compensation: January 1, 1957 to February 28, 1978—$40,050.27.

Public Law 90–631, effective December 1, 1968, amended Chapter 35, Title 38, to include educational benefits for widows of veterans who died in service. Private Slovik's widow would have been entitled to receive the following amounts:

Chapter 35 Educational Benefits: December 1, 1968 to January 31, 1970—$1,820; February 1, 1970 to November 30, 1971—$3,850; total, $5,670.

The above benefits totaled $55,984.27.●

NEBRASKA MOTHER OF THE YEAR

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. THONE. Mr. Speaker, on April 19, 1978, one of Nebraska's truly outstanding women, Mrs. Lucy Nevels, of Lincoln, was named the Nebraska Mother of the Year. She has led such an exemplary life that I submit to you the testimony of one of her children, Mrs. Mary Nevels Clark, which was read on behalf of the five Nevels children to their mother in a very emotional award ceremony in Lincoln:

I am pleased that we have an opportunity this morning to share with you some of the thoughts and feelings that the Nevels children, Judy, Fred, Paul, Lucy and I have about our mother. Everything about her centers around the fact that she is a giving lady. She always expresses her concern and love for others by her involvement in people and institutions within the community. Mother believes that caring is an everyday thing and that people are more important than anything else in the world. She always finds something good in everyone—even those who others feel are totally hopeless and impossible people.

Mother is a woman of few words. By her example she taught us valuable concepts on which to build our lives. Some of the values that she instilled in us as children were as follows:

1. First and foremost she taught us to take pride in ourselves and by doing this we not only respect ourselves, but we have a respect for others.

2. Mother demonstrated how to strive and persevere—that there is never a mountain that cannot be climbed and that one must accept the challenges of climbing that mountain in life, even if we are unsure of how we will get there.

3. She taught us the value of prayer. Mom showed us how to talk to God and to depend on him to assist us through life.

4. She pointed out the value of institutions such as marriage, the church and school—that these are tools to help us live a happier and better life.

5. Mother is not afraid to make decisions and stand by them, therefore we also learned to be decisive by the example she set for us.

At this point, I would like to make some comments about our mother in the Nevels home. Not only is our mother successful within the community but she is a very successful parent. She and my father are very supportive of us.

Mother is a good listener; we can always go to her and discuss our problems. In fact, when we were children sometimes we would all talk at the same time. Mother would listen quietly and attentively.

Mother was never afraid to discipline us. She and my Father always stood together in decisions about us. Consequently, there was consistency, continuity and stability in our home.

The last point that I will make about mother is that she has achieved to a great extent the goals that many people are striving for today—a sense of identity and purpose in life.

Because of the honor you have bestowed upon our Mother, you have truly given us an opportunity to express to our mother why we love and respect her so much.●

CITIZENS' PROPERTY TAX RELIEF ACT OF 1978

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. MAGUIRE. Mr. Speaker, yesterday I introduced the Senior Citizen's Property Tax Relief Act of 1978.

The years after retirement should be a time of security and comfort, but many older Americans find themselves on a fixed, limited income, which provides just enough money for them to afford the bare necessities of living from one day to the next. In most cases as income decreases, tax liability also decreases. However, property taxes, rather than decreasing in magnitude, increase as property values are driven up by inflation. As a result, senior citizens who have resided in their houses for many years, but do not possess sufficient funds to pay property taxes, may have to sell their homes. This situation could be improved by implementing a property tax relief program.

The legislation I introduced yesterday would permit senior citizens to pay their property taxes from the equity in their homes, built up over many years of faithful mortgage payment.

Under this act, the Federal Government would pay local property taxes for the elderly as they become due. In exchange, a lien would be placed against up to 90 percent of the homeowner's equity. These payments would amount to interest-free loans which would be repaid from the estate of the senior citizens or upon sale of the property prior to death. Under this system, the only cost to the Federal Government would be the imputed interest on the loan. In addition, there would be small administrative costs accepted by the several States.

The approach embodied in this program has numerous advantages. It achieves the desired end of property tax relief through leveraging Federal expenditures many times over. It is voluntary for the States and for the individual participants. No State is obliged to adopt such a program, although most States have already adopted some property tax relief for their elderly citizens. This bill was not written with the intention of replacing existing State programs.

On the contrary, I hope that this program will provide a nationwide supplement to State programs, at a minimum cost to both the State and Federal governments. Senior citizens would remain free to sell their homes if they wish. But now the option to continue life in the home they have worked so hard to buy will be available without unreasonable or impossible sacrifice.

The low cost and simplicity of such a program are self-evident. That such a program could allow senior citizens the freedom to retain their property in spite of high property taxes should demand attention from any member with concern for the aged.●

G. KEITH FUNK HONORED BY BOY SCOUTS OF AMERICA

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure today to present to you and my colleagues the accomplishments of one of my constituents, G. Keith Funk. On May 17 Mr. Funk will receive the Silver Antelope Award of the Boy Scouts of

America, in recognition of his outstanding service to this organization.

The Valley Forge Council, Boy Scouts of America, placed Mr. Funk's name into nomination for the Silver Antelope Award due to his many years of dedicated service to all phases of Scouting. Mr. Funk's Boy Scout service ranges from troop committee, then to the district level, where he was a sustaining membership enrollment chairman; district commissioner; nominating committee chairman, and district committee member for many years.

At the council level he served as president of the Valley Forge Council for 3 years, 1973 through 1975. He also served as nominating committee chairman, has been on the activities committee, has been chairman of the national jamboree committee, chairman of the scout show committee, chairman of the camping committee and camp development committee, council project sales chairman, and is currently serving as an executive board member, and chairman of the major gifts committee.

Mr. Funk's involvement was not limited to the local level, as he contributed his time and efforts to the regional and area levels of scouting also. He has helped on the trust fund committee of Pennsylvania, 1975–76; chaired the finance session at the northeast regional meeting in 1977; pioneered the use of Cub day camp facilities in Scouting and the expansion of camp use in other councils. In addition, he was Valley Forge Council chairman for the National Jamboree in Idaho in 1969. Nationally, he has served on the national local council finance committee, served as council chairman for a project for six councils in an experimental project for council financing; and is the Valley Forge Council's national council representative.

Mr. Funk's civic activities do not end with the Boy Scouts of America. He has served on the administrative board and as finance chairman of Haws Avenue Methodist Church. In business in the Philadelphia area since 1946 Mr. Funk was recently honored by his peers at the Water Quality Association Convention by induction into the Water Quality Hall of Fame, the organization's highest award. In addition he is a member of the Rotary Club of Norristown, a past president of the Norristown Jaycees, a special gifts chairman for the United Way, and for 8 years a member of the Central Montgomery Chamber of Commerce.

The Boy Scouts of America will honor G. Keith Funk at their national meeting in Phoenix, but I would like to honor him here. Mr. Funk has lent his time and his efforts to many civic projects in the Fifth District of Pennsylvania. His contributions have been immeasurable. Webster defines community as "a unified body of individuals." A community is more than that—it is people working together, sharing and caring about each other. G. Keith Funk exemplifies the best elements of community spirit, and it gives me great pleasure to pay tribute to him here today.●

STUPENDOUS STEIGER

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. STOCKMAN. Mr. Speaker, I would like to call to the attention of my colleagues an important editorial that appeared recently in the Wall Street Journal. Entitled "Stupendous Steiger," the editorial gives just and deserved praise to our brilliant and able colleague from Wisconsin (Mr. STEIGER) for the capital gains amendment he currently has pending before the Committee on Ways and Means.

Mr. Speaker, the Steiger amendment is not just an ordinary mark-up offering that we can entrust the green-eyeshade boys from Treasury to assess in the conventional categories—such as revenue gains and losses, distributive impact, and so forth. As the Journal notes:

The Steiger amendment is not one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough.

The basis for this plaudit is obvious: the Steiger amendment represent a stark departure from the tired, ragged, intellectually threadbare Keynesian assumptions which have informed the tax and economic policy debate in the country for more than a decade.

Mr. Speaker, the great economic achievements of this country are attributable to a climate which encouraged risk-taking, innovation, superior performance and the promise of extraordinary rewards for extraordinary accomplishments. For more than a decade these vital incentives for individual ingenuity and enterprise have been systematically eroded by tax changes and Government expenditure growth. The net effect has been a drastic reordering of the rewards system in American society. When we tax nearly 40 percent of national income, we can only expect one result: less production in every sense—quantity, quality, utility, innovativeness—because income is the reward for production. And when we in turn redistribute nearly half of that extraction from producers to nonproducers via transfer payments we get precisely what we pay for—mounting rolls of nonproductive, dependent citizens.

Mr. Speaker, so long as we permit Keynesian taxing, spending and redistribution programs to anesthetize the fundamental rewards structure of our society, all the pump-priming, stimulative deficits in the world will not restore our economy to full employment. The empirical evidence for this proposition is already clear and unchallengeable for anyone who cares to examine the evidence. Since the trough of the recession in 1975, we have chalked up more than $250 billion worth of stimulative deficits. And yet by nearly consensus admission, the failure to inject another round of $60 to $70 billion of deficit stimulus into the economy in fiscal year 1979—will result in a renewed recessionary tailspin. Do we really wants to transform the greatest and heretofore strongest economy in the free world into a deficit junkie?

Mr. Speaker, the gentleman from Wisconsin has stepped into the breach just in time. He does not propose to repair a decade long accumulation of damage in one fell swoop. But he starts on the critical margin. By reducing the tax rate on capital gains by one-half, his amendment would unleash a torrent of pent-up risk capital which has been cycling around the stagnant economic waters of treasury bills and municipal bonds for years waiting for a signal from Congress. If there is any single step we could take in this Congress to restore the vanishing vitality of the U.S. economy, it would be to adopt the Steiger amendment post haste.

The editorial follows:

[From the Wall Street Journal, Apr. 26, 1978]

STUPENDOUS STEIGER

Rep. William Steiger of Wisconsin, a slight, youthful 39-year-old Republican, has shaken the earth, causing convulsions in the Carter administration, a titanic struggle in the business world and the rapid aging of House Ways and Means Chairman Al Ullman.

What Mr. Steiger did, in all innocence, was propose an amendment to Mr. Carter's tax package. The amendment cuts back the tax on capital gains to where it stood in 1968, before President Nixon was talked into boosting it and hitting it with minimum-tax provisions. Because there are 37 members of the committee and only 12 Republicans, it hardly seemed likely the Steiger amendment could walk, much less fly. But a nose count on both sides turned up at least seven Democrats favoring the amendment. That gives Mr. Steiger 19 votes, a majority, with additional members undecided and potential converts.

The Carter tax package, already reeling from other setbacks, has been stopped in its tracks by the Steiger amendment. Mr. Carter wants to raise, not lower, the capital gains rate. Soaking the rich investor is such an article of faith among liberal tax "reformers" that they are likely to vote against any bill with the Steiger amendment, without even listening to the arguments that have persuaded a majority of Ways and Means. So the tax bill, originally scheduled for mark-up on May 3, has been put off for a week or more. The chief purpose of this delay is to stop Mr. Steiger by trying to horse-trade away some of his 19 votes.

The key to Mr. Steiger's sudden success is one argument: A lower tax on capital gains will raise more money, not less, for the government. The Treasury of course calculates that the rate cut would lose money, handing it out to rich investors. But the Treasury insists on using "static analysis," which calculates the effects of tax cuts by making the convenient but plainly silly assumption that nothing else in the economy changes as a result of different tax rates. Others work with "dynamic analysis," trying to calculate the feedback effects from the rate cuts themselves; often they argue that some kind of tax cuts will increase total revenues.

With most taxes, you have to argue about the possible dynamic effect. But on the capital gains tax it is written in black and white: In 1968, the last year of the lower capital gains rate, the tax pulled in $7.2 billion in revenues. In 1969, at the higher rate, the tax took in $4.8 billion. After a decade, it is only now getting back to the 1968 level, and in inflated dollars.

So Mr. Steiger is asking the liberals

whether they want to cut off their nose to spite their face. Are they really so intent on soaking the rich investor they want the government to give up money in the process? Understandably, the "tax reform" legions are running for cover.

We are prepared to argue that the Steiger amendment would not only boost the revenues from the capital gains tax itself, but would give the economy a powerful shove and boost revenues from other taxes as well. The 1969 change effectively cut in half the jackpot for high-risk capital investment. Reversing that move would double the jackpot and send the economy onto a real growth path.

This prospect of growth is spawning new political coalitions as well. Los Angeles Mayor Tom Bradley, a black liberal Democrat, has testified on Mr. Steiger's side, seeing that higher rewards for risk would boost the young electronics companies in his city. Black bankers and energy groups, seeing that favorable capital gains treatment helps rising enterprises, are pushing hard in a new, unusual alliance with the U.S.. Chamber of Commerce.

Meanwhile, the Business Roundtable and the National Association of Manufacturers stand silent, tempted to throw in their lot with Ralph Nader and Jimmy Carter against Mr. Steiger. Big Everything does not relish competition from young upstarts. It prefers tax boondoggles like the Domestic International Sales Corporation, an export-subsidy scheme with no economic justification but of considerable help to multinationals that can hire hordes of lawyers to figure out its provisions.

So the battle is brewing. It remains to be seen whether Mr. Steiger—perhaps with help from Ways and Means minority leader Barber Conable, who also recognizes that a cut in the capital gains rate would boost revenues—can hold together 19 votes against the inevitable temptations of log-rolling. Everyone should know that the Steiger amendment is not one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough.●

SUCCESS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. WINN. Mr. Speaker, earlier this spring, I ran across an essay in an Ann Landers column which was written by an outstanding Kansan, but which, through the years, has been misquoted and falsely attributed to several other famous authors.

