—Page 41, beginning on line 6, strike out "for the purpose of obtaining foreign intelligence information".

—Page 51, strike out line 24 and all that follows through page 52, line 4.

—Page 64, after line 25, add the following new section:

CONSTITUTIONAL POWER OF THE PRESIDENT

SEC. 111. Nothing contained in chapter 119 of Title 18, United States Code, section 605 of the Communications Act of 1934, or this Act shall be deemed to affect the power vested by the Constitution in the President to acquire foreign intelligence information by means of an electronic, mechancial, or other surveillance device.

H.R. 12931

By Mr. HARKIN:

—Page 11, line 16, immediately after "Laos," insert "El Salvador"

—Page 11, line 16, immediately after "Laos," insert "Paraguay"

—Page 11, strike out the period on line 17 and insert in lieu thereof ", except that funds appropriated or made available pursuant to this Act for assistance under part I of the Foreign Assistance Act of 1961 (other than funds for the Economic Support Fund or peacekeeping operations) may be provided to any country named in this section (except the Socialist Republic of Vietnam) in accordance with the requirements of section 116 of the Foreign Assistance Act of 1961."

—Page 13, immediately after line 16, insert the following new section:

SEC. 116. The restrictions on obligation and expenditure of funds set forth in sections 107 and 114 of this Act shall not be implemented if funds appropriated or made available pursuant to this Act are obligated or expended to finance directly any assistance to any country the government of which engages in human rights violations according to section 116 of the Foreign Assistance Act of 1961.

—Page 13, lines 21 and 22, strike out "$648,000,000" and insert in lieu thereof "$635,400,000".

—Page 20, line 4, strike out "$13,515,000" and insert in lieu thereof "$12,839,250".

—Page 20, line 8, strike out "$24,000" and insert in lieu thereof "$4,000".

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of Paraguay.

—Page 23, immediately after line 19 insert the following new section:

SEC. 510. None of the funds appropriated or made available pursuant to this Act shall be used to provide military assistance, international military education or training, or foreign military credit sales to the Government of El Salvador.

H.R. 13007

By Mr. PATTISON of New York:

—Page 32, line 16, delete Sections 920 and 921, and insert the following:

Section 920: Relation to State Laws:

"(a) Except as provided in subsection (b)—

"(1) if any act or practice is prohibited by this title or any regulation prescribed by the Board pursuant to authority thereunder, no State or political subdivision of a State may establish or continue in effect any law, regulation, or rule permitting such act or practice; and

"(2) if any act or practice is regulated by this title or any regulation prescribed by the Board pursuant to authority thereunder, no State or political subdivision of a State may establish or continue in effect any law, regulation, or rule which regulates, restrains, or otherwise limits such act or practice unless such State law, regulation, or rule imposes requirements identical to the requirements of this title or such regulation.

"(b) Upon application of a State or political subdivision of a State, the Board may by regulation exempt from subsection (a), under such conditions as may be prescribed in such regulation, a law, regulation, or rule of a State or political subdivision if—

"(1) compliance with the requirement of the State or political subdivision would not otherwise cause the act, practice, form, notice, disclosure, or other action to be in violation of any requirement imposed by this title or any regulation prescribed by the Board pursuant to authority thereunder; and

"(2) the requirement of the State or political subdivision (A) provides significantly greater protection to the consumer than do the requirements imposed by this title and by regulations prescribed by the Board pursuant to authority thereunder, (B) is required by compelling local conditions, and (C) does not unduly burden interstate commerce; and

"(3) there is adequate provision for enforcement.

"(c) Where the same act or omission constitutes a violation of this title and of applicable State law, a person aggrieved by such conduct may bring a legal action to recover monetary damages either under this title or under such State law, but not both. This election of remedies shall not apply to court actions in which the relief sought does not include monetary damages or to administrative actions."

H.R. 13635

By Mr. COHEN:

—Page 6, line 15, strike out "$11,705,155,000" and insert in lieu therof "$11,708,452,000".

H.R. 13635

By Mr. DICKINSON:

—On page 2, line 11, strike $9,123,499,000; and insert in lieu thereof $9,125,299,000;

On page 2 line 19, strike $6,456,450,000; and insert in lieu thereof $6,448,150,000;

On page 3, line 3, strike $2,015,900,000; and insert in lieu thereof $2,015,200,000;

On page 6 line 4, strike $9,097,422,000; and insert in lieu thereof $9,115,422,000;

On page 6, line 15, strike $11,705,155,000; and insert in lieu thereof $11,691,755,000;

On page 14, line 24, strike $916,708,000; and insert in lieu thereof $917,400,000;

On page 56, beginning on line 1 and ending on line 4, strike Section 856 in its entirety and renumber all subsequent sections accordingly.

H.R. 13635

By Mr. YATES:

—On page 20, line 2, after "$128,000,000;" strike the words and amounts on lines 2 and 3: "for the CVN-71 nuclear aircraft carrier program, $2,129,600,000;"

On page 20, line 8, after "in all:" strike "$5,688,000,000," and insert in lieu thereof "$3,558,400,000,"

H.J. RES. 638

By Mr. KINDNESS:

(Amendment in the nature of a substitute)

—Strike everything after the resolving clause and insert the following:

(two thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

H.J. RES. 638

By Mr. KINDNESS:

"SECTION 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"SEC. 2. The Congress and the several States shall have the power to enforce this amendment shall not be so construed as to delegate to the United States any powers otherwise reserved to the States, or to the people.

"SEC. 3. This amendment shall take effect two years after the date of ratification."

H.J. RES. 638

By Mr. RAILSBACK:

—On the first page, line 10, strike the period and insert the following:

", *Provided, however*, That any legislature which shall have ratified the article of amendment within the first seven years of this period may, by the same vote and procedure required for ratification, rescind that action at any time after this resolution becomes effective and prior to adoption of the amendment. The Administrator of the General Services Administration shall certify to Congress all resolutions of ratification or rescission of this amendment received from the several States for final determination by the Congress as to whether the amendment shall have been adopted."

EXTENSIONS OF REMARKS

TAX CUT WILL NOT REDUCE FEDERAL TAX BURDEN

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GRASSLEY. Mr. Speaker, usually I do not quote from or insert into the CONGRESSIONAL RECORD articles and editorials from the Washington Post. Usually my tastes run to newspapers from back home such as the Grundy Center Register, the Shell Rock News, the Marshalltown Times-Republican, and, on occasion, the Des Moines Register and Tribune.

Nonetheless, this morning I did come across a story which appeared on the first and seventh pages of the Washington Post. The article points out that the proposed Ways and Means tax cut proposal will not reduce the Federal tax burden for all but a few Americans next year. This is yet another reason why the Congress should pass tax reform legislation along the lines of the Kemp-Roth Tax Reduction Act. The news story follows:

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., ●

DESPITE NEW TAX CUT MEASURE, MOST WILL FACE INCREASE IN '79

(By Art Pine)

Almost every American taxpayer faces a higher total federal tax bill next year, even if the $16 billion tax-cut approved by the House Ways and Means Committee last week were to be enacted, according to new congressional figures.

Tables compiled by the Joint Committee on Taxation show that the tax reduction provided in the Ways and Means Committee measure would not offset the impact of inflation and higher Social Security Taxes for most taxpayers.

After those two factors are taken into account, the tax burden for so-called "middle income" tax payers—those in the $20,000 to $30,000-a-year bracket—would rise by between $83 and $261 a year.

And the total federal tax bite on taxpayers in the $10,000-a-year-and-under income brackets—just above next year's expected poverty line—would rise by between $29 and $40 a year.

The only group of taxpayers who would enjoy overall tax relief as a result of the Ways and Means bill would be those in the $15,000 bracket. By a fluke, they would pay $2 to $3 less in taxes.

The increases in overall federal tax burdens stem from two factors: the impact of inflation, which pushes taxpayers into higher brackets, and the increase Congress voted last December in 1979 payroll taxes.

The tax cuts President Carter proposed in January would have offset both inflation and payroll taxes for all but a minority of taxpayers who earn $40,000 a year or more. The exception primarily affected two-earner families.

However, Carter's proposal was for a heftier $24.5 billion in tax reductions, with the cuts skewed mainly to taxpayers earning less than $15,000. The committee's bill would primarily benefit those in the $20,000- to $50,000-brackets.

The rate of inflation this year is expected to be at least 7 percent, with wage increases running even higher. The income boost is expected to result in some $8 billion in higher taxes.

The scheduled increases in Social Security taxes will raise payroll taxes to 6.13 percent of the first $22,900 in earnings, effective Jan. 1. Without these, the rate would have been 6.05 percent of $18,900.

The income tax reductions in the committee's bill are proportionally about the same for most income brackets. As a result, most of the relief goes to those who pay the most taxes ordinarily—those in the $20,000- to $50,000-group.

Here is how the total federal tax burdens of taxpayers in various income brackets would be affected after taking account of the committee bill, the impact of inflation and the scheduled rise in pay roll taxes:

Income bracket	Social security		
	Tax cut from bill	Impact of inflation	Net tax change
Single taxpayers:			
$5,000	−21	+38	Up $17.
$10,000	15	55	Up $40.
$15,000	71	69	Down $2.
$20,000	105	171	Up $66.
$30,000	213	454	Up $241.
$50,000	436	687	Up $251.
Married taxpayers:			
$5,000	0	4	Up $4.
$10,000	62	86	Up $29.
$15,000	77	74	Down $3.
$20,000	146	178	Up $22.
$30,000	304	409	Up $105.
$50,000	654	681	Up $30.

●

MINORITY BUSINESS ENTERPRISE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MITCHELL of Maryland. Mr. Speaker, each day's events regarding the state of minority business enterprises leaves me more incredulous and more certain that this Government, this Nation, the American people have no intention of insuring, even to a modicum, economic parity for black people. Even on those rare occasions when my spirits are slightly raised—the House's passage of H.R. 11318 in March; last year's passage of the precedent-setting, 10 percent set aside rider to round II of the public works bill—reality comes crashing through the gates of my hopes, dreams and aspirations: The promises of equality for minorities are inanitions.

Just yesterday, I was confronted with two examples in a continuing, disheartening and destructive line of indicia on the minority business enterprise question. The first involved the unwarranted defunding of a viable and proven West Coast trade and business association, one which has for quite some time serviced the black business community in the Oakland/Alameda County, Calif. environs; the second involved a Federal agency's proffering of a minority set aside contract, then—on what appeared to be no more than a whim—withdrawing the requirement.

The Oakland/Alameda County area has one of the largest concentrations of black persons in the State of California —second only to Los Angeles County. In addition, the number of minority business enterprises in that area is significant. The Golden State Business League. Inc. (GSBL) has provided efficacious technical and managerial assistance to the black business community there for almost half a decade. Funded via contract with the Department of Commerce, this minority trade and business association was forced to compete against other similar minority entities to provide a single, Commerce-funded, thrust throughout the East Bay minority business community. This effort was, also mirrored by a thrust throughout the West Bay.

The end result of Commerce's actions pitted several meritorious trade and business associations against one another, particularly a black-based and Latino-based entity—advancing the tried and tested stratagem of "divide and conquer." Such efforts only militate against the development of minority enterprise and plague the coalescing of differing minority groups toward solving common economic problems.

In the second instance, a number of minority businesses responded to an indefinite quantity contract (IQC) to be reserved and awarded to a minority firm through the Small Business Administration's 8(a) set aside program. The Government entity involved was the Department of State's Agency for International Development (AID). Just prior to its own closing deadline, if not thereafter, AID withdrew the 8(a) set aside requirement, in what still remains to be a nebulous warrant. When confronted by one of the initial contract applicants, a representative of AID was less than responsive to even the slightest of inquiries.

Members of this Congress, I remain resolute in my championing the cause of minority business enterprise and economic parity for this Nation's minority communities. However, I grow weary with a fight raised against an amorphous and recalcitrant bureaucracy, one which can and does, irrespective of the law, frustrate what little minority economic progress that has occurred. And, as you are well aware, I am often at odds with you, my colleagues, for hampering the steps toward economic parity through your own legislative dilatoriness and philosophical indifference. Yet, I do believe the problems resolvable; though to gain your attention, I must necessarily remain the hawker of this issue, soliciting your support for the palladium of this Nation's democratic principles: The belief in equality and parity.●

EILEEN FITZPATRICK RECREATION CENTER DEDICATED IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. EILBERG. Mr. Speaker, I am proud to advise my colleagues that under the city of Philadelphia's program to expand recreational facilities, a new playground has been dedicated at Academy and Torrey Roads in the Fourth Congressional District of Pennsylvania, which I have the honor to represent.

The playground is located on the grounds of the Decatur Elementary School. There is a headquarters building which features an 800-square-foot multipurpose room, kitchenette, director's office, storage space, and lavatories.

One and one-half basketball courts and an adjacent hockey court, both illuminated, are part of the project, as is a spectators area for hockey activity.

The facility is named for the late Eileen Fitzpatrick, who died of leukemia in 1976 at the age of 19. Eileen was active in the Girl Scouts, and at Archbishop Ryan High School.

In the recent dedication ceremony, an ordinance naming the facility in her honor was presented by Councilman Melvin J. Greenberg to Eileen's parents, Mr. and Mrs. Joseph Fitzpatrick. In addition, a bronze plaque was presented to the recreation department and placed on the building. The presentation was made by Theresa Wilson, president of the Archbishop Ryan High School Alumni, and Dominick Cipollini, vice president of C. C. Transportation Co.

Other speakers on the program were recreation commissioner Robert W. Crawford and deputy city commissioner Harvey M. Rice. Music was provided by

the Police and Firemen's Band under the direction of Capt. Joseph Cifelli.●

ENERGY, FOOD, AND ENVIRONMENT STUDIED AT UNIQUE SCHOOL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MOAKLEY. Mr. Speaker, I would like to direct the attention of my colleagues to a unique experiment in energy, food, and environmental education currently underway at the Noble and Greenough School in Dedham, Mass.

The quality of our American way of life has always been tied to the abundant and enduring supply of energy we have enjoyed since the industrial revolution. The principle source of that energy supply has, in the past, been fossil fuels. These supplies are obviously very limited. If America is to remain a stable political, economic, and social state, it is imperative that we move our dependency from fossil fuels to a more renewable and sustainable form of energy. Such a transition will require both new information and new energy technologies.

Education should respond to this need in a creative and effective manner. A new and shaping responsibility of educators is to provide students with the necessary information and skills to respond to this problematic situation. Noble and Greenough has made a significant commitment to educate its students to the rapidly changing world energy picture. That commitment has been facilitated by the construction of a unique and highly versatile educational structure: The Umbilicus.

I would like to share with you the following text from the most recent edition of Gardens For All News detailing the experiment now underway at Noble and Greenough:

HERE'S A SCHOOL WHERE THE STUDENTS CAN'T WAIT FOR CLASSES!

School's out now, but you can bet that many of the students returning to Noble and Greenough School in Dedham, Massachusetts, in September are anxiously awaiting the chance to work and study in their new solar and wind energized food production facility.

Umbilicus, the brainchild of Alfred Sculco, the school's Science Chairman, is a novel greenhouse heated by both active and passive solar energy systems. It is believed to be the first of its kind in the country. Former Massachusetts Gov. Francis Sargent, Frederick Hitz, Director of Congressional Affairs for the U.S. Department of Energy and Henry Lee, director of the State's Energy Policy Office, keynoted the unveiling ceremonies on Sun Day, May 3, which were attended by the entire student body, close to 300 invited guests and members of the press.

Random interviews with members of the student body indicated that the youngsters regarded the unique science project as the highlight of their school year.

Solsearch Architecture, Inc., Cambridge, Mass., designed the greenhouse structure and the double-layered acrylic roof glazing was supplied by Cy/Ro Industries of Wayne, N.J. The heating systems were designed and installed by Sunsav, Inc., of Tewksbury, Mass.

Within UMBILICUS, fish and 12 varieties of vegetables will grow in the aquaculture and garden areas. Conditions for this growth will be provided by the heat and electricity from the natural energy system. Experimentation carried on inside UMBILICUS will be directed at vegetable and fish production year around, which will be consumed by faculty and students at meals in the school's dining rooms.

Sculco described the thinking that motivated him to pursue this project:

"Education should respond to energy, food and environmental problems in a creative and effective manner," he said, "and our role as educators should be to provide students with the necessary information and skills to respond to these problems."

The UMBILICUS structure contains 4 separate systems:

1. A Solar System consisting of active solar collectors with a water storage tank and passive collectors with a rock storage tank.

2. A Wind Electric System using a 3 Kilowatt windmill on a sixty-foot tower.

3. An Aquaculture System using several large growing chambers for the propagation of fish.

4. A Greenhouse System functioning as a year round growth chamber for a variety of vegetables.

These four systems are integrated into a design which reflects a natural ecosystem. The proper temperatures for fish and plant growth are maintained by the solar system. The electrical demand resulting from the various lights and pumps in the structure will be partially supplied by the wind electric system. These systems establish an internal environment in which fish and plants can add biomass thus providing a source of food for potential "inhabitants" of the Umbilicus structure.

All the systems will be continually monitored and logged in the school's computer to study the economic feasibility of these systems as alternative responses to increasing problems in the areas of energy and food supplies. As Sculco puts it: "Could an individual, a family, or a community build such a structure and thereby meet some of its energy and food requirements? We hope to answer that question.

"In the Science Department," he continued, "we envision this structure as a means of providing students with a 'hands-on' experience in rapidly evolving energy and food production technologies. It will provide a direct means of applying skills and information learned in basic courses in Physics, Chemistry, and Biology to serious human problems. The potential for independent research projects in wind and solar energy as well as fish and vegetable production is exciting and seemingly limitless within this structure.

"Through a specific course entitled Energy: The Interaction of Human and Natural Systems, we will expose students to the complexity of energy and environmental issues; issues which certainly affect the foundation of our social and economic systems and ultimate world stability.

"Through this program," he added, "students will become familiar with the new technologies and information which address the serious problem of fossil fuel resource scarcity. This knowledge will engender in them a sense of hope and confidence in solving these problems in their future. It will also motivate them to consider their life-work careers in the pursuit of these and other viable alternatives from which to fashion a safer and more sustainable future."●

THE ALL VOLUNTEER FORCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for August 2, 1978 into the CONGRESSIONAL RECORD:

THE ALL VOLUNTEER FORCE

While most of us give little thought to how we recruit young men and women for the military services, a visit with high school students will usually reveal their understandable concern about the reinstatement of the military draft. The quick answer to their concern is that Congress does not want to return to the draft. Nonetheless, Congress is becoming increasingly aware of the problems of the All Volunteer Force (AVF).

Ever since the draft was replaced by a system of recruitment and voluntary enlistment five years ago, there have been as many arguments about the success of the AVF as there have been about its prospects. Almost everyone agrees that we would have to have a draft in the event of a national emergency. The problem is how to keep our armed forces strong and ready in times of uneasy peace. Some people are saying that the AVF is bound to fail because no nation in history has maintained a large military force by voluntary means. Others are saying that the AVF is a necessary part of the American defense effort because our democratic principles require that service in the armed forces be voluntary.

Opponents of the AVF complain about the quantity and quality of recruits, high costs and lack of military preparedness. These critics note that the armed forces have lost 600,000 men in the past five years despite high unemployment among teenagers and unprecedented numbers of young people of service age. They point out that 40 percent of all newly enlisted personnel are unable to complete their first tour of duty because of poor performance. The critics argue that the AVF has raised manpower costs from 42 percent to 57 percent of the defense budget and may add more than $8 billion per year to military spending by 1985. They also believe that a major mobilization effort would be hampered by reserve units that are under strength.

These criticisms are serious, but they do not go unanswered. Proponents of the AVF say that alleged shortfalls in recruitment are not a genuine problem because of our current military manpower level—2.1 million in all branches of the armed forces—is more than adequate to meet the demands of peacetime. They maintain that the quality of recruits is good and they stress that far fewer of the poorest qualified personnel are accepted into the AVF than were accepted in the final years of the draft. The proponents trace the dramatic rise in manpower costs to increased pensions, higher civilian salaries and an oversize officer corps, not to recruitment and voluntary enlistment. They also dispute the charge that the AVF is unprepared by arguing that the present estimates of manpower needed for total mobilization are not realistic.

The experts agree that the AVF has its problems. There is an occasional lag in recruitment. Smaller reserve units are cause for concern. There are racial and regional imbalances in the enlisted ranks and the officer corps. The pool of service-age young people in the American population is shrinking. Manpower costs are cer-

tain to go up. However, the experts disagree on the proper response to these problems. Worse yet, more studies will not provide us with all the answers. With soaring costs and tighter budgets ahead, we will have to make tough decisions about the kind of defense posture we want to have and the kind of defense force we need.

Of all the alternatives to the present AVF, the draft is probably the least desirable. Its use in peacetime raises difficult questions about individual liberty, and about who serves when not all need serve. A majority of people have opposed it in recent polls. Another option is a nationwide program in which each able-bodied young person would perform some military or civilian service to the country. The program could foster a new sense of national commitment and could help to reduce teenage joblessness, but it might have drawbacks as well. Administrative complexity and the displacement of low-wage workers would have to be considered. A third alternative—a comprehensive rethinking of manpower policies within the AVF itself—is also possible. According to one study we could save from $5 billion to $10 billion annually if we overhauled existing personnel practices. This might mean a new effort to encourage reenlistment, a new merit system for promotion and pay, and a new pension plan firmly based on contributions. It would be hard for us to make some of these changes, but at very least we should look into them to see if they are workable.

While I recognize the problems of the AVF, I believe that it has been, so far at least, relatively successful in replacing an unpopular and inequitable draft. I support the AVF, but I welcome closer examination of it and its alternatives.

JUST BEGUN TO FIGHT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, a recent article in the Sunday Oklahoman spotlighted the problems of the great little town of Picher, Okla. It painted a grim picture. But, it prompted a bright reply by Mayor Naomi Poole and Roy Heatherly, the county commissioner in the area.

They said they agreed with Chief Mine Inspector Ward Padgett that the area has "open mine shafts, cave-ins, and drill holes." Then they told why:

In World War I, when the Doughboys needed lead and zinc, they got lead and zinc to defend our country from this area.

In World War II, the Picher Area furnished the lead and zinc to throw back at our enemies.

We know that our country was worth saving, and we believe our area is also worth saving.

Our mountains of "chat" are shipped all over the nation for road building and other purposes.

If our town has been described as the ugliest town in Oklahoma, in times of need of our country, it should have been considered the fairest town in the state. We are a poor but proud people, and proud of our town.

We are making a plea for Federal and State assistance in correcting the hazards that remain from the mining in the area.

Yes, we know that our shafts need plugging, and cave-ins need filling in our area, but we are unable to do this on our own. The task is too large for us. This is the reason we are asking for assistance.

It is my pleasure, Mr. Speaker, to work with Mayor Poole and Commissioner Heatherly in trying to solve these problems. We have just begun to fight.

JUDGE CHANDLER S. KNIGHT OF MONTGOMERY COUNTY, N.Y.: A PUBLIC SERVANT WHO REMAINED INVOLVED TO THE VERY END

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. STRATTON. Mr. Speaker, last month in my home city of Amsterdam the Honorable Chandler S. Knight, longtime Montgomery County judge, died at the age of 84.

Judge Knight was a personal friend of mine, and a highly respected citizen of our community. In spite of his advancing age he had remained active in the community almost to the very day he died. His service to his community and his devotion to the responsibilities of citizenship have set an example for all of us to emulate.

To set forth more fully an accurate appraisal of Judge Knight's career by his friends and associates, I include with these remarks an editorial from the Amsterdam Daily Recorder of Wednesday, July 12, and an article from the Times Record of Troy, N.Y., of July 18 written by wire editor Jerry Dolan:

JUDGE KNIGHT: HE WILL BE SORELY MISSED

Judge Chandler S. Knight lived a long time and did not waste too many moments of his 84 years, therefore a great many people came into close contact with him and have good reason to remember this exceptional man with a fondness that is usually reserved for one's own family.

Judge Knight died Sunday three days after his 84th birthday. His loss is being felt deeply, not only because of his stature in his community and in his profession, but because he continued to be active in both right up to a few days before his death when he suffered a heart attack.

Every bit of the stature this man enjoyed was well earned, for his life was one of service.

He served his country at the Mexican border in 1916 and in France in World War I, and was wounded in the battle of Argonne Forest.

His fellow lawyers saw in him the traits that exemplified the highest standards of the profession, and for years he served them at the state level as representative to the State Bar House of Delegates, as vice president and member of the executive committee of the State Bar and as president of the County Judges Assn. of New York State; on several different Third Judicial Department task force and standing committees; and as president of the Fourth Judicial District Federation of Bar Assns.

He gave his time freely to numerous local organizations and once remarked that of all the things he had ever done, he was proudest of his work with the Boy Scouts. They were proud of him too, giving him their highest honor, the Silver Beaver award. The Girls Scouts, Society for Prevention of Cruelty to Animals, Chamber of Commerce, Red Cross, Antlers County Club, the Rotary Club, various veterans', civic and youth organizations all benefitted from his commitments which were never made lightly.

Professionally, he served the people of Montgomery County as their county judge for 12 years until he reached the mandatory age of retirement in 1965, and prior to that as county attorney for 10 years. And he performed both responsibilities in an outstanding manner.

He was wise and kind, but above all else he was fair. These traits endeared him to people of all walks. His passing leaves a void in the community and in the ranks of his profession that will be difficult to fill.

JUDGE KNIGHT REMEMBERED FOR AREA TRIAL

EDITORIAL NOTE: Gerry Dolan, the author of this story attended he 1964 trial and later, as a reporter for the Times Record, covered the retrial of Edward F. LaBelle in 1970.)

(By Gerry Dolan)

Chandler S. Knight, an Amsterdam attorney and former Montgomery County judge who died July 9 at the age of 84, presided over his last trial before his retirement here in Troy. The trial in the fall of 1964 was the last one in Rennselaer County involving capital punishment.

Judge Knight sat in the trial of Troy brothers Edward F. and Richard M. LeBelle. The LaBelles were tried and convicted in the Thanksgiving Day 1963 rape-slaying of 15-year-old Rosemary Snay of Cohoes.

In an editorial, the Amsterdam Recorder noted that Knight lived a long time and did not waste too many moments of his 84 years. A great many people come into close contact with him, the paper said, and have good reason to remember "this exceptional man with a fondness that is usually reserved for one's own family."

Judge Knight died three days after his birthday. He had been active right up to a few days before his death when he suffered a heart attack.

The judge was assigned to Rensselaer County after State Supreme Court Justice John T. Casey, who was then county court judge. disqualified himself. Casey, who was district attorney at the time of the murder and who had obtained the indictment against the LaBelles, had been elected to the county courts that November.

A legal precedent was set when Judge Knight granted a defense motion made by the late Thomas J. O'Connor for a pre-trial hearing to determine the voluntariness of a statement given by Richard LaBelle to the state police. The hearing pre-dated the U.S. Supreme Court's 1966 Miranda decision which directed police officers to advise suspects of their constitutional rights before questioning them.

The voluntariness hearing, the trial and the penalty proceeding following the trial extended from the end of September to the middle of November. In that trial, the jury had to determine the punishment for both defendants after hearing testimony in a separate proceeding held at the end of the trial.

On Nov. 24, 1964 Judge Knight, following the instructions of the sentenced Edward LaBelle to death. He signed the death warrant directing that Edward LaBelle be executed in the electric chair, which was then located at Sing Sing Prison at Ossining. Richard La-

Belle was sentenced to life imprisonment, also on the instruction of the jury.

The death sentence was automatically stayed when an appeal was filed and it was commuted to life imprisonment by Gov. Rockefeller after the state legislature abolished capital punishment in 1965. Both brothers won reversal of their convictions but were convicted again in separate retrials.

Before leaving Troy Judge Knight addressed remarks to the residents of Rensselaer County. He highly praised the work of Pierce H. Russell, who was completing his appointment to the district attorney's office and who had lost his bid for a full term during the course of the trial, and his assistant, Con G. Cholakis, now a state Supreme Court judge. He lauded the defense attorneys, O'Connor and the late John E. S. Burke, for their efforts in representing the LaBelles.

Judge Knight was educated at Schenectady High School, Union College and Albany Law School. He was admitted to the bar in 1921. He served as county attorney in Montgomery County from 1942 to 1952 and as county judge from 1953 until his retirement.

He was a former vice president of the state Bar Association, and was a member of the executive board. In 1963, he was president of the state County Judges Association and president of the Federation of Bar Associations of the Fourth Judicial District.

A veteran of World War I, he was wounded at the battle of Argonne Forest. He was active in many civic organizations in Amsterdam and Montgomery County.

Survivors include his wife, the former Alice P. Kenyon; and two daughters, Mrs. Phyliss Ann Burns of Saunderstown, R.I., and Mrs. Diane Caryl Stimmel of Slingerlands. He is also survived by five grandchildren.

The Amsterdam Recorder said Judge Knight performed his professional responsibilities in an outstanding manner. "He was wise and kind, but above all else he was fair. These traits endeared him to people of all walks. His passing leaves a void in the community and in the ranks of his profession that will be difficult to fill."●

IMET AID TO AFGHANISTAN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I rise to address the House with regard to a small but significant portion of the legislation, H.R. 12154, before us. We have in this bill some $600,000 for international military education and training for Afghanistan. Since this proposal was sent over by the administration, some serious and uncertain changes have taken place in that small country, which require some close scrutiny.

On April 27, 1978, the relatively moderate government of Afghanistan headed by President Mohammed Daoud fell in a brief but bloody coup led by general, now Prime Minister, Nur Mohammed Taraki. Prime Minister Taraki's government is on much better terms with the Soviet Union than was his predecessor's, and closer politically to Moscow than any of his other neighbors like. Soviet influence in this small but highly strategic nation has obviously taken a sharp turn upward. The strategic implications of this are obvious, as it places a potential Soviet wedge between Pakistan and Iran, and due to tribal politics in all three countries suggests the possibility of instability reminiscent of recent developments in northeast Africa.

Dozens of Afghan-Soviet agreements which had been on the back burner for months and even years under the Daoud regime have suddenly been put into effect. New arrangements on economic and commercial ties, technical and industrial assistance, and even a 10 million ruble bridge between the Soviet Union and Afghanistan over the Amu Darya River. In addition the number of Soviet advisers in the offices of middle- and high-ranking Afghani officials has sharply increased. And, according to one report, the West German advisers to the Afghani police have been replaced by Soviet personnel.

In short, the Government of Afghanistan, which now calls the country the Democratic Republic of Afghanistan, has veered sharply toward closer relations with the Soviet Union.

In addition to this, Mr. Speaker, the DRA has adopted a tougher line with regard to affairs of volatile Baluchi and Pushtu tribesmen. This forward position is in sharp contrast to the moderate position adopted by the Daoud regime before its fall. Both Pakistan and Iran view these developments with dismay, since they are very conscious of traditional and historical Russian designs in their area. A forward minority policy by the Afghani Government threatens to encourage separatism in both Iran and Pakistan. All this, as I said, can lead to regional instability and give the Soviets a chance to fish in troubled waters.

In short, Mr. Speaker, there is no doubt that the new Government of Afghanistan has very close ties to the Soviet Union. However, there is some good reason to maintain some contact between American and Afghani military personnel. Otherwise, there would be no exposure of the Afghanis to a different way of doing things. We should not completely close the door to any contact, just now when the Soviets would doubtless like nothing better. I should note that the Taraki government has told our officials in Kabul that it favors blocking the export of Afghani opium, which policy we consider helpful. Nothing so far, to my knowledge, has indicated any Afghani hostility toward the United States.

In as much as the amendment to cut off military training has failed, let us continue to watch Afghanistan closely. Let us watch whether it becomes a channel for Soviet influence or subversion in South Asia or the Persian Gulf states. But meanwhile let us not give up every bit of contact we now have.●

CARTER'S MR. FIX-IT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, with difficulties facing the administration, there remains a bright face and able leader by the name of Ambassador Robert Strauss. He is sensible, able, and hard working. I consider him my good and personal friend. U.S. News & World Report headlines an article about Strauss which I am reprinting in the RECORD. It calls him "Carter's Mr. Fix-It."

The article follows:

Spend a 12-hour day with Robert S. Strauss, Jimmy Carter's all-purpose troubleshooter, and you learn why he is called the President's Mr. Fix-it.

The ubiquitous 59-year-old Texan, in his typical Washington routine, immerses himself in practically every top issue of the day—inflation, trade, politics, congressional lobbying and more.

These days, inflation occupies most of Strauss' time. Recently, for instance, he and his aides went to work with a homebuilders group that had issued what was considered a vague anti-inflation statement. By the time the talking was over, the group had strongly endorsed Carter's aims.

Now, Strauss is talking with business and labor leaders in pivotal industries, laying the groundwork for what the administration hopes will be anti-inflationary wage pacts next year.

Not only does the President pull him into ticklish problems, but the Texan isn't bashful about spreading around his advice when not asked for it.