In 1904, Bessie Anderson Stanley, the mother of our distinguished senior judge of the U.S. district court in Leavenworth, Kans., Arthur J. Stanley, Jr., entered a 100-word essay in a nationwide essay contest on "Success." She won the first prize of $250 and generously offered to share the award with her husband who had urged her to submit the essay in the first place.

Since then, Mrs. Stanley's essay has been printed in various journals and has been misquoted in such publications as Ladies Home Journal, the Wall Street Journal, the Christian Science Monitor, and the Masonic News Digest. Among others, it has been falsely attributed to Robert Louis Stevenson and Ralph Waldo Emerson.

It was with great pride that I read of the true authorship of the essay in the recent Ann Landers column. Joining Ms. Landers in setting the record straight, I would like to share Mrs. Stanley's words with my colleagues. I believe it holds special meaning for us all.

The column follows:

ANN LANDERS

DEAR READERS: I promised to print "at some later date" the original, ungarbled version of the definition of Success as it was written in 1905 by Bessie Anderson Stanley. The author's son, Arthur J. Stanley Jr., a senior judge of the U.S. district court in Leavenworth, Kans., has provided documentation from the Kansas State Historical Society that his mother is indeed the author.

When I first printed the essay in 1966, a reader said it was by Ralph Waldo Emerson. Subsequently, 28 people wrote to say THEY had written it and wanted credit. With pleasure (and a sigh of relief) I set the record straight.

SUCCESS

(By Bessie Anderson Stanley)

He has achieved success who has lived well, laughed often and loved much; who has enjoyed the truth of pure women, the respect of intelligent men and the love of little children; who has filled his niche and accomplished his task; who has left the world a better place than he found it, whether by an improved poppy, a pretty poem, or a rescued soul; who has never lacked appreciation of earth's beauty or failed to express it; who has always looked for the best in others and given them the best he had; whose life was an inspiration; whose memory a benediction.●

THE SNAIL DARTER, A HEALTHY HABITAT AND YOU

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SEIBERLING. Mr. Speaker, on Monday, the Washington Post's op-ed page contained two excellent articles dealing with environmental issues. I am offering them for inclusion in the RECORD following these remarks.

The first of the articles, "Our Habitat—and Our Survival," by Jeff Wheelwright discusses the significance of the controversy between the TVA and the Endangered Species Act's protection of a small fish known as the Snail Darter. The article points out that this fish requires a shallow, pure, fast, wide, gravelly river and that there used to be dozens of rivers of that description in the Southeastern United States, but by the time this fish was discovered in 1973, dams, channelization, and pollution had reduced its habitat to a 17-mile stretch of the Little Tennessee River. Mr. Wheelwright also notes, "by no coincidence at all, that 17 miles also provides the finest trout fishing in the entire region."

The controversy arises because if the TVA completes the last of its 68 dams on the Little Tennessee River system, the Snail Darter's habitat, and with it the Snail Darter, will be lost forever. Thus the Darter's plight is a warning light about a disappearing habitat.

The writer points out that "If we continue to strip nature of its diversity, we shall some day pay a very high price." He states that already in this century the world has lost 70 species of mammals, 50 of birds, and that the rate of extinction among higher species animals is running at the rate of 1 per year. He stated further that it is estimated that 20 percent of the animal and plant forms alive today will not be alive by the year 2000. He says that habitat destruction is the direct cause of most extinctions. The continued spread of deserts, the clear-cutting of rain forests, the sterilization of land by parking lots and eroded timberlands also diminish the land's ability to grow food, to protect us against disease, and to moderate our climate. Allowing marginal species like the Snail Dater to become extinct is moving us one more notch toward our own extinction.

The other article, "A Clean Environment—a Healthy Economy," by Gregory A. Thomas, argues quite persuasively that environmental protection and a healthy economy are not incompatible. On the contrary, by adding a new type of productive activity, investments in environmental quality create new industries and new jobs. In fact, according to Mr. Thomas, it is the failure to abate pollution that robs the economy of output, robs crop land and forest land of substantial yields, robs people of their health and a portion of their economically productive years and destroyed recreational opportunities.

That does not mean that Government should not help industry pay for the added direct costs of installing pollution controls. On the contrary, it should, and I and other Members of Congress have introduced bills to provide such assistance. However, the point is that, the question of healthy environment or healthy economy is not an "either-or" issue but a question of finding a reasonable balance.

The articles follow:

[From the Washington Post, May 1, 1978]

OUR HABITAT—AND OUR SURVIVAL

(By Jeff Wheelwright)

South of Knoxville, in the last undammed stretch of the Little Tennessee River, the snail darters are preparing to spawn. While the males flash their courtship colors in the fast, shallow water, the females are nuzzling the gravel bottom, searching for places to lay and cover their eggs. When the young darters hatch later this spring, they will float downstream through the unfinished gates of the Tellico Dam. If those gates should ever be closed, the snail darter will become extinct.

But because this three-inch fish is protected by the Endangered Species Act, it has so far managed to frustrate all efforts by the Tennessee Valley Authority to complete its Tellico project. The Supreme Court is now considering the TVA's appeal. Meanwhile, anti-darter forces are drafting amendments to the act itself. They would like to establish a Cabinet-level committee with the power to exempt public works like Tellico.

In effect, that committee would have the power to decide that the snail darter is less important than the dam, and that the fish may reasonably be consigned to extinction. Such adjudgment would set a dizzying biological precedent, because for the first time in history man's foreknowledge of an extinction would establish his complicity.

Always before—as in the case of the passenger pigeon—the extinction of a species has come as a rude surprise. We'll know what we're doing to the snail darter.

The case for preserving endangered species rests on several lines of argument. There are speculative arguments (their rare genetic material may contain the cure for cancer) and moral arguments (we are the guardians of all earth's creatures). But there is a third reasoning, based on cold self-interest: If we allow marginal species like the snail darter to become extinct, we promote the day of our own extinction. It is simply a question of preserving habitat.

All living things, from the lowliest fish to the most advanced human, need a supportive habitat, a place in which life can safely develop. In the darter's case, the need is highly specific. The fish requires a shallow, pure, fast, wide, gravelly river. There used to be dozens of rivers of that description in the southeastern United States, and it is believed that many of them harbored populations of snail darters. But the species was only discovered in 1973; by then the modern order of dams, channelization projects and pollution had reduced its habitat to a 17-mile stretch of the Little Tennessee. By no coincidence at all, that 17 miles also provides the finest trout fishing in the entire region.

The point is not that the TVA was wrong to have built its 68 dams on the Little Tennessee River system. The point is that a unique combination of natural elements will be lost forever if the last dam is completed. In this sense, the darter's plight is an indicator, a warning light above a disappearing habitat.

How would the loss of this fish and its ecosystem promote our own extinction? In itself, it would and could not. We are the most resilient, resourceful species on earth. We are capable of adapting to the most inhospitable of environments. We do not need the Little Tennessee, as beautiful as it is. But as part of a worldwide pattern, this small loss would be ominous.

The rate of extinctions among the higher mammals is running at one per year. Already in this century the world has lost 70 species of mammals, 50 of birds and untold numbers of reptiles, fish, insects and plants. It is estimated that 20 percent of the animal and plant forms alive today will not be alive by the year 2000. Each of these premature extinctions marks the disappearance of a special habitat; habitat destruction is, in fact, the direct cause of most extinctions.

What do we mean by habitat destruction? We mean the spread of the deserts in Africa, the clear-cutting of the rain forests in Asia and South America, the homogenization of the landscape in the United States. Deserts and eroded timberlands and coast-to-coast parking lots cannot kill us directly, of course. But those sterile places, increasing as fast as we do, cannot grow food for us, at a time when we need more and more food, they cannot protect us effectively against disease or epidemics, nor can they help regulate our climate. If we continue to strip nature of its diversity, we shall some day pay a very high price.

These and other dark thoughts I entertained while driving recently on the Connecticut Turnpike. Approaching Bridgeport I smelled smoke. Near the waterfront, an industrial dump was burning. It projected onto the city a steady stream of acrid fog, as if from a giant firehose. Within seconds my eyes were smarting and my ears and throat hurt.

The biological history of Bridgeport passed before me. I saw, in the 17th century, the big animals disappear: the wolves, panthers and elk. As Bridgeport grew over the years from a settlement to a town, and from a town to an industrial city-state, I saw the passing of smaller species: the bobcat and the otter, the passenger pigeon and, quite possibly, unknown cousins of the snail darters. The people stayed on, as did their tough urban minions: the English sparrows, the crab grass and the stray dogs.

That history did not upset me; I'm not such a bleeding-heart as all that. But now, though clear of the fumes, I had a steady headache, and that *did* upset me. If one minute's exposure can do this, I thought, what would an hour's do? How long could I, one of the invincible species, have survived in that habitat? By the time the last animal becomes extinct, those of us who remain will be walking about in spacesuits.

[From the Washington Post, May 1, 1978]

A CLEAN ENVIRONMENT, A HEALTHY ECONOMY

(By Gregory A. Thomas)

In its April 5 editorial "Cleanliness, at a Price," The Washington Post held that more environmental protection and more economic activity are both worthy social gains, but ones that, unfortunately, counteract each other. To arrive at that conclusion, The Post asserted, correctly, that (1) expenditures to protect environmental quality are increasingly relative to other economic activity and (2) the productivity of labor is not growing as fast as it used to. Then, whimsically, it inferred that (3) the former must be the cause of the latter. Since the "standard of living" (an economic index that measures only the amenities that money can buy) depends in some fashion upon such productivity, The Post fears that environmental quality may, in time, jeopardize our material well-being.

Viewed from that angle, pollution control is found to adversely affect the economy like other specified crimes against property, including "holdups, shoplifting, and . . . embezzlement." To avoid the taint of having consorted with the criminal element, The Post explains its past support for environmental legislation as having been based upon moral, not economic, justification.

The Post is astute on one point: Environmental quality relates much more directly to the quality of life than do conventional economic measurements such as "standard of living" or "gross national product" or even "productivity." To that extent, it is fair, if not particularly informative, to treat environmental protection as a moral issue.

But there is more to it. The substantial increase in investments in environmental quality does have a marked effect on the economy. But The Post is mistaken in believing that the effect is a reduction in economic output. Quite the contrary. By adding a new type of productive activity, these expenditures stimulate the economy while shifting the mix of goods and services the economy produces. These expenditures buy important, even essential, benefits to both our economic and physical lives. They create new industries and new investment opportunities. Demonstrably, they create new jobs.

Most important, investments in pollution controls avoid unnecessary and wasteful claims against nature's bounty. If pollution control has an analogue in crime, the relationship is the diametric opposite of that suggested by The Post. It is the failure to abate pollution that robs the economy of output, robs crop land and forest land of substantial percentages of their yield, robs human beings of their health and a portion of their economically productive years, embezzles everyone of recreational opportunities lost by polluted waters or destroyed wilderness.

The fundamental mistake in economic analysis that The Post makes is one of confusing productivity of any particular factor of production with performance of the economy as a whole. Let's give The Post its thesis that a shift of economic activity in the direction of pollution control lowers labor productivity. If so, it means that the ratio of labor to gross national product is increased. Is that undesirable?

Three basic inputs that result in economic output are labor, resources (particularly energy) and capital. Hardly a day passes but what The Post itself provides additional evidence of the increasing shortage of two of these inputs: energy and capital. In fact, reduction in energy inputs has been singled out by President Carter as the highest domestic priority. Capital scarcity has precipitated equally grand responses such as the president's proposal, in the guise of tax reform, to greatly extend the investment credit. In sum, our national economic policies are calling for a substantial increase in the productivity of scarce energy and capital resources. At the same time, reduction of unemployment is a third high-priority domestic political program aimed at improving the nation's economic well-being: National policy is calling for an increase in labor inputs into the economy.

Pursuit of these objectives simultaneously should bring about exactly the phenomenon that The Post notes in its editorial—namely, a lowering of the productivity of labor while the GNP continues to grow. That will be a consequence of not only the recent and sizable investments in environmental pollution, but of a myriad of federal economic programs aimed at producing exactly that result. Nor does it presage economic gloom or reduced economic well-being. Quite the contrary. It is probably the strategy most likely to keep the economy vigorous.

The future portends even greater changes. It is becoming plain beyond dispute that desirable increases in GNP will be sustainable in an increasingly resource-short world only if we succeed in shifting the mix of goods and services away from those that are resource-intensive and toward those that, like communication, education and good health, are not. That does not mean that we will be worse off. It just means that we will be different off.●

IF U.S.A. CONTINUES TO PLAY "AIRPLANE CHICKEN" EVERYBODY LOSES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SANTINI. Mr. Speaker, I cannot support the diplomatic ploy of airplane "chicken" that is presently being advanced by the administration. It is not fair, it is not logical, and would appear doomed to legislative demise.

Three years ago this country promised the state of Israel that in return for its withdrawal from the Sinai these planes would be sent. Now the administration proposes to offer a "tit for tat" arrangement that was not part of the original U.S. commitment. So much for fairness.

If logic has any place in these international machinations I would like to be able to point to a specific quid pro quo in return for our commitment to arm one of Israel's potential adversaries.

Given the present state of Mideast negotiations, it would seem to me that most Members of Congress would be willing to consider military assistance to any Arab nations that had advanced tangible

proof in the form of a treaty commitment that we would not find these war planes doing battle with each other in the near future. In the absence of such an agreement, what is the sense or sanity in peddling these planes.