Strauss, in fact, is one of the very few non-Georgians around Carter who can be called key men. Unlike presidential assistant Hamilton Jordan, Press Secretary Jody Powell and media adviser Gerald Rafshoon, for example, Strauss did not work with Carter before his 1976 presidential campaign.

But the President turned to Strauss in a big way earlier this year when inflation emerged as the No. 1 domestic problem. Strauss was made Carter's inflation counselor. Before that, he had become the one Carter looked to for shoring up the administration's credentials with business leaders, Democrats and Congress in general when the new President's honeymoon began to go sour more than a year ago. Carter, an outsider in trouble over the Bert Lance affair, among other things, was in need of an experienced spokesman who could play the back-slapping rituals in the Capitol. Strauss filled the bill.

From his background as treasurer and chairman of the Democratic National Committee, Strauss is personally acquainted with hundreds of members of Congress, influential leaders of business and labor, governors and mayors, bureaucrats in the agencies and virtually every political reporter.

If you measure his importance by his formal title—special representative for trade negotiations with personal rank of ambassador—you get the picture of an important but third-string official.

But the company that the self-confident and ebullient Texan keeps shows he plays in the big league. On a recent day, the list included President Carter and key members of the White House staff; G. William Miller, chairman of the Federal Reserve Board; Michael Blumenthal, Secretary of the Treasury, and Charles Schultze, chairman of the Council of Economic Advisers.

"MIRACLE WORKER"

Strauss moves in and out of his flurry of appointments with a brand of distinctive and personal flair that attracted Carter to him.

He deals with all in a similar fashion. Strauss' conversation includes a dash of self-depreciation, a put-down of others, some flattery, an anecdote from the past and alternate mixes of broad smiles and earthy jokes with stern face and serious talk.

When a reporter chided Strauss recently about the headline of a newspaper story referring to him as a "miracle worker," the Texan snapped with a grin: "That writer knew his business."

A conversation with Strauss is usually one-sided; he uses taunts or words as weapons. Critics say he tries to outtalk double-digit inflation and has finally met his match.

Close friends say his supercharged approach to public life stems from his need to fill a vast personal ego. Raised as one of the few Jews in the small south-central Texas city of Lockhart, Strauss attended the University of Texas Law School and formed a prestigious Dallas and Washington law firm.

He got his first taste of Texas politics through associations with Lyndon Johnson and John B. Connally. Although his current government job pays $66,000 per year, Strauss' wealth from his legal practice and investments, including some in broadcasting, puts him in the millionaire class. He is fond of telling listeners that he built a swimming pool for his home in Dallas only so he could come home at night, look at the pool and "tell myself I'm one rich s.o.b."

ROAD TO THE TOP

Strauss gained recognition as a money raiser for the national Democratic Party in 1971 and 1972. He became chairman after the McGovern debacle of 1972, despite the taunts of some that the party would never elect a conservative Jew from Dallas.

Today, few in Washington would label him as a conservative. He is more often thought of as a pragmatic who simply wants to win.

Strauss loves to do business by telephone. Most days he gets 60 to 75 calls. The ambassador has six telephones in his Watergate penthouse apartment in addition to two White House phones and a phone in his car.

Awake at 5:45 a.m. every day, Strauss has usually made half dozen calls before he leaves for work.

A sample of the day's telephone calls demonstrates how Strauss alternately wears his trade, inflation and political hats. The list included M. A. Wright, head of the board of governors of the U.S. Postal Service; three Democratic senators, Abraham Ribicoff of Connecticut, Lloyd Bentsen of Texas, and Dennis DeConcini of Arizona; Thomas R. Wilcox, head of the Crocker National Bank in San Francisco, and Frank Moore, Carter's congressional lobbyist. In his conversations, he easily tosses off such phrases as "the President feels the same way."

Strauss also uses the early-morning hours "to sort things out for the day, think about who I am going to see and what I am going to say."

He likes to retain contacts with other Texans. The day's schedule brought Mark Shepherd, chairman of Texas Instruments in Dallas and a personal friend, to the office. Shepherd was reporting on a trade mission he headed to Tokyo. Posing for a picture, Shepherd gibed that it might hurt him politically back home. Strauss's immediate retort was: "It might hurt you politically, but it will help you socially."

In cabinet meetings, Strauss speaks up six or eight times, in part because he is involved in so many areas and in part because he likes to talk. He can be serious and reflective, however.

"It just seems impossible to create a consensus for an issue anymore," he says, "any issue. But it's damned easy to build one against. All the interest lobbies, coupled with the reform of Congress, have made it that way."

Strauss and his wife of 37 years, Helen, are now off to an early-August vacation in Del Mar, Calif., where he isn't far from his favorite race track. Nor will inflation be far from his mind. "That's one thing inflation hasn't touched yet—the $2 betting window," Strauss says.●

HUD PAPERWORK SMOTHERING LOCAL GOVERNMENTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ANDERSON of California. Mr. Speaker, I have just received a letter from the mayor of one of my constituent cities that I would like to share with all those Members who have expressed concern for excessive paperwork and Government regulation.

I include the July 1, 1978, letter from the Honorable Sak Yamamoto, mayor of the city of Carson, Calif. Also I include the July 5, 1978, letter that the city sent to the Southern California Association of Governments (SCAG), the metropolitan planning organization for our area.

Mayor Yamamoto and his community development director make a strong case for the House maintaining our floor amendment to the recent HUD authorization bill that calls for congressional review of all proposed HUD rules and regulations.

When a city spends over half of their annual work hours just complying with HUD paperwork requirements, as opposed to actually carrying out eligible, locally-approved projects, it becomes abundantly clear that we must express our disapproval to HUD.

I wrote Secretary Harris seeking her comments on the serious problems related by Mayor Yamamoto. I hope her reply indicates a willingness to correct the situation.

The material follows:

CARSON, CALIF., *July 17, 1978.*

Hon. GLENN M. ANDERSON,
32d Congressional District,
San Pedro, Calif.

DEAR CONGRESSMAN ANDERSON: Recently the Congressionally established Advisory Committee on Intergovernmental Relations, working locally through the Southern California Association of Governments (SCAG), requested our comments on federal compliance with Presidential requests for improving grant administration. Because of our close relationship with the Los Angeles area office of the U.S. Department of Housing and Urban Development, Carson's Community Development Department staff responded generally to SCAG's request. A copy of our response is enclosed for your information.

As Mr. Kinnahan's letter notes, the little City of Carson has ample evidence that Presidential and Congressional directives from simplification, standardization, and improved grant aministration are not being followed by HUD, either at the national and local level. HUD's ever-increasing requirements and conflicting interpretations of regulations, ostensibly designed to implement the 1974 Act ironically work to the detriment of carrying out its intent. Carson Housing and Community Development staff now spend over half of their annual work hours complying with HUD paperwork requirements, as opposed to actually carrying out eligible, locally approved projects.

Without intervention of some kind, the natural evolution and change in attitudes and values caused by constantly shifting HUD personnel and continually-reorganized bureaucratic responsibilities will cause the current situation to worsen. For that reason I have written to you, to ask your involvement in urging HUD to carry out already mandated directives. The City of Carson, indeed all HUD grantee cities, will be most appreciative of our assistance.

Sincerely yours,

SAK YAMAMOTO,
Mayor

DENNIS BEDDARD,
SCAG,
Los Angeles, Calif.

DEAR DENNIS: Pursuant to our conversation, below are some comments on HUD's compliance with presidential requests for improving grant administration. (They do not follow the specific construction of your form.)

(1) Continual Change: HUD programs are continually in the state of evolution and change. The HCD Act of 1974 changed seven-eight categorical grant programs. HUD also then reorganized internally both at the national and area levels. Every year since 1974 new guidelines have been issued implementing the provisions of the 1974 Act. In almost each case these revised guidelines were promulgated in the middle of the application process and caused major shifts in programming emphasis and manpower commitments. For example, in 1977 the Carter Administration issued directives in February regarding maximum feasible priorities. The local offices began to implement them in March. Grantees who had been preparing applications with citizen input since the previous fall were required to revise their applications to suit HUD Guidelines. In our case, fortunately, no major activities were suddenly ineligible.

This year HUD issued new regulations, both interim and final, from November to May. These regulations significantly changed program thrust (primarily benefit low-moderate income citizens) and citizen involvement requirements, and of course, were promulgated in the middle of the application period. Again major staff work was required to bring the application into conformity with changed regulations. During all of these years HUD national and area offices have been in a continual state of reorganization with personnel transferring and leaving, responsibilities shifted from national to regional to area offices, program commitments (e.g., 312) and suddenly discontinued.

In this era of simplification and standardization, we are "pleased" to note that HUD has had to issue over 1,000 pages of regulations to improve the block grant and related programs. These regulations touch on everything from implementation of Title I and IV of the Act through 312, letter of credit, Affirmative Action, Section 3, and audit regulations, etc. The complexity of the programs has grown geometrically with the increase in regulations. We are continually forced to consult with more and more people, including an expanding HUD organization in the implementation and interpretation of the program guidelines.

(2) Bureaucratic Problems:

This year during our application process the inevitable happened. One section of HUD (EMAD) disagreed with another (CPD) and each required that we write our application their way if we were to be approved. This year HUD has not accepted demographic data from Carson's 1975 100% survey conducted by the State. We have demonstrated that we fully complied with regulations in force at the time we submitted our application (April 15), and were therefore not bound by the May 1, 1978 regulations. At a subsequent public meeting with HUD and NAHRO in June, two senior HUD officials agreed that Carson's application satisfied existing requirements (i.e. March 1, 1978 regulations.) However, we recently were notified that our grant has been conditioned until we verify the income data. We simply fail to

understand their rationale and their behavior. Yet Carson will be required to fight HUD's action from the defensive posture that HUD has the funds and therefore the leverage.

If relief could be seen on the horizon, there might not have been the need to send this letter. We understand that there will be a set of new HUD application forms out this year. HUD is again reorganizing its internal operations in the Region IX (San Francisco) and the Los Angeles area office. We are informed that the Grantee Performance Report Requirement and its forms are being significantly changed. Given HUD's performance to date, we have little doubt a major guideline change will occur some time next winter just as the Block Grant cities are well into their now more intricate citizen participation and application process.

It is my sincere hope that ACIR, and the Productivity and Paper Work Commissions will have some influence on the Congress, the Executive offices, and HUD in actually simplifying and streamlining this process.

If there is anything further that you require, please do not hesitate to call upon me.

Sincerely yours,

RICHARD K. GUNNARSON,
Community Development Director.
PETER P. KINNAHAN,
Redevelopment Project Manager.●

IMPORTANCE OF SAFETY IN THEATERS AND PERFORMING ARTS FACILITIES

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MARKS. Mr. Speaker, I would like to bring to the attention of my colleagues an article which was written in in the Pittsburgh Post-Gazette about one of my constituents, Dr. Randall Davidson. Dr. Davidson has made his life's mission the informing of American people about the importance of safety in theaters and performing arts facilities, and the lack of training and knowledge of the safety needs in theaters. His message is clear and urgent and we should listen.

The article follows:

THEATER "CRITIC" REALLY A STICKLER FOR SAFETY

(By Dave Leherr)

Every theater and performing arts facility in the United States could be closed, at least temporarily, if all current safety laws were applied, Randall Davidson says.

And Davidson seems to be in a position to know.

He's the national safety commissioner for the United States Institute for Theater Technology with the specific assignment of developing an international safety code for the entire entertainment industry.

Davidson, who also heads his own firm, the International Safety Institute in Erie, Erie County, made the grim statement about theater safety in reaction to the recent abrupt closing of the Pittsburgh Playhouse.

"Performing arts facilities like the Pittsburgh Playhouse are too valuable a commodity to our society to have to close their doors, yet the Pittsburgh Playhouse is not an isolated situation," Davidson says.

"It is one of thousands in the state, and hundreds of thousands in the country that cannot meet the standards set down by the life safety code, the building codes, the national electrical codes, the Occupational Safety and Health Act and various state and local fire ordinances."

Davidson says he has examined and inspected some 3,300 playhouse and performing arts facilities in the past 10 years, including about 100 in Pennsylvania and several in the Pittsburgh area—from $100 million facilities in major art centers to high school auditoriums and 15-seat studios.

He did not visit the Pittsburgh Playhouse, but he is familiar with the problems.

"The biggest problem to me is the lack of training and knowledge of safety needs among the management and technicians in theaters," he says.

Davidson has traversed the country on speaking engagements calling on colleges and universities to include specific safety training courses in their theater arts curricula.

"Most of the problem appears to be in the area of electrical wiring, fire prevention sprinkling systems, ventilation, riggings and things like that, and in many cases they are designed right into the facility to cut corners and save money," he says.

"A brand new $24 million arts center along the Eastern seaboard, for example, has no ventilation at all in its theater shop area. And that's not an isolated situation either."

Davidson points out that elevators in major cities must be inspected at least once every three months, yet the cabling on theater rigging—basically the same technique as that of elevators—goes years and years without inspection.

"Obviously the problem is money," Davidson says. "Management has control of the purse strings and whenever a technician brings up a safety problem, management says can't afford to fix it. Instead it continues along the production line leaving little or nothing from the box office receipts to improve safety."

Davidson, whose expertise is being called upon by New York State in its investigation of the tragic Blue Angel Night Club fire that killed seven persons, says that "we can ill-afford anymore closings like the Pittsburgh Playhouse. They are among our major resources. American culture is at stake."

Davidson says the first drafts of his proposed entertainment safety code should be ready for distribution this year.

That, along with the establishment of nationwide training programs on theater techniques, more use of grants, endowments and box office receipts for safety improvements, and more awareness by theater people for better safety, could be the answer to the nation's performing arts problem, he says.●

CIVIL RIGHTS ENFORCEMENT—CENTERPIECE OF THE FEDERAL ROLE IN EDUCATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. CONYERS. Mr. Speaker, on August 2, 1978, I submitted testimony to my colleagues on the Subcommittee on Legislation and National Security of the Government Operations Committee pertaining to H.R. 13343, a bill to establish a Department of Education. This bill is scheduled for markup in the subcommittee tomorrow, August 3. I would like to present my views on H.R. 13343 to the rest of my colleagues in Congress. I want them to be aware that the proposal to create a Cabinet Level Department of Education promises far more than it can deliver and, at the same time, as of this moment, fails to deliver a critically needed strengthening of the civil rights enforcement mechanism in the area of Federal aid to education.

STATEMENT OF THE HONORABLE JOHN CONYERS

I want to make it clear from the outset of my remarks that I strongly disagree with the basic premise of both S. 991 and H.R. 13343 that creation of a Department of Education is the only or the best way to increase the federal budget for education, to establish competent leadership of educational policy and programs at the federal level, and to express the commitment that the President and Congress have made toward equal educational opportunity for all Americans.

The Administration has asserted that civil rights law and regulations "are the centerpiece of the federal role in education" and their vigorous enforcement should be the highest priority of the new Department. H.R. 13343 states that the primary purpose of a Department of Education is "continuing and strengthening the federal commitment to insuring equal educational opportunities for every individual." If all of this is true, and not merely rhetoric, the President's highest commitment to education should be to strengthen the effectiveness and independence of the Office of Civil Rights. This significant goal can be accomplished within OCR's present organizational environment within DHEW.

The recommendations of the Education Coalition before the Subcommittee on Legislation and National Security can be implemented within DHEW without going through the enormous effort of creating a Department of Education. In itself, strengthening OCR would be a major accomplishment that, along with enactment of the EEO reorganization, would constitute one of the major accomplishments of the Carter Administration and the 95th Congress.

The basic premise for creating a Department of Education is that the type of administrative and policy leadership required at the Federal level on educational issues requires a Cabinet level official. With such a leader, Congress and the people would pay more attention and be more responsive to the need to channel more money into educational institutions and programs at State and local levels. However, every member of Congress and the President know that this premise is fallacious. The major "controllable" budget priority is the Department of Defense appropriation and all other "controllable" budget categories, including education, health, employment and training, the arts, and so forth, in effect are residual, i.e., divide the small piece of the federal pie that is left over.

Following the logic of this specious argument, in order to justify a Cabinet-level department, the agency's programs and budget have to be of sufficiently respectable size. In other words, there is supposedly a magic critical mass of size which enables a Cabinet Secretary to wield the leverage and bargaining power necessary to increase the size of the slice of pie for that agency—after DOD has taken out its gigantic slice. Apparently the $10 billion in the Office of Education budget is not sufficient even though OE's budget is larger than the combined budgets of the Departments of Commerce, Justice and State. The reason given for this dilemma is that OE is buried within DHEW. If one accepts this argument, then the next logical step is to make a choice from a number of organizational models for a new Department. S. 991 and H.R. 13343 reflect such a choice

for a Cabinet-level Department. The debate following from this choice then revolves around the choices among possible component programs, e.g. Headstart, nutrition programs, the Endowment for the Humanities, and so forth, and then the focus of debate involves the appropriate internal organization of these components, interagency relationships, and especially their hierarchical level in relation to the Office of the Secretary.

My problem with the discussion and debate thus far is that it has primarily centered on subordinate issues—how many of what kind of existing agencies should be collected within a new Department of Education. I agree that education, in the words of President Carter, needs a "stronger voice" at the federal level. But I would not have made this my priority issue in the education arena nor would I have promised the National Education Association that the way to do this is to create a Cabinet-level Department of Education. Instead, I would have made a commitment to a long overdue clarification of federal education policy and coordination of federal programs. At the same time, I would have done precisely what President Carter did—recommend to Congress the most significant budget increase for education since the Johnson years. In addition, I would have made a commitment to overhauling OCR as the best statement of presidential commitment to education. President Carter already has proven that, with Congressional support, he can increase educational appropriations without the establishment of a new Department.

I wish that President Carter and his advisors could have found another way to express commitment to education as a major domestic priority than to create a Department of Education. Massive reorganization as the strategy for establishing national priorities is as dangerous as brain surgery performed with a meat cleaver. While it is true that a huge new agency does increase its bureaucratic visibility, the resulting monument merely enshrines unresolved educational and equity challenges and problems.

Usually the creation of a new Federal bureaucracy evolves from less noble motivations than have been expressed by supporters of the Department of Education. The fact that the motivations for creating a Department of Education are not very different than those which have led to the establishment of any other department in the Federal Government doesn't necessarily make them any less worthy. The constituency for a Department of Education wants more money, power and prestige in the escalating rivalries for Federal largesse. Unfortunately, accomplishment of this aim requires a gigantic effort, at taxpayers' expense, of shuffling desks, bodies, charts, paper, etc. And with no assurance of success.

Historically the Office of Education has served as a grant agency for various Federal programs and a statistics gathering agency. Even this relatively modest role has generated a great deal of criticism of OE's performance. If there is any consensus about OE it is that it's mission has been handled badly. Indeed OE offers a model of bureaucratic inefficiency. Little wonder that OE tantalizes reorganization planners at the same time that its internal management problems confounds them. Ironically, however, OE's reward for its sad performance is to vastly increase the size of its bureaucracy. Perhaps in the perverse logic of reorganization, this strategy is designed to smother management problems that otherwise resist expungement. Having earned poor marks with its present mission, OE is given operating responsibilities under the Department of Education plan. There is something Alice-in-Wonderlandish about the idea that an existing bureaucratic vehicle is so patently inefficient that it should be given many more responsibilities.

For what purpose? Coordination of Federal educational activities and program is the most persistently heard argument for the Department of Education. Clearly Federal educational activities and programs currently are scattered and disjointed. In theory, deliberate "coordination" is better than merely inadvertent scatteration. Unfortunately, however, the theory rarely works in Federal bureaucracy, except perhaps in the naive fantasies of reorganization planners. For a variety of reasons, documented ad nauseum by academicians and study groups, usually with Federal grants, internal and external coordination in the Federal system is an extraordinarily elusive goal.

The need to improve and strengthen the federal, state and local or intergovernmental system for developing and carrying out educational policies is a laudable aim of S. 991 and H.R. 13343. The Administration proposes to create an Intergovernmental Advisory Council on Education and a strengthened Federal Interagency Council on Education. Both of these mechanisms could be created without creating a Department of Education. Likewise, improving the design and management of education programs significantly strengthening the Office of Civil Rights, and increasing cooperation with state, local and private agencies and involving parents and the public more directly in developing and implementing education programs could be accomplished without a new Department of Education, if the reorganization planners would put their minds to the tasks involved instead of starting with the solution—reorganization to create a new agency—and then working backwards to design absurdly unrealistic organizational plans.

Returning here to my original point, I wish that the Administration's commitment to education, its priorities within that commitment, and the amount of money it was willing to push for to achieve these priorities would be expressed within the Fiscal 1979 and 1980 budgets rather than in creation of a Department of Education. These budgets will reflect a commitment to and priorities for defense spending rather than education or human services spending. While the department-nondepartment debate is going on, unofficial word from the White House indicates that the Administration will support a cut of $2–4 billion in the CETA authorization, in order to meet overall budget cutting priorities.

With or without creation of a new Department, federal education budgets in years ahead are likely to face a fate similar to CETA as long as defense spending priorities are not drastically overhauled. If the basic argument for a separate Department of Education is that it would give education more budgetary clout, the proponents of this argument are incredibly myopic. The steep drop over the past decade of education's share of HEW's budget and the overall federal budget has little to do with its location bureaucratically and everything to do with the commitments and priorities of the Presidents of the United States buttressed by the pro-defense spending lobbies. For example, the addition of $2.1 billion for a Nimitz-class nuclear aircraft carrier to the DOD appropriation is the equivalent of 20% of the Office of Education budget.

Substantially increasing the ability of DHEW and its Secretary to carry out effectively the Nation's civil rights laws in education is long overdue. Strengthening the enforcement of civil rights laws does not require the establishment of a new Cabinet department any more than increasing the federal education budget requires the creation of a new department. The legislation required to strengthen civil rights enforcement has been proposed by the Education Coalition and includes the following elements:

1. Presidential appointment of the Director of the Office of Civil Rights, with the advice and consent of the Senate, and subject to removal only by the President.

2. Periodic reports by the Director of OCR directly to Congress which detail the status of compliance with civil rights laws by recipients of federal education funds.

3. The ability to secure the data essential to plan, implement and monitor enforcement activities in an efficient manner without duplication of on-going data collection efforts elsewhere in the federal government.

4. Control over its own personnel and contracting operations as necessary to accomplish its mission.

5. An adequate staff of attorneys, at both national and regional levels, to accomplish its enforcement mission, reporting directly to the Director of OCR.

As pointed out by the Education Coalition, these components are necessary to strengthen the independence and integrity of OCR which, in turn, are essential to accomplishment of its statutory mission established by Congress. These changes are essential to fulfill the promise that civil rights is and will be the "centerpiece" of the federal role in education. In lieu of the creation of a new Department of Education, I ask my colleagues on the Subcommittee on Legislation and National Security to first make this "centerpiece" a reality.●

CONGRESSMAN TOM KINDNESS WRITES ABOUT EXCEPTIONS TO THE CONSTITUTION

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. DEL CLAWSON. Mr. Speaker, when we look back upon our congressional careers many of us will find it hard to assess just where we have been most effective, but we will have no difficulty in deciding the duties or opportunities which have given us the most pleasure. Speaking for myself, I can only say that the opportunity to communicate with young people and to reinforce their understanding, as well as their respect for Government, has provided me with particular gratification.

Therefore the comments of our colleague TOM KINDNESS in a recent article describing the basis for legislation we have both sponsored were noted with special appreciation. At this point in the CONGRESSIONAL RECORD, I am pleased to include an article by TOM KINDNESS "Exceptions to the Constitution" which appeared in the Washington Star of Wednesday, July 26:

EXCEPTIONS TO THE CONSTITUTION

(By TOM KINDNESS)

"Class, today we're going to review our study of the federal government," a civics teacher told a group of squirming youngsters. "Which branch of government makes our laws?"

A half-dozen eager hands shot into the air, and the teacher called on Judy, who responded, "The legislative branch," and para-

phasing the Constitution, added, "The legislative powers shall be vested in the Congress of the United States."

Eddie, whose father subscribes to The New York Times, leaned forward in his seat and thrust his hand into the air. Miss Johnson who had secretly wished that Eddie's family would move to another school district (every class has a kid like Eddie), sighed and called on him.

"But Miss Johnson, Congress only passed 223 laws last year; the federal executive agencies issued 7,568 regulations. Aren't they the same as laws?"

"No, Eddie," she replied, "the Congress passes laws, and the executive agencies interpret them."

"But Miss Johnson," the earnest lad asked, "if you break the regulations, isn't it the same as breaking the law?"

"Well, yes, Eddie, but the Congress makes the laws."

Eddie didn't seem satisfied, but Miss Johnson said there was a lot of material to cover before the final exam. She decided to try something a litle less complicated:"Who has the power of veto?"

And choosing from a roomful of anxious students, she called on Chuck. "That's easy," Chuck said. "The president."

"That's right," Miss Johnson said, "Someday you may be president, and we'll come visit you at the White House."

And in the corner of her eye, she saw a hand in the air. She was going to ignore it, but pretty soon Eddie was waving both arms back and forth. "But Miss Johnson . . . "

"Yes, Eddie." If his family won't move, she thought to herself, maybe they could stop letting him read the paper.

"But Miss Johnson, I read that President Carter is complaining about a 'congressional veto.' "

"That's right, Eddie," she signed. "Some people in Congress think that Congress should be able to veto executive regulations, but the veto belongs to the president."

Eddie wasn't satisfied, and asked, "But Miss Johnson, if the executive branch is making laws, and laws are supposed to be made by Congress, why shouldn't Congress have a veto like the president does?"

"Because the president has the veto," she snapped. "It's in the Constitution."

"But Miss Johnson," Eddied pleaded, "when President Carter decided to reorganize the executive branch, he asked Congress to pass a law with a congressional veto in it."

"He what?"

"That's right, Miss Johnson, he asked Congress to pass a law to give him broad powers to reorganize the government, unless Congress vetoed any of the plans. He did, Miss Johnson."

She gave him a long and rather stern look, and asked, "Eddie, have you been watching 'Meet the Press' again? Don't you know what Solzhenitsyn said about American television?"

"Oh, I do, Miss Johnson."

"Of course you do," she mumbled. "Look, Eddie, sometimes there is competition between the three branches of government—competition for power," she explained.

"How do they work it out?" he asked.

"Usually the Supreme Court works it out. Now class," she continued, "which branch of government deals exclusively with judicial matters?"

She called on Sherry. Sherry isn't terribly bright, but she doesn't ask a lot of questions.

"The Supreme Court," came a very proud reply.

"But Miss Johnson . . ." ●

TRIBUTE TO THE NEW FEDERATED STATES OF MICRONESIA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. FRASER. Mr. Speaker, Micronesia is at a major turning point in its history. Last month, a referendum was held and the requisite four of the six districts voted to adopt a new constitution. Let me briefly review how Micronesia reached this juncture.

Micronesia is the last remaining trust territory of the original 11 and the only one designated as "strategic" under the United States-United Nations trusteeship Agreement of 1947. In 1965, the Congress of Micronesia was founded which marked the first territorywide legislature representing the Micronesian people.

Since 1969, the United States and Micronesia have engaged in talks to decide their future status. In 1975–76, the Northern Marianas negotiated a commonwealth status with the United States and became separate from the Trust Territory. In April of this year, Micronesian and American negotiators signed a unique eight-point "Statement of Agreed Principles of Free Association," which would grant full internal self-government and authority over foreign affairs (including marine resources) to Micronesia while placing responsibility for defense and security matters upon the United States. This is only one of several possible futures.

On July 12, the Federated States of Micronesia came into being when four of the six districts adopted by referendum, a new constitution. Let me congratulate the Micronesians on this act of self-determination and express my hope that their future includes a friendly and mutually beneficial relationship with the United States based on common acceptance of the principles of self-determination and respect for human rights.

Mr. Speaker, I ask that in recognition of this historic juncture, the Preamble to the new Micronesian Constitution, the Agreed Principles of Free Association, and the following excerpts from a timely U.S. News & World Report be printed in the RECORD.

The articles follow:

CONGRESS OF MICRONESIA

PREAMBLE

We, the People of Micronesia, exercising our inherent sovereignty, do hereby establish this Constitution of the Federated States of Micronesia.

With this Constitution, we affirm our common wish to live together in peace and harmony, to preserve the heritage of the past, and to protect the promise of the future.

To make one nation of many islands, we respect the diversity of our cultures. Our differences enrich us. The seas bring us together, they do not separate us. Our islands sustain us, our island nation enlarges us and makes us stronger.

Our ancestors, who made their homes on these islands, displaced no other people. We, who remain, wish no other home than this. Having known war, we hope for peace. Having been divided, we wish unity. Having been ruled, we seek freedom.

Micronesia began in the days when man explored seas in rafts and canoes. The Micronesian nation is born in an age when men voyage among stars; our world itself is an island. We extent to all nations what we seek from each: peace, friendship, cooperation, and love in our common humanity. With this Constitution we, who have been the wards of other nations, become the proud guardian of our own islands, now and forever.

STATEMENT OF AGREED PRINCIPLES FOR FREE ASSOCIATION

1. An agreement of free association will be concluded on a government-to-government basis and executed prior to termination of the United Nations trusteeship. During the life of the agreement the political status of the peoples of Micronesia shall remain that of free association as distinguished from independence. The agreement will be subject to the implementing authority of the United States Congress.

2. The agreement of free association will be put to a United Nations observed plebiscite.

3. Constitutional arrangements for the governnance of Micronesia shall be in accord with the political status of free association as set forth in these principles.

4. The peoples of Micronesia will enjoy full internal self-government.

5. The United States will have full authority and responsibility for security and defense matters in or relating to Micronesia, including the establishment of necessary military facilities and the exercise of appropriate operating rights. The peoples of Micronesia will refrain from actions which the United States determines after appropriate consultations to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. This authority and responsibility will be assured for 15 years, and thereafter as mutually agreed. Specific land arrangements will remain in effect according to their terms which shall be negotiated prior to the end of the Trusteeship Agreement.

6. The peoples of Micronesia will have authority and responsibility for their foreign affairs including marine resources. They will consult with the United States in the exercise of this authority and will refrain from actions which the United States determines to be incompatible with its authority and responsibility for security and defense matters in or relating to Micronesia. The United States may act on behalf of the peoples of Micronesia in the area of foreign affairs as mutually agreed from time to time.

7. The agreement will permit unilateral termination of the free association political status by the processes through which it was entered and set forth in the agreement and subject to the continuation of the United States defense authority and responsibility as set forth in Principle 5, but any plebiscite terminating the free association political status will not require United Nations observation.

8. Should the free association political status be mutually terminated, the United States' economic assistance shall continue as mutually agreed. Should the United States terminate the free association relationship, its economic assistance to Micronesia shall continue at the levels and for the term initially agreed. If the agreement is otherwise

terminated the United States shall no longer be obligated to provide the same amounts of economic assistance for the remainder of the term initially agreed.

An early free association agreement based on the foregoing eight principles shall be pursued by the parties.

[From U.S. News & World Report, Aug. 7, 1978]

U.S. PLAYS MIDWIFE TO A SPRAWLING ISLAND NATION

PONAPE, MICRONESIA.—Balentin Amor entered the polling booth at the Awak village school, nestled beside the blue lagoon of this mountainous Pacific island, and checked "Yes" on the ballot that asked: "Do you approve of the Constitution?"

On July 26, it became official: Like Amor, Micronesias across a 3,000-mile stretch of the Western Pacific voted overwhelmingly for the Constitution—thereby laying the groundwork for America's newest offspring, the Federated States of Micronesia.

The area ranks among the most exotic nations ever to assume self-rule, a status tentatively scheduled for 1981, with the process starting even sooner.

A grouping of about 2,100 islands, the federation contains tiny coral atolls, jungle-covered mountains jutting out of the sea and huge lagoons holding the rusted hulks of hundreds of ships and planes destroyed in World War II. Its population of about 100,000 includes scientists, authors and businessmen as well as barefoot villagers who live mainly on breadfruit and fish.

Well-placed paradise. It was Micronesia's strategic location on the approaches to Asia that led the U.S. to take it over for the United Nations after the war. That is still the main reason for America's continued role in running the federation's defenses. Virtually all other government functions, including foreign relations, will be operated independently by Micronesians.

Despite its idyllic location, Micronesia is coming into its own under less-than-ideal circumstances. Two of its most productive districts, the Marshall Islands and Palau, voted against the Constitution and will seek separate and possibly closer ties with the United States. A third district, the Northern Marianas Islands, voted in 1975 to become a commonwealth of the U.S.

The dissenters rejected the federation partly because they are the most economically productive parts of the area and believe they would give more than they would get from the union. They also feel that the U.S. offers more to their future than Micronesia does.

The issue is crucial to Palau, which has been discussed as a possible site for developments such as an oil superport. Some Palauans say the proposal was put on ice earlier this year by Japanese and Iranian backers because of uncertainty over whether the district would join Micronesia. Foreign interests reportedly hinted that close ties with the U.S. rather than Micronesia would make Palau more desirable as a stable location for investments of all sorts.

Teheled Taro, a native of Peleliu in the Palau district, observes: "If we joined Micronesia, Palau's interests would be disregarded. I think things will be much better with the United States. Maybe Peleliu will get better roads and electricity 24 hours a day."

For the four other districts of Micronesia—Ponape, Truk, Yap and Kosrae—consequences of the breakaways are serious. They will have to depend heavily on U.S. aid without much prospect that they will ever produce enough to create a balanced economy.

Tourism, fishing and coconut harvesting generate a little revenue, but most jobs are provided by the government, largely supported by U.S. tax dollars. American spending on Micronesia, excluding the Marianas, totals more than 100 million dollars a year.

The economic instability already has generated talk that Micronesia will ask the U.S. within a few years for closer ties, perhaps seeking statehood in a joint bid with Guam and American Samoa, long-established possessions of the United States, and the three breakaway districts.

Coming closer, Lazarus Salii, a Palauan who headed the Micronesian side of negotiations with the U.S. over free association, believes the islands will be drawn closer to America.

"For Micronesia to be safe in this world," he says, "we have to be connected with some larger power, and that is the United States. Free association by itself is probably not enough. I think eventually we may ask to become part of a state."

Salii maintains that one reason Micronesians are drawn to association with the U.S. is that "we need the money. Some people here talk about self-sufficiency, but it will never come. If we didn't need U.S. help, we would have gone for complete independence and not just free association."

He also cites the most than three decades of close links between Micronesians and U.S. servicemen, teachers, missionaries and administrators as a strong inducement to choosing an American connection.

Typical of the dual side of Micronesia's temperament—traditional and modern—is Ponape, where hundreds of residents still believe in ghosts and an ancient hierarchy of chiefs while many also watch three channels of television, support children in American universities and complain about potholed roads that chew up their Japanese and American cars.

* * * * *

Control of Ponape and much of the rest of Micronesia was acquired by Spain in the 19th century. The reins were passed to Germany in 1898 and to Japan after World War I. The Japanese turned much of the area into fortresses before World War II, and many of the bloodiest battles of the Pacific were fought on Micronesian beaches.

* * * * *

The relative peacefulness of Ponape may not last much longer. Already the Congress of Micronesia has moved its offices from the Marianas to Kolonia, and much of the rest of the Micronesian government may soon follow. The town's population of about 5,000 is swollen to overflowing, and houses and hotel rooms are hard to find.

Tourists are coming to Ponape—one of the most beautiful islands in the Pacific—in greater numbers, but the location is so far off the main travel routes that normally there are no more than 50 to 100 casual visitors. The island has half a dozen small hotels, including the Village, a cluster of thatched-roof cottages operated by ex-Californian Bob and Patti Arthur.

Adrian P. Winkel, high commissioner of the Trust Territory, says it will cost millions of dollars to establish a new Micronesian capital. The estimate includes construction of offices and a town for 2,000 people.

Much of the money is expected to be supplied by the United States. The amount of annual American aid to the federation has yet to be determined.

NO ENEMY OUTPOSTS

In return for those millions, America seeks the assurance that no enemy ever again will use the islands to mount an attack on Hawaii, Guam or the West Coast. The Pentagon has no immediate plans to build big bases in Micronesia, although Kwajalein, in the Marshalls, is a long-established test center for missiles.

Critics say that tens of millions of dollars have been wasted during America's guardianship of the islands. Example: a maritime school in Truk to train Micronesian sailors. After operating a few months, the multimillion-dollar operation was closed in a dispute over who would continue to pay for it.

Americans also have been criticized for treatment of the Bikini Islanders, whose atoll was smashed by nuclear tests more than two decades ago. Attempts to clean up radiation on Bikini failed, and the people must leave and face an uncertain future on other isles.

Ill will was created, too, by attempts on the part of the Central Intelligence Agency to monitor conversations among Micronesian delegates to the negotiations over free association.

"I have never understood that," one delegate says. "All they had to do was come and ask us, and we would have told them everything."

The negotiations climaxed on a positive note early this year when the U.S. delegation, led by Ambassador Peter Rosenblatt, agreed to the principle of Micronesian self-rule in all major areas except defense. Leo Falcam, Micronesia's representative in Washington, calls the relationship "a long-term partnership" with the U.S.

By and large, despite mistakes, relations have been good between Micronesians and Americans. Explains Lazarus Salii: "Lots of people remember how kind the GI's were after the war. And all of us have seen how the young Americans in the Peace Corps taught about democracy.

"The majority of Americans in Micronesia have been good, decent people. Our big disappointment was that all Americans were not supermen like a lot of President Kennedys. We are more realistic now."●

A BILL TO PROTECT THE PRESS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. UDALL. Mr. Speaker, simply stated, the American press is taking a real beating in the courts of late. The most recent instance being the New York Times and its reporter M. A. Farber being fined and threatened with jail for not surrendering files and notes relating to a New Jersey murder case.

The chilling impact of the Supreme Court's decision, Zurcher against Stanford Daily, has reverberated throughout the news media, prompting serious discussion about how to remedy the damage.

Mr. Speaker, our distinguished colleague from Massachusetts, Mr. DRINAN, is a legal scholar of great renown and an effective and innovative lawmaker. He has introduced legislation that addresses itself to the mischief made by the Supreme Court decision.

In a recent article in The Nation Magazine (August 5–12, 1978) Congressman DRINAN accurately describes the sorry situation we face and how the legislation he has introduced with 45 cosponsors (including myself) will provide some relief.

I commend the article to the attention of all my colleagues:

The ominous repercussions of the recent Supreme Court decision, *Zurcher* v. *Stanford*

Daily, which gives law-enforcement officials access by an ex parte search warrant to the private papers, documents and files of individuals who are not in any way implicated in criminal activity, resound most loudly in the offices of those who gather and disseminate news. For the media and the public at large, this decision is further dangerous erosion of the fundamental civil liberties enunciated in the Bill of Rights, particularly freedom of the press and the right to privacy.

Because the erosion constitutes a judicial trend with devastating consequences, I have introduced in the Congress the Press Protection Act of 1978. My bill, which has forty-eight House cosponsors, would require that an adversary hearing be held in front of a magistrate before any writ enabling a search could be issued. Further, an ex parte warrant could be issued only if there was probable cause to believe that a news reporter had committed or was committing a crime.

The Fourth Amendment provides that "the right of the people to be secure in their houses, papers, and effects, against unreasonable searches and seizures shall not be violated. . . ." Unfortunately, the Supreme Court has redefined the word "unreasonable" in a way that allows for searches in an ever widening range of contexts. In its 1967 *Warden* v. *Hayden* decision the Court maintained that a distinction was no longer to be made between merely evidentiary materials and the contraband, instrumentalities and fruits of crime, which traditionally could be seized. Justice William O. Douglas in his dissent underscored the intent of the framers when he asserted, "Those who wrote the Bill of Rights believed that every individual needs both to communicate with others and to keep his affairs to himself. This dual aspect of privacy means that the individual should have the freedom to select for himself the time and circumstances when he will share his secrets with others and decide the extent of that sharing."

The Zurcher decision has reaffirmed the Court's conviction expressed in Warden v. Hayden that general and indiscriminate searches are not inconsistent with the intent of the Fourth Amendment. This misconstruction of the Constitution is particularly dangerous when applied to searches of the press.

The Zurcher decision presents a serious dilemma for those engaged in news gathering and dissemination. The mere possibility that law-enforcement officials may appear at any time in news rooms will cause reporters to modify their practices in order to secure the integrity of their sources and stories. Such alterations in the traditional news-gathering techniques may take many forms, including, as Carl Rowan noted, "committing notes and sources to memory, burying papers in tin cans and empty whiskey bottles." Or reporters may resort to the simple expedient followed by James J. Kilpatrick who tells us that he placed certain files "six feet deep in sanitary landfill in back of Clifton Clark's barn."

The accounts of intimidation and fear instilled in news reporters are only beginning to unfold. The chief of the bureau of the Lee Newspapers in Helena, Mont., wrote that "The day after the Court's decision, my office began erasing all tapes and destroying or removing from the premises all confidential records of conversations with sources."

Not only will reporters be required to go to elaborate lengths to conceal their sources and records but their ability to attract new sources of information may have been dealt a stunning blow. Robert Healy, executive editor of The Boston Globe, testifying before the House Government Information Subcommittee of the House Government Operations Committee on June 26, 1978, related just this kind of frightening phenomenon. Healey testified that the religion editor of the Globe, who had written articles on how the Church of Scientology uses young people to raise funds, was approached by a confidential source. After initially appearing willing to provide information, the source broke off contact with the reporter because of fear that the Zurcher ruling would enable law-enforcement officials to learn his identity through use of a search warrant.

The chilling effect of this decision on the media itself may even be more subtle but no less harmful. It is conceivable that news reporters will shy away from investigation of important and controversial issues. One wonders if the Pentagon Papers would have been published or the Watergate affair uncovered if this ruling had existed during those times. It is important to realize that suppression of information can stem not only from governmental acts of commission but also from media acts of omission, occasioned by fears, doubts and hesitations.

There is still another kind of damage that this ruling has done and will do—ironically, this decision may hamper police investigations. John Leonard, president of the National District Attorneys Associations has testified, "prosecutors, for example, often depend heavily on the published stories of newsmen for leads into the investigation of criminal activity, and much of the information is obtainable for such stories only if the confidential sources are assured anonymity. Information which would never be disclosed voluntarily to law-enforcement officials may come to light through confidential contacts with the media."

There are those who will argue that the danger to the the press is exaggerated because magistrates will issue warrants only in exceptional cases and after careful and judicious deliberation. According to the reports of the Administrative Office of U.S. Courts, however, judges refuse to approve warrants for electronic surveillance in very few cases. Since the enactment of the wiretap statute in 1968, only a handful of requests have been denied. The tendency of such requests to be approved is even greater, of course, when the local magistrate is a political friend or even appointee of the local officials.

To these apprehensions, Justice White responded that the "hazards of such warrants can be avoided by a neutral magistrate carrying out his responsibilities under the Fourth Amendment, for he has ample tools at his disposal to confine warrants to search within reasonable limits." That assurance prompted James J. Kilpatrick to observe, "His eminence perhaps was born yesterday."

In view of these significant objections to the Zurcher ruling, it is particularly difficult to understand the position taken by the Department of Justice. It assured Sen. Birch Bayh's Judiciary Subcommittee that no warrant has ever been issued against the press at the federal level in the entire history of this country. Further, the department spokesman insistently repeated that the internal regulations of the department called for a "subpoena-first" policy and that resort to a warrant was the least desirable or likely option. Why, in that case, did the Justice Department file an amicus curiae brief in support of the police search power?

One need hardly emphasize the importance of enacting legislation to protect the news operations of the print and electronic media. Throughout our history the press has exposed corruption, disclosed improprieties by high-ranking officials, and revealed the undue influence of special interests on the processes of government. In pursuing this noble role, the press needs a great deal of breathing space to ferret out unlawful or improper conduct. Unless we act legislatively to overturn the Zurcher decision, we shall find that space severely constricted.●

A TAXPAYER'S COMMENTS ON TAXES

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ARCHER. Mr. Speaker, I have received a copy of the following letter from Mr. Joe Cain, Sr., of Houston, Tex. I think that his views reflect those of a majority of Americans and should be read by all of my colleagues in the Congress:

HOUSTON, TEX., *July 16, 1978.*

President OF THE UNITED STATES,
Washington, D.C.

DEAR MR. PRESIDENT: I realize that the chances of you and the other elected officials seeing this letter are minimal, but I hope somehow someone with power in the legislative process in Texas and Washington will read and react favorably.

The Texas Legislature is presently considering in Special Session increasing the exemption on inheritance taxes from $25,000.00 to $200,000.00. I understand the Federal Congress has already increased the exemption on Federal Estate taxes.

The Texas Legislature considered eliminating the tax in its entirety, but one of the members said, "it only affects 3 percent of the people, people like Hughes", so the House passed the $200,000.00.

I have worked every day of my life since I was ten for as little as ten cents an hour, like millions of other Americans, including many of the individuals reading this letter. We have all paid taxes, mostly since WWII, including our children and we will until we die.

With the exception of the four years that I had the privilege of serving as a Company Commander in combat with the Marines in the Pacific, I have worked and paid taxes for 52 years. My Federal Income Taxes for the past ten (10) years have equaled 41% of my income. If you added all the other taxes my family which includes four children have paid during the last ten (10) years I am sure it would represent over 50% of our income.

Why should a man and his family be required to pay taxes upon his death? Upon his wife's death? Upon his children's death? Who was the genius that thought up the idea of Inheritance and Estates Taxes? Death taxes? Was he an American like you and I, had he and his family worked over a half a century, daily, constantly paying taxes, daily?

It is obvious that I am not in Howard Hughes' category, but it is obvious that my wife will pay these taxes upon my death and our four children upon her death. Should my wife of thirty-four years and I die within a short period of each other's death the taxes will be devastating. There are legal "loop holes" that a lawyer and CPA can develop to eliminate these taxes, but why should an American be required to hire anyone to keep from paying taxes that should not be collected in the first place? The fact that these taxes are being reduced drastically proves that a majority of our elected officials feel these taxes are confiscatory. Some states have no inheritance, estate, or death taxes.

What is wrong with an American working his tail off for a half a century so that when he dies he can turn over his assets to his wife? She to her children? They to their children? What is wrong with initiative, hard work, saving, investing, drive, get ahead, go ahead, stay ahead? What is wrong with building a better mouse trap?

There is nothing wrong with these

things since they produced the greatest Nation on the face of the earth, with the highest standard of living with the highest degree of freedom.

Should these taxes be abolished I am sure my family and others would invest what funds are left at death in the American economy thereby producing more jobs. Should these taxes remain I am sure the taxes paid into the government coffers would not produce one job in American industry, would not produce one mouse trap.

From a political standpoint I don't see how these taxes can be defended. By the time Texas and the Federal government supports the Inheritance and Estate Tax offices, and deducts the "loop hole" no pay category, I wonder if there is even a profit? For the lawyer and the CPA I can see a profit.

For the American family that has worked and paid taxes for a half a century I see only despair.

I realize that it is popular to condemn the very rich, such as Howard Hughes, the Kennedys, the Rockefellers, and others, under the guise that they never worked a day in their lives. These death taxes are just as unfair to their families as to mine even though they may have large legal staffs to assist them.

I hope that each of you receiving this letter will have the courage and intelligence to stand up and say, "lets eliminate these death taxes that are a disgrace to our tax system".

Very truly yours,

JOE P. CAIN, Sr.

A METRIC MAILING PIECE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. CRANE. Mr. Speaker, as a service to my colleagues, I am inserting a very interesting article from the American Metric Journal, volume VI, unit 4, 1978. Since our recent debates regarding funding for metric programs, a number of the Members have indicated they are starting to get calls and letters regarding the metric programs in the United States.

Therefore, I call attention to this extension and urge my colleagues to use this in reply to their constituents. This is very important as the first mailing piece because we all can learn by experience. In fact, much was made in recent debates as to how well other nations were adjusting to metric conversion.

At this point, I include the article, "Metric Conversion Takes a Pounding":

METRIC CONVERSION TAKES A POUNDING

Metric has been legal to use in England since 1864. It became a legal alternative in America in 1866. It has never succeeded in either place, the public would not accept a substitute system for one they already knew and trusted.

Many attempts over the years have been made by small groups to persuade or compel people to use metric. Various schemes attracted fragmented support but were not accepted by the public or industry. The inch/pound system has always emerged as the predominate language of measurement in countries given a choice. Most countries adopting metric have done so by force.

A different story has developed over the past 13 years in England. A form of economic force has been exerted on the British by a group of European nations who have come to dominate European trade in the past two decades by forming a trade block. This group, known as the European Economic Community (EEC), was formed to control commerce in Europe after World War II. There were language and trade barriers to retard the free buying and selling between the small countries on the continent. They each used nationalized forms of the old incomplete and obsolete MKS (traditional) metric system.

Those free nations belonging to the international Standards Organization (ISO) who wanted to join the EEC agreed to use the modernized SI metric which was more complete and would be represented by the same terms and symbols in all EEC countries. After many years, the old nationalized metric is still used by every one of these EEC countries. There is no uniformity in the labeling or measurement units employed. A product from Italy can be marked with one unit and the same item manufactured in France or Germany will be labeled with a different symbol or unit. The schools of each nation teach nationalized metric.

Yet, great pressure has been brought to bear upon the British to use metric if they wish to participate in the EEC and share in the vast Eu Ro-market. Had they elected not to join extreme hardship and economic chaos would result. The country has depended on exports for survival for years. At one time export accounted for over 80% of the gross national product. In recent years manufacturers have lost much of the market and the economy has suffered.

The Confederation of British Industry and the Board of Trade decided to take the plunge and join the EEC in 1964. This was done as a secret act as far as the public was concerned. No publicity, news articles or fanfare to condition or solicit support from the English citizens. It was felt the move was mandatory and necessary for survival. Why delay and give the public an opportunity to stall the inevitable? This has proven to be a major mistake which has and will cost the nation millions of dollars and much confusion as well as distrust of government officials. The public knew almost nothing about the metric commitment for over five years!

A campaign was launched to persuade the Americans, Canadians, Australians and other English speaking nations to change along with the British. These countries were told they had become an inch/pound island in a sea of metric. The remaining nations would be left behind in world trade, that over 90% of the earths population were using metric. This propaganda program was accepted by the U.S. Department of Commerce who had tried for decades to sell metric to Americans. It had a tendency to ring "official", many got the idea the USA was on the way. The Canadians jumped in right after the Australians and guessed the U.S. was well on the way. Many misleading stories were circulated. Conferences and meetings made metric experts over night. The public was led to believe the whole world had almost left them behind but were just barely saved in the nick of time by the sudden proposed switch to metric. That is another story which is being covered at another time in AMJ.

Meanwhile, back at the ranch in London, the House of Parliament was "in between a rock and a hard place." They wanted to retain business connections with the U.S., be able to placate the British public and remain in the EEC by switching the country over to metric. Their very best bet was to go to the London newspapers some fine English morning and announce "the Americans have gone over to the metrics and left us behind! We can't have that now can we, let's get busy and beat them at their own game and change to SI." It just did not happen for them. So, in 1977 after 12 years of trying to induce the Americans to assist them by converting they elected to force metric on the subjects. Prime Minister James Callagan inherited the nasty job of pushing over the change from Sir Harold Wilson who originally slipped the SI over on the country. A recent article in the Times carried a quote from a letter sent to Callagan by Wilson declaring his opposition to metric weights and measures in the shops and stores. This should serve as an indication of the style and methods employed by the Wilson government.

James Callagan appointed Mr. John Fraser minister in charge of forced conversion. The cut-off dates established by Parliament in 1977 would now carry some enforcement power. Those in violation would be slapped with a 50 pound ($100.00) fine. It was intended to cover certain commodities and then after a short period be extended to more until all trade goods would be covered by law. This seemed to be the straw that broke the camel's back. Thousands of letters of protest were received by members of Parliament. Clubs, organizations, and associations of all kinds rose up in indignation. The editor of the *American Metric Journal* attended some of these meetings in London and elsewhere in Britain. Mr. Hopkins interviewed Lord Munson and spoke with others in government about the problem. At the time of the visit John Fraser announced "it is clearly impossible to proceed against a background of hostility."

He also commented at the same time, "resistance to metrication orders has led us to review whether we can still claim universal support." Consumer groups had organized a resistance program. They had the support of a number of MP's including Mrs. Sally Oppenheim who is the Shadow Minister for Prices. She was quoted as saying "I say everyone should be allowed to choose if they want to buy or sell in metric. Don't make it a punishable offense if they do not." She added "it is monstrous that people should be sent to prison for using yards, inches, and feet. It is eroding yet more of our freedom."

Retailers who agreed to go along with metric were promised their competition would be compelled to comply. It didn't happen at all. These few lost large volumes of business to those still selling in the familiar customary. Manufacturers of goods sold to British without the customary inch/pound labels also suffered a loss of business.

Officials in county government and lower positions seemed to support public feelings. (See article "Counselor Sends Back Metric Gobblegook"). Several claims were made by educators that metric was no short cut to math, it was a hinderance. Some students entering certain trades had to go back and learn imperial to get jobs. In industrial testing for math ability, British Leyland reported scores running considerably below those previous scores from tests done with the imperial system taught in schools. (See article "Why Metres Don't Add Up").

It is now generally conceded by most, that metric is unwanted in England. It has cost the taxpayers a fortune so far and after 13 years has failed to help the British economy measurably. It is agreed that manufacturers have little choice in the matter. If they wish to continue in the EEC they will not only have to use metric but promise to try to compel the entire country to change to satisfy the headquarters group in Brussels.

A recent trip by R. A. Hopkins to finalize a one year study of methods and results of the use of metric in the EEC countries, indicated very little has been accomplished by this

block of nations in changing to the "universal" SI system. In countries like Belgium, France, Germany and Italy, Hopkins found little uniformity in measuring units or symbols. A report in AMJ from our Brussels editor, Vincent R. Hopkins covers some of the problems caused by this hodge podge of many forms of metric in use today.

We were not all impressed with the ease of reading quantities from country to country. The story about world uniformity is strictly propaganda, the inch/pound system is as uniform if not more so than the chopped up metric used in many ways around the world.

The newspaper articles on the adjacent pages are current items clipped from various papers in London while Mr. Hopkins was there. Many more expressing similar views were collected and it is reported first hand by Bob Hopkins that they represent the true feelings of the British public. Mr. Hopkins lived for a while in Europe and England. His findings have been published in two of his books on the subject. He will be returning to join Vincent Hopkins who is headquartered in the EEC capital, Brussels. Additional information on the metric exposé will be in future issues of the journal.●

FEDERAL REDTAPE

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RISENHOOVER. Mr. Speaker, we are bombarded with evidence that growing Federal regulation is a chief factor in the inflationary spiral. If this Congress' greatest challenge is putting a lid on inflation, then the 42 Federal regulatory agencies—with their $4.8 billion budget for next year—should be the first target. We are swamping private citizens, free enterprise and Government itself with redtape and paperwork that—if it does not strangle us—surely could bankrupt us.

I have received a copy of a letter to the U.S. Department of Transportation from Oklahoma's director and chief engineer of transportation, R. A. Ward, commenting on policies and procedures in flood plain management, proposed by the Federal Government.

Ward said the procedures "are simply another unnecessary and unwarranted infringement by the Federal Government on State and local rights."

While the advent of these harsh regulations and stringent requirements have hardly been noticed in Washington, Mr. Ward wrote:

> The proposed policies and procedures will have a detrimental effect upon the highway program in Oklahoma and throughout the Nation.
>
> We estimate the proposed policies and procedures will increase the project lead time approximately six to twelve months, depending upon the complexity, at a cost increase of ten percent in planning, twenty-five to forty percent in survey and design, and eight to sixteen percent in construction. Litigation is also expected to increase time and costs in project development as a result of these regulations.
>
> Our final comment concerns the end results of these procedures. Are we going to have a better product as a Department of Transportation think not.

Our Public Works and Transportation Committee has reported out a 4-year, $66 billion Federal highway bill. I am concerned that much of that money may be spent on filling out forms instead of building new roads.

The legitimate needs of flood plain management are somehow lost in this whole argument. I doubt that Noah could have built his Ark—to say nothing of a highway system—under today's system of rules and regulations.

The Joint Economic Committee issued a report that shows that Government regulations cost our economy $102.7 billion a year. That is 5 percent of our gross national product.

Time reports that the Federal Government "now has rules ranging from the establishment of whiskey tax rates to the placement of toilets on construction sites, from the design of atomic power plants to the milk content of ice cream, from foreign arms sales to childproof tops on aspirin bottles."

And, as Oklahoma's highway engineer Ward demonstrates, the new rules and regulations on flood plains are going to cost our Nation miles and miles of roads. I believe we need to ditch the rules, use sound field engineering to prevent flooding, and to build the roads.●

INSURANCE FOR GRAIN STORED IN ELEVATORS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. FINDLEY. Mr. Speaker, farmers who put their grain in elevators deserve the same protection as those who deposit money in banks. Today, I am introducing a bill to provide Federal insurance for stored grain. In a manner similar to Federal insurance of bank deposits, my bill would cover the grain that farmers put in elevators up to a value of $25,000, protecting farmers when grain elevators go bankrupt. Bankruptcies cause some farmers to lose most of the value of the grain they put in storage—in effect their life savings.

National figures on losses to farmers have not bee compiled. But in my home State of Illinois, considered among the best for its regulation of grain elevators, three elevators have declared bankruptcy since 1976 with several million dollars in liabilities outstanding. Bonding for the three firms totaled less than $400,000, not nearly enough to cover losses.

A new Illinois law will go into effect in October that hopefully will encourage better business practices. It requires audits of elevators and provides stiff penalties for dealers who withhold information. But even honest grain elevator operators can make mistakes, and the new law provides no insurance to farmers for grain losses. In fact, to my knowledge no State operates an insurance or recovery fund for grain elevator failures.

When the Federal Government insured deposits in banks it recognized the importance of sound financial institution to economic prosperity. Grain storage is just as vital to farm prosperity.

Specifically, my bill would:

Create a Federal Grain Insurance Corporation similar to the Federal Corporations that insure deposits in commercial banks and saving and loan associations;

Open membership in the Corporation on a voluntary basis to those who store grain for farmers;

Insure up to a value of $25,000 the grain deposited by a farmer with a Corporation member;

Require members of the Corporation to follow stringent business standards; and

Provide criminal penalties for grain storers who falsify applications for membership or claim to be members when they are not.●

INTRODUCES TEST FUNDS RELIEF ACT

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mrs. MEYNER. Mr. Speaker, I am today introducing the TEST Funds Relief Act of 1978.

This bill would establish tax exempt school trust funds, or TEST funds, as a means of providing tax relief for the costs of college education.

The purpose of TEST funds is clear: They would establish a specific avenue of relief for those people—primarily parents—who want to save money over the years in order to pay for the education expenses of their sons and daughters.

Provisions contained within the legislation speak for themselves, Mr. Speaker, but let me point out that the concept behind TEST funds is a sound one. In fact, it is somewhat similar to the concept that launched the individual retirement accounts (IRA's) in the 1974 Employee Retirement Income Security Act of 1974.

That is, an individual would be able to contribute up to a certain amount of money—in this case, no more than $1,000 each year—to a TEST fund in order to meet the educational costs of each eligible beneficiary when that person begins his or her post-secondary education.

TEST fund contributions would be tax deductible.

It is a sound concept, Mr. Speaker. It operates on the premise that an individual's education is an investment in his or her future, and that parents ought not to be punished if they set aside money for such an investment in their children.

Under current conditions, parents are indeed punished by the tax structure if they save money on a long-term basis, and so are millions of young boys and girls and young men and women who

take money from ther allowance, newspaper route earnings or part-time jobs and place into a long-term savings account in order to pay for their college education.

Who can deny these parents, these children, the opportunity to save without the effective penalty of taxation on these accounts?

Moreover, TEST fund accounts, like tax-deferred retirement accounts, assist financial institutions by making money available for capital formation and investment. I cannot see how we in Congress could go wrong by enacting legislation which encourages both an investment in our future and in our Nation's economy.

We owe it to ourselves, our children, and our future as a nation to support such legislation, and I certainly hope my colleagues in the House of Representatives give serious consideration to the establishment of TEST funds.●

TESTING FOREIGN AID

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. PATTISON of New York. Mr. Speaker, I call to the attention of our colleagues an article authored by Congressman MATT MCHUGH, which appeared on the op-ed page of this morning's New York Times (August 2, 1978).

The article deals with the issue of foreign aid and its importance to the national security, to the self-interest of this Nation.

For too long the people of this Nation have been told that foreign aid is primarily motivated by humantarian and altruistic considerations. No doubt those motivations are present in the minds of many who support the foreign aid program. But quite aside from those considerations, foreign aid is to the long-term benefit of the people of the United States.

As with any program, foreign aid has experienced many abuses; it has not always been wisely spent or distributed. We should constantly improve the program to minimize waste and abuse. But we should remember that the program is primarily in our own interests and for that reason it should be continued.

The article follows:

TESTING FOREIGN AID

(By MATTHEW F. MCHUGH)

WASHINGTON.—The foreign aid bill is in serious trouble in Congress. It matters little that President Carter's budget request has already been slashed in committee by over $1 billion dollars (13 percent). Much deeper reductions are threatened because it is widely assumed that foreign aid has no constituency. That was not always the case.

Following World War II, the United States spent about 3 percent of its gross national product to rebuild a war-torn world. Our leaders had little trouble persuading us that these expenditures were in our national interest. By 1977, our development assistance had dropped to 0.22 percent of G.N.P., placing us in the bottom quarter of all developed nations. But even this much lower level of support has few adherents. What happened to the constituency for foreign aid?

Undoubtedly, many things account for the declining popularity of foreign aid. Pressing economic concerns at home have influenced current priorities, and an increasingly complex world has made it more difficult to appreciate the purposes of foreign aid.

After World War II our help was directed to people with whom we had much in common, and it showed rapid results because its beneficiaries possessed the skills to put it to immediate use. Furthermore, the threat of monolithic Communism lurked in the background, silencing potential critics. Today many of those we help differ from us in their values and cultures. They often lack democratic traditions and criticize us in public forums. Still, we are capable of understanding a changing world if our leaders frame the issue in perspective.

A recent letter from a fellow Congressman began: "How would your constituents feel . . . if they knew that some of their hard-earned tax dollars were scheduled to support the rule of Idi Amin? The Communists in Vietnam and Laos? Cuba, while Castro exports Communism and violence all over Africa?" Clearly, if the issue is posed in terms of support for Idi Amin, there will be no constituency for foreign aid. However, the United States provides no direct assistance to Idi Amin's Government. We do contribute to certain United Nations programs that function in Uganda, but the programs are modest and serve basic human needs. A good example is the United Nations Children's Fund. Between 1978 and 1980, UNICEF will spend $1.2 million in Uganda on a number of activities, including immunizing women and children against diseases such as smallpox. It could be argued that this supports Idi Amin, but are we prepared to deny help to people threatened by disease? I doubt it.

And what about aid to Vietnam and Laos? Direct assistance is prohibited. However, we do make contributions to the World Bank and other international financial institutions. Last year, 0.11 of 1 percent of those contributions went for projects in Laos to benefit starving people. Congress could prohibit such indirect assistance, of course, but the international financial institutions would then be prevented by their charters from accepting any of our contributions. The result would be to hurt those most in need, and our own economy. Perhaps it will surprise most Americans that for every $1 we contribute to the international financial institutions, they spend $2 to purchase goods and services in the United States.

The basic point, however, is that foreign aid should not be tested solely by our feelings about Idi Amin, Vietnam or Laos. It must be judged against the broader realities of our economic and political interests, as well as our traditional humanitarian values.

We have heard desperate statistics about world hunger many times, and I trust that we have not become callous to them. Is 1.3 percent of budget really too much to spend to alleviate hunger, poverty and disease? Moreover, our own national security will be vitally affected by the ability of the developing nations to increase agricultural production, curb birthrates, and become more self-sufficient. As Pope John XXIII said: "In a world of constant want there is no peace."

Finally, economic self-interest requires attention to the developing nations. We are increasingly dependent upon them for raw materials needed to fuel our economy. In addition, they offer the best opportunity for expanding our export markets. Exports now provide one of every eight manufacturing jobs in the United States, and a third of our agricultural produce is sold abroad. Given our negative balance of payments, continued growth of markets in the developing world is essential to our economic well-being.

The foreign aid program serves our interests. If political leaders, including those of us in Congress, present the case more effectively, there will be a constituency in the country to support it.●

INTERNATIONAL LEAD AND ZINC STUDY GROUP

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. SANTINI. Mr. Speaker, I recently returned from an extraordinary meeting of the international lead and zinc study group, a meeting which was called, because of the current crisis, worldwide, in the zinc industry.

For well over a year zinc production has exceeded consumption, inventories have risen to high levels and prices have dropped to a point where most producers, including the entire U.S. industry, are losing money.

During the past decade the American producing industry has lost half its smelting capacity. In the late sixties imports accounted for about a quarter of U.S. zinc metal consumption; now they account for more than one-half.

In fact, imports have soared to record highs in the last few years, mainly because the United States is the only major market which is really open. Several zinc mines have closed, including one in my State, and there have been layoffs at American zinc smelters. More layoffs could occur.

I drew three conclusions from my attendance at the lead and zinc study group meeting. First, the study group was not really able to do anything about the zinc problem, except to call attention to what everyone already knew: That there is too much zinc production in certain parts of the world. On the basis of what I saw at the meeting, I question whether the study group at future meetings will be able to deal effectively with the zinc problem.

Second, the American officials from the Departments of State and Commerce, and from the Bureau of Mines, who attended the meeting were very competent, knowledgeable and hardworking. That the study group did not really accomplish anything was certainly not their fault.