Continuing our intrusion into logic, if there be some sub rosa quid pro quo for the sale to the Saudis and the Egyptians then we legislators should be provided with something more than an edict on which to base our own resolve. As yet, no tangible explanation has surfaced.

Finally, there ought to be some expectation of legislative success when proposals of this magnitude are advanced. What is the legislative prospect here? Why are we leaping to push the irresistible force against the immovable object?

Maybe the rhyme and reason for all of this will become clear in the course of our legislative pursuits. But until those reasons become known I am forced to deal with the all or nothing gauntlet that has been passed down Pennsylvania Ave.

At this time I must reject the entire proposal.●

SOCIAL SECURITY FACT SHEET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for May 3, 1978, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY FACT SHEET

These are some questions that people frequently ask about social security:

How big is the social security system? Social security taxes constitute about ¼ of all federal taxes on individuals and about ¼ of all federal tax revenues. The money spent for social security represents ¼ of all federal outlays. About 34 million people receive $7.4 billion in benefits each month. These include 21.5 million retired workers and their dependents, 7.6 million widows, widowers, children and aged parents, and 4.9 million disabled workers and their dependents.

What happens to the money collected for social security? The money collected is used only to pay the benefits and administrative expenses of the program. Any money not immediately needed for these purposes is required by law to be invested in government securities. The money derived from social security taxes is placed in four trust funds. About 72¢ of each social security dollar goes for retirement benefits, 15¢ for hospital benefits under Medicare and 11¢ for disability benefits. Only 2¢ goes to pay administrative costs.

Is social security only for older people? No. In addition to its well-known retirement benefits, the program provides cash benefits for dependents of retired workers, for survivors of deceased workers and for disabled workers under age 65 and their dependents. It also provides health benefits for aged people and for those with severe, long-term disabilities.

Is social security a pension plan? No. The basic purpose of social security benefits is to furnish a partial replacement of earnings which are lost to a family because of death, disability or retirement in old age. In line with this purpose, the social security law provides that these benefits are to be withheld if no loss of income occurs. Thus, social security is more like an insurance plan than a pension plan. Also, Medicare helps pay medical expenses for people aged 65 and over and for people who have been receiving disability benefits for two years or more. The standard pension plan may not provide such medical benefits.

Is social security a savings plan? No. Even a savings plan that has been in effect for years will not provide nearly as much in survivors or disability benefits as may be payable under social security in the event of a worker's death or disability. In addition, social security benefits are protected against inflation by a cost-of-living escalator.

Is social security a pay-as-you-go system? Yes. Current taxes pay current benefits, with the trust funds serving as contingency reserves. In this respect, social security is not like private insurance which must build up reserves to protect against the possibility of having no future participants. A private insurance plan must have sufficient funds on hand to be able to pay all obligations. However, social security is assured of continued income. Its financing is sound as long as its income is sufficient to meet program costs as they fall due.

Who makes sure that social security is fiscally sound? Several groups, both public and private, monitor social security. The General Accounting Office, the Congress, the Library of Congress, the Board of Trustees and a blue-ribbon panel of private citizens (the Advisory Council) all share responsibility for assuring that the program is meeting all existing and projected needs.

How can we be sure that social security is soundly financed? Social security is a "contract between generations." The financing of the program will continue to rest on the commitment of government to use its taxing power to meet program obligations.

What is the present dispute over social security financing all about? The dispute is about the extent to which social security taxes should be reduced by using general revenues to fund a portion of social security obligations. Some Congressmen favor ⅓ general revenue financing. Others want to retain the payroll tax to finance the retirement system, but remove Medicare and/or disability insurance from the program.

How compulsory is social security coverage? Nine out of ten gainfully employed workers in the country must be covered by social security. The workers not covered are federal, state and local government employees.

Why are government employees not covered? There are legal problems in a compulsory federal tax levied on state and local government employees. As a result, coverage for these employees is voluntary and only about 70 percent of them have chosen to participate. Federal employees are not covered because the federal retirement system was already well-established when the social security law was passed. However, the mandatory coverage of all government employees is being seriously studied today. Congress will probably act on this issue when the studies are completed.●

BANKRUPTCY IS NOT THE SOLUTION FOR NEW YORK CITY

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. McKINNEY. Mr. Speaker, the question of whether the Federal Government should provide financial assistance to the city of New York has once again become a topic of debate on Capitol Hill. After extensive hearings were held on this issue by the Economic Stabilization Subcommittee, a bill was sent to the full Banking Committee which provides for $2 billion in loan guarantees over a 15-year period. That bill was reported out yesterday with overwhelming support on a vote of 32 to 8.

Still, many of our colleagues have not had the opportunity to study the nature of New York's problem in depth as our committee has. A frequent question that I have been asked is, "Why not let New York declare bankruptcy and start over?"

This morning's Wall Street Journal contained an article which explains in simple terms why bankruptcy is not a practical solution. To help the House achieve a better understanding of my reasons for supporting Federal loan guarantees for New York City, I request unanimous consent to include that article in the RECORD:

[From the Wall Street Journal, May 4, 1978]

WHY BANKRUPTCY WON'T CURE THE BIG APPLE

(By W. Bernard Richland)

To come at once to the heart of the matter: In order to advocate that New York City go into bankruptcy it is necessary that one know practically nothing about bankruptcy and less about the city government. Suggesting bankruptcy as a cure for the city's fiscal ills makes about as much sense as proposing decapitation as a cure for headache.

"In fact, the city would be further along towards recovery than it is today if it had filed for the protection of bankruptcy back in 1975, when these columns were almost the only voice advising it to. Whatever the trauma, by today it would at least have a balanced budget, the lack of which remains the essence of the problem."

Thus spake The Wall Street Journal in an editorial earlier this year. The theme has been repeated since and will doubtless be reiterated as the city's labor negotiations get down to the pinch.

That "the city would be further along towards recovery" of course assumes recovery from suicide. The "trauma" which is ticked off so blithely is spelled "disaster." What overwhelming importance a "balanced budget" purchased at such a price is to anyone but a bookkeeper is left undescribed.

Consider: The two major factors usually pointed to as standing in the way of a "balanced budget" are annual debt services on city bonds outstanding ($2 billion) and annual city pension contributions ($1.4 billion). But it is very doubtful that either would or could be affected by bankruptcy. For the fact is that under Chapter 9 of the Bankruptcy Act and under the Constitution as construed by the United States Supreme Court, federal municipal bankruptcy can take place only if, as, when and to the extent authorized by the legislature of the state in which the municipality is located.

The state legislature, in turn, is limited in its authority by the constitution of the state. And there's the rub. For as far as city pension contributions are concerned, the New York constitution forbids any impairment or diminution of state and local government pension rights and benefits. As for debt service on city bonds, the same constitution as conclusively construed by New York's highest court compels payment of principal and interest come hell or high water, saving only, as that court indicated, "a nuclear Armageddon."

Nor is that all; for there are nasty practical problems for a city which dives into the murky darkness of the uncharted waters of Chapter 9. Immediately upon the filing of a petition under Chapter 9 all "claims" (which in New York's case would number in the hundreds of thousands) against the city are stayed; they become unenforceable. Now that would surely help balance the budget. But . . . suppliers of goods and services to the city—its schools, its prisons, its hospitals, its firehouses, its police stations, etc.—stuck with uncollectible bills for which they can't even assert claims, would simply stop supplying supplies and providing services, except for cash on the barrelhead.

No food, no coal, no oil, no medical supplies, no gasoline for police cars, fire engines and chauffeured limousines, no yellow pads, no pencils, no red ink, no nothing.

No enterprise, however small, can exist and operate without a line of credit. New York City, less than any other institution, can live on a cash basis; it simply cannot be done as a physical, practical matter. Each semimonthly payday the city must come up with $120 million for its regular city staff and board of education payroll. And that is only part of its monthly, semimonthly, weekly, daily cash requirements. If its credit vanishes, as it must upon the filing of a Chapter 9 petition, the city will die, not with a whimper, but with a Bang.

The notion that because Chapter 9 authorizes the federal court to provide for the issuance of preferred "certificates of indebtedness" current cash needs could be met by such means assumes that banks would be willing to lend vast sums of money on such certificates. Don't believe it.

Bank lawyers would quickly advise their clients of the very shaky basis of preferential treatment for particular city securities. Nor could city pension funds be seized for such purposes, for they simply don't belong to the city. It would be unthinkable for any employee represntative on a city pension board to vote to liquidate pension fund holdings to buy such "preferred" paper of a bankrupt city.

A comparatively minor point: The complexity of bankruptcy proceedings on such a scale is unimaginable. The swarm of creditors, claimants, lawyers, accountants; the paper-generating process; the motions in court by the thousands and tens of thousands . . . and more, more, more, unto sheer madness. All of this points to the unattainable objective of a plan for the adjustment of debts approved by two-thirds of the total amount of all claims and 50 percent of the number of such claims.

Imagine the wildest scenario and still it is impossible to overstate the turmoil, the misery, the crazy mob scene.

The city will teeter on the thin edge of disaster. But, praise the Lord and pass The Wall Street Journal, the budget will balance.●

SPENDING OUR CHILDREN'S FUTURE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. COLLINS of Texas. Mr. Speaker, A great deal has been said in recent years about the ever increasing public debt. While I am pleased to see that more and more of our colleagues share my concern over the $721 billion that is the national debt, I think it is unfortunate that very little—if anything—is ever said about the total, overall amount that the United States is obligated to pay.

I commend to my colleagues' attention the following estimates, prepared by the National Taxpayers Union, which show that our real national debt is $9 trillion. This estimate accounts for the total debts, liabilities (actuarial and contingent), plus fiscal commitments of the U.S. Government as of February 1978. Estimates are based upon an annual U.S. Treasury report to Congress.

PUBLIC NOW INDEBTED $9 TRILLION

DEBT OR LIABILITY ITEM	Billion
Public Debt: Money borrowed by the Federal government. (*Bureau of the Public Debt total as of 31 Jan. 78*)	$ 721
Accounts, Payable: Deposit fund liability accounts, checks outstanding, deferred interest, etc.	80
Undelivered Orders: Payment due for things ordered. Also includes commitments against appropriations	332
Long Term Contracts: Contracts placed by the federal government which have not yet been fully performed, nor paid.	15
Loan and Credit Guarantees: Contingent liabilities for low-rent housing, rural electrification, farm loans, maritime loans, urban renewal, Export-Import Bank, small business loans, student loans, mass transit, foreign military sales, etc.	5,900
Insurance Commitments: Contingent liabilities for crop insurance, student loan insurance, crime, flood, mudslide, riot insurance, FDIC, nuclear accident indemnity, etc.	209
Annuity Programs: Unfunded liabilities or actuarial deficits in approximately 68 federal retirement or pension plans. Includes Military Retirements, Civil Service, Railroad Retirement, VA Compensation, etc. Also includes Social Security System with a $5.3 trillion actuarial deficit as of 30 Sept. 1977.*	1,733
Unadjudicated Claims, International Commitments, and other Financial Obligations: Claims pending against the Federal government, funds pledged to foreign nations, and other miscellaneous commitments.	43
Total "Taxpayers Burden"	9,033

* Deficit based on estimates before enactment of Social Security Amendments of 1977 (Public Law 915-216) on 20 Dec. 1977. Current deficit figure unclear until final Congressional action.

This is the real amount that the taxpayers of this country will be called upon to pay. Thus when the Federal Government reports a national debt of $721 billion, it is only reporting $1 out of every $9 that is a contingency debt.

In order to put this $9 trillion into perspective, it is important to note that this is more than four times the value of all goods and services the Nation will produce this year—some $2 trillion worth. Looked at from another perspective, the total value of all property in the United States (land, houses, personal goods, et cetera) is only $5.7 trillion. The Federal Government has now endorsed away the entire wealth of the country and then some. Every taxpayer in the country is responsible for $150,550 of these obligations.

If Government debts continue to grow, it can mean nothing but disaster. Each new deficit increases inflation which in turn causes still greater deficits, causing still more inflation. The Office of Management and Budget has predicted that a continuation of present budget trends would lead to an annual budget deficit of $700 billion by the end of the century.

We are only just now beginning to feel the consequences of our overwhelming public debt. The inflation we experience is bad, but the brunt of today's extravagance will never be fully felt by this generation. It will be suffered in full by our children and our children's children. I agree with Thomas Jefferson, when he said:

> One generation has no right to incur debts for another.

Will our children be able to afford houses when inflation has driven mortgage rates so high that none can afford them? Will our children be able to afford anything at all as the Federal Government takes over half of their income merely in order to meet minimum payments on the public debt?

In 1950, the share of income absorbed by the Government came to only 25.8 percent. But in the intervening years, the Government share of national wealth has grown enormously: 29.9 percent in 1955, 33.1 percent in 1960, 39.1 percent in 1970, 44 percent in 1975. If present trends continue, the Federal Government will absorb over 60 percent of all income by the year 1990.

The time has come to stand up and ask ourselves what we are doing to future generations. For Congress and the President to refuse to balance the budget and keep spending like there is no tomorrow, is to insure that for our children there will be only the poverty of a socialized nation.●

NEW EMPLOYMENT POLICY NEED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SIMON. Mr. Speaker, some days ago the New York Times, on its editorial page, contained an article by Gar Alperovitz and Jeff Faux of the National Center for Economic Alternatives, which suggests strongly that we should target our economic stimulus in the United States so that it really hits those areas with high unemployment.