Third, and most important, it became quite clear that the U.S. Government does not have a policy toward the domestic zinc industry, or, for that matter, a general policy, to treat a problem of the kind which has arisen in zinc.

American officials have made scores of trips to various cities around the world, and have spent countless hours in international meetings discussing the commodity problems raised by other countries, especially developing countries. Yet, it appears that they have spent very little time on the problems of the American zinc industry, or, for that matter, the American minerals industry.

That is one reason why, Mr. Speaker,

I have taken so much interest in the nonfuel minerals policy study which President Carter announced last December. A number of my friends in this House have heard me on numerous occasions call for a coherent, carefully thought-out minerals policy which would serve America's needs. We do not have such a policy at this time.

I will not repeat here what I have said on other occasions, but I do want to emphasize that the declining U.S. zinc industry, and the lack of an effective Government policy, underscore the critical importance of the minerals policy study and of completing it as quickly as possible.

I have mentioned here only the domestic zinc industry, because that was the subject of the Vienna meeting. However, without in anyway detracting from the critical situation for zinc, I want to emphasize that a large portion of the domestic minerals industry is faced with a similar situation; that is, over production from foreign sources, rising imports, falling prices, closure of mines and smelters and the loss of jobs. Copper is a prime example. On the other hand there are certain critical and strategic minerals which are not produced domestically but are imported almost exclusively from countries that are not known for either their reliability or political stability. Cobalt falls into this class.

A carefully thought-out and implemented nonfuels minerals policy could, not only save a vital domestic industry from disaster, but could also assure this Nation of supplies of essential critical and strategic minerals.

Let us act now to avoid a minerals crisis that could be as serious as the petroleum embargo of 1973.●

MAXINE BURNS, VICE PRESIDENTIAL ADVISER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. STOKES. Mr. Speaker, it gives me great pleasure to bring to your attention a young woman who was once my congressional press aide and is now an adviser to the Vice President of the United States. Ms. Maxine Burns is the talented and charming assistant press secretary to Vice President WALTER MONDALE and his adviser on national women's issues.

During her tenure in my Washington office, Ms. Burns performed her press duties with skill and acumen. I am delighted that she has been so successful in her career. I am certain that I speak for many in my city when I say that we are very proud of Maxine.

Recently, this talented young woman was featured in the Cleveland Press newspaper in an article by Washington Bureau Reporter Al Thompson. The piece appeared in the Tuesday, July 18 edition of the paper. At this time, Mr. Speaker, I would like to submit the article for the RECORD and ask that my colleagues join with me in wishing Ms. Burns continued success and gratification in her chosen profession:

EYE ON WASHINGTON—MEET MONDALE'S GAL FRIDAY

(By Alan Thompson)

WASHINGTON.—Ah, the glamour of it all.

Flitting in and out of the White House. Criss crossing the United States. Two trips to Europe in 18 months, not to mention lesser jaunts to Canada, Mexico, the Far East, Egypt, and Israel.

Not bad for a kid who grew up on Onaway Rd. in Shaker Heights.

But that's the way it is these days for Ms. Maxine Isaacs Burns, who signed on with a fellow named Mondale some five years ago.

At the time, then Sen. Walter F. Mondale was making his trial run at the presidency. He theoretically scrapped the idea when he decided he didn't want to spend the rest of his life sleeping in Holiday Inns and munching rubber chicken.

That changed in 1976 when Jimmy Carter decided Mondale would make a good running mate in Carter's bid for the presidency.

Everybody knows what happened after that, and today the 30-year-old Ms. Burns is the assistant press secretary and advisor on women's issues to the vice president of the United States.

"I've been doing the same kind of work for eight years, so there is no question I get restless," says Ms. Burns. "But there is also no denying it's a fabulous, exciting thing."

Ms. Burns graduated from Shaker Heights High School in 1965, and from Skidmore College in Saratoga Springs, New York, in 1969. After about a year-and-a-half in Japan, she landed in Washington in 1970.

Once here, she started pestering Rep. Louis Stokes (D–21) for a job. Stokes eventually hired her as press secretary-speechwriter. With Stokes she also cultivated her abiding interest in African affairs.

In 1973 she left Stokes and joined Mondale during his presidential trial run. When that didn't pan out, she tried her hand at freelance writing.

"I thought that would be my new career. It turned out to be an aberration," she recalls now. "No money."

But a vice presidential campaign needs staff, lots of staff, and in 1976 Ms. Burns gave up free-lancing and rejoined Mondale as deputy press secretary on the campaign plane. Her job was to coordinate media events as Mondale raced from city to city.

"I always said I had the worst job in the campaign," she says. "I had to write the news releases, attend the events and then take care of the next day's advance.

"Other people could skip some of that and get some rest. I never could. They were all 20-hour days. I figure it took me to the following March (1977) to get over the exhaustion," Ms. Burns recalls.

Exhausted or not, Ms. Burns says the days of the inauguration were the most enjoyable of the whole period. She rode in the inaugural parade and accompanied Mondale through the social events that followed the inauguration.

Three days later she accompanied the vice president on his whirlwind trip to Brussels, Bonn, Berlin, Rome, London, Paris, and Tokyo.

A high point came in Vienna in May, 1977, when Mondale met with South African Prime Minister Balthazar Johann Vorster during a second European trip.

"It was personally moving for me, because I had worked on those issues for so long," said Ms. Burns.

Ms. Burns says Mondale is a good boss.

"He's demanding, but he's a good man to be staff for because he likes and trusts his staff," she says. "It doesn't bother me that he is demanding, because I think that's how he should be."

Ms. Burns saw her parents, Mr. and Mrs. Bernard Isaacs, when she accompanied the vice president to Cleveland last month.

"It's the first time I had been back since the campaign," she said. "We were there about every other day during the campaign."●

MOST BASIC HUMAN RIGHT—THE RIGHT TO LIVE

HON. PAUL E. TSONGAS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. TSONGAS. Mr. Speaker, the most basic human right is the right to live. The inability to survive, a reality facing millions throughout the world, makes the civil and political rights Americans cherish meaningless. Yet amendments being proposed today in the name of human rights would have the effect of denying the most fundamental right of all—survival.

As a Peace Corps volunteer in Ethiopia, I personally witnessed the daily struggle to exist. On a return visit last year, I witnessed the frustration of Ethiopians when the United States opposed a loan for an irrigation project in order to register dissatisfaction with the political regime. To punish starving human beings for the reprehensible actions of their governments is to abandon the moral obligation this Nation has incurred as the world's most prosperous country.

Further cuts or restrictions in this foreign aid bill will have the dual effect of eroding a vital element of American foreign policy and thwarting our domestic battle against inflation and unemployment. The future economic and political security of the United States is dependent on the relationships we cultivate now with less-developed countries. If we choose to alienate them, we are choosing future confrontations whose costs will greatly outweigh the meager savings we might receive by cutting funds today.

We are obligated to look beyond the personal political benefits of cutting aid to the advantages of a more prosperous world economy. The relations between the United States and the Third World are ones of interdependency, not dependency. The stability and growth of our economy is linked with the continuation of supplies of raw materials and the expansion of markets for American goods and services. And the benefits of foreign aid are not vague promises to be fulfilled in the distant future. Every dollar appropriated to the international financial institutions stimulates almost $2 in goods and services for our economy.

The mutual benefits of the foreign aid program make it imperative that no further funding cuts or restrictions endangering our participation in the IFI's be imposed. Our actions on this bill will determine whether we aid less developed countries to become prosperous, democratic nations, or throw these countries further into the arms of the Soviet Union. By turning our backs on the Third World, we turn our backs on ourselves.●

TAX REVIEW ACT OF 1978

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. PICKLE. Mr. Speaker, I would like to place in the CONGRESSIONAL RECORD the Summary of H.R. 13511 the Revenue Act of 1978 as ordered reported prepared by the staffs of the Joint Committee on Taxation and the Committee on Ways and Means:

SUMMARY OF H.R. 13511, AS AMENDED

TITLE I. INDIVIDUAL INCOME TAXES

A. Tax reductions and extensions

The individual tax brackets would be widened by 6 percent of taxable income in excess of the zero bracket amount. Also, there would be rate cuts in certain brackets.

In addition, the zero bracket amount ($2,200 for single persons and $3,200 for married couples) would be increased to $2,300 for single persons and $3,400 for married couples. This has essentially the same effect as a comparable increase in the standard deduction would have had under prior law.

B. Personal exemption and general tax credit

The present $750 personal exemption for each taxpayer and dependent would be increased to $1,000. The general tax credit, which equals the greater of (1) $35 for each personal exemption or (2) 2 percent of the first $9,000 of taxable income in excess of the zero bracket amount, would be allowed to expire at the end of 1978.

C. Earned income credit

The earned income credit would be changed in three respects. First, the credit allowed would be equal to the lower of (*a*) 10 percent of earned income or (*b*) the maximum credit amount ($400) minus 10 percent of the amount by which adjusted gross income or earned income, whichever is larger, exceeds $4,000. Second, items which are excluded from adjusted gross income would no longer be excluded from earned income eligible for the credit. Third, taxpayers eligible for the credit would be married couples and surviving spouses who have a child living with them, and unmarried heads of household who maintain a household for a child. These changes are intended to make it easier for taxpayers to compute the credit and to provide the necessary information on the tax return to enable the Internal Revenue Service to allow the credit to taxpayers who qualify but do not take advantage of the credit on their tax return.

In addition, the earned income credit which is due to expire on December 31, 1978, would be made permanent.

D. Itemized deductions

1. *State-local nonbusiness gasoline taxes.*—The provision of present law which permits itemized deductions for State and local taxes on gasoline, diesel, and other motor fuels not used in business or investment activities would be repealed.

2. *Political contributions.*—The provision of present law which permits itemized deductions for certain political contributions up to $100 per year ($200 in the case of a joint return) would be repealed. The provision of present law which permits an income tax credit equal to one-half of such political contributions, but not more than $25 ($50 in the case of a joint return), would be retained.

3. *Medical expenses.*—The provision of present law which permits itemized deductions for one-half the cost of medical and hospitalization insurance premiums (up to $150), without regard to the general limitation that medical expenses are deductible only to the extent exceeding three percent of adjusted gross income, would be repealed. In addition, the special limitation in present law which permits deduction of medicine and drug costs only to the extent the costs exceed one percent of adjusted gross income would be repealed. Also, under this revision only insulin and prescription medicine and drugs would be eligible for the medical expense deduction.

As a result of these modifications, the full amount of medical and hospitalization insurance premiums, the costs of prescription medicine and drugs (and nonprescription insulin), and other qualifying medical expenses would be deductible to the extent that they exceed three percent of adjusted gross income.

E. Unemployment compensation

The current exclusion from taxable income for unemployment compensation paid pursuant to government programs would be phased out at higher levels of income. The amount of unemployment compensation excluded would be reduced by one-half of the excess of gross income (including unemployment compensation) over $20,000 for single taxpayers, and generally over $25,000 for married taxpayers.

F. Deferred compensation

Employees and independent contractors performing services for a State or local government or the Rural Electrification Administration would be able to defer annually an amount equal to the lesser of $7,500 or 33⅓ percent of their currently includible compensation. In cases where amounts less than these limitations are deferred, a limited catch-up would be available during the three-year period preceding retirement. In addition, compensation deferred under unfunded deferred compensation plans maintained by taxable employers would be subject to the principles of law in effect on February 1, 1978. Finally, the rules for the deductibility of employees' deferred compensation would be extended to deferred payments for services performed by independent contractors.

G. Cafeteria plans

Participants in nondiscriminatory "cafeteria" plans (welfare benefit plans which permit participants to choose which fringe benefits they want purchased with employer contributions) would not have taxable income to the extent that they elect to have employer contributions applied to purchase nontaxable benefits (e.g., accident and health benefits or group-term life insurance in an amount less than $50,000). Participants would have taxable income to the extent that they elect to have employer contributions applied to purchase taxable benefits or they elect to receive cash or other property in lieu of fringe benefits. A special rule is provided to insure that accident and health benefits are provided on a nondiscriminatory basis.

H. Cash and deferred profit-sharing plans

Amounts that a participant in a qualified, nondiscriminatory "cash and deferred" profit-sharing plan (a plan which permits participants to elect to defer part, or all, of the profit-sharing contribution to be made by the employer for the year) elects to defer and have paid into the trust under the plan would not be taxable to the participant in the year of deferral. In determining qualified status of a plan, relevant revenue rulings relating to nondiscrimination and treatment of these plans as qualified profit-sharing plans, which had been issued prior to January 1, 1972, would apply. The substance of this provision is contained in H.R. 9251, as passed by the House and Senate, except that the provision of H.R. 9251 would terminate on January 1, 1980, and would apply only to plans in existence on June 27, 1974.

I. Effective date

In general, the provisions of Title I would apply to taxable years beginning after December 31, 1978.

TITLE II. TAX SHELTER PROVISIONS

A. Changes in at-risk rules

The at-risk loss restriction provision of present law, which now applies to four specified activities (farming, oil and gas, motion pictures, and equipment leasing), would be extended to apply to all atcivities except real estate. In light of the broadened application of this provision, the partnership at-risk loss restriction would be repealed.

This provision (now applicable to individuals, trusts, estates, subchapter S corporations, and personal holding companies) would also be made applicable to any closely held corporation in which five or fewer individuals own more than 50 percent of the stock.

In addition, the provision would be modified to provide for recapture of previously allowed deductions where there were withdrawals of amounts originally placed at risk.

In general, these changes in the at-risk rules would apply to taxable years beginning after December 31, 1978.

B. Partnership provisions

A civil penalty would be imposed on a partnership for failure to file (or late filing of) a partnership return. Also, the general three-year period of limitations under present law (in which a person may be assessed additional income tax for a particular year) would be extended to four years after the date of the partnership return is filed with respect to income, deduction and credit items which have been passed through from certain partnerships to that person. This provision would only apply to partnerships subject to registration or reporting requirements of the Securities and Exchange Commission.

In general, the partnership provisions would apply with respect to taxable years beginning after December 31, 1978.

TITLE III. BUSINESS TAX REDUCTIONS

A. Corporate rate reductions

The corporate tax rate applicable to the first bracket of taxable income ($0–$25,000) would be reduced from 20 percent to 17 percent. The rate applicable to the second bracket ($25,000–$50,000) would be reduced from 22 percent to 20 percent.

In addition, two additional brackets would be created. The corporate tax rate applicable to the third bracket ($50,000–$75,000) would be 30 percent and the rate applicable to the fourth bracket ($75,000–$100,000) would be 40 percent. Finally, taxable income in excess of $100,000 would be taxed at 46 percent (rather than 48 percent as under present law).

In general, these corporate rate reductions would apply to taxable years beginning after December 31, 1978.

B. Investment credit modifications

The present 10-percent investment credit and the $100,000 used property limitation scheduled to expire at the end of 1980, would be made permanent. In addition, the 50-percent limitation on the amount of investment credit that can be used to reduce tax liability in excess of $25,000 for any taxable year would be increased to 90 percent, phased in at an additional 10 percent per year. Finally, eligible property for purposes of the investment tax credit would be expanded to include rehabilitation expenditures with respect to existing industrial and commercial buildings (including retail struc-

tures and warehouses). It would not apply to residential property. The credit would be available for eligible rehabilitation expenditures incurred after December 31, 1978.

C. Investment credit for pollution control facilities

The full investment credit would be allowed for pollution control facilities which are eligible for an election to use 5-year amortization, except to the extent the facility has been financed with tax-exempt industrial development bonds. Under present law, the investment credit on pollution control facilities for which the taxpayer elects 5-year amortization is limited to one-half of the credit that otherwise would be available. In general, this provision would apply to property acquired by the taxpayer after December 31, 1978.

D. Targeted jobs credit

A permanent tax credit of 50 percent of FUTA wages (the first $6,000 of wages per employee) for the first year of employment and 16⅔ percent of such wages for the second year of employment would be provided for hiring: (1) AFDC recipients who register for the WIN program, (2) recipients of Supplemental Security Income (SSI), (3) handicapped individuals, (4) individuals of ages 18 through 24 who are members of households receiving food stamps, (5) Vietnam veterans who are members of households receiving food stamps, (6) recipients of general assistance for 30 or more days, and (7) individuals of ages 16 through 18 who are participants in a high school or vocational school sponsored work-study or cooperative education program. Wages eligible for the credit would be limited to 20 percent of the total FUTA wages paid by an employer.

The current general jobs tax credit would be allowed to expire at the end of 1978.

The Secretaries of Treasury and Labor would be required to submit a report to Congress by June 30, 1981, on the effectiveness of the general jobs credit in stimulating employment in 1977 and 1978 and of the targeted jobs credit, as provided in this bill, in improving the employment situation of the targeted groups.

E. Increase limit on small issues of industrial development bonds

The small issues limitation on industrial development bonds would be increased from $5 million to $10 million for capital expenditures made over a 6-year period for a project. In general, this provision would apply to obligations issued after December 31, 1978, in taxable years ending after such date.

F. Small business provisions

1. *Subchapter S provisions.* Three modifications would be made with respect to subchapter S corporations: (1) fifteen or fewer shareholders would be allowed for its initial election; (2) husbands and wives owning subchapter S corporation stock, regardless of how the stock is held, would be treated as one shareholder for purposes of determining whether the subchapter S shareholder limitation has been complied with; and (3) a subchapter S election would be allowed to be made at any time during the first 75 days of the current taxable year or at any time during the preceding taxable year.

2. *Small business corporation stock.*—A corporation would be permitted to issue up to $1,000,000 of section 1244 stock (as opposed to the $500,000 limitation of present law) potentially subject to ordinary loss treatment. The maximum amount treated as an ordinary loss from the sale or exchange of section 1244 stock for a taxable year would increase to $50,000 ($100,000 in the case of a joint return). In addition, the requirement that the section 1244 stock be issued pursuant to a plan would be repealed.

3. *Special depreciation rules for small business.*—The additional first year depreciation allowance (see. 179) would be modified in three respects. First, the percentage allowable would be increased from 20 percent to 25 percent. Second, the base amounts for the cost of eligible depreciable tangible property would be increased from $10,000 to $20,000 (in the case of a joint return, the amount would be increased from $20,000 to $40,000). As a result of these two changes, the amount deductible would be increased from $2,000 (20 percent of $10,000) to $5,000 (25 percent of $20,000). In the case of a joint return, the amount deductible would be increased from $4,000 (20 percent of $20,000) to $10,000 (25 percent of $40,000). Third, the provision would be made applicable only to a taxpayer whose adjusted basis in depreciable assets as of the beginning of the taxable year did not exceed $1 million.

4. *Effective dates.*—In general, these small business provisions would apply to taxable years beginning after December 31, 1978. The provision relating to small business corporation stock would apply to stock issued after the date of enactment.

G. Accrual accounting for farming corporations

The family corporation exception to the rules which require that certain farming corporations use an accrual method of accounting and capitalize preproductive period expenses would be extended to cover certain corporations that are controlled by two or three families.

In addition, farmers, florists, and nurseries on an accrual method would not be required to take inventories of growing crops into account in computing taxable income unless these taxpayers are required by statute to capitalize preproductive period expenses. Further, farmers, florists, and nurseries who are currently using an accrual method of accounting, but who are not required by statute to use such a method of accounting,would be allowed until 1981 to change to the cash method of accounting.

In general, these provisions would apply to taxable years beginning after December 31, 1977.

H. Five-year amortization for low-income rental housing

A 3-year extension of the special 5-year amortization rule for certain expenditures to rehabilitate low income rental housing would be provided (i.e., until January 1, 1982). Under the special amortization rules for certain low-income rental property, taxpayers may elect to amortize up to $20,000 of certain rehabilitation expenditures, on a per dwelling unit basis, over a period of 60 months if the additions or improvements have a useful life of 5 years or more.

TITLE IV. CAPITAL GAINS

A. Alternative capital gains tax

The election for individuals to have the first $50,000 of long-term capital gains taxed at an alternative rate of 25 percent would be repealed, effective for taxable years beginning after December 31, 1978.

B. Minimum and maximum tax

Capital gains would be removed from the list of tax preferences for individuals, corporations, estates and trusts under both the minimum and maximum taxes, effective for taxable years beginning after December 31, 1978. This change would reduce the maximum rate of tax on capital gains to 35 percent.

C. Alternative minimum tax on capital gains

An alternative minimum tax would be provided at the rate of 10 percent on the excluded one-half of an individual's long-term capital gains, reduced by a $10,000 exemption. This alternative minimum tax would be imposed only to the extent this tax exceeds the individual's regular tax liability. The alternative minimum tax base excludes any capital gain realized on the sale or exchange of an individual's principal residence.

Under the bill, individuals who realize capital gains would compute their regular tax liability and compare this amount with that calculated under the alternative minimum tax on capital gains. The individual's tax liability would be the greater of these amounts plus the amount of the existing minimum tax (which would continue to apply to tax preferences other than capital gains).

D. Inflation adjustment

Taxpayers would be allowed to adjust the basis of certain capital assets upward by the rate of inflation. For eligible assets sold after December 31, 1979, the basis adjustment would reflect the rate of inflation indicated by the consumer price index for the holding period of the asset. However, the adjustment would be made only with respect to increases in the consumer price index occurring after December 31, 1979. In general, assets eligible for the basis adjustment would be corporate stock, real estate, and tangible personal property.

E. Exclusion of gain on sale of residences

An individual, regardless of age, could elect to exclude from gross income $100,000 of any gain realized on the sale or exchange of his or her principal residence. The exclusion would apply only once in a taxpayer's lifetime, and would be available only if the present non-recognition treatment for rollovers is not elected. In addition, the exclusion would apply with respect to gain realized on the sale or exchange of a principal residence which the taxpayer has owned and occupied as his or her principal residence for the two-year period which immediately precedes the sale. The exclusion would apply to sales or exchanges after July 26, 1978.

The provision of present law relating to gain realized on the sale of a principal residence by a taxpayer 65 and other would be repealed.

If an individual realizes gain in excess of the amount excludible, the taxpayer's gain would be reduced prior to the application of the present law deduction of one-half of the individual's long-term capital gain.

F. Nonrecognition of gain on certain residential sales

An individual could elect not to recognize gain on the sale of more than one principal residence within an 18-month period (rather than the present law limit of one "rollover" during the 18-month period), if a replacement principal residence is purchased and occupied within that period, and if each sale and purchase is attributed to the individual's relocation for the convenience of his or her employer. Gain not recognized on any sale would reduce the individual's tax basis for each of his or her new residences.

G. Capital gains tax study

The Treasury Department would be required to prepare, and submit to Congress, by September 30, 1981, a report on the effectiveness of the reductions of both the individual and the corporate capital gains tax rates in stimulating investment and increasing the rate of economic growth. The report also is to include a study of the effects of these reductions on the growth of employment and on income tax revenues.

Tentative revenue effects of H.R. 13511 as ordered reported
[Dollar amounts in millions]

	Calendar			Fiscal
	1979		1980	1979
Individual	−$10,464	[1] (65.5)	−$12,033	−$6,970
Corporate	−3,755	(23.5)	−4,969	−2,033
Capital gains [2]	−1,766	(11.0)	−2,241	280
Individual	−1,671		−2,137	−280
Corporate	−95		−104	
Total	−15,985	(100.0)	−19,243	−9,282

[1] Figures in parentheses are in percent.
[2] The revenue estimates do not take account of any changes in economic activity in response to the tax change.
SOURCE: Joint Committee on Taxation, July 27, 1978.●

ROADBLOCK TO PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ROSENTHAL. Mr. Speaker, the recent turn of events in the Middle East is deeply disappointing to me. Through public declarations of the past week, President Anwar Sadat of Egypt has once again cast a shadow over the future of Arab-Israeli peace talks.

President Sadat's recent pronouncements call into question the sincerity of his peace efforts; his statements of late represent not simple intractability but real regression:

Just 8 months ago, President Sadat and Prime Minister Begin were conversing as if old friends. Barely had negotiations begun in Jersusalem when President Sadat stunned everyone by pulling his delegation out of the political talks. After months of painstaking work by all parties concerned, it appeared that negotiations were back on the track. But recently, President Sadat, by casting aspersions on Prime Minister Begin in particular and Israel in general, has moved once again to smother any feelings of mutual trust and understanding that have been built up.

After the Leeds Castle conference 2 weeks ago, President Sadat assured American officials that he would be willing to meet again with the Israelis at a Middle East site. Three days ago, he abruptly reneged on those assurances.

In his Middle East proposal unveiled last month, there was no mention of preconditions. Now President Sadat has made an abrupt and regressive about-face, demanding an agreement to exclude any compromise on the issues of so-called Arab land and sovereignty prior to negotiations. But by making this demand, he ignores the bald fact that such a prior agreement would leave nothing to negotiate. It is precisely the subject of land and sovereignty that must be discussed in any negotiations.

I am genuinely troubled by these conflicting signals emanating from Cairo. We are told privately by leaders of Israel and Egypt and our own Government that progress has been made, that concessions have been advanced by both sides. Yet, in the world arena, President Sadat's language becomes harsher each day. Can this be in reaction to pressures from the rejectionist states and from the nonaligned countries meeting in Belgrade last week?

Or is President Sadat's latest swing due to pressure Saudi Arabia's Crown Prince Fahd is bringing on him to halt negotiations and to rejoin the Arab fold? This last would be nothing less than a serious betrayal of President Carter's trust by the Saudis. The administration proposed the recent sale of the F–15 to Saudi Arabia on the basis that it would encourage that nation to play a positive role in furthering the peace process. While many of us in Congress felt that such a sale should follow—not precede—tangible progress towards a Middle East settlement, the administration argued repeatedly that Saudi Arabia was a moderate nation and supported President Sadat's peace efforts. However, the Saudis never offered a public endorsement of President Sadat's Jerusalem mission or of subsequent talks. Any effort now by the Saudis to end Israeli-Egyptian contacts would be a stinging blow to this country's relations with Saudi Arabia and to the chances for peace in the Middle East.

Mr. Speaker, it is my sincere hope that the new hard language we are hearing is abandoned soon so that we may get Middle East talks back on the track once again.●

PROTECTION AGAINST UNWARRANTED SEARCHES

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GUDGER. Mr. Speaker, I participated today in introducing a bill to strengthen the legislative underpinning of the first and fourth amendments to the Constitution, a move that was made necessary by the Supreme Court's decision in the case of Zurcher against Stanford University Daily.

Joining with me in sponsoring this bill are my colleagues Representatives MANN, HOLTZMAN, HALL, EVANS of Georgia, PREYER, ROSE, and NEAL.

This bill, the Third Party Search Protection Act of 1978, is designed to protect both the press and private citizens not accused of any crime from arbitrary search and seizure of documents or other objects by police authorities.

The background leading to the need for legislation of this nature, in brief, is this:

In 1971, the Stanford University campus newspaper published photographs of a demonstration and clash between student protestors and police in which several police officers were allegedly assaulted.

The next day, the county district attorney secured a warrant for an immediate search of the newspaper offices and files which was carried out by four policemen. No evidence was found in the search through photographs, film, negatives, and office files.

The newspaper and its staff went to court and won a ruling that the 4th and 14th amendments forbid the issuance of a search warrant when the persons in possession of the object or objects sought were not suspected of having committed a crime, unless there is probable cause to believe that a subpena would be impracticable. The court also ruled that, when the object of the search is a newspaper, the first amendment limits governmental power to search to only those cases where there is a clear showing that important materials would be destroyed or where a restraining order would be futile.

In the appeal to the Supreme Court, the lower court was reversed. The May 31 decision stated that search warrants are aimed not at people, but at things believed to be in certain places, thus making it irrelevant whether any third party involved was suspected of having committed a crime. Any first amendment rights that might be at issue would be protected by applying the reasonableness requirements of the fourth amendment with "scrupulous exactitude."

The majority opinion pointed out that Congress has the power to alter the effects of the decision through its legislative process.

"The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protections against possible abuses of the search warrant procedure * * *", Justice White wrote.

Our friends in the press feel strongly that legislative action is necessary. I agree. The impact of the Supreme Court's decision is not limited to newspapers or radio or television stations.

The Court's view of when and under what circumstances a search may be conducted means that anyone could be the object of a search whenever a judge can be convinced—whether rightly or

wrongly—that a search is necessary. This means doctors, lawyers, accountants, anybody.

It takes little imagination to see that, had the Zurcher case ruling been handed down a few years earlier, a friendly judge of that time could have issued a warrant which would have allowed the rifling of Daniel Ellsberg's files in a psychiatrist's office without resort to burglary. Even the Democratic National Committee at Watergate could have been thoroughly searched under a similar process involving a cooperative judge and an aggressive police officer.

To guard against such happenings, we are proposing in the bill being introduced today, to restrict the issuance of search warrants without prior use of subpena, including notice and hearing, in cases involving property in possession of third parties.

The only time such warrants could be issued would be when "there is probable cause to believe that the individual whose person or property is to be searched for or seized has committed or is committing a criminal offense" or, if an innocent holder, that he will destroy the records if the search warrant is not used.

This, I think, will protect the first amendment rights of the press and the fourth amendment rights of all persons, while addressing the points raised by the Supreme Court.●

MERCEDES COLÓN

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. GARCIA. Mr. Speaker, yesterday, I inserted into the RECORD an article about a young medical student from my district, Luis Maceira. Inserting success stories about men and women from the South Bronx is a habit I hope I become very accustomed to. In a recent issue of Nuestro, an article appeared about a talented and determined young woman named Mercedes Colón, who, completely on her own, has devised a training program for medical practitioners and students at the New York University Medical School to teach them how to communicate—in every sense of the word—with their Hispanic patients. What Mercy Colón, who I have known for many years, has done is to develop a methodology and curriculum that will bring doctors, nurses and other health workers new understanding of their Hispanic patients, and to create an environment for those patients that is free from linguistic and cultural barriers.

The point I shall make as often as I can, and these articles are but two of what I hope will be a long series, is that although Mercy's particular contribution is exciting and unique, she exemplifies a kind of energy and creativity that has always been present in the South Bronx, and that, contrary to the stories predicting the death of our community, will increasingly give it more and more life.

The article follows:

BEYOND DISSATISFACTION

(By Ana Sims)

NEW YORK.—The young doctor is clearly an Anglo. But he regards his Latino patient, an elderly puertorriqueña, with obvious understanding and sympathy. "Dónde le duele?" he asks. "Y por cuánto tiempo?" The reason that he can get her medical history—or, indeed, the key facts from any Spanish speaking patient—is that he has gone through a trailblazing program here in New York. Called the Medical Spanish Program, it is the brainchild of a bright, indomitable Latina who has never been satisfied with just doing the minimum.

Eight years ago, for example, Mercedes Colón simply refused to settle into the role of the dutiful wife, "cooking rice and beans for my hubsand." Nor was she content with her office job. By then, of course, Colón had come a long way from her childhood in the South Bronx. The eldest of four children in a "poor but proud Puerto Rican family," she had worked in part-time jobs after school to help keep the family afloat, then put herself through secretarial school. But she decided that there was much to do besides banging on a typewriter and bustling in a kitchen.

Colón enrolled in night courses at Staten Island Community College. While there, she became interested in bilingualism and biculturalism. And when she read a Spanish language manual of medical terms, Colón had a bold idea. Why not teach medical students the language and culture of their Latino patients?

That, however, was easier proposed than accepted. In fact, Colón had to educate the educators at New York University's medical school. First, she opened their eyes to the tragic communication gap between medical practitioners and Latinos, who in some city hospitals account for as much as 90 percent of the total patient population. Then the young Latina convinced hospital administrators that she could create and run a program which could help fill that gap.

Colón Medical Spanish Program started in 1972. Since then, hundreds of second-year NYU medical students—as well as a sizable number of doctors, nurses and other health workers—have learned how to interview Latino patients who speak little or no English. They also become versed in such cultural factors as diet, use of herbal medications and espiritismo, which may have a crucial impact on patients' attitudes toward medical care and even on the way they perceive their own symptoms.

Teaching techniques include actual interviews of patients recruited from the waiting room of nearby Bellevue Hospital, where the course is held. Colón's method is based on audio-lingual techniques applied to real situations that arise in hospitals. "Students learn by role-playing among themselves and with volunteer patients," she says. "We also take them on tours of La Marqueta and botánicas and prepare and share a typical Puerto Rican dinner." Finally, those who finish the course have the option of taking a summer program in Puerto Rico.

The underlying reason for the program's success is Mercedes Colón herself. Since NYU covers only 80% of the program's modest budget, all administrative work and additional fund raising is done by Ms. Colón and assistant director Mayra González, both of whom also teach full-time. Yet Colón still finds time to work toward an interdisciplinary degree in education and psychology. Her hope, she says, is to "perfect and standardize our teaching method so it could be used wherever Latinos live in this country." A worthy goal, indeed—after all, for Latinos to be able to communicate with a doctor is often a matter of life and death.●

LABOR'S FREE RIDE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ASHBROOK. Mr. Speaker, on many occasions I have addressed the House on the subject of union privilege and abuse of power. Unions have privileges that others do not have because of the clout they have by electing liberal Democrats to Congress. They can be exempted from Consumer Protection legislation for that reason. They get favored status in so-called election reform legislation for that reason. They can get their bills out of committee while any reform such as the Ashbrook-Erlenborn employees bill of rights legislation gets the deep six.

Their arrogance extends to the arrogant and high-handed manner in which they treat their own rank and file. Fortunately, there is a rustling in the ranks. Rank and file union members are irate at their union leaders saying they favor gun control legislation when they do not. They are irate that union leaders always line up on the side of the welfare lobby, the regulators, and the big Government elite.

Ralph De Toledano has written an excellent article which appeared in the August 4, 1978 issue of National Review. It hits the nail on the head and should be read by all who want to bring runaway Government under control. The article follows:

LABOR'S FREE RIDE

(Ralph De Toledano)

It began back in the Thirties, with the passage of the Wagner and Norris-Laguardia Acts. Ever since then the government has been doing George Meany the favor of compelling millions of people to join labor unions, unmolested by the courts. Democratic or Republican Administrations, or the American Civil Liberties Union. But of all the abuses fathered by Wagner and Norris-LaGuardia, the most pernicious is the use by organized labor of union members' dues for political purposes.

The law is very clear on this subject. Neither unions nor corporations may make outlays from their general funds to candidates or political organizations. In those instances in which corporate executives have done so and been discovered, they have been prosecuted. Not so in the case of labor leaders. It has only been since organizations like the National Right to Work Legal Defense Foundation have entered the field that due process has been employed to restrain the labor moguls—and so far that restraint has been minuscule when compared to the magnitude of organized labor's violations.

The result has been Laborgate, the systematic and growing corruption of the electoral and legislative process by the union leadership.

When the House of Representatives gave its approval to the so-called Labor Reform bill, 257 congressmen voted yes. By one of those noncoincidental coincidences, those congressmen had received more than $4.5 million in campaign contributions from organized labor. (Most of that money went to Democrats.) The cost to Big Labor, therefore, was an average of $17,000 for each yes vote. Organized labor was even more lavish with the United States Senate, spending $6.1 million for the candidates of its choice, including $245,000 in a single primary.

Recently Common Cause published an itemized list of senators and congressmen who had received $10,000 and $15,000 contributions from the maritime unions. (The Speaker of the House was among them.) The purpose of those checks was to buy support for a bill, demanded by those unions, which would have mandated that 30 per cent of the oil shipped to the United States be carried in American-flag tankers, which have priced themselves out of the field because of the labor-imposed wage structure and survive only by federal subsidy. The bill would have cost the country billions of dollars in higher oil prices.

Or consider the National Education Association, 1.8 million strong, which openly and repeatedly boasts that it has the power to dominate the electoral process and dictate the terms of federal aid to education. In 1976, it contributed $630,000 in cash to candidates and many times that sum in manpower and organizational assistance. That cash outlay is the tip of the iceberg; as are even the labor contributions of more than $11 million to the Carter-Mondale ticket—or more than half what that ticket was legally permitted to collect from all contributors. Only the most naive would argue that this money came from voluntary contributions.

THE REST OF THE ICEBERG

Labor experts agree that for every campaign dollar contributed, the unions spend eight to ten times more for what they describe as "in-kind" services—paid for out of union dues—in salaries and other expenditures for campaign efforts. Some of those expenditures are legal, some illegal, but they are all improper and unfair to the union duespayers who see their money used for political purposes of which they may or may not approve.

The machinists' union, one month before the last election, ordered its staff to drop the work for which it is paid in order to beat the drums for labor-endorsed candidates. And the unions distributed a million leaflets, printed at their own expense, to further the fortunes of candidates committed to organized labor.

Union dues—what the labor moguls call "soft money"—pay for the expensive computer print-outs which have become essential in political campaigns; for the tens of thousands of salaried union employees who double as precinct workers; for the doorbell ringers; for the more than twenty thousand phones which made more than ten million calls in the last election; for electioneering issues of union newspapers; for the car pools which take committed voters to the polls; and for the time spent by top union officials who hold positions on the Democratic National Committee.

RAPING THE TREASURY

The National Journal reported four months after the 1976 election: "Admonitions [printed] to 'vote Democratic' did not have to be reported [by the unions as a campaign contribution], nor did direct advocacy of a specific candidate if the basic purpose of the communication was not political.

"Virtually every newsletter mailed to [union] members in September and October included material praising Carter or criticizing Ford, usually with a picture of Carter on the cover. Almost none of this was reported to the Federal Election Commission [FEC], presumably because the material appeared in regular publications that normally report on union business."

But the unions have not stopped at this rape of their treasuries. In case after case, union members are "assessed" for political contributions and warned that if they do not bend to this compulsory fund-raising they will lose their union standing—which means loss of employment. When complaints were filed with the FEC, they were ignored until the National Right to Work Legal Defense Foundation brought suit in the federal courts and compelled the FEC to act. The FEC is now reluctantly suing the AFL–CIO, which, if it loses, will have to endanger the solvency of its multi-billion-dollar treasury by paying a $10,000 fine.●

ACTION TAKEN ON MONTANA CEMENT SHORTAGE

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BAUCUS. Mr. Speaker, I would like to take this opportunity to report on a severe shortage of portland cement which has been plaguing Montana and other Midwestern States during the past weeks. This shortage has occurred at a crucial time for Montana's contractors and farmers, and I am concerned about its potential impact on their livelihoods.

Increased construction has significantly expanded the demand for cement in Montana. We also withstood a long and hard winter this year which delayed many building projects until spring. These projects have since resumed and are adding to the perennially high summer construction activity in our State.

While the cement industry might normally have been able to cope with the greater demand. The companies which supply Montana experienced several production and distribution problems which drove the shortage to its present, serious proportions.

Two months ago the Ideal Cement Co. was forced to close its plant at Trident, Mont., when a crack developed in a kiln there. This plant usually supplies a large percentage of Montana's cement, and though it reopened last week, the effects of the interruption will be felt for months to come.

Another source of our cement was cut off when an embargo prohibiting out-of-State shipments was imposed on the State-owned South Dakota Cement Co. This embargo had allowed South Dakota to retain cement for its own use during the shortage, but a Federal court judge recently declared the measure unconstitutional under the interstate commerce clause.

When I heard that the embargo had been annulled, I called the Governor of South Dakota to explain Montana's need for his State's cement. He assured me that we would receive every possible consideration as the new allocation procedures were developed, and I understand that shipments to our State will resume shortly.

Even with the reopening of Ideal's plant and the lifting of the embargo, the cement outlook for the immediate future is not particularly bright. Montana's farmers, who are planning to harvest over 200 million bushels of wheat and barley in the coming weeks, need to build storage shelters to protect their grain until it can be transported to market. Only about 150 million bushels of storage space is available, indicating that millions of bushels of grain may have to be stored in the open or sold quickly at a substantial loss to farmers.

The USDA facility loan program gives farmers credit to build grain storage. Under current rules, these facilities must have concrete floors. I called U.S. Secretary of Agriculture, Bob Bergland, to ask that these rules be temporarily relaxed until the cement shortage ends. This has since been done, hopefully taking some of the pressure off of our farmers.

Mr. Speaker, my office has been in contact with the American and Canadian cement companies that serve Montana, and they are currently doing as much as they can to meet our needs. There will still be some shortages for the rest of the summer, and I urge my colleagues to keep our need for cement in mind and to contact me should they learn of any means by which we might lessen its impact. For my part, I will continue my efforts to remove the strain which this or any other problem presents to Montana's growing economy.●

FAMILY IMPACT SEMINAR

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRADEMAS. Mr. Speaker, as chairman of the Subcommittee on Select Education, I have had the privilege to work closely on a variety of legislative measures designed to benefit our country's children and their families.

In hearings held by the subcommittee on subjects like day care, child abuse, foster care, adoption, and domestic violence we have heard too often of the grave damage done to the place of the family in our society.

The White House Conference on Families, which was to have been held next year, would have given preferential attention, as President Carter explained, to "the ways in which family life is affected by public policies."

Mr. Speaker, with the postponement of the White House Conference on Families, I do not believe that we should drop our concern for families. I am pleased, therefore, to call attention to the important work being done now by the Family Impact Seminar at the Institute for Educational Leadership of George Washington University.

In several areas of public policy—such as the effect of work on family life and the Nation's foster care system—the Family Impact Seminar, composed of scholars and policymakers, under the direction of A. Sidney Johnson III, is studying the different ways in which Government actions influence families.

At this point in the RECORD, I would insert a recent article by Steven V. Roberts in the New York Times telling of the work of the Family Impact Seminar.

STUDYING GOVERNMENT ROLE IN FAMILY

(By Steven V. Roberts)

WASHINGTON, June 23.—When A. Sidney Johnson's mother took sick recently, he wanted to care for her at home. But since Medicare will pay for a nursing facility and not for home-based care, it would have been

more expensive to keep his mother in her own house, surrounded by her own family.

This sort of situation infuriates Mr. Johnson and his colleagues at the Family Impact Seminar. Their purpose is to determine ways that government can help families cope with an age of bewildering change. But all too often, they find, government hurts more than it helps.

Supported by several large foundation grants, the seminar is one of dozens of institutes and agencies that have sprouted around the country in recent years to examine the family and its role in modern America. But unlike some of these researchers, who act more like morticians, the seminar staff believes that the family is in good health "The family," said Ruth Hubbell, the seminar's research director, "is still the best way to do a lot of things, such as raising children and meeting economic needs."

Theodora Ooms, the deputy director, senses a reaction against "professionalism" and the notion that families do not know what is best for themselves. "We have to change practices to meet family needs," she said, "rather than take over family functions."

CHANGES IN THE SOCIETY

Impetus for the seminar came from several sources, among them the devastating societal changes currently affecting the family. Over half the mothers with school-age children are now in the work force, as are more than one-third of those with preschoolers. The rising divorce rate, the increase in single-parent households and the growing career aspirations of women are all shaking the foundations of the traditional family structure.

Furthermore, the findings of the well-known Coleman report of the mid-1960's had stressed that family was more important to a child's development than school or other influences. Professionals realized more than ever that they could not study children in isolation, as if they were laboratory animals, but also had to consider social and economic forces.

A third source was political, since Mr. Johnson, the seminar director, had spent six years as staff director of the Senate Subcommittee on Children and Youth under then Senator Walter Mondale.

The seminar was established in early 1976 with the idea of testing the feasibility of a family impact statement, similar to the environmental impact statements now required for legislation affecting the environment. Some advocates wanted to push the idea through Congress immediately, but Mr. Johnson felt it would be better to study the concept and let it "bubble a bit."

A SENSITIVE ISSUE

Family issues touch on highly emotional and controversial subjects, and there is no one model for a successful, functioning family. The sensitivity of the issue was demonstrated recently when Secretary of Health, Education and Welfare Joseph A. Califano Jr. announced a two-year delay in the White House Conference on Families after different groups had started squabbling over the choice of director and the orientation of the conference.

The seminar consists of 22 experts in the field of family study, who meet periodically to guide and review the work of the small professional staff. Right now, the staff is drafting some model impact statements.

The first model concerns the Federal Government as employer and evaluates the experience of about 140,000 employees who have been working on flexible time schedules.

The seminar members believe that the impact of work on family life has long been underestimated. As Halcy Bohen, chief author of the model impact statement put it, "the competition between time for work and time for family has become a growing problem for an increasing number of Americans."

According to an interim report published in April, many workers say that flexible work hours improve their morale and give them more time for such family-related events as doctors' visits and school plays.

CHILDREN IN FOSTER CARE

The second subject for a model impact statement is the foster care system, which is directly influenced by government policy. Seminar studies show that many foster children are allowed to drift in a sort of limbo, since government regulations make it difficult to reunite them with their biological families or put them up for adoption.

After two years of study, the seminar staff has realized that many of the key decisions affecting families takes place on the local level, where services are delivered, rather than at the national level. The hours of a hospital clinic or after-school day care center, for instance, can be far more important to a family than a Congressional vote on welfare policy. Accordingly, the seminar is also trying to develop a sort of checklist for consumers, a set of questions that can be asked at city council meetings or in letters to the editor, which would help illuminate a policy's impact on families.

Since the seminar places top priority on the family, it encounters some resistance from groups that have other goals. Some feminists, for example, see the emphasis on family as a threat to the full independence and liberation of women.

Focusing on the family can also seem threatening to advocates of "self-actualization," and to those who believe that "doing your own thing" precludes compromise within a larger social group. "There's been tremendous interest in self-actualization and self-fulfillment, but I think it's gone too far," Mrs. Ooms asserted. "People need some rootedness, some sense of responsibility."

For all its faults, the seminar seems to be saying, the family will, and should, endure. "I find some family talk nauseatingly sweet," Mrs. Ooms said, "but it is still the most intense way in which we get meaning in our lives." ●

AVIATION SAFETY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

○ Mr. RINALDO. Mr. Speaker, aviation safety is of vital concern to me and to the millions of Americans who fly. Although the vast majority of airline flights end safely, I have become increasingly concerned that deficiencies in the process by which the Federal Aviation Administration certificates new aircraft may be jeopardizing aviation safety.

Aircraft type certification is the legally mandated process by which the FAA aircraft to be "of proper design, material, specifications, construction and performance for safe operation." (Section 603(a)(2), Federal Aviation Act). Weaknesses in this process, however, came to light after the crash of a Turkish Airlines DC–10 crashed, killing 346 persons in March of 1974. This was one of the worst air disasters in history.

In May of this year, Capt. John J. O'Donnell, president of the Airline Pilots Association, reviewed the current certification process in a statement to the Subcommittee on Transportation of the Senate Appropriations Committee. In my view, this is an excellent statement and outlines in detail the problems inherent in the current system.

I would like to submit Captain O'Donnell's statement into the RECORD so that my colleagues and other interested parties will be apprised of this extremely important problem.

The statement follows:

STATEMENT OF CAPTAIN O'DONNELL

As the members of this Subcommittee know, the air transportation industry stands at the threshold today of an investment in fleet modernization estimated at $60 billion upwards. Beginning with the pending application for certification of a newly proposed design designated the McDonnell-Douglas Super 80, we feel it is imperative that aircraft of the future be subjected to the most searching and detailed examination before being placed into commercial service.

Little has been publicly revealed about the inner workings of the certification process until tragic failure of the cargo door on a fully loaded DC–10, resulted in the loss of 346 lives; a record for a single airplane accident. Documents brought to light during the product liability suits against the DC–10 manufacturer, Douglas Aircraft, have disclosed that the crash was caused by design defects that should have been caught and corrected during the course of certification. Looking deeper, with the benefit of authoritative studies of this disaster, we find that most of the certification checks and inspections are conducted by the private, profit-motivated company building the aircraft. The same individual can perform the same task twice: first, as a paid employee of the manufacturer, then again as a delegated FAA inspector. In the case of the DC–10, for example, out of the 42,950 inspections required for certification, 31,895 were performed by workers on the payroll of the manufacturer.

What is surprising under these circumstances is not that mistakes have occurred, but that there have not been more of them, considering the extent to which FAA has allowed the process to degenerate into "self-certification." Even after the DC–10 certification errors became known as a result of an inflight cargo door failure, FAA did not insist on mandatory action but instead again left the decision up to the discretion of the manufacturer. The manner in which FAA abdicated its statutory duties is indicative of the overly protective and questionable relationship that this agency has developed with the commercial companies it is supposed to be regulating.

The problem of the FAA's protective attitude toward the industry it is mandated to regulate was clearly pointed out in the Report of the Special Subcommittee on Investigations of the House Committee on Interstate and Foreign Commerce in January 1975. In their report entitled "Air Safety: Selected Review of FAA Performance," the Subcommittee states,

"Unlike some other agencies of the Government, whose responsibilities center on economic regulation, the responsibilities of the FAA directly involve human life and safety.

"For this reason, it is somewhat unfortunate that the task of the FAA has been traditionally described as two-fold: to foster aviation safety on the one hand, while promoting civil aviation itself, on the other. The Subcommittee has noted a tendency within the agency to view these responsibilities as if they were competing interests to be balanced off against each other. There have been instances when appropriate FAA actions in furtherance of air safety have been unreasonably delayed, or omitted entirely, because of an oversolicitous attitude on the

part of some within the agency concerning the economic well-being of the aircraft industry or the air carriers.

"The Subcommittee is not in favor of agency activity which imposes needless and unjustified burdens upon the aviation industry. But the Subcommittee does not view realistic and effective safety regulation as being inimical to the long-range economic health of the industry. Public acceptance and confidence in air travel has been based upon an underlying foundation of trust that the highest possible degree of safety is being required by the FAA and implemented by the air carriers. Recent developments, some of which are discussed in this report, have had the effect of calling into question these basic assumptions. Once lost, public confidence will not be quickly regained. Therefore, agency decisions which compromise safety in favor of apparent short-term economic factors affecting the industry apart from their threat to the public safety, do not serve the real economic interests of the aviation industry. The attempt to balance dollars against lives benefits no one.

"It has been noted before that regulatory agencies, like people, sometimes suffer from hardening of the arteries with advancing age. Symptoms of such a process have been noted within the FAA. Administrative delay and inactivity is bad in any agency; in the case of the FAA, it may literally endanger human life. Instances of completely inappropriate bureaucratic slowness to act, and inaction, are noted throughout this report.

"The Subcommittee found throughout its inquiry—from the DC–10 crash to its most recent investigation into the feasibility of requiring Ground Proximity Warning Systems—a tendency for the agency to avoid the role of leadership in advancing air safety which the Congress intended it to assume. This is manifested primarily by the FAA's willingness to let the industry engage in self-regulation when vital safety matters are concerned. In some instances, this abdication of responsibility has been coupled with an administrative lethargy—a sluggishness which at times approaches an attitude of indifference to public safety. This must stop."

The Air Line Pilots Association had hoped that the FAA would heed this admonition of the Subcommittee, but recent actions concerning aircraft certification lead us to conclude that the same overly protective attitude still prevails at the FAA.

The Air Line Pilots Association has pressed for reforms through administrative channels. By law, FAA is expressly empowered to hold open certification hearings. There is also ample authority for allowing the public access to official certification records. We recently asked for the opportunity, along with other directly affected parties, to participate in one of the crucial aspects of the certification process—the crew complement determination. We are concerned as a matter of aviation safety that the Super 80 and other aircraft of the future be capable of successfully coping with the increasingly more demanding air traffic conditions projected over the years ahead.

Unfortunately, FAA Administrator Langhorne Bond has rejected the request for an open hearing, stating that it would not serve any useful purpose. We have similarly been thwarted in obtaining access to certification files, and found it necessary to resort to the provisions of the Freedom of Information Act in seeking such data.

Another certification deficiency which continues to exist is the lack of smoke and toxicity standards for cabin materials. Present plastic materials installed in aircraft have been known to produce toxic and lethal amounts of gases when subjected to post crash fires thereby incapacitating passengers and preventing their evacuation.

Even today after 20 years of jet transport operations, the FAA has no certification requirement that aircraft be tested on wet or slippery runways. Needless to say, the number of runway excursions associated with wet or slippery runways remains relatively high. The most recent example was the fatal Continental Air Lines DC–10 accident at Los Angeles in which the crew attempted to abort the takeoff on a wet runway following multiple tire failures. The aircraft overran the runway.

As ALPA has learned, an interested party seeking certification data has few options. Requests are met with outright refusal from the manufacturers, who treat such information as privileged, and not much more from FAA, which has a policy of invoking to the maximum possible extent the "trade secrets" exemption of the Freedom of Information Act. Since most of the data are generated by the manufacturers, the requestor not infrequently returns empty-handed.

Having been denied access to certification, an interested party must accept on faith that both the FAA and the manufacturers are taking all actions necessary for safety. This is the FAA's statutory charge and reflects an orientation that manufacturers cannot afford to ignore. The manufacturers, however, are also commercial companies concerned with sales, earnings and returns to their shareholders. When the two values conflict, the choice has not always been in the public interest.

When the veil of secrecy is lifted, it becomes clear that a highly undesirable relationship has developed between FAA and the companies it is supposed to be regulating. Instead of being stern and impartial spokesmen for safety, the regulatory officials often appear to be serving primarily to rubberstamp company proposals. There is an intermingling of public and private viewpoints that tends to obscure objectivity, blur accountability and, in general, allows the manufacturer to dominate the process. Instances are rare indeed of certification being permanently withheld; this is unheard of in the case of air carrier aircraft.

Equally difficult to accept is the degree to which FAA relies on company personnel to carry out certification checks. This can run as high as 80 percent in particular programs and has arisen not by chance, but rather, due to the deliberate decision to delegate official responsibilities to private persons. The process was best described as "self-certification" by the Subcommittee on Investigations of the House Interstate and Foreign Commerce Committee.

In short, certification as currently conducted by the FAA, has become the type of arrangement that thrives in the darkness and would not long survive if exposed to the light of day. Letting the "sunshine" in would, if nothing else, put the full force of public opinion behind the need to give first priority to safety. It would also put an end to the excessive dependence on employees whose salaries are paid by the manufacturers.

We believe that the need for exposing FAA safety matters to the "sunshine" of public scrutiny was well stated by the Senate Commerce Committee's Aviation Subcommittee in its "Report on the Oversight Hearings and Investigations of the DC–10 Aircraft" issued in June 1974.

"While we share the concern that the DC–10 enjoy a high reputation for safety and reliability, we believe it is more important to deal with safety defects in an open and above board manner. If dealt with that way, then public confidence will be bolstered in the regulatory process and in the FAA which the public is entitled to believe exists to insure the highest safety standards in air transportation. Actions taken behind closed doors or actions which are kept off the public record only serve to create an impression of the regulator being unduly influenced by those he regulates. The regulatory process, particularly where public safety is concerned, should be totally above any suspiction that the Government is compromising safety standards to accommodate industry. Confidence in government in general will not be bolstered by governmental actions which give the appearance of succumbing to private interests."

Lest these dangers be dismissed as merely theoretical, we must remind the Subcommittee again of the "cargo door" failure that caused the Paris DC–10 crash in 1974. As detailed in the law suits against the manufacturer and in the House Subcommittee hearings, although the defects were known at the time, the aircraft was certificated as safe against explosive decompression. This tragic error cost the lives of 346 passengers and crew members, the record for a single aircraft disaster.

Just the other day, the press reported that the DC–10 certification was again being reexamined by the FAA, this time in connection with recent tire failures. Is it a commentary on FAA's vigilance that action was deferred until lives were lost? ●

REGULATING THE NATION'S BUSINESSES

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. RUSSO. Mr. Speaker, recently in hearings before the House Small Business Committee, Representative JOHN BRECKINRIDGE, Democrat from Kentucky, questioned the role of the Federal Trade Commission in regulating the Nation's businesses. He was concerned over whether the Commission has been protecting small business. I share his concern and further believe that the Commission wastes time, money, and energy on issues of no great consequence. My belief has been supported by hearings my subcommittee held concerning a proposed funeral trade regulation.

Recently, New Republic magazine ran an excellent article on the Commission's lack of zeal when it comes to the "tough" issues—the decline of small breweries in this instance. I commend the article by Eliot Marshall on our brewery industry to all my colleagues:

FROTHING AND FOAMING

(By Eliot Marshall)

It's one of those odd quirks of consumer behavior, if you see things as Miller Brewing Company does, that causes people to confuse Miller's domestic "Lowenbrau" beer with a German beer by the same name. Since last year the real German Lowenbrau light special and dark special beers have been banned in the U.S. You can't buy them here at any price. Instead, under an agreement between Miller and Lowenbrau, Miller now makes a domestic imitation of the beer and sells it in bottles that are virtually identical to the ones that used to contain the German beer.

When asked if Miller had used this elaborate packaging technique in order to trick buyers into thinking they were buying a German product, Miller spokesman Guy Smith replied, "Of course not." Why then has Miller gone to so much trouble to buy a distinguished German beer name, copy the Lowenbrau label, advertise the illustrious

history of the German company and peddle a domestic brew in Lowenbrau bottles?

Miller's promotion campaign, though unlikely to affect the health or safety of consumers, provides a fascinating glimpse into big-company ad techniques. It shows how a large manufacturer, if it wishes to get ahead quickly, learns to shade the truth, wriggle around federal regulators who stand in its way and manipulate popular images to fit its plan.

If you want to know what Lowenbrau beer is made of, don't bother calling the Bureau of Alcohol, Tobacco, and Firearms. This is the agency that's responsible for approving the labels and ingredients of alcoholic beverages sold in the U.S. The BATF has a long-standing policy of not divulging the contents of any liquor, wine or beer on grounds that it cannot give away company secrets. The Food and Drug Administration, which requires that the ingredients of all other foods be made public, does *not* have the jurisdiction over the contents of alcoholic beverages. It would like to have jurisdiction and it would like to publish the ingredients of alcoholic beverages. But so far it has been unable to persuade the BATF or the federal government to go along with the idea. It recently lost in court when it tried to seize the jurisdiction away from BATF. As a result, liquor consumers don't know what they're consuming.

Miller and its parent company, Philip Morris, also refuse to say what's in Lowenbrau because they claim it's a trade secret. But one wonders who Miller really wants to keep in the dark—its competitors or the public. Miller's chief competitor—Anheuser-Busch, the brewer of Budweiser and Michelob—seems to know what's in Lowenbrau. Anheuser recently filed a 32-page complaint at the Federal Trade Commission, accusing Miller of using deceptive advertising. In the brief, Anheuser makes a number of charges, one of them being that Miller's domestic substitute for Lowenbrau is brewed by methods that would not be acceptable in Germany. Miller's version of Lowenbrau wouldn't even qualify as beer in Germany. Specifically, the complaint says that the real German product is made of "100 percent two-row barley malt" and no chemical additives. The domestic substitute made by Miller is brewed of 72 percent six-row barley malt (a cheaper malt) and 28 percent corn grits. In addition, the domestic beer has "at least two non-natural additives" and one natural chemical. They are potassium meta bisulfite (an anti-oxidant), an unspecified enzymatic chillproofing compound and kelcoloid (a derivative of kelp used to improve foam). Anheuser claimed that the German beer is naturally carbonated (krausened) and fermented twice over a period of six weeks, while the domestic brew is carbonated by injection of carbon dioxide gas and fermented once for nine days. Finally, while German dark Lowenbrau is brewed by an entirely different method, the only difference between light and dark domestic Lowenbrau is a little bit of food coloring. Miller refused to discuss the accuracy of this description of its brewing techniques.

Anheuser-Busch filed its complaint in November of 1977, requesting that the FTC make a formal investigation of Miller's ad campaign. It pointed out that in the last months of 1977, Miller planned to spend eight million dollars promoting its domestic Lowenbrau and planned to spend another $21 million in 1978—an enormous budget. The ads are unfair, according to Anheuser, because they prominently display the German symbols and European brewing awards won by the real Lowenbrau while printing Miller's name in obscure type in difficult-to-spot locations. The FTC's consumer protection staff agreed with the complaint and wrote a 76-page memorandum urging the commission to take action against Miller—or at the very least to make a formal investigation.

The FTC staff memo, which was written after a brief and informal inquiry, claimed that stores and restaurants often listed Lowenbrau as an imported beer, and that many people seemed surprised to learn that it was a domestic beer. "Perhaps of greatest concern," the memo concluded, "should be the fact that Philip Morris, a major American conglomerate which ranked 9th of the 100 leading advertisers in 1976, spending $149 million dollars in advertising . . . has embarked upon an advertising campaign of enormous cost to sell the American public a lie." It raised the possibility that if the FTC failed to act, other companies might begin buying foreign labels to attach to American goods. Kodak might try to sell imitation Nikons, Zenith might sell imitation Sonys and so on. The staff called for firm and prompt action to stop what it called a flagrant violation of consumer law.

That recommendation went to the Commission in February, and in late May the commissioners met to discuss it. The commissioners, of whom there were only four at the time, split up in a tie vote, two to two. The effect of this was to stall action indefinitely. While the FTC agonizes over the case, Miller continues to advertise as always. What particularly annoyed some FTC-watchers was that two high-level officials who argued strongly *not* to act against Miller before the vote was cast—the agency's chief counsel, Michael Sohn, and the chief of the consumer protection bureau, Alfred Kramer—represented Philip Morris and Miller when they were in private practice at the law firm of Arnold and Porter. Kramer could not be reached for comment. Sohn said that he had not removed himself from discussion of the case at the FTC because it did not touch on any of the specific matters he had worked on for Miller when Miller was his client. He said that he had done more than the administration's guidelines required in recusing himself from all matters Arnold and Porter had had pending at the FTC when he left the firm over a year ago. "Do you disqualify yourself forever because you once represented a client in private practice?" Sohn asked.

Commissioners Paul Rand Dixon and Elizabeth Dole voted in favor of the staff recommendation to take action. Chairman Michael Pertschuk and Commissioner David Clanton voted against. Dixon was reluctant to discuss the FTC's confidential proceedings, but he said, "I thought [the charge] was strong enough that we ought to look into it and do something about it." He explained that nothing can go forward until the tie vote is broken: "It's just lying there. . . . We can't take final action until we get a clear vote." He doubted that the impasse would be resolved soon. "We got a new commissioner coming on here. We'll see what he can do. That'd be something if he's disqualified, wouldn't it?" And why might he be disqualified? "Because he's probably in the law firm where they worked on the case. Now ain't that a hell of a mess?"

It is a mess. The new commissioner just confirmed last week—Robert Pitofsky—comes from the firm of Arnold and Porter, where he worked on the Philip Morris-Miller account. He will, of course, recuse himself from the Lowenbrau decision. The effect of this is precisely the same as a vote in favor of his former client would have been: it stops the action. There is nothing illegal in having the FTC stacked with former Philip Morris attorneys, but it certainly assures Philip Morris that it will get a sympathetic hearing when it comes to town (or better yet—as in this case—that it won't have to come to town at all).

Miller could use some friends in Washington. So could Anheuser-Busch. According to a recent market analysis by the Wall Street firm of Sanford C. Bernstein, these two are about to clash in the biggest beer war of the century. The battle will be fought largely with ads and slick marketing campaigns, the very things the FTC is supposed to regulate. The Bernstein report found that "a fundamental change in the structure of the brewing industry is under way," a change that will wipe out many of the remaining small breweries and possibly knock off one of the larger companies. (Already since World War II the number of brewers in the US has declined from around 400 to fewer than 50.)

According to the Bernstein report: "The cost of maintaining or improving market share will be forced up materially in that share progress will become heavily dependent upon the ability to launch and effectively support new brands. . . . These trends significantly increase the competitive power deriving from large size, financial strength and marketing expertise. As such, they are expected to produce a further tiering of the industry wherein significant market share gains will be confined almost totally to Anheuser-Busch and Miller." The beer business, in short, is about to become a lot like the cigarette business. Economic power will become more concentrated in two or three companies, the quality of beer will become more homogenized, brand names will proliferate and floods of advertising will descend upon the market. Propaganda skills will count for more than brewing skills.

According to University of Wisconsin economist Willard Mueller, it is no accident that this is happening to the beer industry just a few years after Philip Morris bought up Miller. He believes that the conglomerate follows a strategy of subsidizing new satellite companies—as Philip Morris has done with Miller since 1971—until the satellite gains enough raw power in its market to dictate its own terms of commerce. Mueller points out that Philip Morris increased its total debt between 1971 and 1977 by about one billion dollars. "Most of this," he claims, "was used (directly or indirectly) to finance Miller's expansion." Unlike Miller, the competing beer companies do not have the same degree of access to credit. Another thing that distinguishes Miller from the pack these days is that it spends more on advertising than other companies. According to Mueller, the company spends $18.80 per barrel on Lowenbrau alone. Aside from corn grits, hype is the most important new ingredient in the beer.

A couple of years ago, Mueller tried to persuade the FTC and the Justice Department that they should prevent Philip Morris from acquiring Miller. He argued that it was unfair to have a conglomerate buy up and subsidize a company that was competing against other companies that had no subsidy. Mueller was unsuccessful. The people at the FTC, he said, were either "gun-shy" or incompetent. As a result, he now predicts there will be a wave of beer company takeovers by conglomerates and mergers between competing firms like Schmidt and Schaeffer, Pabst and Carling. The government will have to permit these anti-competitive mergers or watch the companies go bankrupt. Mueller, by the way, is a consultant for Stroh, an independent brewer that wishes to remain independent.

The Miller company believes that the entire flap over Lowenbrau has been stirred up by its competitor—Anheuser-Busch—because the latter is losing ground in the market. Lowenbrau, Miller says, is competing with Anheuser's Michelob, which had no competition as a domestic "superpremium" beer until domestic Lowenbrau came along. There's some truth in this. But Anheuser's complaint is not as frivolous as Miller would have us believe. It has to do with the rules of conduct that big corporations must follow in seducing the public, and Anheuser clearly felt that Miller was behaving in an ungentlemanly manner. It looks as though no one

cares. If Anheuser really has lost its case, perhaps it will now take a lesson from Philip Morris. Maybe it will quit rocking the boat, keep quiet about what's inside the bottle and get to work on those ads.●

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. ROSE. Mr. Speaker, today I offer for the public's information, the conclusions of USDA's briefing paper on the FDA's proposals to restrict the use of antibiotics at subtherapeutic levels in animal feeds.