I have been concerned for some time that we have overplayed the general economic stimulus—as I frankly think the President's tax package does—rather than moving in on structural unemployment and pockets of unemployment in certain areas.

And we continue to treat unemployment as though it is a temporary phenomenon in our country. It is not, and the sooner we come up with a solid, sub-

stantial, permanent program to give people an alternative opportunity for contributing to our society if private sector employment is not available, the sooner we will have a generally healthier economy.

The political process can solve the problem of unemployment. The political process can solve the problem of inflation. The question is whether we want to use the political process to do that.

[From the New York Times, Apr. 15, 1978]

"FULL EMPLOYMENT," WITH A DIFFERENT FOCUS

(By Gar Alperovitz and Jeff Faux)

WASHINGTON.—Since the Employment Act of 1946, the United States has defined overall economic objectives in strikingly national terms. The Humphrey-Hawkins legislation, which calls for a reduction in the national unemployment rate to 4 percent by 1983, continues this perspective.

We have become so used to the national focus that we rarely notice that the worthy objective embodied in the term "full employment" is a very generalized abstraction. It implies a statistical average that often fails to address the wide disparity in economic conditions among American localities.

We live in communities, not continents. With a national unemployment rate of 6.3 percent in January (the most recent comprehensive data available), in Youngstown, Ohio, the rate was 8 percent; in New York City, it averaged 10.5 percent; Johnstown, Pa., had an unemployment rate of 12.9 percent; Alaska as a whole averaged 12.5 percent.

Elsewhere, in boom towns of the South and West, the problem is excessive growth. In January, Oklahoma City had a 3.2 percent unemployment rate; Wyoming as a whole averaged 3.8 percent.

Were we to achieve national "full employment," declining communities of the Northeast, upper Midwest and elsewhere might benefit very little. In fact, Federal policies which seek to stimulate growth and investments through general tax reductions have a tendency to encourage businesses to invest *out* of such areas.

As a way out of this dilemma, we suggest that we substitute the goal of *community* full employment for the goal of national full employment. Our national unemployment target would then become an aggregate achieved by building from the locality up, instead of the reverse, as is now the case.

This precise definition of community full employment is debatable. As a beginning point, we might apply the Humphrey-Hawkins goal of 4 percent unemployment by 1983 to the specific towns and cities of the nation. Some might argue that we should apply the Democratic Party platform's 3 percent adult goal by 1980 to local communities.

Irving Bluestone, vice president of the United Auto Workers, in recent testimony before a House of Representatives committee, suggested that we begin the experimenting with a few "full employment communities," and Senator Howard M. Metzenbaum, Democrat of Ohio, will soon introduce legislation to this effect. Such legislation could become an important first step in developing policies in the new direction.

Setting local criteria for national economic goals would not mean that the economy would be frozen in the patterns of the later 1970's. A floor below which local unemployment would not be allowed to sink is perfectly consistent with population shifts. There are jobs—and there are good jobs. When business is booming in Phoenix and wages are rising, people in Detroit will still be tempted to move. But, under a policy of community full employment, they would not be forced to do so.

Making the health of local economies a priority will require us to bring "jobs to the people," as some analysts put it. So-called locational tax incentives to encourage businesses to invest in specific areas are one way to attempt to do this—though an exceedingly inefficient one according to Government studies.

Geographic targeting of public procurement, a significant departure implied in the President's new urban policy, is a more promising approach. Congressional Budget Office studies show further that a policy of accelerated spending on public goods would be a much less wasteful way of stimulating the overall economy than tax reductions. This approach could be combined with targeting to achieve community full employment.

An effort to stabilize the economies of local communities would mean purchasing more of needed public goods such as rails, mass transit, pollution control and solar-energy installations. We will spend money for all of these, in any event, over the coming years; it should be done in an accelerated way that helps communities now in distress. This would also help us break our national fixation with containing current Government spending in the hope—it is illusory—that this alone can control inflation.

Fortunately, targeting jobs in specific depressed towns and cities is inherently less inflationary than generalized stimulative policies; it puts money directly into economies that by definition have excess labor. Since new jobs in failing local economies also reduce welfare, crime and other social costs—and simultaneously improve the local tax base—they also help reduce the inflationary burden of local taxes.

It will not be easy to conform overall economic policy to local needs. Nor can it be accomplished overnight. Yet mayors, local taxpayers, local unions, local small businesses, local environmental activists and many others have much to gain by doing so.

This grouping includes the vast majority of Americans. Were it to seize the initiative on economic matters, the common local needs of our communities—rather than the statistical continental averages—might begin to define national priorities.●

FIRST CONCURRENT RESOLUTION

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. STEERS. Mr. Speaker, I voted yesterday in support of the Federal civil servant and against Mr. MATTOX's amendment which would have had the effect of limiting comparability pay increases for all Federal employees to not exceed 5.5 percent.

In the strongest possible terms, I emphasize my support for the fight against inflation. Many legitimate efforts have been made in this Congress to do just that. For instance, H.R. 2768, the Government Economy and Spending Reform Act of 1977, is a case on point. That bill, of which I am a cosponsor, was designed to establish a procedure for a zero-base review of governmental programs every 5 years to insure that they are justifiable in the sense that the benefits derived from them exceed and surpass the cost of subsidization. Such a goal, if attached to every final action of the Congress, would in itself be a gigantic stride in the right direction to controlling inflation in the American economy.

However, what we were asked to vote for in the Mattox amendment to the first concurrent resolution of the budget was little, if anything, more than a symbolic and politically expedient effort to both reduce inflation and Federal expenditures. Symbolism does indeed have its place in the halls of Congress. However, to make the Federal civil work force a scapegoat for the ills of the state of the economy is unacceptable and unrealistic.

The Mattox amendment would have targeted a reduction of $255 million in budget authority and outlays. I point out to my distinguished colleagues in the House that direct compensation benefits of civilian employees in the executive branch is estimated to be $51.1 billion for fiscal year 1979. A reduction of the size requested in the Mattox amendment would be so miniscule in terms of percentage that it could not have had any detectible impact on the rate of inflation.

In urging my colleagues to continue opposition to such amendments, I remind them of the purpose of the comparability concept: to attract and retain the very best civilian work force in the Federal Government through competitive and commensurate salaries with those of private industry. Recent statistics released from the Federal Bureau of Labor Statistics clearly indicate that the private sector pay raises for the first 3 months of this year averaged 9.9 percent for the first contract year and 7.3 percent for the life of the contract. The average for 1977 was 7.8 percent for the first year and 5.8 percent for the life of the contract. These figures are obviously indicative of the competitive salary increases in America's private industry with which 5.5 percent would be clearly out of line.

I commend my colleagues for their farsightedness in rejecting the Mattox amendment.●

A NEW INTERNATIONAL ECONOMIC ORDER?

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. NOLAN. Mr. Speaker, during the 1930's, the Western world's economy collapsed, leading to economic depression, political turmoil and World War II. After the war, the United States played a major role in reshaping an international monetary and economic policy to provide a framework for stable world trade.

But the international economic order put together by the United States has now come unglued. Times have changed since 1945 and it would probably be futile, if not impractical, to attempt to stick the old policies back together again.

The current problems have been clearly analyzed by Sidney Lens in an

article entitled, "The Sinking Dollar and the Gathering Storm," which appeared in the May 1978 issue of the Progressive. Mr. Lens also suggests what he believes to be the only way to build a new international economic order: "the formation of a genuine international compact" in which human needs are considered first. I believe the ideas expressed by Mr. Lens deserves serious consideration.

The article follows:

THE SINKING DOLLAR AND THE GATHERING STORM

(By Sidney Lens)

Imagine the turmoil if Pennsylvania were to stop selling goods to New Yorkers because it already had too many New York dollars, and no way to get rid of them. Factories would close, workers would lose jobs, banks would call in loans. The crisis would pervade the whole economy.

No such thing happens, of course, because under the single sovereignty of the United States, all of us—including Pennsylvanians—must accept the dollar as legal tender; the law says so. And we must pay our debts, or the courts will declare us bankrupt and seize our property. There is a certain discipline in our internal economic order that promotes stability and encourages growth.

That kind of discipline, however, does not exist in the international economic order. There is no true United Nations, with a body of laws and the power to enforce them. What has held the world economy together for most of the past century—to the extent that it has been held together—was first a Pax Britannica that lasted until World War I, and then a Pax Americana that has dominated the years since World War II. For decades the pound sterling, backed by gold and a strong British economy, was so stable that all nations accepted it as the world medium of exchange, and the British navy was so awesome that other nations rarely challenged British policies on free trade or on division of the world's colonial riches.

From 1945 to 1971, all of the "free world" nations similarly accepted the stable U.S. dollar, worth one-thirty-fifth of an ounce of gold, as the yardstick by which value was gauged. The American economy flourished as none ever had before, and it was buttressed by the most formidable military machine ever known. Virtually every nation outside the communist bloc found it expedient to follow the economic lead of the United States.

But the dollar, like the pound of the 1930s, has foundered. In terms of gold, it is worth only one-fifth of what it was only six years ago; in terms of domestic purchasing power, it is worth half of what it was in 1965. Charles Schultze, chairman of President Carter's Council of Economic Advisers, says the fall of the proud dollar is a problem "but not a catastrophe." It seems obvious, however, that what is at stake is the "free world" economy and its political alliances, and that we may soon confront the sort of international disorder that wracked the planet in the 1930s, when neither Britain nor the United States was able to impose discipline on Germany, Japan, and Italy.

The symptoms of the crisis are, in some respects, bizarre. In the last dozen years the United States has exacted from its allies a sort of reverse lend-lease. It rang up ever-increasing balance-of-payments deficits to pay—in part—for such military adventures as the Vietnam war and for the worldwide network of U.S. military bases. In settlement of those deficits, central banks of foreign nations were flooded with dollars which—until mid-1971—were redeemable for gold. But since 1971, when the dollar was divorced from gold, these gluts of U.S. currency can only be redeemed for American goods. And there is no way America's trading partners can absorb enough U.S. imports to use up their accumulated dollars.

In fact, U.S. capitalism has found an ingenious method of milking its allies: It runs up a trade deficit every year by importing far more than it exports—last year $27 billion more—and it hands its allies pieces of paper called dollars, which are really just IOUs backed by nothing. Thus, Germany Japan, and other industrial nations are awash in dollars of tenuous value. Central banks are holding more than 125 billion such dollars, which are, for all practical purposes, no longer exchangeable for valuables (such as food or machinery) but actually constitute a huge American debt. Many experts believe the United States will never pay this debt, just as Britain and France never paid their World War I debts to the United States.

America's allies—particularly Germany and Japan—find themselves in a peculiar dilemma: While they don't want dollars, they must accept them, because otherwise their foreign trade would drastically decrease and their economies collapse. And these allies have a vital stake in keeping the dollar strong; when it declines, they must raise prices for their exports and lose vital markets in the United States.

An example: If a Volkswagen cost 16,000 marks when one dollar was worth four marks, an American could buy the German automobile for $4,000. But if the dollar slumped to one for two marks (its present value), the same car would have to cost $8,000 in the United States, and would be driven from the market by the Ford Pinto or the General Motors Chevette. Since the American market plays a decisive role in international trade, Germany needs a strong dollar to keep its own economy from faltering.

The oil-producing nations also have an interest in keeping the dollar strong; they are paid for petroleum in that currency. When the dollar falls in value from one for four marks to one for two marks, the $14 they get for a barrel of oil buys only half as much German steel. This is so serious a problem for OPEC members that there have been discussions, especially in Kuwait, of tying the price of oil not to the dollar but to a "package" of currencies, including the mark and the yen. If this were done, Americans would pay substantially more for their energy, with devastating consequences to the U.S. economy and that of the whole "free world."

Compounding this instability is the mounting debt load carried by the less developed countries (LDCs). As of 1972, the non-oil-producing LDCs owed $83 billion to private banks and international lending agencies; by 1976, that total was $179 billion, and by the end of this year it will be $235 billion. A substantial portion of these loans can not be repaid because the countries involved simply do not have the money. Of every four dollars now owed, one goes to liquidate previous loans; by 1980, that portion is likely to be two out of every four.

The problem is not that LDCs will go bankrupt and that the Pentagon will send in the Marines to auction off, say, the government house in Zaire or the pyramids of Egypt. There is no danger that the International Monetary Fund (IMF) or the multinational banks (which increased their loans to LDCs to $30 billion as of the end of 1976—fifteen times what they were nine years earlier) will let any "friendly" LDCs go under. If a country can't pay, the banks and IMF simply ply it with more loans—to pay off previous ones.

There are two difficulties, however, with this sleight-of-hand exercise: One is that as a condition of the loan, the recipient nation must agree to keep its doors open to multinational corporations' investments and trade even if that runs counter to the nation's interests. The LDCs would, of course, be better off if they could establish native industries owned by themselves and plan orderly development based on the needs of their own people rather than on the needs of foreign companies headquartered in New York or Amsterdam. Those foreign companies care little about the internal market (except for a small middle-class market); they concentrate, instead, on exports that further pauperize the host countries.

LDCs which rely on foreign loans invariably forfeit their autonomy From 1950 to 1970 for example U.S. firms added $1.7 billion to their holdings in four Andean countries—Chile Peru, Bolivia, and Venezuela—primarily to increase production of such export commodities as copper, tin, and oil. But in the same period, these multinationals repatriated $11.2 billion to the United States, leaving a net loss to those countries of $9.5 billion When the repatriation of profits, interest payments on $61 billion in foreign debt, shipping costs, and trade deficits are added up, Latin America suffered a drain of $7.1 billion in 1976. The $22 billion in U.S. investments thus intensified the continent's crisis.