FDA'S PROPOSED RESTRICTIONS ON ANTIBIOTICS

ANTIBIOTIC POLICY DEVELOPMENT

Great Britain has made an extensive study of the antibiotics situation and has adopted several changes in drug policy. In 1968, the Swann Committee was appointed to investigate the matter of subtherapeutic use of antibiotics in animal feed and make recommendations following an epidemic of Salmonella typhimurium type 29 (food poisoning) in dairy calves that subsequently spread to humans. (It was never established that use of antibiotics in animal feeds contributed to the spread of the infection from animals to humans.)

The Committee subsequently recommended that antibiotics and other antibacterials be separated into a "feed" class and a "therapeutic" class. The tetracycline, penicillin, tylosin, and sulfonamide antibiotics and the antibacterial nitrofurans should be restricted to therapeutic use only and controlled by issuance of veterinary prescription. Antibiotics such as bacitracin, flavomycin, virginiamycin, and nitrovin would be used exclusively as "feed" antibiotics subject only to recommendations pertaining to level of use.

The report was adopted by the British Government in 1971. Results of the policy change indicate that the use of drugs has been more selective and effectively monitored without sacrifice in food production. However, there is no documented evidence that there has been a reduction in disease in humans due to animal origin bacteria, that a reduction in drug resistant bacteria has improved the efficacy of therapy of human or animal diseases, or that bacterial contamination of food of animal origin has been reduced. Further, the economic effects in terms of impacts on cost of production and output are not known. Use of antibiotics and drugs in livestock and poultry feeds has not been reduced.[1]

Compared to the British, the pace of the U.S. FDA in altering the use of antimicrobial drugs has been much slower and apparently more deliberate. In 1966, the FDA completed an inquiry into veterinary medical and nonmedical uses of antibiotics. The only action was the revocation of licenses to permit the direct use of antibiotics in foods for preservation purposes.

Following the Swann Committee report, FDA appointed a task force to investigate the use of antibiotics in feed. The report, published in 1972, recognized the potential health hazard of drug resistant bacteria and means of transmission to humans along with the larger problem of compromising the use of drugs for therapeutic purposes.

In 1973, FDA published a statement of policy and criteria for testing antibiotics in order to answer the questions raised by the 1972 report.[2] Special attention was focused on the tetracyclines, streptomycin, dihydrostreptomycin, penicillin, and sulfonamides as to their effect on the salmonella reservoir in animals. Manufacturers were given until April 1975 to provide data on safety and effectiveness of products. Products that indicated a human health hazard would be withdrawn immediately.

CURRENT SITUATION

On May 27, 1977, the FDA Commissioner published in the *Federal Register* a notice, "Intent to Propose Rules and Call for Environmental Impact Data." FDA's general steps in the overall process to carry out this intent include:

(1) Terminate all subtherapeutic use of penicillin in all feed (proposed on Aug. 29, 1977);

(2) Terminate the use of the tetracyclines in situations where there are viable alternatives;

(3) Impose restrictions on the distribution and use of the remaining uses of penicillin and tetracyclines; and

(4) Expedite implementation of the drug efficacy study implementation (DESI) notices proposing to withdraw approval of all penicillin and tetracycline combination products that lack evidence of effectiveness.

The second part of the notice was a request for environmental information from interested parties on introduction into the environment, fate in the environment, and environmental effects of penicillin and tetracyclines and other drugs that would be indirectly affected in terms of use as alternatives to penicillin and tetracyclines. The closing date for receiving information was July 26, 1977. FDA's Bureau of Veterinary Medicine indicates that it will assess the environmental data to determine if a program environmental impact statement encompassing all the actions will be required prior to finalization of the proposed actions.

On August 29, 1977, FDA proposed to prohibit the routine addition of the antibiotic penicillin to animal feeds. The proposal, appearing in the August 30 Federal Register, is the first step, according to FDA, "in a long-range FDA effort to limit the addition to animal feeds cf antibiotics that are important in combating disease in people or animals." FDA allows 30 days for the public to comment and for the industry to request a hearing. There are an additional 30 allowed days to submit analysis and data to support a request for a hearing.

This proposed action, as well as others to be proposed, could have a significant impact upon the efficiency of production of cattle, swine, and poultry. According to the FDA, tetracycline, penicillin, and combinations with other antibacterials are estimated to be used in feed for all turkeys, 80 percent of the swine and veal calves, 60 percent of the cattle, and 30 percent of the chickens raised for food in the United States. However, tetracyclines are apparently used much more extensively than penicillin.

The magnitude of the impact, both in technical and economic terms will depend upon officially sanctioned types and availability of antibacterial substitutes and those specific situations where tetracyclines can be used at subtherapeutic levels where no viable alternative is known to exist. When FDA publishes an official list of substitutes and their uses and permitted uses of the tetracyclines, it will be possible to estimate the technical and economic impacts of the proposed action upon the output of animals and animal products, cost of production, and farm and retail prices.

ECONOMIC RESEARCH

Recent studies, including two by the Economic Research Service and one by FDA, report the economic consequences of restricting the use of antibiotics at subtherapeutic levels in poultry, swine, and livestock production. The Gilliam report (ERS), addressing the impact on swine and cattle production, examined the economic effects of three alternative producer reactions assuming a complete ban on the use of antibiotics at subtherapeutic levels.[3] Although such an all-inclusive ban has never been proposed, results reveal importance of antibiotics to efficient production of livestock. For example, maintaining output at 1970 levels by either feeding the same number of animals longer or feeding more animals for the same feeding period duration would increase cattle production costs by approximately 50 cents per 100 pounds and hog production costs from $1.00 to $1.30 per 100 pounds. The impact on total annual production costs for beef and pork ranges from $370 to $470 million.

If producers increased neither the number of animals fed nor the length of the feeding period following the ban, beef and pork output would decrease and prices would increase. Consumer expenditures would increase by $1.6 billion as a result of higher prices paid for the smaller supply. Producer revenues would increase by $1.9 billion as a result of higher prices received and reductions in total costs from nonpurchase of antibiotics and feed. The study assumed 1970 prices and output levels for basis of calculation. It should be noted that, with a longer run period for adjustment, producers would probably adjust both numbers of animals and length of feeding period. As a result, the economic impact of a total ban would fall in between the ranges cited above.

Allen and Burbee addressed the impact on turkey and broiler production but used two sets of assumptions: (1) a total ban and (2) availability of antibiotic substitutes.[4] Under the first assumption, using 1970 prices and output levels, broiler production costs would increase by 0.2 to 0.25 cents per pound while turkey production costs would increase by 0.55 to 0.9 cents per pound. Without any change in numbers of birds produced and duration of the feeding period, annual consumer expenditures would increase by approximately $200 million as a result of higher prices for the reduced meat output. Under the second assumption, statistical analyses were used to valuate the substitutability of several antibiotics. No significant difference could be found in terms of feed and growth efficacy, leading to the conclusion that a proposed restriction on use of some antibiotics would not have a significant economic impact.

Mann and Paulsen used an econometric simulation mode to evaluate the impact of restricting antibiotics as animal feet additives on beef, pork, broiler, and turkey production over a 10-year period.[5] Under the model, all restrictive policy alternatives produced wholesale price increases. Simulation estimates of price and production cost increases, however, were lower than previous findings by the Gilliam study. This differ-

[1] Based on statement of Dr. R. Braude, Univ. Reading, Amer. Soc. for Animal Sci., annual meeting, 1976.

[2] Task Force Report to the FDA Commissioner on the Use of Antibiotics in Animal Feeds (FDA 72-6008) Jan. 1972.

[3] H. Gilliam, et. al., "Economic Consequence of Banning the Use of Antibiotics at Production," Texas A&M Univ. in cooperation with Econ. Res. Serv., Exp. Sta. Rpt. 73-2, Sept. 1973.

[4] G. Allen and C. Burbee, "Economic Consequences of the Restricted Use of Antibiotics at Subtherapeutic Levels in Broiler and Turkey Production," unpublished staff paper, Econ. Res. Serv., U.S. Dept. Agr. Nov. 1973.

[5] T. Mann and A. Paulsen, "Economic Impact of Restricting Feed Additives in Livestock and Poultry Production," *Amer. J. Agr. Econ.*, 58(1), Feb. 1976, pp. 47-53.

ence may be partly due to a lower estimate of the rate of feed additive use by producers, an assumption that would lessen the impact of a ban on feed additives. Total consumer expenditures for beef, veal, and pork were estimated to increase about $500 million over 5 years.

The use of substitute feed additives assuming equal efficacy would narrow the ranges of impact considerably. If producers elect to maintain pre-ban production levels, their adverse impact would be $74 million, with zero immediate consumer impact. On the other hand, if producers choose to maintain pre-ban feeding periods, their net gain would be $195 million and consumers would incur additional costs of $241 million.

An FDA study examined the economic consequences of restricting the subtherapeutic use of tetracyclines in feedlot cattle and swine.[6] Impacts resulting from the use of only non-medicated feeds and from using susbtitute feed additives were determined. Results indicated that if producers use non-medicated feeds and maintain pre-ban production levels, the beef and pork feedlot industry would suffer an adverse impact of $680 million while consumers would experience zero, or no immediate impact. This is because the impact on producers is primarily due to increased costs which have no direct effect on the market price in the short run analyzed. In the long run, some producers may withdraw from the market or may curtail production to offset increased costs and would thus indirecly affect prices to consumers. If non-medicated feeds are used and animals are fed for the same period as before the ban, the feedlot industry in the short run would profit by $972 million and consumers would bear an adverse impact of $1,901 million.

[6] Food and Drug Administration, "Some Economic Consequences of Restricting the Subtherapeutic Use of Tetracyclines in Feedlot Cattle and Swine," OPE Study 33, Nov. 1976.

ABC CLOSEUP: ARSON—FIRE FOR HIRE

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. SAWYER. Mr. Speaker, I would like to bring to the attention of my colleagues an ABC News documentary that will be aired tomorrow night in the Washington area on WJLA channel 7 at 10 p.m. (e.s.t.). The program, Arson: Fire for Hire, is a closeup look at America's fastest growing crime, and will, doubtless, provide added insight into this most pressing problem.

Narrated by ABC correspondent Brit Hume, produced by Richard Gerdau, and reported by Mike Conners, the investigation explores one of the most neglected, yet most devastating crimes in the United States. It is estimated that arson is responsible for over 1,000 deaths and 10,000 injuries annually. At this rate, if left unchecked, arson deaths and injuries will surpass those attributable to all other serious crimes in 4 years.

The documentary will examine: The victims of arson; the building owners who sell deteriorating buildings back and forth in order to inflate their value and collect high insurance payments after the fire; as well as the insurance companies who fail to adequately investigate a suspicious fire, thereby providing the "fuel that keeps the arson fires burning."

Again, ABC Closeup—Arson: Fire for Hire—Thursday, August 3, 1978, channel 7—10 p.m. (e.s.t.).

I heartily recommend your attention to this program.●

CONGRESSIONAL LEGAL COUNSEL ACT

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on August 2, 1977, 1 year ago today, I introduced H.R. 8686, the Congressional Legal Counsel Act of 1977, similar to title II of S. 555, passed by the Senate, 74 to 5, on June 27, 1977. My remarks upon introduction can be found on page 26239 of the August 2, 1977, CONGRESSIONAL RECORD.

Today, Mr. Speaker, I wish to reemphasize the need for creation of this office and to add an amendment to its provisions. Over the years I have consistently supported the concept of congressional review of Federal rulemaking proposals. On March 3, 1976, I cosponsored H.R. 7979, the Administrative Rule Making Reform Act of 1976, introduced by Congressman LEVITAS, which would give Congress the authority to review regulations adopted by Federal agencies and permit either House to disapprove those which are unnecessary or clearly outside the intent of Congress.

On June 16, 1977, I offered a substitute amendment within the House Agricultural Committee consideration of food stamp legislation which would have permitted the General Accounting Office to inform the Congress, through its committees, of any illegal, ambiguous, or improper Federal regulation in order to enable the committee and the Congress to deal directly with the proposed rule.

All of these prior efforts, Mr. Speaker, have been aimed at legislative control of the rulemaking activities of the Federal agencies which annually adopt over 6,000 regulations with the force and effect of law, and to protect the private citizen and small businessman from administrative excesses and abuses.

My amendment to H.R. 8686 would simply permit the Counsel in the Congressional Legal Counsel Office to review any rule or regulation by the Federal Government with the intent to report to the Congress whether the rule is illegal, ultra vires, an unauthorized use of funds, a failure to expend funds as mandated, or in any other way does not comply with the intent of the Congress. Court and/or legislative challenges could be brought by the Counsel for and in behalf of the Congress where appropriate.

A final provision of the amendment provides that failure to act by the Congress on a rule or regulation is not considered an expression of approval or disapproval. The wording of my amendment appears below:

(SECTION 9(c) OF CONGRESSIONAL LEGAL COUNSEL ACT OF 1977)

(c)(1) Upon the direction of either House of the Congress, or of any committee, subcommittee, or Member of the Congress, the Counsel shall review any rule or regulation published for comment or promulgation by any department or agency of the Federal Government to determine whether such rule or regulation will carry out the policy established by the Congress in an effective and timely manner, and to determine whether such department or agency has failed to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(2) The Counsel shall, from time to time, conduct reviews of rules and regulations published for comment or promulgation by any department or agency of the Federal Government to determine whether such rule or regulation will carry out the policy established by the Congress in an effective and timely manner, and to determine whether such department or agency has failed to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(3) The Counsel shall report the results of any review conducted under paragraph (1) or paragraph (2) to the Congress, to the House of the Congress, and to the committee, subcommittee, or Member involved. Any such report shall include a determination of the Counsel with respect to whether the department or agency of the Federal Government involved—

(A) has taken, or proposes to take, action which—

(i) is contrary to, or inconsistent with any provision of law;

(ii) is beyond the scope of the authority of such department or agency;

(iii) involves any unauthorized use of appropriated funds;

(iv) involves any failure or refusal to expend or obligate appropriated funds, if such failure or refusal is inconsistent with any policy established by the Congress; or (v) does not comply with policies established by the Congress or with the intent of Congress relating to any such policy; or

(B) has failed to take a particular action, if such failure has the effect of frustrating congressional intent.

(4) When directed to do so pursuant to section 4(e), the Counsel shall bring a civil action in any appropriate court of the United States to challenge the validity of any rule or regulation promulgated, or proposed to be promulgated, by any department or agency of the Federal Government on the basis of any grounds specified in subparagraph (A) and subparagraph (B) of paragraph (3), or to challenge the failure of any such department or agency to promulgate such rules and regulations as may be necessary for the effective and timely implementation of policies established by the Congress.

(5) The failure of either House of the Congress, or any committee, subcommittee, or Member of Congress, to direct any action by the Counsel under paragraph (1), or the failure to adopt any resolution under section 4(e), shall not be considered to be an expression of approval of any rule or regulation promulgated or proposed to be promulgated, or of the failure to promulgate, by any department or agency of the Federal Government.

Mr. Speaker, the American Law Division of the Library of Congress informs me that the Court of Claims in a 4-to-3 opinion in *Atkins* v. *United States*, Ct. Cl. 41–76 (June 6, 1977), held constitutional the one-House veto provision of the Federal Salary Act (2 U.S.C. Sec. 351 et seq.). The majority held that the con-

gressional veto provision in that statute did not violate the doctrine of separation of powers, the presentation clause of the Constitution, or the principle of bicameralism. In addition, I should like to reproduce for the benefit of the Congress and the public a timely and excellent August 7, 1978, U.S. News & World Report article entitled, "When Congress Uses Its Own Veto." The article follows my remarks:

WHEN CONGRESS USES ITS OWN "VETO"

It may seem only a Washington feud, but infighting between Congress and President Carter over legislative vetoes has meaning for many Americans.

At issue is a statutory device that until recently was of interest mostly to constitutional scholars.

Most commonly, the legislative veto involves writing into a law a proviso that any executive actions taken under it can be nullified by one or both houses of Congress during a specific period—usually 60 to 90 days.

The device was first used by Congress when Herbert Hoover was President. But it has come into wide use only in recent years, spurred by concern over spreading federal regulations and the Watergate scandals.

President Carter has publicly assailed the veto process as an unconstitutional intrusion on executive authority. Yet an unimpressed Congress keeps adding veto language to new laws. Just a week after the President warned against further use of the tactic, the House of Representatives voted to subject all federal housing and community-development regulations to legislative review.

Legislators say that veto provisions merely insure that executive officials carry out the intent behind a law.

Carter and Congress aren't the only ones with a stake in the dispute. Often they are fighting over regulations that affect millions of Americans. These rules, written under laws enacted by Congress, cover everything from job safety and business to health, transportation and environment.

Since 1932, at least 220 laws have been passed with some provision for legislative review of executive action. Almost half were enacted after 1970 as part of a drive by Congress to regain lost powers and to reassert itself as a coequal branch of government.

In the final two Nixon years, distrust between legislators and the White House led to enactment of 24 laws with veto provisions.

The return of a Democrat to the White House has not persuaded the Democratic Congress to shelve the veto. During Carter's first 18 months, the House and Senate tacked veto provisions onto six new laws, including New York City fiscal relief and government-reorganization bills, while exercising vetoes six times under old laws.

Rivalry with the White House is not the only impetus for the legislative veto. Since the early 1960s, lawmakers have criticized the flood of regulations pouring from the big federal agencies.

LOSE CONTROL?

Congress regards the regulations as all too pervasive, often exceeding the intent of the law. There is a feeling that without a veto, Congress would lose control over the laws it enacts. Says Representative Elliott H. Levitas (D-Ga.): "Time after time, agencies usurp the authority of Congress through regulations. Legislative efforts are distorted when the rules and regulations are published."

A prominent example of what Levitas is talking about come under a 1974 energy law, which was designed to hold down domestic oil prices. Instead, an obscure regulation drafted by energy officials gave some oil companies windfall profits of 75 million dollars.

Incidents of this kind step up pressure on lawmakers to rein in the bureaucracy. "Government regulation is our hottest issue back home," says Senator Lloyd M. Bentsen (D-Tex.).

Whether a Democrat or a Republican is in the White House, Congress still sees the bureaucracy as a virtually uncontrolled fourth branch of government. This view is also held by some political scientists.

"One of the big problems of modern government is to gain supervisory control over bureaucrats," asserts Martin Shapiro of the University of California. "Carter has little control over agencies. Congress won't have much either without legislative vetoes."

Both the administration and Congress agree that the legislative veto's chief effect is to make bureaucrats more cautious.

Is this good or bad? Lawmakers believe they are helping restrain reckless writing of regulations by bureaucrats.

But the White House contends that all too often regulations are written nowadays only to satisfy Congress, which often is targeted for heavy lobbying by special-interest groups.

Support for the White House view comes from two Arizona State University law professors who studied effects of the legislative veto on five federal programs. Their conclusion: The review is frequently an exercise in needless second-guessing of agencies.

Even some in Congress agree with that, up to a point. House Speaker Thomas P. O'Neill (D-Mass.), for one, concedes that "in some instances, we have overstepped our rights".

MORE LIMITS SOUGHT

A more common view in Congress, however, is that the veto has been used too sparingly. Two-hundred House members are sponsoring a bill to empower either the House or Senate to kill nearly any regulation written by the executive branch. Almost four dozen other bills propose more limited veto powers.

Legality of the legislative veto is at issue in two federal court cases. While these are moving toward the Supreme Court, President Carter plans to comply with any vetoes involving major questions such as arms sales and foreign policy. His object: Sidestep a major political confrontation until the courts act.

In recent weeks, however, most lawmakers have shown no similar inclination, and a showdown seems assured. The only question is whether it will come in court or on Capitol Hill.●

NFIB OPPOSES THE CONSUMER COOPERATIVE BANK CONFERENCE REPORT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LaFALCE. Mr. Speaker, last year, the House passed, by a one-vote margin, a bill to establish the National Consumer Cooperative Bank. This bill will soon be back before us, in the form of a conference report, and I want to urge you and our colleagues to think very carefully before casting our votes on this report.

If we approve this bill, we will be establishing a new program and authorizing $400 million to fund it. Much of the funding will go for subsidies or below-market interest loans to cooperatives, which according to the National Federation of Independent Business, will often be in direct competition with struggling small businesses which do not enjoy access to financing on such liberal terms.

The National Federation of Independent Business feels so strongly on this issue that they have made the vote on the conference report a "key small business vote." I would like to share the NFIB's views on this with the House.

Following is the NFIB statement:

The conference report on H.R. 2777, the Consumer Cooperative Bank Act, is ready for House consideration. NFIB, on behalf of its 540,000 members, strongly urges your rejection of this legislation.

Last year NFIB members in a mandate poll overwhelmingly opposed this legislation. Not only would the bill encourage tax exempt cooperative competition against hard pressed small businesses, but it would authorize $400 million for a huge new program whose need and effectiveness is unproven.

These coops don't pay the same taxes; and now they will be given a new advantage of low cost money and outright grants to get started.

Small business does not need this new form of government subsidized competition. They are fighting for economic survival. More cooperatives will not improve the chances of the independent small business.●

THE INTERNATIONAL MONITORING COMMITTEE AND THE STRUGGLE TO FREE THE 1980 SUMMER OLYMPICS IN MOSCOW FROM POLITICIZATION BY THE SOVIETS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. KEMP. Mr. Speaker, Irene Manekofsky and Ernie Shalowitz of the International Monitoring Committee for the 1980 Olympics have brought to my attention additional information of the unfolding story of the Soviet Union's attempt to politicize the 1980 summer games in Moscow. This information is of substantial importance, and I wish to bring it to the attention of my colleagues.

THE USOC POSITION IS NOT THE LAST WORD

First, the New York Times of July 28, carried an important news story from Colorado Springs of the day before. That story reported that the U.S. Olympic Committee, the officially sanctioned Olympic organizing committee in this country, had made known its formal support for Israel's full participation in the Moscow Olympics in the summer of 1980.

I quote from the article:

In the most definitive statement yet on how the USOC would respond to an attempt to exclude Israel from the 1980 Olympics, [USOC President Robert J.] Kane told a morning news conference, "We will stand staunchly at their side if anything happens."

"The United States Olympic Committee will exercise every prerogative available to make sure International Olympic Rules and regulations are followed," Don Miller, the USOC executive director, said at a news conference that preceded today's start of the four-day [National Sports] Festival. "If for any reason those rules are abrogated, we would have to question whether those games would be called the Olympic Games."

"We approach this with a great awareness of the multiplicity of problems," Miller said, "but we're not interested in following precedent. We're interested in making precedent."

As someone who has gone round and round with the USOC over the past year

and a half on this and related subjects, I am very pleased to see this action. I think the USOC and its leadership are to be commended for making known their support for Israel and for sending that signal to the International Olympic Committee and to the authorities in Moscow responsible for the games' administration. This is an important first step for the USOC.

But, we must recognize that the position of the USOC is not final on this subject. The decisions will rest with the IOC.

It will take much effort on the part of the IOC to convince the world that IOC behavior in 1980 will be different from its behavior in 1976 when the Republic of China, for example, was excluded from the Montreal Games by the Canadian Government and the IOC caved in.

THE SOVIET ATTEMPT TO CHANGE THE OLYMPIC RULES AND WHY

The Olympic rules can be used to accomplish many of the objectives of the Soviets. I do not think that I have to remind my colleagues that the Soviets were not born yesterday. They are well accustomed to intricate maneuvering in the international community to accomplish their substantive objectives.

That is why, I suggest, that the Soviets are attempting to rewrite the Olympic rules, so that they can accomplish those objectives within rewritten rules. If they get their way in rewriting these rules, they will be able to exclude any countries they wish and any reporters they wish by using their influence to have them declared as "hostile to the spirit of peace and friendship between people and the principles of the Olympic movement." That quote is from a request made by the Soviet Olympic Committee to the IOC, asking it to bar reporters of newspapers, radio, and television stations if they fail to meet that highly subjective test.

Thus, if the rules were changed to conform to Soviet requests, we could see any country or athlete or reporter excluded, and the USOC could say nothing or little because the rules would have been complied with.

USOC'S MESSAGE HASN'T BEEN HEARD IN MOSCOW

The message sent by the USOC doesn't seem to have gotten across in Moscow. I quote from an article from London by Seymour Freidin:

> The Soviet Union has barred dozens of nations, including Israel, from competing next month in a pre-Olympic tune-up to yachting events so routes can be mapped and strategy charted.

We have also seen nothing from the Soviet Union which indicates that they are going to guarantee freedom of entry, free access, and freedom of the press for all newspaper, radio and television reporters. The question was skirted by Ambassador Dobrynin at a recent press conference. We know what they have done with respect to requested rules changes, as I just indicated. We know what they have done at the trials of Anatoly Scharansky and Alexander Ginzburg. We know what they did with respect to two U.S. newsmen through a recent trial of them in their absence.

Thus, the question of whether or not the Soviets have forfeited their privilege of hosting the 1980 summer games is still before us. The position of the USOC on the specific question of Israel's participation in the games affects that broader question only in a slight degree by helping to put pressure on the IOC and the Soviets. The broader and more important question has not been resolved.

QUESTION OF MOSCOW SITE DEALT WITH IN DISCUSSIONS AT BONN ECONOMIC SUMMIT

The potential importance of this question to the governments of the free world apparently became a matter of discussion at the recent Bonn summit.

And, in this regard, I wish to include the full text of the Seymour Freidin article from London to which I referred earlier:

LONDON.—The Soviet Union has barred dozens of nations—including Israel—from competing next month in a pre-olympic tune-up to yachting events so routes can be mapped and strategy charted.

But the high-handed action is boomeranging by giving worldwide impetus and interest for a non-communist olympics to be staged in 1980 when the touted Moscow games occur.

While dissidents in exile urge a boycott against the Moscow events, a medium power with olympic experience of the recent past urged the recent summit conference in Bonn to reconsider and ponder the advisability of transferring the games elsewhere.

It was a serious intervention, authoritative sources disclosed in Bonn, where the "economic" summit heard—and took action—against terrorism in the skies and on the ground.

Participants at the summit, who included chiefs of government of the seven largest western industrialized nations, apparently decided to review the Moscow boycott at home with political advisers and opposition parties.

The Soviet decision of confrontation by convicting dissidents at trumped-up trials despite international outrage makes many Western-Government olympic committees feel like patsies.

Many have raised appeals to transfer the olympics from Moscow but their governments remain mum to date. The committees believe they may be held up to odium if they do nothing.

As a result, many Western olympic committees are urging their governments for a decision, preferably to transfer to another games site which also can provide athletes with world competition.

Bolting the Moscow events, in the view of sports organizations and political personalities, can clearly administer a stinging rebuke to the USSR and deflate its propaganda aims.

The storm over the Moscow-sponsored yachting regatta blew up from an indignant international yacht racing union. Its headquarters are here and the union is the world's authority.

In addition, the international headquarters has 74 member countries and is responsible for organizing events for the international olympic committee to which the Soviets agreed.

This is another agreement—as the Helsinki human rights—which the USSR has now deliberately broken. Soviet Olympic authorities will not even answer technical yachting questions.

Besides Israel, which wanted to participate in the preparatory races, other nations the Russians unilaterally excluded include Belgium, Ireland, South Africa, and New Zealand. They wanted to compete in the Olympic tune-ups at the Estonian port of Tallinn (CQ).

Further, the Soviets have imposed severe restrictions on many western nations as to the number of yachtsmen they will permit to race. Britain and the U.S. are cut from 35 to eight.

In other words, Soviet authorities pick and choose on ideological whim: Satellite Bulgaria has been allocated as many yachtsmen, for instance, as the U.S.

At the Bonn Summit, advocates favoring transfer of the Olympics from Moscow argued the concern over potential Soviet rigging and disqualification of western athletes in all events.

The same apprehension has been uttered by dissidents like Vladimir Bukovsky, noted physicist now living here, who also urges transfer of the Moscow Olympics elsewhere as a forceful protest against the convictions of other dissidents.

In Washington, Mrs. Avital Scharansky, wife of the recently convicted Anatoly Scharansky, appealed for a transfer of the games and received rousing congressional enthusiasm.

An earnest effort is presently underway to create a broad Anglo-U.S. program that can make common international cause for shunning the Moscow Olympics as a travesty on sport.

The proof is in the frustrating attempts of the yachting international here to even get Soviet replies to questions. Two months elapsed before even invitations were disclosed.

But there may be more to follow. The Soviet committee said it will be mailing more information when "convenient." So, what's wrong with a telegram? Only the USSR knows as the Olympic boycott movement grows and accelerates.

MOSCOW IN 1980 AS A MIRROR IMAGE OF NAZI BERLIN IN 1936?

Mr. Speaker, in floor remarks of July 21, found at page 22247 of that day's RECORD, I talked about the parallels between the 1936 Olympics in Nazi Berlin and the events leading up to those games with the events already unfolding with respect to the 1980 games in Moscow. I included a column by Jim Murray of the Los Angeles Times of March 18 last year, writing specifically about the struggle over the U.S. committee's position in 1936, et cetera. I commend that to my colleagues who may not have read it.

Another article, one from a September 27, 1935, publication in London, was sent to me this week as further proof of the struggle of freedom-loving people to have those 1936 games transferred and of the resistance which they encountered. We certainly know that keeping the games there did not "soften up" the drive of Nazi Germany to conquer the world. All the world's athletes there, all the world's press and news reels focusing in, all the exposure of Berlin to other people's ideas about them, all the money made by corporations doing business there, they were all for naught. Yet this "softening up" rationale underlies almost every argument for keeping the games in Moscow.

I submit this very interesting article:

THE OLYMPIC GAMES—WORLD OPINION AGAINST BERLIN AS 1936 VENUE

The magnetic appeal of the Olympic Games is not due merely to its attraction as a gigantic spectacle, calculated to thrill onlookers and create additional "world records." Its magic lies in its ideals—an international sports meeting at which the competitors,

irrespective of race, colour, religion or politics—all amateurs—pit their strength and skill for the honour of their respective countries. In the cleanliness of its fierce competition the Olympic Games has added a fresh chapter to the history of international friendship.

The next meeting of the Games is scheduled for Berlin—1936. Already the voices of religious leaders, sports writers, and general lovers of freedom, have been raised throughout the world in protest against the proposed venue. Although in May, 1934, at the meeting of the International Olympic Committee in Athens, the German delegates gave an assurance that non-Aryan athletes would be included in the German Olympic team, provided that they could qualify for the required standard, and also provided that they were German citizens, there is abundant proof that this statement is unfair, and was made without any intention of being put into practice. Summarised, the evidence shows that:

1. Although the German delegates' statement was made on May 19th, 1934, a few days later the municipal authorities of Bruchsal, in Baden, refused to admit Jews to the public swimming baths.

2. Similar action was taken shortly afterwards by the authorities of Langenzenn, Eichstaett, and Gunzenhausen. Munich, Mannheim, Baltrun and many other towns had already refused Jews access to public baths, recreation grounds, and even parks.

3. The laws forbidding non-Aryan sports organizations to participate in games, etc. with Aryan clubs have been strictly adhered to and even more stringent measures have been taken in the past few months. All Jewish clubs have been expelled from the German Amateur Sports Association. This automatically prevents them from participating in international competitions.

4. Non-Aryan athletes of international reputation have not only been barred from full training facilities, but in many cases have been forced—owing to the persistent threat of persecution—to leave their native land. Among the exiles are Nathan, former member relay team which set up a world record; Prenn, former German No. 1 tennis player; Martha Jacob, Germany's champion javelin thrower, and Leucht, Olympic lightweight wrestling champion, Amsterdam, 1928. It will also be remembered that in 1933 Madame Neppach, German woman tennis champion, committed "suicide."

5. In July of this year the Blau-Weiss Lawn Tennis Club, Dresden, was deprived of its victory in an area tournament, because "only those can be victors in the Third Reich who have mastered the National-Socialist ideology."

6. During July and August the German Press ran a campaign against non-Aryans being allowed any facilities for competitive sport with "decent Germans."

7. The Reich Federal Sports Association has ordered all German sports clubs to discuss the Jewish question during September. This, too, is a direct violation of the Nazis' promise that the anti-Jewish issue would not be raised in connection with sports.

8. The latest "Ghetto" laws directed against the Jews have virtually deprived them of citizenship. Therefore, according to the Nazis' guarantee, they are no longer eligible for Olympic honours.

9. The disbanding of Catholic sports and holiday clubs has also prevented them from proper training facilities.

This evidence could be multiplied a hundred-fold, but enough has been given to indicate that by the segregation of Jewish and Catholic athletes the Nazis have effectively ruined their chances of qualifying for Olympic honours.

No boxer, no runner, has ever achieved fame through gymnasium practice. Constant training under competitive conditions—together with an unharassed outlook—are essential for first-class performances.

World opinion is not going to allow the next Games to be held in Berlin, 1936. In America, the Catholic weekly, "Commonweal," and the Protestant journal, "The Christian Century," have already lodged their protests on behalf of organised religion. Paul Gallico and Arthur Brisbane, journalists of international repute, have filled columns urging America to withhold its entry for the games. Senators Peter G. Gerry, David Walsh and Beamish have already appealed for official intervention. J. T. Mahoney, President of the United States Amateur Athletic Union, has expressed his strong disapproval of Nazi discrimination, and has stated that failing a change in their attitude, the question of American participation in a Berlin meeting would have to be reconsidered.

In Spain, twenty of that country's leading doctors, authors and scientists have issued a pamphlet in which they demand a different venue or else the withdrawal of the Government's grant of 400,000 pesetas for a Spanish pavilion at the Berlin Olympics.

The "Haagsche Post" of Holland has asked whether "it is really still considered feasible to hold the Olympic Games in a country which is increasingly being filled with the Streicher spirit." Norwegian and Danish labour organisations are collecting funds to finance a propaganda campaign against the Berlin Olympic Games. Austrian athletes have been forbidden to take part in any German sports gatherings. Finally, the Marquis de Polignac, President of the French Olympic Committee, has stated that it may be necessary to remove the 1936 games from Berlin. He has since added that in his opinion many members of the International Olympics Committee would agree with such a decision.

Apart from individual and spasmodic action, England has so far failed to align herself with the sharp disapproval of world opinion. All men of goodwill must realise that an Olympic Games in a Nazi Germany is a shameful travesty of a noble ideal. Berlin must not be the venue for the 1936 Olympic Games.

THE WORLDWIDE PETITION CAMPAIGN OF THE INTERNATIONAL MONITORING COMMITTEE

Mr. Speaker, the points I have just cited—the reality that the USOC's commendable position is one which may not be heeded by the IOC and the Soviet Olympics Committee, the Soviet Union's attempts at changing the Olympic rules, the fact that Moscow has not begun heeding the USOC's message and that of other organizations, and the startling parallels between Berlin in 1936 and Moscow in 1978 and 1980—are among those weighed by the International Monitoring Committee for the 1980 Olympics in its decision to initiate a worldwide petition campaign for removing the games to a free and democratic society.

The Committee, on which I serve as the honorary chairman, is already organized in the United States, France, England, Canada, Holland and Israel, and it is intensifying its efforts to remove the 1980 summer games, most probably to Montreal, the 1976 site where the existing facilities are fully capable of handling the 1980 event.

That is why, in my opinion, the International Monitoring Committee for the 1980 Olympics, a committee already organized in the United States, France, England, Canada, Holland and Israel, has not slacked off of its efforts to remove the 1980 summer games from Moscow to a free and democratic society, most probably to Montreal, the 1976 site where the facilities are fully capable of handling the 1980 games.

The International Monitoring Committee has initiated a campaign to gather signatures around the world to move the games. Its petition is very much to the point:

Whereas, the spirit of the Olympics was intended to foster understanding and sportsmanship among people; and

Whereas, the Soviet Union has violated the human rights and dignity of her citizens;

We, the undersigned, support the removal of the 1980 Olympic Games from Moscow to a free and democratic society.

The U.S. offices of the International Monitoring Committee are located at 2920 Arlington Boulevard, Arlington, Va. 22204, and 106 Baden Street, San Francisco, Calif. 94131.

Their efforts ought to be fully supported.●

BALANCE(S) OF POWER BOOK II D(i)

HON. JOHN B. BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, today's selection in the strategic balance series raises key issues in the appraisal of the Soviet Union's productive capacity in support of their national defense and military expansion.

Manpower problems, the logistics of raw material handling, the competition between consumer-oriented and defense-oriented production all create pressures which might act to constrain the continuing Soviet military growth.

As the following article suggests, however, the industrial momentum which has allowed the Soviet Union to match and surpass U.S. strengths will be abandoned only with a struggle. This article, "Soviet Leadership Dilemma," first appeared in National Defense, January–February 1978, as an editorial comment on CIA reports to the Joint Economic Committee.

The article follows:

SOVIET LEADERSHIP DILEMMA

The new Soviet leader who eventually replaces aging, and possibly ailing, Leonid Brezhnev will face difficult and politically risky choices. The longer he delays them, the greater impact of Soviet problems will be. This estimate is based on a Central Intelligence Agency study presented to the Joint Economic Committee of Congress during August 1977.

The rapid economic growth of the Soviet Union during the first half of the 1970's—while the Western nations were pressed by economic problems often associated with energy resources—is certain to slow down. The usual Soviet problems of a harsh climate often accompanied by inadequate rainfall, agricultural shortages, popular pressure for additional consumer goods and the Russians' basic fear of the Chinese will soon be joined by other problems which are as pressing as any the Soviet leadership has faced since World War II.

A decline of the growth rate in the Gross National Product (GNP) is certain because of the exhaustion of a number of factors that allowed rapid expansion. The decline in

abundant supplies of labor and inexpensive, widely available fuels and other natural resources, and the decline in overall productivity are harbingers of things to come.

Soviet leaders have recognized the impending decline in productivity by extensive purchases of Western machinery and equipment (from $510 million in 1965 to $5 billion by 1975) and by large domestic investments in agriculture and high technology industry.

The CIA study indicated that Soviet problems would worsen if weather patterns return to the harsher, normal conditions of the 1960's. Brezhnev recently reported poor agricultural production during 1977—another indication of the heightening problem.

The labor force reduction is directly attributable to a decline in birth rates in the 1960's. This problem will become more acute in the 1980's when the working-age growth level will be less than .5 per cent as compared to 1.7 per cent during the early 1970's. Put another way, Soviet industry will gain less than 1.5 million new workers between 1976–1980. Ten years ago, this many new workers were added each year. Further complicating the labor force picture is that the largest share of the growth will be by Soviet minorities who have resisted moving to labor-short areas.

Fuels and raw materials are becoming more expensive in the Soviet Union. Ores, fuels, electric power, and timber are all becoming more expensive since most will have to come from undeveloped sources east of the Ural Mountains.

Despite huge energy resources, the supply of oil is waning. Newly discovered deposits are not sufficient to offset declines in older fields. It appears that the maximum output has been reached (or soon will be) and decline in oil production can be expected by 1985. All too often, short term gains in oil production have been exploited at the expense of long-term recovery techniques.

The Soviet Union has depended significantly on oil exports for hard currency which is needed to purchase equipment, and to effect modernization and mechanization.

The relationship between Soviet domestic energy use and gross national product growth has been very close in the past. A promised long-term economic plan for the 1976–1990 period has not appeared—which is probably a reflection of the harsh realities of growing energy resources shortages.

The current five-year plan (1976–1980) projects a slower growth rate for industry and a slowdown in fixed investments (3 percent as opposed to 7 percent in 1971–75). New construction starts have been curtailed to permit investments in advanced machinery and equipment, renovation of older plants, and mechanization of such activities as materials handling. In short, concentration and modernization will be emphasized at the expense of expansive additional growth.

Soviet leadership has slowed consumer consumption levels to a much lower level than that enjoyed in the early 1970's.

Defense goals have not been announced; however, upward momentum is likely to continue for the next few years. This is due primarily to requirements of forces in being and the generally high priority of defense industry as a major national goal. Soviet defense expenditures will continue to increase from 4 to 5 per cent annually for the next few years. This trend will continue to place ever-increasing demands on the already-taxed Soviet economy. A shift from defense industrial capacity to the production of investment goods would be very unattractive to the Soviet leaders and would be difficult to accomplish in a few years

The CIA has projected three approaches that Soviet leadership could take to effect economic growth. The first is the base-line approach, one in which the Soviet Union manages to prevent fuel and material shortage from interfering with production but holds to present investment policies and accepts a declining labor force. This approach would allow a decline of GNP to 3 to 3.5 per cent from 1981 to 1985, the lowest in post-World War II Soviet history. Even this level of growth would be hard to maintain in the last half of the 1980's.

The second approach is the business-as-usual approach, one in which Soviet leadership is unable to limit production damage as a result of fuel shortages. The CIA believes this approach could not last beyond the first fuel crisis, but predicts a decline in the GNP to 2.5 percent, far worse than the base-line approach.

The third approach is the so-called best case. In this, the CIA envisions Soviet leaders as assuring an adequate supply of energy, and searching for more investment and labor resources. To secure additional investment resources, the level of military spending would be frozen at the 1980 level of funding; thus, those additional funds which would have been invested in military spending from 1981 to 1985 would be redistributed to new fixed investments instead. This approach also visualizes that funds which would have been allocated to consumer products would be cut back as well. These stringent measures would result in improving GNP over the base-line approach by .2 percent. To improve manpower resources, the CIA visualizes Soviet leadership, in this approach, as gradually paring the military back from 4.5 million in 1980 to 3.5 million by 1985, pushing more 16 to 19 year-olds into the labor force, and holding older workers in the labor force longer.

There are many critics of U.S. defense spending in this country who would seek lowered defense spending and reduced defense effort based on the apparent Soviet economic dilemma. As has been the case so often in recent years, they might argue that needs in other sectors of the U.S. economy can be met with defense funds because the Soviet Union will be preoccupied with its economy, and will have to scale its military spending down.

Even under the worst situation (for the Soviet Union) envisioned by the CIA, military growth rates and momentum will be maintained through 1980. This momentum has been achieved on half the GNP enjoyed by the U.S. The Soviet population has learned to accept austerity without raising significant challenge. Military momentum and growth rates have allowed the Soviet Union to catch up with and to surpass the U.S. in virtually every classification of military strength.

Average annual rates of growth (percent)

	1951–60	1961–70	1971–75
GNP	5.8	5.1	3.7
Producing sectors:			
Agriculture	4.4	3.8	−0.6
Nonagriculture	6.5	5.6	5.0
Industry	10.2	6.4	5.9
Other	5.0	5.2	4.5
Principal end uses:			
Consumption (per capita)	3.8	3.3	2.9
Investment	11.1	6.6	5.4
New fixed investment	12.7	6.9	7.0
Defense	NA	about 5	4–5

Indicators of Soviet Economic Growth ●

CVN–71 NUCLEAR AIRCRAFT CARRIER

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. TRIBLE. Mr. Speaker, one of the issues in the current debate on the CVN–71 nuclear aircraft carrier is the willingness and the capacity of the shipbuilder to construct this ship.

A letter of August 1 from the Newport News Shipbuilding Co. to the Secretary of the Navy sets forth in unequivocal terms both the willingness and the capacity of the shipbuilder to construct the CVN–71.

I am inserting this letter in the RECORD.

AUGUST 1, 1978.

Hon. W. GRAHAM CLAYTOR, JR.,
Secretary of the Navy,
Washington, D.C.

DEAR SECRETARY CLAYTOR: As you are aware there are discussions within the Congress on both the willingness and the capacity of Newport News Shipbuilding to construct the CVN–71 nuclear aircraft carrier if authorized and appropriated.

We wish to reaffirm to you that our commitment of September 28, 1977 to undertake the construction of the CVN–71 is still valid. On that date, we advised Admiral Gerald J. Thompson, Deputy Commander of the Naval Sea Systems Command, of our interest and willingness to undertake the construction of the CVN–71 if authorized.

With respect with capacity, Newport News has both the ample physical facilities and the trained labor force sufficient for the construction of the CVN–71. Presently, the CVN–70, which is now in dry dock No. 11, would upon launch be moved in January, 1980 to Pier No. 2, where it would remain until March, 1982.

The keel of the CVN–71 would be laid in dry dock No. 11 in April, 1981. CVN–71 would remain in dry dock No. 11 until launch in April, 1984 when it in turn would be moved to Pier No. 2.

We would emphasize that prior to the keel laying of CVN–71 a number of preliminary milestones would necessarily be accomplished, including the procurement of long lead components, the fabrication of certain assemblies all of which must be well underway prior to the laying of the keel. Normally about 30 months elapse for this process prior to the keel laying of a nuclear aircraft carrier. The schedule we have outlined assumes the construction of a repeat of a NIMITZ Class Carrier.

With respect to trained manpower, Newport News is at a peak of 19,500 production labor and will commence a significant downward trend beginning in calendar 1979. The award of the CVN–71 will serve to preclude the discharge of skilled manpower which would otherwise be necessary if the contract is not received in the next fiscal year. I might add that due to the completion of most of the Navy's ships under contract, as can be seen from the attached labor chart Newport News presently has sufficiently trained manpower not only for the CVN–71 but also for the SLEP program and the CGN42, if awards should be received for these programs. Otherwise those employed by this program may be discharged for lack of work.

Also we have attached a chart showing a schedule for the CVN–71 setting forth the dry dock and pier schedules, along with the projected production milestones beginning with a contract award in October, 1978 for the construction of the ship.

We also understand that questions have arisen regarding progress toward the agreement on a definitive contract for CVN–70. As you know, negotiations have been difficult but the Company is continuing to proceed with construction of CVN–70 and, in fact, our construction effort has not been impacted in any manner by the status of negotiations on CVN–70. We hope that the parties will reach a mutually satisfactory agreement with regard to a definitive contract in the near future.

I would like to clearly state that, if anything, we would prefer an *earlier* start on

CVN–71 than that set forth above, in order to maximize our ability to stabilize our skilled work force at existing levels. Waiting still another year to fund the CVN–71 would jeopardize our ability to do this and adversely affect our labor force in addition to increasing the cost to the Navy.

In summary, we wish to confirm to you and the Navy that the Company is both interested and willing to undertake construction of the CVN–71 if the Navy is authorized to procure this vessel. Upon receipt of request for proposal, the Company will prepare and submit a fully structured proposal for construction of CVN–71 and enter into negotiations for the same, subject to mutually agreeable terms and conditions. We fully expect that a mutually agreeable contract can be executed in a reasonable time after authorization and appropriations by Congress for the construction of CVN–71.

Very truly yours,

W. T. O'NEILL,
Executive Vice President.●

LEGISLATIVE PROGRAM OF THE ANIMAL SAVING ASSOCIATION

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MIKVA. Mr. Speaker, just a few days ago, I received a visit by a citizens' group urging my support for legislation for the protection of wild and domesticated animals. These visitors were exceptionally well-informed, speaking knowledgably of hearings in process and bills in conference. They were also ardent and capable exponents of their cause.

These citizen-lobbyists urged my support for several measures, chided me for an occasional lapse in the past, and pressed for a commitment on votes that are near at hand. Also, like all good lobbyists, they laughed at my jokes, presented me with petitions and buttons, and finally, allowed me to cut our discussion short when the vote bells rang.

In sum, these visitors were superb representatives of their viewpoint, presenting their case forcefully, but with the civility and good manners a democratic system demands. Frankly, their visit was the high point of my day.

Oh, by the way, the oldest member of the group was 14; the youngest, perhaps 8. Their chief spokesperson, Miss Liza DiPrima, age 11, read a statement which she had prepared. I would like to share it with my colleagues.

The statement follows:

We are speaking for the children of the world who are concerned about the welfare of animals and do not want to see them brutally murdered. We are also speaking for the animals, who have no voices of their own.

For thousands of years people have been using animals for their own enjoyment. When it pleases a man to go hunting, or just as long as a man can make money off of an animal's skin, he'll do it, without giving the animal a second thought. The truth is, animals do have feelings, and should be taken into consideration.

This world was not created for human beings alone, and animals have as much right to be on it as we do. Because we have aggressive tendencies, and because we have separated ourselves from the rest of the world and developed our own little communities known as cities and suburbs, we have classified animals as beneath ourselves and as being "renewable resources" and as not being able to feel pain. Man is not so godlike and almighty that he is in a situation to judge animals. Animals are not any "lesser beings," than we are. In fact, they are the same in a number of ways. They think, they move around, they eat, they sleep, they breathe, they feel pain, and they talk in a language we can't understand. And if people feel that they are in such a position that they can judge animals and use them so, then I think we are the lesser beings.

Terrible things are happening to animals now. There are many good men and women in the government and things are being done to change what's happening to animals. But the things that are being done are few and far between and millions of animals are still suffering or being murdered for no good reason. And if animals keep being killed at this rate by the time our generation gets to the government there will be nothing left to save.

We would like to see the cruel things that are happening to animals stopped. There are programs for energy and defense and poverty, and now we feel it's time there was a program for the animals. Here are our suggestions:

(1) Immediately passing the Alaskan conservation bill that would turn about one-fourth of Alaska into national parks, forests, and refuges.

(2) Stopping hunting and trapping on all the National Parks, forests, and wildlife refuges.

(3) Stopping all the poisoning of wolves, coyotes, and other predators on national land and keeping it stopped.

(4) Making a law to make the wolf our national mammal so that these beautiful, intelligent, creatures don't have to die out.

(5) Stopping federal grants for people to conduct unnecessarily cruel and unusual experiments on animals in laboratories in the name of science.

(6) Having the Endangered Species Act protect all animals, even where a multi-million dollar dam is concerned.

(7) Enforcing the Marine Mammal Protection Act which says that no dolphins can be killed in tuna nets while catching tuna.

(8) Putting pressure on the Japanese and Soviet governments to stop killing the whales which are one of the most intelligent and one of the highest forms of life on earth.

(9) Stopping our government from deciding to allow people to resume killing the California Grey Whale.

(10) Stopping the Eskimos from killing the Bowhead Whales, because no "culture" justifies killing a form of life at least as highly developed as our own.

(11) Stopping the importation of all ivory to help Kenya and other countries in a fight to save the last of the world's elephants.

(12) Putting more pressure on the government of Canada to force them to stop allowing the harp seal hunt to go on.

Here are our ideas for what we feel is a better kind of world. Us kids have been accused by our opponents as not knowing anything and therefore not being able to have an opinion. But the words I wrote here are my own, and the thoughts that helped put them on paper are also my own. And if the kids are going to inherit this world then I feel that we should have opinions about the things that are happening in our world. We feel these issues are among the most important in the world and we won't stop fighting until the things we have talked about here come to be.

LIZA DIPRIMA, Age 11,
President, Animal Saving Association and the children in the world who care about the animals and who would like to see the horrible torture and brutal murder stopped.●

WOMAN ACHIEVER FOR 1978

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LLOYD of California. Mr. Speaker, recently, Mrs. Jerene Appleby Harnish of Upland was named the Woman Achiever for 1978 by the Pomona Progress Bulletin, a newspaper serving my district. She has been a leader in both business and civic affairs and given graciously to many important projects. She is a credit not only to my small area of California, but to the Nation as a whole. I would like to share her accomplishments with my colleagues. This brief article describes many of them:

JERENE APPLEBY HARNISH—PHILANTHROPIST AND LEADER

(By Mary Remillard)

A retired newspaper executive and philanthropist has been named a Progress Bulletin Woman Achiever for 1978. She is Mrs. Jerene Appleby Harnish, a resident of Upland.

A philanthropist, art patron and leader in business, civic and social affairs, Mrs. Harnish is widely known for her accomplishments in the field of mass communications.

For 29 years she published the Ontario Daily Report and for a lesser time The Daily Times-Advocate of Escondido and the Daily Press of Victorville, Apple Valley and Hesperia. In 1947 she founded radio stations KCOS (now KSOM) and KEDO-FM in Ontario.

She was one of the prime instigators of Ontario International Airport.

Mrs. Harnish is the donor of a quarter-million dollars for the Frank Bell Appleby foreign fellowships at Claremont Men's College. The fund has paid all expenses of students from Thailand for 25 years. Mrs. Harnish visited Thailand in the late '40s and was impressed with their peoples' individualism and resistance to communism.

In 1971, she became a benefactor of the San Diego Zoological Society when she built the Jerene Appleby Harnish Hospital for Research and Treatment of the wild animals, a part of the San Diego County Zoo.

A multi-million dollar building and facility was given to Pepperdine University, the Jerene Appleby Harnish Center for American Studies in 1972.

At that time Mrs. Harnish expressed her deep feeling of patriotism when she said, "As Benjamin Franklin left the Constitutional Convention in Philadelphia he was said to have been accosted on the street by a woman who asked him "Tell me, Mr. Franklin, what have you given us—a monarchy or a republic?' His answer was, 'A republic madam, if you can keep it.' " In our opinion this apocryphal story sums up the situation the United States government finds itself in today.

"The world furnishes examples of the failure of socialism and communism, yet we leave our young people with no background knowledge of why constitutional government furnishes the only actual freedom for the individual.

"It is a rule of law and not a rule of man. How can the youth of America combat the seductive slogans of mass dictatorship unless there is an understanding of constitutional government?

"American history and political philosophy must be taught in our elementary schools, our high schools and our universities. Only then can we survive."

Mrs. Harnish recently endowed the new law school on the Pepperdine campus with a gift of over two million dollars.

In her own community Mrs. Harnish has

been equally generous and attuned to the needs of the valley.

She has been responsible for many facilities and improvements to community life, culturally, educationally and environmentally through financial contributions of immense value.

She has gifted the Assistance League of Upland with over $50,000 for their major project, a building in Rancho Cucamonga for a girls' club; presented sums to the Girl Scouts, United Fund, National Charity League, Ontario-Pomona Associaton for Retarded Citizens Auxiliary (OPARC), American Legion, Boy Scouts, San Antonio Community Hospital, St. Mark's Episcopal Church, to mention a few.

On June 4 of this year, a gift of three quarters of a million dollars was presented to Webb School, Claremont, for the Jerene C. Appleby Dormitory in honor of Thompson Webb.

She was present in June when the Field House at Foothill Country Day School in Claremont was dedicated. She had contributed $25,000 for its erection. Jerene Appleby Harnish received a bachelor's degree from Smith College, Northhampton, Mass., in 1916 and did postgraduate work in art at Smith under Professor Alfred Vance Churchill, in whose honor a small fellowship was given to the Smith College art department.

She has received honorary doctorates from the Claremont Colleges and Pepperdine University, the latter received on the same day with honorary degrees for Bob Hope and Dr. George Gallup.

Mrs. Harnish has been knighted by the King of Thailand for her interest in that country through her establishment of the scholarships for Thai students at Claremont.

Following her marriage to Frank Bell Appleby, the couple moved to Washington, Iowa, and purchased a weekly newspaper. Their son, Carlton, was born there. Later, the family moved to LeGrand, Ore., and spent five years developing the LeGrand Observer. Their second son, Andrew, was born there.

The family moved to Ontario in 1930 and purchased the Daily Report. Mrs. Harnish became publisher in 1936 after the death of her husband. She has four grandchildren.

Mrs. Harnish is the wife of Jay Dewey Harnish, founder and currently chairman of the board of the architectural firm of Harnish, Morgan and Causey of Ontario.

It is with great pride that the Progress Bulletin gives recognition to a valley woman, nominated by Chaffey Republican Women, who has brought help to so many communities, a woman who has kept to herself untold contributions and assistance to those she has found in need, the little people of the valley.●

FAST SHUFFLING PANAMA TREATY IMPLEMENTATION

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HANSEN. Mr. Speaker, you may recall some of the concerns voiced by many of our colleagues regarding the anticipated costs to the United States of the proposed Panama Canal treaties during the Senate debate earlier this year. President Carter had repeatedly insisted that the treaties would not cost the American taxpayers a single dollar, but in February the administration finally conceded that there would be a cost of $600 million in addition to projected canal income from increased tolls. At that time many questions were raised challenging the accuracy of these figures which were issued by Secretary of State Cyrus Vance, Secretary of Defense Harold Brown, and Secretary of the Army Clifford Alexander on behalf of the administration.

It is now important to call your attention to some facts which I have recently discovered which seem to indicate that there is a deliberate effort within the administration regarding the proposed Panama Canal transfer to not only spend taxpayer dollars, but to do so without congressional authorization.

On May 24, 1978, I initiated an amendment to the Department of Defense authorizations, H.R. 10929, which stated that "notwithstanding any other provision of the law, none of the funds authorized to be appropriated for the Department of Defense by this or any other act shall be used directly or indirectly for the purpose of effecting any force reduction or base realinement in the Panama Canal Zone in support of implementation of the Panama Canal treaties approved by the United States Senate in 1978 without a specific act of Congress." This amendment received overwhelming support and passed the House by a voice vote. Last week the Senate passed its own version of the DOD authorizations bill and the measure is now in conference.

Several weeks ago I was informed that the Army, without congressional authorization for treaty implementation initiatives was planning to move the 210th Aviation Battalion from the Panama air depot on the eastern side of Albrook AFB across the canal to Howard AFB on the west bank and the 193rd Infantry Brigade Headquarters from Fort Amador to Fort Clayton prior to October 1, 1979. I questioned Army authorities about these facts and it was stated that they were indeed considering such activities. Upon further investigation I found the following facts which were again confirmed by the Army and have been informed that the Secretary of the Army was scheduled for briefing on this matter on the 27th of June.

The following facts have become available:

1. First year cost about $35 million.

A. $12–$15 million to move 210th Aviation Battalion from the PAD (Panama Air Depot) area on the eastern side of the Albrook AFB over across the Canal to Howard AFB on West Bank.

B. Move 193rd Infantry Brigade headquarters from Fort Amador to Fort Clayton.

2. Critical contract is paving job. To take over the space planned the army has to build the air force a taxi runway extension at Howard AFB. Cost estimated at $1–$2 million. Considerable other paving has to be done for parking 50 plus helicopter (acres and acres) but the additional paving isn't as heavy duty or expensive. Total paving job is $3–$5 million.

3. The Society of Military Engineers (SAME), Panama Post June Meeting, had LTC Real speak. During the question and answer period the subject of schedule surfaced.

It was stated that (currently) a high level decision meeting was on-going in D.C. regarding providing funds to do the paving job in advance of treaty implementation. They would "take it out of their hide" (existing funds).

4. Other contacts revealed existing monies might be re-programmed from EUCOM or PACOM to FORSCOM and thence to the 193rd Brigade.

5. High level Pentagon and Armed Services Committee personnel were recently reported in the C.Z. Some discussion has been made of a supplemental appropriation or combination of reprogramming action and supplemental appropriation.

6. A $90 million figure, the first over five years for the Army part of treaty implementations has been suggested and includes the above $35 million and pending projects in the schools, hospital and other aspects in the Canal Zone operation.

7. A recent change removed the DMA–IAGS (Defense Mapping Agency-InterAmerican Geodetic Survey) costs to rehab existing army buildings into which IAGS will have to move from PAD-Curunder to Corozal (near Tropic Test Center HQ). They are being funded from a DOD Budget item and may be hiding this to make costs appear lower.

8. Additionally, the Army Exchange warehouse in the Canal Zone is slated to be turned over to Panama on October 1, 1978. The Army will then rent at the expense of our taxpayers this critical facility from Panama if possible. However, if the Panamanians refuse then we will have to build another warehouse at a cost of millions of dollars.

I contacted the Army to request a meeting with Secretary Alexander and learned yet another disturbing fact from Army liaison who protested that they were not the only Government agency planning unauthorized treaty preimplementation spending. I am now informed that the Navy, Public Works, and the Panama Canal Co. are also deeply involved.

Another amazing part of this story occurred after I briefly mentioned this situation during the debate on the Supplemental Appropriations bill this past week. The following morning I received a call from Army liaison stating that the Secretary of Defense has now directed the Army to seek an amendment to the fiscal year 1979 DOD Appropriations bill which is due to be considered by the committee. Obviously this is a belated attempt to cover up an improper diversion of funds which may have resulted in a weakening of our defense posture in other areas of operation—"the proper thing to do when caught with your hand in the cookie jar."

Is the will and mandate of Congress to be taken so lightly that funds can be improperly diverted from their appointed use to implement programs which themselves have not been authorized or approved by the Congress? And to what degree is our national defense posture being weakened by this diversion of funds?

What we are apparently witnessing is an administration effort at moving into treaty implementation by unauthorized diversion of funds from the current fiscal year hoping to circumvent the anticipated restrictions of the next fiscal year and present a fact accomplished to a Congress where the House has frequently expressed its will not to give up the Panama Canal and especially without specific action by both Houses as provided in the Constitution.

These facts should cause us all concern. I am pleased that House conferees successfully insisted that my amendment remain a part of the current DOD authorizations bill, and urge that all possible means be taken to insure that any unauthorized construction, base realinements, or troop reductions in the Panama Canal Zone be stopped immediately. The Department of Defense had more than enough time to approach the Congress with their requests and ask for a proper appropriations in order to accomplish their goals and any back-door operation avoiding accountability to Congress and the people cannot be condoned.

I am requesting a GAO review and possible investigation and hope my fellow Mem-

bers of Congress will support this effort to assure proper use of Government funds.●

AMERICAN DREAM COME TRUE

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mrs. SPELLMAN. Mr. Speaker, few of us ever have the opportunity to witness what we believe is the American dream come true. But that is just what we are seeing today in my Fifth Congressional District in Maryland. Two people, just a few short years ago, pooled their enthusiasm and expertise, their vision and hard work, and together with a single contract began an enterprise so promising, its future so bright, that it truly fits our idea of an American dream fulfilled. The Systems and Applied Sciences Corp. is a shining example of how our Government can assist private industry in its fledgling state and then stand aside when the fledging can fly on its own.

From its inception, Systems and Applied Sciences Corp. has been a small minority business—it is so listed with the U.S. Small Business Administration. Its goal remains the development of a business of exceptional quality while providing equal employment opportunity; the corporation hires and conducts its affairs without any discrimination on the basis of race, religion, national origin, age, sex, marital status, or physical handicap.

The corporation was founded by Porter L. Bankhead and Sharad K. Tak, who remain the present owners. The principal business of the corporation is the design and implementation of complex, sophisticated computer systems in the software scientific and commercial areas. The scope of work includes development of system software, scientific applications, mathematical/statistical models, operations research, data base design, simulation and modeling, utility programs, the analysis and processing of data, word processing, technical writing and editing, orbit/attitude determination, sensor calibration, meteorology, oceanography, environmental physics, and related types of systematized analytical research.

But SASC's primary asset is its personnel. By assembling a staff of exceptional quality, a wealth of knowledge and experience from the Government and the private sector have been infused into the corporation. The staff's educational backgrounds are among the finest available—25 percent have completed doctoral and/or post-doctoral training; 25 percent have masters degrees; and 35 percent have bachelor's degrees.

These impressive factors are largely responsible for the rapid growth realized at SASC over its 5-year existence. In 1973, it began operations with two employees. By 1975, the number of employees had grown to 50; by the end of 1977, it had some 148 employees. The volume of business has increased similarly—from slightly under a half million dollars worth of business in 1975 to some $2 million by the end of 1977. It currently provides technical support services to National Aeronautics and Space Administration, Departments of Defense, Energy, Transportation, Justice, Commerce, Labor, among others.

Mr. Speaker, I know my colleagues would want to share in recognizing the meteoric success of Systems and Applied Sciences Corp., and even more important, I know they join me in expressing pride in its founders for reaffirming our belief in the free enterprise system.●

GOD SPEAKS TO AMERICA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, I was recently notified of an honor given to Rev. Richard B. Douglass, a resident of my district.

Reverend Douglass received a George Washington Honor Medal from the Freedom Foundation for his sermon "God Speaks to America." This is the eighth time Reverend Douglass has received such an honor.

I ask my colleagues to join me in congratulating Reverend Douglass for his excellent sermon, the text of which follows:

GOD SPEAKS TO AMERICA

(By Richard B. Douglass)

TEXTS REVELATION 5: 8–10

As I was preparing this sermon this week, I came across something that I had not noticed before. It was the state motto of Hawaii. I found out that the motto is: "The life of the land is perpetuated in righteousness." The motto of Hawaii is one that should be the motto of every state and every nation in the world. "The life of the land is perpetuated in righteousness." The Bible reminds us that righteousness exalts a nation, but sin is a reproach to any nation. The Bible is filled with one incident after another that reminds us that nations which forget God pay a terrible price for the refusal to listen to God.

As you read the Old Testament, you find time and again when the nation of Israel wandered away from God, God sent a prophet. The announcement of the prophet was "thus saith the Lord." They received a sure word. Sometimes it was the call to repentance. Sometimes it was an announcement of judgment. Sometimes a man like Jeremiah would come with a lament in his voice and would cry out to the people that unless they turned from their wicked ways, judgement was sure to insue. He lived to preach that judgment was already at the gates. An enemy nation was coming at that time to take away their place, their star of destiny, their position in that roll call of great nations.

God always has a word to us in our time of crisis, and that word comes to us from his word, the Bible. What does God say to America as we begin our third century of existence, this 201st year of our nation's life? What does God call us to and what does God remind us of?

I. First of all, God reminds us that respect for the law is basic to any nation's life. In the passage of scripture I read from the thirteenth chapter of the book of Romans we find Paul reminding those Christians in the city of Rome that they had a responsibility to the state. It was not the kind of government that we know today. Historians have said that there are basically six kinds of national life that have been practiced by men throughout history. Democracy is only one of those. Some said: that in ancient Rome there were aspects of democracy as well as aspects of tyranny. Both of these things seem to exist side by side. So when Paul wrote this, he was not writing about a democratic society. His appeal was not to those who live under a democratic government and who have a right to make their own laws. Everyone ought to be obedient to the law. In fact, he said that all Christians everywhere have a sacred responsibility to lead the way in obeying the laws of the land.