The second difficulty for harried LDCs is that they must agree to "austerity" as the price for being temporarily bailed out The financiers, private and public, demand that the LDC loan recipient reduce spending on such "frills" as schools, roads, hospitals, and health clinics; that they cut or eliminate subsidies for bread or rice; that they "hold the line" on wages—in sum that they lower living standards and increase unemployment if they want more loans.

In 1976, when President Anwar Sadat tried to implement the IMF demand that Egypt abolish subsidies for food and fuel, riots erupted and almost 800 people died. Last year, Peru—which could not meet $700 million in payments due on a $5 billion loan—was offered a $105 million credit by the IMF. The condition, as usual, was "austerity"—budget cuts, a wage freeze, price increases on necessities. When the Peruvian government tried to carry out this mandate, it encountered demonstrations and a general strike.

In this untenable situation, the non-oil-producing LDCs have no choice but to insist either that the loans be canceled or that there be an international agreement to raise the price of the raw materials they sell to advanced countries—or both. The industrial nations, with the United States in the vanguard, have, of course, been resisting these pressures If they continue to do so, there is increasing likelihood of more revolutions in the Third World (and secessions from the Pax Americana), or of outright repudiation of the debts.

These alternatives pose serious difficulties for the international financiers. As of 1976, American banks alone held $50 billion in LDC paper, and the thirteen largest U.S. banks earned profits of $886 million—about half of their total profits—on their two-thirds share of this business. Suppose that $5 billion or $10 billion or $20 billion of that loan portfolio should default: American bankers would have to write off those loans, and to maintain their liquidity they would have to call in their loans to U.S. corporations, thereby causing a serious industrial cutback—and unemployment—at home. On the other hand, if the LDCs are allowed to raise prices on bauxite, sugar, and other commodities, the cost of producing aluminum, cereals, and other products will also increase. There does not seem to be a comfortable solution.

A few nations are benefiting from the present crisis—the OPEC members, especially Saudi Arabia and Iran. Oil prices have more than quadrupled in five years, and these countries are accumulating wealth at a rate that would put Nineteenth Century American robber barons to shame. It is generally agreed that the twelve OPEC members

will have $250 billion in foreign reserves by 1980.

But what can they do with the money? Some is invested in the economic infrastructure and industrial plant of their nations. Some goes for conspicuous consumption of luxury goods. Quite a bit is spent for arms purchases from the United States—purchases that the Carter Administration can not or will not terminate for fear of suffering a retaliatory increase in petroleum prices.

But billions of dollars are left unspent each year, and the only place to put them—since they obviously can not be invested in the Soviet bloc and since the OPEC states do not have the industrial wherewithal to invest in developing countries—is in the West.

That provokes other problems and other sources of world friction. The United States wants to receive petro-dollars from OPEC states to absorb part of the U.S. balance-of-payments deficit. But it certainly does not want those funds used to buy out General Motors or Exxon or the Chase Manhattan Bank. Nor does it want too many oil dollars placed in bank accounts to be withdrawn at will; a sudden withdrawal would cause a run on those banks.

So far, the oil countries have been persuaded to put a major share of their surplus funds in special *nonmarketable* U.S. Treasury bills. This allows petrodollars to be recycled with the least impact while easing, to some extent, the U.S. balance-of-payments problem. The difficulty is that the added funds ultimately find their way into private banking channels and, through those big banks, into the world economy as loans, including loans to LDCs. It is a vicious circle, and nobody knows how to break out of it.

What we do know is that the international economic order fashioned under the *Pax Americana* grows more fragile day by day, and that the political stability it has sustained for two decades is also crumbling. We have what Michael Hudson, a perceptive writer who used to work for Chase Manhattan and Continental Oil, calls a "global fracture": Instead of a reasonably disciplined global system, it threatens to fragment into regional or even national entities. The commitment to free trade is being abandoned, and the new cry is for protectionism. The foundation of the postwar international money system—the dollar—is "floating," mostly floating downward, with severe consequences for world trade.

The United States is not totally helpless in this state of affairs: It still can exert important levers of power—its military forces, its great industrial potential, its enormous purchasing capacity, and, not least, its position as the world's leading exporter of grain. As a CIA report put it in August 1974, "The U.S. now provides nearly three-fourths of the world's net grain exports, and its role is almost certain to grow over the next several decades." Despite this immense power, however, American leverage is declining; it no longer suffices to enforce the discipline of Pax Americana.

In these circumstances, the nations of the world are bound to seek realignment. The Common Market nations of Western Europe, for instance, would like to make a deal with the Arab countries that would reduce their dependence on the United States. And it is quite possible that Japan may once again try to establish an Asian community of nations encompassing China and separate from Washington's "free world."

At the same time, the United States is striving for a new world banking system that would transfer the dollar "overhang" (along with the LDC debt and the British debt) from one central bank to another—but never allow the debt to come back to the debtor for redemption. In this way, the debts would become "world assets": In effect, they would be canceled and everyone would start over again at square one. Obviously those who hold dollars, sterling, or LDC paper are not overly enthusiastic about this approach.

All of the banking measures and political maneuvers are clearly only stopgaps. The basic reality is that the Pax Americana has run its course but that no alternative has emerged to exert the kind of discipline needed if the international economic order is to remain at even keel.

Unless the nations of the world choose to resolve their problems in a futile war that will destroy them all, the logic points inexorably to the formation of a genuine international political compact—one that encompasses international planning to husband dwindling world resources and divide income and wealth equitably among people and nations. Without a world plan in which the motivation for economic development is human need rather than corporate profit, the present crisis will endure.●

TRIBUTE TO JAMES K. BISHOP

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. OTTINGER. Mr. Speaker, I am pleased to announce that James K. Bishop of New Rochelle, N.Y. has been selected as this year's recipient of the New Rochelle YMCA "Outstanding Citizen Award." Mr. Bishop will receive this award at the New Rochelle YMCA annual dinner and meeting on Monday evening, May 8 at the Beach and Tennis Club in New Rochelle.

Heading this year's selection committee are Mr. Thomas Fanelli, Sr., president of the New Rochelle YMCA and Ms. Evelyn Haas, second vice president and chairperson of the public relations committee for the New Rochelle Y.

In selecting Mr. Bishop as this year's recipient, Ms. Haas stated:

It is not often that we find a man, such as James K. Bishop, who has continued to give of himself for the benefit of the Greater New Rochelle Area over such a sustained period. Mr. James K. Bishop is a director, vice president and general manager of Plunkett-Webster Lumber Co., Inc., and has been a resident of New Rochelle since 1936. In the 42 years that James K. Bishop has served our greater New Rochelle area, his leadership has been felt in such widely diverse areas as director of the New Rochelle Community Chest and its president from 1961 to 1962, chairman of the Agency Relations Committee from 1962–64 and is currently a member of a United Way of Westchester Agency Evaluation Team.

Mr. Bishop is a past member of the President's Advisory Board of the College of New Rochelle. He has served as a member of the executive board of the Hutchinson River Council of Boy Scouts, beginning his scout activities as a troop leader and serving as vice president of the council from 1959–1963, and chairman of the Special Council Study Committee from 1960–1961. Mr. Bishop also was a member from 1942–1967 of the New Rochelle Lions Club where he served as president from 1948–1949. He served the New Rochelle school district from 1962 to 1970 and was the president of the school board from 1964–1970. The New Rochelle Day Nursery selected Mr. Bishop to serve on its board of directors and elected him president in 1972 through 1974. Three additional current personal involvements take what free time Mr. Bishop may have from his business and personal life; serving as trustee of the New Rochelle Boys Club, vice president of the New Rochelle Development Council and member of the New Rochelle YMCA President's Advisory Committee.

In continuing to outline Mr. Bishop's areas of community involvement, Ms. Haas pointed to Mr. Bishop's membership in the Men's Club of the Holy Family Church, the New Rochelle Knights of Columbus and the New Rochelle Hospital Medical Center. "We feel," Ms. Haas stated, "that this year's recipient possesses and executes the level and quality of sustained leadership that has and will continue to help mold the quality of life in the greater New Rochelle area."

Mr. Thomas Fanelli stated:

The community as a whole owes Mr. James Bishop a most sincere thanks for his efforts on their behalf. It is the distinct pleasure of the New Rochelle YMCA on behalf of the greater New Rochelle area to recognize Mr. Bishop for his truly outstanding service to the greater New Rochelle area.●

WHAT THE PRESIDENT AND CONGRESS MUST DO TO STOP INFLATION NOW

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. RUDD. Mr. Speaker, the American people have known for a long time that inflation is our Nation's No. 1 problem.

Now that the President has acknowledged the problem—a necessary beginning before the Federal Government can work to stop inflation—what do the President and Congress proposed to do about it?

To his credit, the President has promised to veto bills passed by Congress that he considers to be inflationary. As a Member of Congress who has consistently voted against such bills, but which have nonetheless been passed by the majority, I recognize that the President will need to exercise that veto often if he keeps his promise to the American people.

STOP FEDERAL DEFICITS

I am cosponsoring legislation to end Federal deficits and require a balanced Federal budget (H.J. Res. 188).

Congress must stop enacting, or the President must veto, legislation that will put the Federal budget over anticipated tax revenues. The estimated level of next year's Federal budget is already about $575 billion, which will add another $70 billion or $80 billion deficit to our $777 billion national debt.

This national debt has to be financed by the Federal Government each year. This is done by selling U.S. Treasury notes and issuing bonds, which takes dollars out of circulation that would otherwise be available for investment in job-creating economic expansion, and individual and corporate borrowing to generate other economic growth.

Interest alone on the Federal Government's current national debt is $55.4 billion a year, the fourth highest item in the entire Federal budget. This is more than the Federal Government spends to support all research and development, agriculture, health programs, and most other efforts.

This annual interest on the national debt costs each and every taxpayer an average of $423.22 per year, which does nothing to pay off the principal that keeps going up as Congress indulges in more and more vote-buying deficit spending.

I hope for passage of House Joint Resolution 188 to stop this deficit spending But realistically I recognize that this will not happen until the liberal majority in Congress has been replaced by fiscally responsible legislators who will not approve every program demanded by interest groups seeking a larger share of the people's earnings through Federal programs.

If Congress will not be responsible, and stop deficit spending that causes inflation, the President will have to honor his promise to the American people by wielding a heavy veto stamp on inflationary legislation, no matter what it is.

There are other cures for inflation that the President and Congress must support.

END GOVERNMENT OVER-REGULATION

Government regulation of business has increased immensely in recent years, imposing a burden on taxpayers who must fund the regulatory agencies, on consumers who must pay higher prices because of production cost increases, and on businessmen who must absorb at least some of the increased costs.

This avalanche of Government regulations keeps pouring out of Washington on a daily basis.

Studies at the University of Washington in St. Louis have estimated that the cost imposed on the American people by Federal regulation totaled at least $65.5 billion in 1976, $79.1 billion in 1977, and is estimated to cost $96.7 billion this year and $102.7 billion in 1979.

Again, these Government-mandated cost increases are generally passed on to the consumer in the form of higher prices, and are therefore a principal cause of inflation.

I am sponsoring several proposed bills to cut down on Federal over-regulation. They include bills for a congressional limit and review of all agency rules and regulations (H.R. 7955), to limit Federal "affirmative action" requirements relating to employment (H.R. 11620), to limit the Federal government's right to limit use of saccharin (H.R. 4977, H.R. 5508, H.R. 7317) or meat preservatives (H.R. 11626), and to stop unnecessary government requirements governing the use of medically-safe drugs and medications (H.R. 6611).

I oppose many of the administration's proposals which will lead to increased Federal regulation and control of our lives. These include the following:

A new proposed Consumer Advocacy Agency; involving the Federal Government in new areas of debtor-creditor regulations and the construction of hospital facilities; expanding the regulatory jurisdiction of such agencies as the Federal Trade Commission, Food and Drug Administration, Equal Employment Opportunities Commission, Environmental Protection Agency, and Occupational Safety and Health Administration.

I also oppose the proposed multi-million dollar gun control registration scheme of the Bureau of Alcohol, Tobacco and Firearms. I have sponsored legislation (H. Con. Res. 578) to disapprove these proposed BATF regulations. They are inflationary, and a violation of Constitutional rights of law-abiding citizens.

LIMIT GOVERNMENT SOCIAL PROGRAMS

Medicare, medicaid, the Federal food stamp program, and other Government social programs are examples of special programs that have an inflationary impact.

Whatever their social merits, these programs which were designed to aid the poor and the elderly have resulted in higher costs for everyone. This happens because the programs make more money available for doctors' bills and food without doing much to increase the number of doctors or the amount of food production. Also, doctors generally charge the maximum fee allowed when bills are paid through medicare or medicaid.

I believe that the Federal Government must reduce and restrict these programs to the truly needy, to reduce their inflationary impact. In addition, I opposed the recent $227 billion social security tax increase, which was the largest and most inflationary single tax increase in our Nation's history.

The Federal Government should stop trying to redistribute the people's income with every new or enlarged program, especially in the welfare area. These programs are tremendously inflationary, and discourage self-reliance and work which are the cornerstones of our productive enterprise system.

STOP INCREASING PUBLIC EMPLOYMENT

Congress must stop transferring employment from the private to the public sectors through increased public employment programs.

Legislation such as the Comprehensive Employment and Training Act (CETA), the Humphrey-Hawkins bill, and others are creating vast new nonproductive Government jobs, and are highly inflationary.

The taxes of working Americans pay for these programs, which are often competing with private industry jobs that generate products and taxes.

ENCOURAGE PRIVATE SECTOR JOBS CREATION

I am cosponsoring legislation (H.R. 2589) to provide increased tax incentives for individual investment and expansion by private industry, to create more economic growth and jobs in the productive private sector of our economy.

This Jobs Creation Act, coupled with a needed tax cut for individual citizens and business to encourage economic growth, would be one of the most positive acts that Congress could take to stimulate additional Government revenue and stop inflation.

STOP CATERING TO ORGANIZED LABOR BOSSES

Some of the most inflationary legislation considered by the current Congress has been demanded by the bosses of organized labor.

The administration and the majority in Congress went along with the labor bosses' demand for the largest increase in the minimum wage in our country's history, an increase from $2.30 an hour to 3.35 an hour over a 3-year period. This will have a staggering inflationary impact on our economy, forcing up prices in every area.

Congress refused to accept my amendment exempting young people between the ages of 16 and 19 from the minimum wage. This would have provided millions of young people with needed employment, instead of pricing them out of the labor market and creating more reason for them to be frustrated with our system. My Youth Opportunities Act, to exempt young people from this unreasonable minimum wage (H.R. 8649) is still pending before Congress.

Other inflationary legislation demanded by organized labor which I oppose includes the so-called common situs picketing bill, cargo preference, and bills to apply the Davis-Bacon Act, requiring payment of the prevailing union wages on all Government contracts, to professionals, engineers, and others.

STOP TAX INCREASES

I oppose all efforts by the administration and Congress to increase taxes to discourage energy use, rather than creating incentives to increase energy production.

Increased energy taxes are highly inflationary, and completely contradict the President's stated opposition to legislative or regulatory acts that will increase costs and prices for the American people.

I support an energy program aimed at encouraging new energy exploration and development, rather than one that will impose a host of new taxes upon the citizenry. The taxes proposed in the administration's energy package would cost the people a minimum of $100 billion per year by 1985.

The administration should also stop lending its support to legislation making it more difficult to mine coal, develop nuclear power, transport energy supplies, and produce Outer Continental Shelf oil and gas. All these Federal Government restrictions will stop our goal of energy independence, and are inflationary.

In other tax areas, I support policies designed to promote capital investment such as the elimination of double taxation of corporate dividends, reduction in capital gains taxes, increasing the investment tax credit, liberalized depreciation, and so forth.

These changes in our tax code will help fight inflation by increasing the ratio of investment to Gross National Product, which is already less in the United States than half of that in countries such as Japan.

I oppose increased taxes on investment income by treating it the same as ordinary income or through raising the alternative tax.

These are just additional revenue grab schemes by the Federal Government, which only serve to increase the power and budgets of the Federal bureaucracy, rather than fight inflation and the size of Government.

CAN INFLATION BE DEFEATED?

I believe that inflation can be defeated, if the Federal Government will adopt these anti-inflationary proposals and not try to avoid or shift the burden for positive action.

The President asked the American people and business to assume their own responsibility by putting a lid on wage and price increases. This is all well and good.

But the people are not likely to take this challenge seriously if the Federal Government does not itself take the lead in fighting inflation. The people cannot be expected to trust the administration's sincerity along these lines if the President's anti-inflation program is only rhetoric.

Instilling trust in his anti-inflation intentions can be accomplished by the President quite easily. He must stop trying to sell as "austere" and "lean" a Federal budget that provides for 70,000 more Federal employees than the previous year's budget, and that contains sizable increases for most programs and agencies.

The American people have always carried the burden of inflation. They are not responsible for it. It is up to the President, Congress, and other Government leaders to end inflation through action such as that I have recommended and supported.●

PROFITABLE AND NONPROFITABLE DRUGS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. WAXMAN. Mr. Speaker, the House Subcommittee on Health and the Environment, of which I am a member, will soon be reviewing proposals to revise the drug section of the Food, Drug and Cosmetic Act. One purpose of such a rewrite is to speed up the approval of new drugs, so that the patient population in the United States is not deprived of treatments available abroad which would be beneficial.

Another issue which must be addressed in any revision of our drug law is the need for incentives to develop medications for small patient populations. There are some diseases, such as Huntington's disease, which are devasting to body and mind, yet drug companies cannot afford to develop and market helpful medications for the small number of persons suffering from this disease. To me it seems inhumane that persons who can be helped are ignored and deprived of suitable medical care because their numbers are so small. Statistically they are small in number but their suffering is great.

The fear of losing one's mind and control over one's body are among the worst fears an individual with Huntington's disease must face. Huntington's disease is a hereditary and terminal brain disorder which begins at middle age, and its symptoms may lead to a deterioration which takes 10 or 20 years. Each child of a parent with Huntington's disease has a 50–50 chance of inheriting the disorder. There is no way of knowing who has inherited the gene for Huntington's disease until the symptoms appear. Most tragic of all, people who have a parent with the disease may have to wait until they are middle aged to know if they have been spared.

I would like to close my remarks by reprinting in the CONGRESSIONAL RECORD an article by Dr. Melvin H. Van Woert, which appeared in the April 20 issue of the New England Journal of Medicine. Dr. Van Woert emphasizes how Federal incentives to drug companies could improve the marketability of drugs developed for small patient populations, such as victims of Huntington's disease. All of us will have to familiarize ourselves with this issue before voting on the administration's new drug proposals, and this article will be particularly instructive.

The article follows:

PROFITABLE AND NONPROFITABLE DRUGS

In reaction to the thalidomide tragedy, Congress enacted the Kefauver-Harris amendments to the Food, Drug and Cosmetics Act in 1962 that considerably increased the number of preclinical and clinical tests required by the Food and Drug Administration (FDA) before release of a drug for marketing. The Kefauver-Harris amendments have had profound effects on the development of new drugs. Over the years since 1962, the consumer has been protected from potentially dangerous drugs that might have reached the marketplace under the FDA legislative acts of 1906 and 1938. However, the consumer protection has not been gained without adverse consequences. A major complaint of physicians as well as the pharmaceutical industry is FDO overregulation, which has led to an unnecessary delay in the introduction of new drugs in this country. This drug lag, in addition to recent controversial decisions by the FDA on issues such as saccharin and phenformin, has led both Joseph A. Califano, Jr., Secretary of Health, Education and Welfare, and Senator Edward M. Kennedy (D.-Mass.), chairman of the Health and Scientific Research Subcommittee, to call for further legislation to improve the decision-making processes of the FDA. The main objective of current legislative proposals is to ensure that new safe drugs reach the market sooner and dangerous ones are withdrawn more quickly.

Another major problem, aggravated by the FDA amendments of 1962, has received insufficient attention and should be given a high priority in the formulation of new legislative proposals. The increased cost of documenting drug efficacy and safety under present FDA regulations has progressively diminished the number of diseases that the pharmaceutical companies are willing to provide drugs for. The decision by a pharmaceutical company to develop a new drug is based on several economic and scientific factors, including the basic scientific discoveries that justify preliminary synthesis and testing of a new compound, the need for a drug in a particular disease, the scientific aptitude of the company's research staff and, of crucial importance, the anticipated potential market for the drug.

Pharmaceutical companies must choose projects on the basis of the net profit that might reasonably be expected if the drug research is successful. A safe and efficacious drug may not be financially rewarding for several reasons: the time and expense of fulfilling the requirements of the FDA to obtain marketing rights—i.e., approval of a New Drug Application (NDA)—may be prohibitive; the costs of legal liability for clinical drug testing may be excessive; the number of potential patients who would benefit might be small, or the drug might be useful only in limited doses for unusual acute emergency situations; and the inability to patent a drug or the anticipated time for its development may be too long to permit a sufficiently profitable return before the patent expires. The cost of the first two factors mentioned has increased excessively during the past 15 years.

At present the development of a drug from initial discovery of a scientific lead to the time of product marketing takes an average of seven to 10 years and an investment of $12 to $15 million. In this economic climate, advances in basic scientific knowledge that could be translated into successful new therapy of diseases are carefully sorted and evaluated by pharmaceutical manufacturers for cost of research and development versus size of market and profit. Only ventures deemed potentially lucrative can be accepted as appropriate projects for a pharmaceutical company's research division. Potential research projects involving drugs for uncommon or nonprofitable diseases are discarded. As the cost of meeting FDA marketing requirements increases, the scope of research interests of the pharmaceutical industry diminishes. This point has recently been well documented by the Commission to Combat Huntington's Disease and Its Consequences in its testimony presented before a Senate appropriations subcommittee. The Commission concluded that the drug companies do not believe there is sufficient profit in finding cures or producing medicines to combat relatively rare diseases and therefore do little research on these diseases. This point of view was confirmed by Jim Russo, spokesman for the Pharmaceutical Manufacturers Association

A closely related problem is the manufacture of drugs of limited commercial value, also known as service drugs. Such a drug has usually been shown to be efficacious and safe in preliminary clinical investigations, but is considered not to be sufficiently profitable by pharmaceutical companies to market because anticipated sales volume is too limited to compensate for the costs of obtaining FDA approval, producing and marketing or because the drug is not patentable. The progressively increasing FDA regulations, which require extensive and expensive toxicity, teratogenicity and carcinogenicity studies in addition to multiple clinical trials, have increased the number of drugs that fall into this category. As stated by Dr. M. E. Trout, vice-president and director of medical affairs, Sterling Drug, Incorporated, New York City, ". . . it is no secret that such products [service drugs] are not being developed any more because of the tremendous expense of both basic and clinical research.

A case in point is the use of the investigational drug combination L-5-hydroxytryptophan (L-5HTP) and carbidopa in the treatment of certain rare types of a neurologic symptom known as myoclonus. Myoclonus consists of uncontrollable jerky muscle movements at unpredictable times because of various types of brain damage. This drug combination has been safely and successfully used by several investigators to treat patients with myoclonus for over four years, and further development of this therapy is needed to make it available to all patients who might potentially benefit from it.

In a recent study of 18 patients with intention myoclonus, 11 derived 50 per cent or greater improvement from L-5HTP and car-

bidopa therapy. In some patients the response has been dramatic, enabling them to walk and take care of themselves for the first time since the onset of their illness. Because L-5HTP is not patentable and is considered a drug of little commercial value, there are no existing mechanisms either to continue treating patients who are benefiting from it or to initiate national clinical trials to evaluate further its overall efficacy and safety. The problem is not scientific but a matter of economics. The carbidopa, which is an essential part of therapy, is provided by Merck Sharp and Dohme Research Laboratories.

However, L-5HTP has to be purchased from a biochemical supply house in powder form at a cost that is too high for most patients or clinical investigators. The cost could be greatly reduced, and the quality improved, if L-5HTP was produced by a pharmaceutical company. This predicament has been presented to various pharmaceutical companies, the Pharmaceutical Manufacturers Association, the FDA and the National Institutes of Health (NIH), none of which have been able to solve this problem. Although all have agreed that there is a need for the development of service drugs, there is no formal mechanism by which this development can be accomplished at present.

This is not an isolated example of this problem. In 1956, J. M. Walshe, of Cambridge, England, discovered that penicillamine was an effective treatment for patients with Wilson's disease. Penicillamine changed Wilson's disease from a fatal disease to one that is curable in about 90 per cent of patients. Several years after Dr. Walshe's momentous discovery the manufacturer of penicillamine decided to discontinue its production because the anticipated financial return was too meager. Fortunately, this decision was reversed after Dr. I. H. Scheinberg, of Albert Einstein College of Medicine, presented the problem to the public press. It is ironic that penicillamine has now been found to be extremely valuable for therapy of cystinuria, heavy-metal intoxications, rheumatoid arthritis and certain collagen diseases, in addition to Wilson's disease; none of these applications would have been discovered without the perseverance of Drs. Walshe and Scheinberg.

One has to wonder how many other drugs of little commercial value would have been found to have wider uses; including therapy of more common disorders, if they had not been rejected by the marketing departments of pharmaceutical companies. Dr. Walshe continues to struggle against the vicissitudes of pharmaceutical research for rare disorders. In 1969, he discovered that triethylene tetramine (trien) was an effective substitute for those patients who could not tolerate penicillamine because of severe adverse effects such as a nephropathy. Dr. Walshe has had to purify and encapsulate trien in his own laboratory over the years because he has been unable to persuade any pharmaceutical company to undertake its production. In a letter to the editor of the *British Medical Journal* he states, "Meantime the question arises as to what will happen to these patients should I retire the scene or should a product license not be issued. Are they to be allowed to die of a readily treatable disease because no one is prepared to supply, or worse still is permitted to produce, the necessary medication?"

How can the development of new drugs in nonprofitable diseases be encouraged without sacrifice of the medical profession's commitment to the demonstration of both safety and efficacy before approval for marketing? If one examines the position of the three parties involved, the obvious conclusions are that new legislation is needed.

NIH. Most of the resources of NIH are directed toward research-oriented projects that would generally exclude the manufacture and development of new drugs. During the past few years, coincident with increased funding, the National Cancer Institute has supported the costs of manufacture, demonstration of safety and effectiveness and supplying of new anticancer drugs that are not developed by industry because the type of cancer afflicts only a small number of people. Usually, toward the end of development, when many or all of the studies necessary to achieve marketing approval have been accomplished at NIH expense, the particular drug is made available to the highest bidder for marketing. Unfortunately, at present, only the National Cancer Institute has sufficient funds to perform this service.

Pharmaceutical companies. The pharmaceutical industry is a competitive business, and profits are essential for survival. One cannot expect the pharmaceutical companies to jeopardize their business or to be irresponsible to stockholders by spending large sums of money on unprofitable drugs. Before 1962 drugs of little commercial value were more frequently developed and marketed as public-service drugs because the financial costs were much less. The incentives were improvements of corporate and public image. The present cost of drug development has greatly reduced the appeal of these incentives.

FDA. The FDA is a regulatory agency and has no control over the types of drugs developed. There is no legislative mandate or financial resources to initiate, foster or shape the course of drug research.

Since private and governmental institutions are no longer responsive to the needs of all patients, federal legislation is needed to correct this situation. It is to be hoped that new FDA legislative proposals currently being considered in Congress will examine this problem. One of a number of legislative solutions could be enacted to make drug research and development more responsive to scientific advances in uncommon as well as common diseases.

For one thing, the federal government could subsidize appropriate pharmaceutical companies to develop drugs of limited commercial value. This support is analogous to the use of government contracts for research in the space field, drug abuse and cancer research.

Secondly, the National Cancer Institute has recently been able to develop anticancer drugs of limited commercial value. With adequate funding other NIH institutes could carry out a similar function in their areas of interest. However, it might be argued that NIH lacks the necessary experience and expertise required for the most efficient development of new drugs. The proposed New Drug Regulation Reform Act recently introduced by the Administration provides for a National Center for Clinical Pharmacology, which would be empowered to carry out the development and testing of certain drugs. This proposal assumes that once developed and tested, nonprofitable drugs could be manufactured and marketed by private industry.

Thirdly, pharmaceutical companies developing drugs of limited commercial value could be given a tax advantage.

Fourthly, the patent laws might be changed to provide longer patent protection and exclusive licensing for drugs of limited commercial value. This type of incentive would probably be adequate for only a small fraction of these drugs.

Fifthly, a pool of resources could be organized and administered by the Pharmaceutical Manufacturers Association—analogous to the assigned risk pool of automobile insurance. All pharmaceutical companies would agree that important scientific advances with major therapeutic implications for the less common diseases should be developed for the public good, and the cost of this development could be equitably distributed among the member pharmaceutical companies.

Sixthly, a national pharmaceutical company could be set up as part of NIH to consolidate the present governmental drug-development activities in cancer, vaccines and tropical-parasitic-disease drugs, as well as other drugs of limited commercial value.

Finally, an interagency organization consisting of representatives from the FDA and NIH could take on the responsibility of resolving the peculiar problems involved in the development of drugs of limited commercial value. Such an interagency organization could be a central source of information on drugs of limited commercial value, identify specific areas in which new drugs are needed and encourage research in these areas, encourage pharmaceutical companies to develop certain drugs by government contract or easing of clearance requirements for NDA approval, coordinate clinical trials, gather data on safety and effectiveness for submission of NDA and make available expensive drugs of limited use.

The pharmaceutical industry is well equipped to develop and market new medicines. However, legislative reforms are desperately needed to afford all patients the benefits of their expertise.

(*Note added in proof*: Since this article was written, Cambrian Chemical, Ltd., Croydan, England, has started synthesizing triethylene tetramine.)

MELVIN H. VAN WOERT, M.D.,
Mount Sinai School of Medicine,
NEW YORK, N.Y.●

DEAR CBS, THERE IS AN ANSWER TO MIDDLE CLASS BACKLASH

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, on April 17 the CBS Evening News presented an excellent report on the "Backlash of the Middle Class." The gist of this report was that the middle class is being squeezed by high taxes and inflation to the point where it fears for its own survival. Simple desires, which up until recently seemed easily within reach of any middle class family—a house, a college education for their children, a dignified retirement—now seem out of reach. Here is the report:

CBS EVENING NEWS WITH WALTER CRONKITE
(Roger Mudd substituting)

MUDD. With a two-day extension, this is the deadline for the annual ritual of paying income taxes. In particular, it's a ritual of the middle class, which often sees itself as paying for both the loopholes of the rich and the charity of the poor, while benefiting from neither. Bruce Morton describes its predicament tonight in the first of three reports on the economic Backlash of the Middle Class.

President FORD [In 12/20/77 speech]. We are in danger of creating an entirely new class in America—the middle class poor.

BRUCE MORTON. A lot of middle class Americans go further. They think that's already happened.

Unidentified WOMAN. I—Used to be that I was afloat. Now I'm drowning. Now I am really drowning.

LEO MEYER [Flight superintendent]. Every time you turn around, there's a new tax

here, a tax there. And I think the people are just getting fed up with all the taxes.

DAN BARBER [Electrical engineer]. It's frustrating. You would expect, as you work longer and longer and work harder over the years, you'd be able to not only just keep meeting your bills, but live a little more comfortably. And it doesn't seem to be happening. It's always the same struggle, and you're always falling just a little bit further behind.

HAZEL ROLLINS [School administrator]. We have no more power than the poor.

REV. EUGENE LYNCH [Pres., Queens citizens group]. We think that we are as poor, in many instances, as people who have less financial possibilities—assets.

JOHN KEELEY [Printer]. The poorer class, they're on food stamps and what-not, and I don't—I don't envy them a bit. I—Anything they can get under those conditions, they're certainly deserved. But the middle class is the one that takes the rap for it.

MORTON. Is the middle class' pain real? The first question is: who is the middle class? There is no standard definition. Forty percent of the people in a CBS News/*New York Times* poll thought of themselves as middle class. Statistically, half the families in the country earn $15,000 a year or less. The middle class is probably the next group, the 42 percent of families earning from 15-to-30 thousand a year. How are they doing?

DENNIS JACOBE [Economist]. I'd say they're more—much worse off than they have been in the last few years, basically as a result of the interplay between inflation and taxes.

MORTON. Jacobe cites examples. Say a family of four, earning $15,000 a year, gets a 10 percent raise—$1,500. Increased federal income tax, increased Social Security tax, inflation, if it stays at six-and-a-half percent, will leave a genuine raise of only $157—one percent instead of ten. A $30,000 family getting a 10 percent—$3,000—raise will do even worse. Actual raise: $168—one-half of one percent. And if that family gets another 10 percent raise next year, Jacobe says they'll actually end up $50 in the red.

Joseph Wislocky of El Segundo, California, in other words, has a point.

JOSEPH WISLOCKY [Engineer]. I make more money today than I ever made. And I find that at the end of the week, I have less money.

MORTON. Not all economists agree with Jacobe. But they do agree that as inflation has pushed middle income families into higher income brackets, taxes have taken a bigger share of their income. They are paying more than they used to. Lower income families, because of changes in the tax law, are paying less.

RUDOLPH PENNER [American Enterprise Institute]. If you just combine the income tax and the Social Security payroll tax that they pay, the average tax rate's gone up roughly a quarter.

QUESTION. A quarter of a percent, or . . .

PENNER. No, no, I mean by about 25 percent.

MORTON. And the objects of middle class desire—the elements of the American dream—are more expensive now. A new car costs over 40 percent more than it did 10 years ago, an average $6,100 today.

In 1983, if inflation continues at six-and-a-half percent, the car will cost $8,900. A new house—87 percent more than 10 years ago at $54,000. 1983 projections: $79,000. A year at a private college averages $4,900 today; 7,100 in 1983. Sliding back or just hanging on, the middle class is hurting. The boom times of the '50s and '60s are over. And along with economic woes, the middle class feels another grievance: the quality of life is declining, and middle class Americans feel powerless to do anything about it.

Pat Troll is a Queens, New York, housewife, the mother of five children. She's famous for her crumb cake. But she is also these days putting in a lot of hours as a community activist, because she doesn't think she gets her money's worth for what she pays her government in taxes.

PAT TROLL [Housewife]. We've had a few experiences with the police here with broken windows and things like that, and they just say there's nothing they can do. That's infuriating to me. Why am I paying taxes, then? Get lost and I'll save some money. I think we're closer to the poor than anybody realizes, and we have a great deal in common with them.

QUESTION. What?

TROLL. Very little voice in what's happening to us, basically.

MORTON. A look at that middle class powerlessness and the anger it generates in our next report.

Mr. Speaker, the actual case is worse, because not only the middle class but everyone is squeezed, frustrated and taxed to the point of marginal rebellion.

The problem with the CBS story, however, is that it leaves the impression there is no solution to the dilemma. There is: Lower the tax rates, across the board, for everyone, permanently, and then use the surplus revenues that will be generated by increased production to reduce them again and again until we get them down to 25 percent at the top and 4 percent at the bottom. This policy aimed at economic growth instead of income redistribution, aims at a bigger pie for all, so that we can restore the promise of the American dream to all Americans, the promise that if one strives and succeeds there will be a reward commensurate with effort. As I said, I believe that the first step on this road is a dramatic reduction in tax rates across the board, not just for the middle class but for all Americans. This will restore incentive and increase the reward for work, production and investment while gaining revenues for needed Government spending programs.

The Roth-Kemp Tax Reduction Act, which presently has 168 cosponsors, is a program which can help restore the American dream and do so without abandoning the social progress we have made thus far. I am optimistic and I suggest that if we can adopt the Roth-Kemp program the future of the middle class and the future of all Americans will be considerably brighter than the people interviewed by CBS think it is.

Three or four times in this session of Congress, I and other Members, particularly Mr. CONABLE of New York, and Mrs. HOLT of Maryland, have attempted to lower the taxes on the American people right across the board so people can spend and invest more of their own hard-earned money for the goals they deem important.

While we have come close, we have continually been frustrated by the majority Democratic Party and this administration who are advocating more taxes and more deficits as a strategy for America. Indeed the vote today on tax credits for education tuition would not have been needed had the majority party not frustrated our attempts to lower all tax rates and provide relief for all the American people with no loss of revenue for the Government. I commend CBS for telling this story and add my commentary to do justice to the whole story and to give some hope to the people that there are some Members of Congress who understand the problem and are doing something about it. We will not give up till we restore incentive to the economy and put the American dream back together for all the people.●

TOWN'S ADMIRATION FOR PRESIDENT TRUMAN

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. MATTOX. Mr. Speaker, 4 days from now we will observe the birthday of Harry S Truman, without a doubt one of this country's greatest Presidents. In recognition of this, I would like to submit into the RECORD an article from the Mesquite Daily News which describes one town's admiration for President Truman.

On November 21, 1945, just 7 months after he assumed office, the citizens of a small community just east of Dallas, Tex., named their town after Mr. Truman. Such an act nowadays would seem a bit premature, considering how our Presidents have fared in the polls, but the citizens of what is now Mesquite, Tex must have recognized in Harry Truman a quality which set him above most politicians. Truman's candor, simplicity, and honesty have in years since projected him into the forefront of America's greatest men, and for these reasons it is not surprising that the citizens of this area identified so strongly with him.

Mr. Speaker, Truman, Tex., is there no more, but I think this little bit of history, this act of patriotism on the part of the men and women of Mesquite, deserves to be recognized and preserved as testimony to how admired Harry S Truman was, and still is.

An article follows:

[From the Mesquite (Tex.) Daily News
June 17, 1977]

SOME HERE STILL REMEMBER TOWN NAMED AS SALUTE TO PRESIDENT

TRUMAN IS NOW A PART OF NORTH MESQUITE

(By Kaye Harte)

With a bottle of milk, Mrs. E. H. Hopkins, secretary treasurer of the community's improvement committee, officially christened Truman, Texas, on Wednesday, Nov. 21, 1945.

Mrs. Hopkins kept clippings and records from that time in a scrapbook which exists today. She still lives in the house, reported to be more than 100 years old, where a reception took place after the dedication ceremony and which was the location for meetings of the improvement committee.

Dr. Sam Scothorn of Dallas, who owned land in Truman, circulated the petition that called for the community to be named in honor of the new president. The community of some 200 was called by at least six other names before becoming Truman, including Chitling Switch, Thin Gravy, Deanville, North Mesquite, and Mesquite Tap.

The boundaries of Truman, Texas were described as follows:

"Commencing at a point 6-10th of a mile east of the intersection of Highway 80 and Gus Thomasson Road and proceeding in a northerly direction for a distance of 6-10th of a mile, thence east along a line which includes the J. B. Galloway property for a dis-

tance of one and 2-10th miles which includes both the L.P. Harris property and the P. W. Martin property, thence westward for a distance of one and 2-10th miles which includes the Walter R. Hailey property, thence in a northerly direction a distance of 6-10th of a mile, which includes the Hiram Lively property, to the point of beginning."

Erected for the ceremony was a huge sign which read:

"Truman, Texas Dallas City Limits 7 Miles."

Mrs. Hopkins christened the sign with a bottle of milk because she said the community had many residents who were Baptists. The dedication was held outside the Hopkins home with Dr. Sam Scothorn as master of ceremonies. Dr. Scothorn read a letter of congratulations from the mayor of Dallas, Woodall Rogers, as well as from the Dallas fire and police chiefs. Dallas Postmaster J. Howard Payne read a telegram from President Truman as follows: "I am deeply conscious of the honor which the new community in Dallas County is according me in giving my name to the town of Truman. I send my hearty congratulations and warmest personal greetings to all of the townspeople." Harry S. Truman.

Truman, Texas, had no post office, therefore requests for letters to receive Truman postmarks could not be met. The first mail in Truman was delivered by Jack McDonald, who was a champion cross-country bicycle rider, and marked RFD.

At the dedication, Mr. Evelyn Berry, the postmaster in Mesquite, read letters of congratulations all over Texas. County Judge Al Tempton gave a speech praising the President.

Included in the reception committee were Deputy Sheriff Tim O. Williams, Walter P. Hailey, and Harry S. Cohen. Tom Dean, a local pioneer who was born and raised on the site of the ceremony, was introduced, as was A. W. Lander. After the ceremony the group was invited to the home of Mrs. Hopkins for sandwiches and cake.

The Hopkins home was the meeting place for the community improvement committee which consisted of John N. Price, chairman, Silas M. Hart, vice-chairman; Brady Dickson, B. C. Thompson, W. M. Morris, Dr. Sam Scothorn, and Mrs. E. H. Hopkins. The committee appointed other persons to oversee almost every facet of community life.

Also prominent in planning community affairs was the unofficial mayor, E. C. Cogburn. He organized a yearly covered dish picnic and furnished watermelons for the event. Mrs. Emitt Evans, wife of the late Mesquite City Council member and daughter of Mrs. Hopkins, recalls that she and her husband were introduced as newlyweds at one of those picnics and also remembers meeting State Representative T. H. McDonald, then the new Mesquite School superintendent, at such a gathering.

During the time of Truman's heyday only two or three houses existed between the community and Mesquite. In Truman, The Trading Post, owned by E. C. Cogburn, was the stop for a bus line which called the place Mesquite Tap.

Other businesses in Truman were Richardson Lumber Camp, a Gulf Service Station owned by Brady Dickson, a Texaco Service Station owned by Mr. and Mrs. S. M. Hart, W. Hailey's Blacksmith Shop operated by J. B. Justis, and the Hopkins' grocery store.

This small community received an enormous amount of national acclaim at the time of the dedication. "Time" magazine featured the story as did a publication called "Pathfinder." Stories of the ceremony and photos appeared in the Dallas Morning News, The Dallas Times Herald, and The Texas Mesquiter (now The Mesquite Daily News.)

Postmaster Payne, a member of the Bonehead Club of Dallas, asked members of the improvement committee to the club's December 7 meeting. S. M. Hart and Dr. Scothorn said they and others would attend. An invitation was also given by the Boneheads for Truman, Texas to annex the city of Dallas.

Thus, Truman, Texas enjoyed a brief time of glory and was then taken into Mesquite city limits.●

THE HISTORICAL CASE FOR TAX RATE REDUCTION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, for a long time I have been making my case for tax rate reduction based upon the successful Kennedy-Johnson tax cuts of the early 1960's. In the course of this debate, however, I may have given the impression that the Kennedy experience is the only example in history of a tax rate reduction which led to higher revenues for the Government. In fact, history is quite clear on this point, not only in the United States but in other countries as well. In every case in which excessively high marginal tax rates were reduced, the ensuing expansion of production and employment led to an increase in Government revenues and economic prosperity.

FRANCE

In 1920 France imposed a steeply progressive income tax—in the name of tax reform. It was so steeply progressive, in fact, that it became known as the sucker's tax—to be paid only by those who could not escape it.

As the Government became more adept at enforcing the tax, the French economy contracted amid steady inflation, culminating in the 1924 financial crisis. Total Government revenues, measured in prewar francs, were only a bit higher between 1920 and 1925 than they had been in 1913, when there was no income tax. The crisis ended in 1926 when the leftwing Herriot government fell and was replaced by the center-right Poincare government, which announced a new tax law just one week after taking power, on August 3.

The highest rate of general income tax was cut from 60 percent to 30 percent. The rates of inheritance and estate taxes were cut, and at the same time made less steeply graduated. The annual transmission tax on securities was lowered by about 40 percent.

The franc stabilized, the economy revived, and in the first year of the reform, tax revenues jumped dramatically, from 5.4 billion prewar francs to 7 billion. In the 6 months from July to the end of 1926, the franc soared on the foreign exchange market, from 2 cents to 4 cents on the dollar.

ITALY

Although Mussolini is known to history as a Fascist, in the early years of his regime, his government behaved more like laissez-faire liberals. This was due to the influence of the minister of finance, De Stefani. In his book, "Fascism and the Industrial Leadership in Italy, 1919–1940," Prof. Roland Sarti has said of De Stefani:

De Stefani's program was coherent. It was inspired by a laissez-faire philosophy which, in principle, was totally acceptable to business. Public enterprise was to give way to private initiative wherever possible. Public controls over production were to be abolished. Restrictions in the scope of governmental action would make it possible for the government to reduce and reform the bureaucracy, thereby gaining greater administrative efficiency and lowering operating costs. The reduction of public expenditures was to be accompanied by fiscal reforms, which was to increase governmental revenue by the parodoxical device of actually lowering tax rates and simplifying tax laws. De Stefani's rationale was that unrealistically high tax rates and complicated tax laws reduced revenue by encouraging widespread cheating and by making it virtually impossible for government officials to verify tax returns.

Among the reforms was the outright abolition of the income tax. The result was that the economy boomed, the treasury's revenues increased, and the lira appreciated steadily. By 1924 Mussolini's Fascist party was able to win a two-thirds majority in the national legislature. Not until the mid-1930's did Mussolini begin to move heavily into government control of the economy and raise taxes.

GREAT BRITAIN

The income tax was first imposed in Great Britain in 1799. Thereafter, under the pressure of the Napoleonic Wars, the rates rose rapidly, as did the national debt. Yet despite the fact that the income tax was producing one fifth of Britain's tax revenue in 1815—about 15 million pounds—and its debt has risen to the astronomical sum of 900 million pounds, Parliament abolished the income tax in 1815. Yes, abolished, the income tax.

Then, as now, the cries of the "fiscal experts" were loud. It was said that the debt would crush the economy and that tax rates must remain high in order to pay it off.

But what happened was that the abolition of the income tax set off a 60-year economic expansion in Great Britain which, by the end of the century, had significantly reduced the debt in both absolute and relative terms. Over the same period the interest rate on government bonds dropped steadily, attesting to the wealth of savings created by the low taxes and great prosperity raising the real standard of everyones' income.

The British Empire ultimately waned not by the devastation of World War I, but by a reversal of its traditional low tax and free trade policies of the 19th century. Since 1914 high taxes, socialism, and protectionism have been the hallmarks of British economic policy and the tax rates today are essentially what they were in 1914–15; that is, 83 percent on ordinary income and 98 percent on investment at about $40,000.

GERMANY

Following World War II tax rates in Germany were at extremely high levels. The 50 percent marginal tax rate began at only $600 of income and the highest tax rate, 95 percent, began at $15,000. By 1948 these high tax rates, combined with massive inflation and price controls, had

led to a severe economic crisis in Germany.

Into this crisis stepped Ludwig Erhard, one of the great economic leaders of all time. Nor only did he abandon all wage and price controls, with a single stroke, but he began a process of tax reduction in Germany that continued for a quarter of a century. He did so by steadily raising the income level at which high marginal tax rates began. In 1948 he increased the threshold for the 50-percent bracket from $600 to $2,200, and the threshold for the 95-percent bracket from $15,000 to $63,000. A year later the 50-percent bracket was pushed up to $5,000; in 1953 it was pushed up to $9,000 and the top rate reduced to 82 percent.

By 1955 the highest rate had been reduced to 63 percent on incomes above $250,000 and the 50-percent bracket did not begin until one was earning $42,000.

This systematic reduction in tax rates fueled a massive economic boom which increased revenues so much that Germany was able to establish a system of social insurance for both the unemployed and the aged which is among the most generous in the world. All without inflation and in direct contrast to the Keynesian advice West Germany received from the American State Department.

JAPAN

The situation in Japan after World War II was very similar to that in Germany: high tax rates and a destroyed economy.

However, beginning in 1950 the Japanese begin to adopt a program of tax rates reduction. Marginal tax rates on both individuals and businesses have been cut almost every year since 1950. As each of these tax cuts generated new economic activity and higher revenues to the government, they fueled new tax cuts and the process continued until Japan's economy has become one of our most fiercest competitions.

THE UNITED STATES

Long before the Kennedy tax cuts of the 1960's there was ample evidence from American history that tax rates reductions would lead to higher tax revenues. The most important example is from the 1920's.

The Republican Party took control of the White House and the Congress in 1920 by promising a return to normalcy. A primary aspect of this "return to normalcy" was a reduction in high wartime tax rates, which went as high as 63 percent. Andrew Mellon, Secretary of the Treasury, led the campaign for lower tax rates. In his book, "Taxation: The People's Business," he wrote:

The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business and invest it in tax-exempt securities or to find other lawful methods of avoiding the realization of taxable income. The result is that the sources of taxation are drying up; wealth is failing to carry its share of the tax burden; and capital is being diverted into channels which yield neither revenue to the Government nor profit to the people. . . . Experience has shown that the present high rates of surtax are bringing in each year progressively less revenue to the Government. This means that the price is too high to the large taxpayer and he is avoiding a taxable income by the many ways that are available to him. What rates will bring in the largest revenue to the Government experience has not yet developed, but it is estimated that by cutting the surtaxes in half, the Government, when the full effect of the reduction is felt, will receive more revenue from the owners of large incomes at the lower rates of tax than it would have received at the higher rates.

Thereafter the Congress reduced tax rates every year from 1921 to 1925, lowering the highest tax rate from 63 to 25 percent and the lowest tax rate from 4 to 1½ percent. This led to an enormous economic boom in the United States, no inflation and a reduction of the National debt.

CONCLUSION

This brief survey, I believe, shows quite clearly that sound tax rate reductions lead to enormous economic growth and an accompanying increase in revenue to Government without inflation. Getting people into private enterprise jobs and producing new goods and services is not inflationary and we should start now.●

ED KELLY CITES THE MANY SPLENDORED CONTRIBUTIONS OF THE ELEVATOR UNION IN WESTERN NEW YORK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, last weekend it was my great pleasure to address the members of Local 14, International Union of Elevator Constructors, and their ladies on the occasion of this AFL–CIO organization's diamond jubilee in Buffalo.

Few of the people we represent and, I think, few of us in the Congress really understand and appreciate the quiet but essential service these skilled union members contribute to the convenience and quality of our daily lives, as well as our community. This shortcoming, in part, has been remedied by Ed Kelly, my friend and veteran labor columnist of the Buffalo Evening News. He records the really magnificent efforts they make in so many ways to western New York.

At this point, Mr. Speaker, I wish to add Mr. Kelly's recent column on the Elevator Constructors Union to my remarks and commend Local 14 members and their leadership of Paul Tachok and Don Winkle on behalf of a grateful community and country.

ELEVATOR UNION GETS BIRTHDAY LIFT

(By Ed Kelly)

Which area AFL–CIO union helps move the most Western New Yorkers each day?

If you answer the bus drivers' union, or the railroad union, or the airline union, you're wrong.

The correct answer is the union whose members install, repair and maintain the hundreds of passenger elevators and escalators in our office and apartment buildings, department stores, banks, hospitals, terminals, manufacturing plants and a host of other structures.

In fact, according to Don Winkle, business agent of Local 14 of the International Union of Elevator Constructors, the elevators and escalators his 150 members keep in good running order transport more Western New Yorkers than all the area's bus, rail and air lines combined.

The members of Local 14 are pretty proud of this little-recognized contribution their services make to the economic and social functioning of the community.

But what has them especially prideful these days is the fact that their local union is going to have an historic birthday very soon—its 75th.

The predecessors of today's Local 14 members, who called themselves at the time the Elevator Constructors Union of Buffalo, applied in May 1903 for a charter with the International Union of Elevator Constructors, then two years old. The Buffalo workers got their charter and a year later, in 1904, their international union joined the AFL.

The 42-year-old Don Winkle—who's spent 18 of those years as an officer of Local 14, the last six as business representative—likes to point out that the skills required for membership in his union are many and varied.

Elevator constructors, he says, must combine the crafts of the electrician, rigger, ironworker, sheet metal worker, carpenter, plumber and pipefitter.

Every elevator and escalator in this area, notes Winkle with pride, has been installed by members of Local 14. Besides ordinary installations, they've also put in the elevators in the state observation tower and the Cave of the Winds, both in Niagara Falls, as well as those in the Robert Moses Power Project.

Local 14's members also have installed dumbwaiters, the lifts that raise portions of the performing areas in Kleinhans Music Hall and Niagara County Community College; hospital automatic cart lifts, moving walks, man-lifts and home stair-inclinators.

Other unusual installations by Local 14 members:

The former "pigeon hole" parking lift that stacked autos at Court and Franklin Streets; the hydraulic systems that raised Nike missiles from their underground nests to launch position; the automatic equipment that opens and closes the water gates in the Kinzua Reservoir in nearby Pennsylvania; the Brunswick Automatic pin-setters that went into area bowling alleys in the late 1950s and early 1960s.

And in March 1976, after firefighters were unable to reach two window washers trapped outside the seventh floor of the new City Court Building, it was members of Local 14 who pulled off the rescue.

Local 14's jurisdiction covers the eight counties at this end of the state, explains Winkle, and its craftsmen work for 16 elevator companies, chief among them Otis, Westinghouse, Dover, Haughton and Gallagher.

The collective bargaining that determines the fringe benefits and work rules of all AFL-CIO elevator constructors is conducted at the national level by the international union. However, wages are fixed locally, Winkle says, and those of the Local 14 members are set at the average of the rates enjoyed by the four highest-paid area craft unions.

Local 14 will celebrate its diamond jubilee with suitable pomp at a 6:30 p.m. dinner party April 29, with Congressman Jack Kemp, R-Hamburg, principal speaker.

There's one big birthday present Local 14 is hoping for.

It's an okay from Washington that will permit Buffalo to proceed with construction of the Main Street light rail rapid transit system—plans for which, according to Winkle, call for the installation of 29 escalators and 30 elevators in stations along the line.●