Some people seem to be convinced that they are exempt from obedience to the law. Many of these are people who say, "Well, you know some of these laws simply are not right." The question is immediately raised, "Which laws can you pick and choose?" I recently heard an outstanding Britisher preach. As he was preaching, he pointed out that in London, England they drive on the opposite side of the highway. We drive on the right side; they drive on the left side. He said when he first came to the United States, he thought: "What a stupid law it is to have to drive on the right hand side of the highway." He said, "I learned to drive on the opposite side; it got in the way of my personal liberty; it interfered with my freedom; and it interfered with the way that I had been programmed." I really believe that it is not right for me to have to drive on the right hand side of the highway. The only problem is the first time I decided to drive on the left side, I made up my mind it was safer to drive on the right side right or wrong."

He said he had noticed in his frequent visits back to London since then, the enormous numbers of American tourists in London. It amuses him to watch an American trying to cross the streets there in London. They look down the street, start across the street, only to be nearly side-swiped by an oncoming car coming from the opposite direction of the one they looked in. He says there were two kinds of tourists in London: "The quick and the dead!"

Our freedom does not give us the freedom to do as we please. Our freedom is modified. Our freedoms cannot go on beyond the bounds of the rights of the other person. As someone said: "The law in it's final form states that your rights end at the point of my nose." Your rights cannot possibly exclude the rights of someone else. There are many in our society today who say we can pick and choose which laws we want to obey. The laws of society are meaningless. Any government is better than an anarchy. That is the point the apostle Paul is trying to make here. God is saying to us in this passage of scripture that any form of government regardless of how bad it may seem on the surface is better than society living without law, without structure, and without any government whatsoever. Government as an institution is given by God for the protection of the rights of the majority. Whatever kind of government it is, it is better than anarchy. A society where every man does his own thing is not society at all. It is simply a jungle. So we are reminded by God that man ought to obey the law. It is our responsibility to be aware of our need to obey the laws that man has set down. Christians ought to be the pathfinders, the leaders in obedience to the law.

The only time the early Christians were disobedient to the law was when they had to choose between obeying the law of the state and obeying Jesus Christ. Any time there was a conflict between the lordship of Christ and the lordship of Ceasar, they felt obligated to choose the lordship of Jesus Christ. They always were willing to suffer the penalties that the law brought on them. Today people say, "We don't want to obey the law. We don't care whether it's the law that causes us to be disobedient to Christ or not. We don't want to obey the law because it in-

conveniences us, and we want to be exempt from paying the penalty for disobedience." There is a world of difference between today's rebel rouser and today's person practicing civil disobedience and the practice of the early Christians. God reminds us that we have a responsibility to lead the way and to be obedient to the law.

II. God reminds us also that a nation that builds its life on a firm foundation of faith in God will endure. In the 33rd Psalm we find in the twelfth verse these words: "Blessed is the nation whose God is the Lord." We are reminded by the psalmist in this passage of scripture, and in many other places in scripture that ours is a God who will protect a nation and who will guide a nation that believes in Him.

The other day I picked up an article by a prominent Twentieth Century historian. This particular man was going through what he called the debunking of the American heroes. I get a little tired of their trying to find fault with everybody. Now George Washington is frequently pictured as a man who lived in a sumptuous mansion on the edge of Valley Forge. He allowed people to starve to death while he lived the life of luxury. Society today seems to be in the mood to demythologize all of American history.

This particular historian said "I doubt that more than six percent of those people who were in the founding colonies of our country could in any sense of the word be declared to be orthodox Christians." I disagree with that. I think that history pretty well validates that probably 26 percent of these people were. He even talked about the Colony of Providence or Rhode Island and tried to say that most of the people who live there were atheists. Most of the people in the early colonies who were not Christians and who were athiests came to Rhode Island for one reason. It was established by two Baptist preachers, Clark and Williams. Those two men declared that regardless of what a man wanted to believe, he should be free to practice his religious faith without exclusion. In all of the other colonies certain people were excluded. Up until the establishing of Providence Colony by Clark and Williams, there was only one colony where the majority of the people could worship. That was in Pennsylvania and there you had to be a Trinitarian Christian in order to worship God as you pleased.

Early in documents of our country you find a bedrock statement with regard to a firm faith in God. Those early fathers of our country believed intensely that our nation was a part of the plan of a providing God. You cannot escape the fact that they believed the divine providence had guided in the founding of our nation. The greatest platform for the continuing of the life of our country is a firm faith in God. The psalmist said it well when he said in the 33rd Psalm in the twelfth verse: "Blessed is the nation whose God is the Lord." A faith in Him is a foundation stone that will not shake.

Many people today are saying armaments are the key to the strength of our country. No matter how many you have, ultimate protection does not come from any amount of arms that man can devise. When gun powder was invented in China, I understand that one historian with great lament said, "This is the end of civilization as we have known it." When the English crossbow was first devised, some of the people who had been leaders in the armies across the years said, "This is the ultimate weapon." Now imagine the power of the crossbow compared to the neutron bomb and you will see that man has continued to devise horrendous ways to destroy his enemies. No matter how many bombs men may packrat, no matter how many instruments of death men may devise, it does not offer ultimate security to a nation.

Our nation is probably not so much guilty of worshipping false gods as simply living our lives as though God were unnecessary. William Fisher, the prominent Nazarene evangelist said: "All that is necessary for a nation, a church, or an indiviaual to become confused and ultimately lost is to live as though God did not exist or as though he were unnecessary." That is the motif of our day. We feel we have all the things we need. We have social security from the cradle to the grave. You don't need God anyone because the state is going to see that you are born and the state is going to see that you are buried and everything in between is going to be provided. So why worry about whether or not there is a God? Who needs God when we live the life of luxury in a land of security? So we plan our lives and we live our lives as if God does not exist or as though he were not necessary. God says to us that faith is necessary for the strength of a nation.

III. God's message to us today is that "righteousness exalts a nation, but sin is a reproach to any nation." This quotation from the book of Proverbs the fourteenth chapter and the thirty-fourth verse is a reminder that a nation that lives for its own pleasure and lives for its own devices and leaves God out is utlimately headed toward destruction.

One of the outstanding scholars of our day is a man named Malcolm Muggeridge. He is a Britisher. For many years he was an atheiest. A few years ago he became an orthodox Christian. This man was asked in 1974 to deliver a message on the spirit of the twentieth century to the International Congress on Evangelism in Lucerne, Switzerland. He told that Congress that western civilization is in an advanced state of decomposition. He pointed to the plunging of our minds in porncgraphy. He stated that much of our civilization is living as the pagans did generations ago. He said that prostitution and the perverting of the minds sexually is a characteristic of what is happening in our day. He went on to relate this to history. He said that this is a sure sign that the death rattle is in the throat of any civilization.

America is going to reap before very long if she continues in the direction she is going in a tragic harvest of the sin that she has allowed to mount. You don't have to wait for the ultimate judgment of God. You can see what is taking place right now. One point three (1.3) million young people between the ages of 12 and 18 are chronic alcoholics. In our country of 213 million people, we find that one half a percent of our population below 18 years of age is already chronically alcoholic. On the adult level we now have approximately 11 million alcoholics. For every confirmed alcoholic in our country there are at least three other people who are radically influenced by their drinking. That means that approximately 36 million people are influenced by the alcoholics. That brings the total population that is in some way influenced by the alcoholic is alcoholic itself to one fourth of our national population.

Drug addiction is moving at a rapid rate. Last year the number of arrests among teenagers for drug related problems was exactly 200 percent of what it was eight years ago and 4,200 percent over 15 years ago. We are seeing our nation move in the direction of self-destruction, escapism, pleasure seeking, and fear simply because we have not remembered that righteousness is the key to national security. Sin is the reproach to a nation. It scars and disfigures and limits life. It brings death to a nation because that nation cannot exist as long as sin is the strategic motif of its existence. We need to return to national righteousness.

Someone has said that America staggered to its 200th birthday party in a state of moral collapse and spiritual decay. Rather than coming to our 201st anniversary in spiritual collapse and moral decay, we need to come to it with a firm conviction that right living, honesty and righteousness are to be our characteristics.

God says to us in the twentieth century that the key to national recovery is a revival among God's people. Look with me if you will for a moment at that passage of scriptures so frequently quoted on a day like this. It is II Chronicles 7:14: "If my people, which are called by my name, shall humble themselves, and pray, and seek my face and turn from their wicked ways, then will I hear their prayer from heaven and will forgive their sins and will heal their land." Now notice who it is that is involved here. The political leaders? No. Mark Hatfield says that in the twentieth century we have seen "a decline of responsibility." He states that "If it is true that all that is necessary for evil to win out in the world is for good men to do nothing, we have finally come to that point where political leaders and where morally responsible people have done nothing for so long that it will devastate our country." He is exactly right. Good men have done too little for too long. God's people are the ones he will hold accountable if our nation slips into the slough of despond. God will not allow our nation to stand unless his people turn to him. God says in the eighth Psalm that man was created a little lower than the angels and that he was made to have dominion over the works of God's hands. That verse says that first of all I am responsible to God. Many of God's people have come to the point where they say "I will run my own life. I will live as I want to." It is not your life. It is God's life. You are not your own. You were bought with a price. It is not my life to live as I want to live; it is Christ's life to live as he wants to live in this world. If I continue to refuse to recognize my responsibility to Him, then moral failure will lead to spiritual decay. I can tell you today that the key to national recovery is for God's people to say, "I am responsible to God. I am accountable to Him. But not only am I responsible to God." Not only are we under authority, but we are also in authority. As one of God's people, I must accept divinely given responsibility to change the world in which I live. He has made us to have dominion over the works of his hands. As a child of God, I am responsible for being a world changer. I am responsible for altering the situation for which I find myself for the better. God's people are to humble themselves. They are to pray and cry out in earnest agony over the decay of our day. God's people in prayer and concern can change our country. Rivers and men grow crooked by following the course of least resistance. Nations go down into the graveyard of nations because God's people allow them to coast along.

Prayerful people on their knees can change the course of our nation's history. That's the key to it all. "If my people which are called by me shall humble themselves and pray, seek my face and turn from their wicked way, then will I hear their prayer from heaven and will forgive their sin and will heal their land." Do you want to know what can be done to change America? Don't sit in a rocking chair and wring your hands. Don't wave a white flag of surrender. Do not give up. Do not despair. National revival among God's people is the key to national recovery. If you want our nation to move in the right direction, it will begin to do that as God's people begin to turn from their sins to God in a spirit of prayer.

God has a word for us today. It is a sure word. God reminds us that America can be great if America will be good. It begins with an individual—a person who says, "I will allow my life to be controlled by God. I will

be obedient to Him." Will you heed God's formula for building a strong life and a great nation?●

WATCHING OUT FOR THE VIETNAM VET

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. LaFALCE. Mr. Speaker, there is a growing awareness in Congress, as well as throughout our country, that the Vietnam veteran has not been accorded the attention he deserves. In fact, compared to veterans of other wars, the younger vet has had to bear the brunt of an unpopular war and an outmoded benefit program which does not recognize his special needs.

Despite the long overdue notice being given the Vietnam veteran, there is a tendency to view changes on his behalf as contrary to the interests of older vets and the Nation as a whole. If this is the case, it is a sad commentary on just how little progress we have made toward ending the disunity which accompanied our participation in southeast Asia.

Mr. Speaker, I draw my colleagues attention to an article by Alan L. Otten which appeared in the Wall Street Journal on July 26, 1978:

THE VETERANS LOBBY AND CONGRESS

It takes an unusually brave politician to buck the veterans lobby, and this Congress appears to have an even smaller than normal complement of brave politicians.

In fact, one senior House Democrat refers to the newer members as the "bedwetters," for tendency to panic and run in the face of almost any political pressure at all. Men who claim to speak for "the veterans" have always managed to herd politicians before them, but that may be truer than ever now—even though there's little real evidence that they do indeed speak for most veterans.

This musing is prompted by two pending bills. Lobbyists for the major veterans organizations are now pushing through Congress an extremely expensive pension bill, far above budget figures; faced with almost unanimous congressional backing for this costly measure, the administration has given up the fight against it.

At the same time, the lobbyists are working feverishly to kill a very modest administration plan to reduce to a reasonable level the preference now given veterans applying for government jobs. The administration is still battling hard for this proposal.

The irony is that in both cases, the veterans organizations are actually working against the best interest of the 8-million-plus veterans of the Vietnam era, the group everyone agrees most deserves and most needs help today.

Under present law, a veteran seeking federal employment gets extra points on his job rating—5 points for able-bodied veterans, 10 for disabled ones—and these ratings are critical in hiring decisions. If a veteran's preference points give him the same ranking as a non-veteran, he's listed ahead on the register for that particular job, and agencies must hire from among the top three names on the register.

The preference is good for life, and can be used again and again by a veteran seeking other jobs, though not for regular promotion. In addition, if an agency must lay off workers, veterans are protected over fellow workers, even those with far greater seniority.

The whole idea, of course, was to make up to the returning servicemen for having had his life disrupted, and to help him reenter the job market. All eminently fair and reasonable.

But consider how it's actually worked. The system makes preference points still available to the millions of World War II and Korean war veterans and others who should long since have made their adjustment back to civilian life and who really shouldn't need special help any longer. And the Civil Service Commission says one-third of those using their preference use it more than once—to switch jobs, or to leave government work and then return to it.

Veterans, moreover, surprisingly include military careerists seeking a second government career after retiring (with good pensions) from their 20 or 25 years of military service—not only corporals or sergeants but colonels and generals. Can it honestly be argued that these people need preferential treatment as compensation for "career interruption"? The White House says that in some areas where retired military families cluster, such as Jacksonville or San Diego, it's virtually impossible for any but retired military men to qualify for a federal job.

By preserving the preference of older veterans and retired careerists, the present law dilutes any special competitive advantage that might otherwise go to the Vietnam-era veterans, the ones who really need readjustment assistance. It also hurts the chances of women and blacks and other minorities trying to enlarge their numbers in better-paying federal jobs. Finally, it may give the federal government something less than the best-qualified work force, for the veteran who ranks first by virtue of special preference is often less able than the non-veteran scoring higher but ranking lower.

In the Washington area, for instance, the top 34 persons on the roster of entry-level jobs for college graduates are all veterans, even though the first non-veteran woman, ranked 35th, scored 100. A woman applying for an air traffic controller job in Dallas got a perfect 100 score and would have ranked seventh on the basis of score, education and experience—but when veterans preference was factored in for other applicants, her rank dropped to 147th.

The administration's present compromise proposal would make no change in the special preferences for disabled veterans. For most able-bodied veterans, it would make the five-point preference available only once, and only during the veteran's first 15 years after separation. The preference wouldn't be available at all for careerists retiring with the field-grade rank or above, and only for three years after separation for lower-grade careerists. Special protection against layoffs would exist only for the first eight years after hiring, not for life.

These are hardly radical changes or unreasonable ones, yet a Senate committee has turned them down, and while a House committee approved them by a comfortable margin, they face a most uncertain fate on the House floor.

If the lawmakers can't find the courage to buck the lobby on this issue, it's not surprising they have even less stomach for opposing it on the pension bill.

The issue is not veterans compensation—the amounts paid to men and women for service-related injuries and disabilities—but the pensions paid supposedly on the basis of need to veterans disabled after they leave service, very often simply the disabilities of old age.

The administration, conceding the need for some increase to offset inflation, originally budgeted an extra $111 million for next year. The House however, has whooped through a bill that would cost an extra $950 million the first year and a total of $40 billion extra between now and the year 2000, and the Senate is set to okay a plan almost as expensive. Both bills would increase pension rates substantially right now, and would make future increases automatic as the cost of living rises.

Yet pensions for destitute veterans without service-connected disabilities were conceived in an earlier time, when Social Security, food stamps and other programs weren't available. That's no longer the case today; more and more older veterans, for example, claim substantial Social Security benefits. In fact, a major provision of the pending bills would make sure that no veteran has his pension reduced as a result of future increases in his Social Security benefit.

House Budget Committee Chairman Robert Giaimo, one of the few lawmakers to fight the high-priced bill, argued that the pension program is essentially another welfare program, and that "if we want to help the poor, including poor veterans, let us do it through general programs that reach all."

One congressman after another, including well-known fiscal conservatives, rose to back the higher figure, however, and Mr. Giaimo lost 362 to 33. The administration, meanwhile, had turned tail—first raising its $111 million proposal to $500 million, and then surrendering altogether to the still-larger increase sought by the veterans groups.

Again, the idea might not be all that outrageous—so what if the nation gives a little more to needy aged veterans, even if "need" is loosely defined—but for the impact on programs more particularly tailored to the Vietnam-era veteran.

Early this year, for example, President Carter announced with considerable fanfare the appointment of a Cabinet-level committee to draft new ways to help recent veterans. Big things were implied. Recently, however, domestic policy chief Stuart Eizenstat told the Cabinet group that changing budgetary outlooks—presumably including the hefty increases in pension payments—ruled out any but the most modest new help for the Vietnam veterans.

As one budget expert explains it, "Any bucks going to Vietnam vets is money that doesn't go to the older vets—and it's the older vets who control the veterans organizations."

And, Congress believes, it's the older vets who vote. When it comes to the veterans lobby, every politician is a bedwetter.●

THE WEALTH OF A NATION—FOCUSING ON THE FUTURE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. MARTIN. Mr. Speaker, this year, for the second consecutive year, my office sponsored an essay contest for junior and seniors in high schools in North Carolina's Ninth Congressional District.

After preselection by officials at public and private high schools, a panel of independent judges selected a winner and two runners-up from the entries.

The judges were extremely complimentary of the quality of the writing, along with the degree of research and thought which went into the essays.

The second runner up in this year's essay contest is Teresa Holder, a student

at Northside Christian School in Mecklenburg County.

Mr. Speaker and Members of the House of Representatives, I call to your attention the essay of Teresa Holder and know you join with me in extending congratulations to this leader of the future:

THE WEALTH OF A NATION—FOCUSING ON THE FUTURE

(By Teresa Holder)

What makes a nation's pillars high
And its foundation strong?
What makes it mighty to defy
The foes that round the throng?[1]

America is known as the wealthiest nation in the world. She has accumulated greatness in her past two hundred years from assets such as advanced technology, discovery, abundance of natural resources, and the faith of her people. But what about the future? I believe the answer lies in a working combination of these assets, the American economic system, Capitalism.

"The free enterprise system has produced a higher standard of living, more innovations, and conveniences and miracles of technology, more culture, more leisure, and a higher degree of religious freedom than is found anywhere else in the world today. We should stop and ponder the fact that in this country we define poverty at an income level higher than the median income in that worker's paradise, the Soviet Union."[2]

Capitalism or better known as the free Enterprise System is an economy based on private ownership, free competition, and the incentive of personal profit.

A basic principle of capitalism is private ownership. This means that the United States is owned by individuals who have the right to buy, sell, or use their property in any way they choose within the law.

Free competition is the freedom to compete in order to gain capital or profit. We compete by exchanging our services for capital to meet or exceed our needs. Also we can compete for higher salary by achieving higher education and experience that will increase the value of our services.

The third basic principle of Capitalism is the incentive of personal profit. This factor has resulted in the majority of the progress that our nation has made. It is this principle that has taught men to work harder, think smarter, and to produce more efficiently, so that they can obtain more capital and acquire more luxuries and pleasures of life.

The profit motive is not based on selfish desire, but is actually one of man's needs. "A learned man with no incentive is as much without hope as the man with no talents".[3] This is a Biblical truth which can not be ignored by any generation.

Although these principles form the framework of Capitalism, the key to our freedom in the economy is in the people. It is the people's responsibility to determine the amount of production and distribution, the rate of supply and demand and the actual standard of living.

In no other nation have people been given this kind power, the power of success. But Capitalism does not guarantee every man success; it only guarantees him that opportunity.

Then, if the center of our nation's wealth is the economic system, and the people hold its power in their hands, how does this affect the future of our nation's wealth?

Without the free enterprise system we would no longer have the political and religious freedoms we have now. The freedoms which Americans have enjoyed would be depleted and consumed because they would not fit in socialism or communism.

There is no such thing as a free election in this type of economy, because the government has taken control. With the power to set goals and control production and distribution, economic planners can easily make themselves political masters.[4]

Once government has control of the people both in their economy and in their politics, it would continue to override the line of separation between the church and state. The government could use their political power in order to gain control of the churches and Christian schools.

This type of government and economy would literally tear America apart and destroy her of her wealth. She would be stripped of the foundations that has made her the unique nation that she is.

Capitalism, the epitome of our freedoms as Americans, is the constitution woven into the lives of the people.

"The United States is living proof of a country starting underdeveloped and becoming through free enterprise, the greatest nation in the world. Why should we give up an economic system that works for one which fails? We do not live to grow, we grow to live better."[5]

[1] Emerson, Ralph Waldo, "A Nation's Strength".

[2] Helms, U.S. Senator Jesse, *When Free Men Shall Stand*, P. 34.

[3] *Ibid* p. 37.

[4] Antell, Gerson, *Economics*, p. 18.

[5] Helms, p. 42.●

THE $100 MILLION ANNUAL PAYOFF TO PANAMA

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. HANSEN. Mr. Speaker, as we approach final consideration of the foreign aid appropriations bill for the next fiscal year, it is important for us to see the loading which has occurred to initiate broad areas of agreement in the Panama Canal treaties without implementation legislation ever having been properly presented to or passed on by the Congress.

This bill contains some $100 million for just 1 year in economic aid, military assistance, and in loans and guarantees—all of this to further the fraud of inducing Panama to accept a canal it cannot maintain or operate without such a subsidy program heaped on an anticipated massive increase in tolls and fees.

Even worse is the hypocritical support of a repressive and corrupt administration which is now showing its real colors in a new foreign policy pronouncement precisely along the Moscow's line supporting aggression in Africa, withdrawal of the United States from Guantanamo and Puerto Rico and a unilateral Jewish pullout from occupied Arab lands.

Following are three items of great interest, the first is a letter dated September 7, 1977, by Secretary of State Vance detailing the payoff to Panama to gain their acceptance of the treaties, the second is an article by columnist Charles Bartlett in the August 1, 1978 Washington Star; and the third is July 20, 1978, Miami Herald News release detailing Panama's revised foreign policy.

The articles follow:

DEPARTMENT OF STATE,
Washington.

EXCELLENCY: I have the honor to refer to our recent discussions concerning programs designed to enhance cooperation between the United States of America and the Republic of Panama in the economic and military spheres. As a result of these discussions, I am authorized to inform you that my government is prepared to agree, within the limitations of applicable United States legislation and subject to compliance with applicable legal requirements and, where necessary, to the availability of appropriate funds, that:

The United States Government will consider applications from the Republic of Panama for housing investment guarantees with a view to approval of specific projects with an aggregate value of not to exceed $75 million over a five year period. Approval of specific projects shall be subject to conformance with any applicable administrative and legislative criteria.

The Overseas Private Investment Corporation would guarantee borrowings of not to exceed $20 million in United States private capital by the National Finance Corporation of Panama (COFINA) for use in financing productive projects in the private sector in Panama, subject to terms and conditions as shall be agreed upon by the Overseas Private Investment Corporation and COFINA, and approved by the Overseas Private Investment Corporation's Board of Directors.

The Export-Import Bank of the United States is prepared to offer a letter of intent to provide loans, loan guarantees, and insurance, aggregating not to exceed $200 million over a five-year period beginning October 1, 1977 and ending September 30, 1982, for the purpose of financing the U.S. export value of sales to Panama. Such financing shall, at the discretion of the Board of Directors of the Export-Import Bank, be in the form of loans, loan guarantees, or insurance for individual products or projects approved by such Board.

The United States Government will issue repayment guarantees under its foreign military sales program in order to facilitate the extension of loans to the Government of Panama by eligible lenders for the purpose of financing the purchase by the Government of Panama of defense articles and defense services. The aggregate principal amount of loans guaranteed by the United States Government in accordance with this paragraph shall not exceed $50 million over a ten-year period.

It is understood that the undertakings of the United States provided for herein will enter into force upon an exchange of Notes to that effect between our two governments.

Accept Excellency, the renewed assurance of my highest consideration.

CYPRUS VANCE.

GABRIEL LEWIS GALLINDO,
Ambassador of Panama.

PANAMA AND SELFISH LAPSES

Congress, the press and the American people have developed a bad habit of walking away from foreign situations in which the nation has been deeply involved with no backward looks.

This is a new style of behavior, a selfish lapse from the grace with which this country faced the postwar plight in Europe and Asia. It is a reaction to an undigested adventure, a kind of flinch that we acquired in the bitterness of Vietnam.

Walking away with a shrug will be particularly wrong, morally and practically, in the case of Panama. If we did not, back in the high-flying days of 1968, participate in creating the dictator, Omar Torrijos, we certainly acquiesced in his seizure of power and assisted him, with aid and other endorsements, in staying in the saddle.

Historians will surmise, as most thoughtful Panamanians believe already, that we

backed this morally decrepit leader because we could make a deal with him. He began to look like our ape in their parlor as we counseled him on curbing his excesses and performing the conciliations necessary to speed the treaty through the Senate.

Now our attention is turned away and he is reverting to type. The slaughter by pro-regime guerrillas of a still-undetermined number of college protesters on the eve of President Carter's visit has proved to be the prelude to a transition that has left Panamanians suspended between their hopes for an infusion of democracy and their fears of brutal treatment.

The turn has also been signalled by the Panamanian bishops, led by the respected Archbishop Marcos McGrath. They muted their apprehensions during the negotiations, but in a new pastoral letter they warn there are serious defects in the political structure, inefficient administration and lack of control over public funds, plus increasing domination by "certain Marxist elements." The deep rapport between Torrijos and Fidel Castro is a matter of continuing concern in Panama.

Torrijos concedes that after 10 years of strong-arm rule, he has an obligation to give his country something better. But he doesn't know exactly what, as he certainly intends to stay on as the centerpiece. He may let himself be chosen president by the 505 representatives to an assembly tailored by the regime to exploit its rural strength.

"I am not a very ambitious leader," Torrijos says, but his taste for the plunder of power is not requited. He says, "We must organize politically" and talks of restoring party politics; but insists there will be no direct election of a president until 1984. He has assigned the task of planning the new political phase to a commission headed by Romulo Betancourt, the man at his elbow, the treaty negotiator and the Marxist who once brought Che Guevara to Panama.

A chilling insight into Betancourt's political philosophy surfaced on July 21 when he told a crowd, "Let them even try to raise their little finger against this revolution and they will see a change from our position of tolerance. They will see how the armed branch of this revolution would deal a blow to those traitors and reactionaries."

The State Department is now planning to add to the regime's muscle by supplying $2.5 million in military assistance to the national guard. This is a partial fulfillment of the U.S. negotiators' pledge to seek congressional support for $50 million in military assistance over the next 10 years.

All in all the president contemplates a $20 million aid package to Panama, the only nation with a per capita product of more than $1,300 that gets economic assistance. This was grease that facilitated the treaty deal. Now Congress is being asked to bolster a dictator bent on reasserting himself.

All the past support of Torrijos was barely justified, in moral terms, by the need for a treaty. Further support for a regime that flirts with totalitarians and drug-traffickers while it represses Panamanians will be unforgivable.

LEAVE GUANTANAMO, PANAMA URGES U.S.

PANAMA.—Panama called Wednesday for the United States to give up its Guantanamo naval base in Cuba, self-determination for Puerto Rico, and return of all occupied Arab lands by Israel.

The government made the points in a 14-page document intended to lay the basis for its future foreign policy.

"The centerpiece of our foreign policy has been the canal. Now that an agreement has been reached with the United States, we felt we needed to redefine our foreign policy," Foreign Minister Nicolas González Revilla said in an interview.

The document also supports respect for human rights and condemns all intervention in the affairs of other nations.

Gonzalez Revilla said it "it also recognizes Panamanian support of some independence struggles that exist in the world."

The document gives Panamanian backing to the black nationalist struggles under way in southern Africa.

González Revilla said the document was being sent to all nations with which Panama has relations and to its foreign service ambassadors, and that it would be presented at the coming meeting of nonaligned nations later this month in Belgrade.●

EXCHANGE RATES AND THE INTERNATIONAL ECONOMY

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1978

● Mr. COHEN. Mr. Speaker, the recent economic summit conference in Bonn highlighted the Western World's growing concern over the present instability of the international financial system.

In a recent article in National Journal, Leslie C. Peacock, vice chairman of the Texas Commerce Bank, discusses the present international economic system and offers some suggestions on needed adjustments and changes.

I believe that Mr. Peacock's comments represent a constructive contribution to the continuing dialog on this critically important subject, and I commend his observations to my colleagues in the Congress:

INTERNATIONAL FINANCIAL ISSUES: THE VIEWS OF A BANKER

(By Leslie C. Peacock)

It has been little more than a decade since important economic policy makers in the United States were proclaiming the business cycle a thing of the past. We had become so wise, it was said, and our instruments of economic stabilization so refined, that there remained only the necessity for "fine tuning" to keep the economy on a steady and healthy upward progression. The euphoria that spawned such arrogant and naive thinking subsequently was dispelled, but it is important to remember that the arrogance and naivete was there. The arrogance consisted of the presumptuous belief that economists and sufficiently knowledgeable about what is going on in the world economy to be able to prescribe precisely what is needed. The naivete consisted of the belief that, even if they were, they could dictate to the world's real policy makers, the politicians.

Mankind is ruled by politicians, a fact which we sometimes regret but rarely wish to change. It is not in the nature of politicians that their wisdom expands in relation to the complexities of the problems confronting their constituents. It may even be, in fact, that the quality of decision making in government deteriorates as the complexity of problems expands. In any event, it is fairly clear that developments over the past five years have outrun our willingness or capacity to grapple with them successfully. The gap between what is needed and what is being done grows progressively wider, and the failure of major governments to agree on remedial measures increasingly prejudices the economic climate.

The extent to which this is so is reflected over a wide range of international economic developments. It is reflected in the extraordinary weakness of investment incentives in virtually all industrialized nations. It is manifest in the trend toward much slower rates of real growth of international trade as well as in rising protectionist sentiments and policies around the world. It is evident in the unsustainably large external deficits of most oil-importing nations and rising pressures on their creditworthiness. It is particularly conspicuous in the exaggerated movements of foreign exchange rates.

Already it is noticeable that these economic developments are being translated into public restiveness and undefined fears which themselves are being communicated to political processes. We are not, therefore, at a happy point on the path to freer trade and expanded international investment. In the absence of stronger international financial leadership, in fact, we are likely to look back on the past 25 years as a golden era in world trade and investments—a golden era that somehow eluded our permanent grasp.

THE ORIGINS OF STRAIN

The origins of strain on the present international financial system, on whose health vigorous world trade and international investment depend, are too multitudinous and complex to be treated summarily without great risk of oversimplification. In the interest of brevity, however, it may be said that they have stemmed from the chronic unwillingness and/or inability of the United States to manage its balance of payments in a manner consistent with the requirements for preserving the dollar's role as a reserve currency. U.S. policies have much to answer for in connection with the failure to maintain a viable balance-of-payments position; but it is equally true that Western Europe and Japan are not innocent of contributions to the breakdown of the international monetary system as built up under the Bretton Woods Agreement.

In any event, such was the behavior of important industrialized nations that the system of fixed currency parities, the system under which international trade and investment flourished so extraordinarily in the two and one-half decades of the postwar period (and even before that, for that matter), collapsed completely in early 1973. The transition to floating rates of exchange became an accomplished fact not because floating rates were elected as a demonstrably superior or even acceptable basis of supporting a healthy world economy, but rather because there was no other alternative.

Such is the peculiarity of man that, not being able to get what he likes, he often is prone to convince himself that he likes what he gets. Such was the reaction of many economists to the collapse of the fixed-parity system of currency exchanges, and it had begun even before the collapse of Bretton Woods. In fact, the superficial attraction of floating exchange rates as a theoretical proposition had greatly undermined the resolve of governments to make greater sacrifices to maintain the old system. Would the new system of floating exchange rates usher the world into a new and higher-powered inflationary era? Of course not, it was argued. Would such a system destroy or greatly impair the elements of stability required for orderly multinational trade and investment flows? Absolutely not, it was said; things will be even better!

With that same mixture of arrogance and naivete that characterized the "fine tuners" a decade earlier (although the personalities were decidedly different), the advocates of freely-floating exchange rates advanced their arguments. In this case, the arrogance lay in an excessively dogmatic ideological commitment to "freedom" in all markets come hell or high water, and the naivete lay in the failure to know that businessmen and entrepreneurs (no less than politicians) do not always behave the way that economists

tell them to. (If there is a moral here, it is that neither Keynesians nor monetarists have a monopoly on humility.)

Perhaps it was not arrogant to believe that future changes in exchange rates would always be orderly and smooth and slow-moving; but subsequent developments have proved that this view was, at the very least, extremely naive. The plain truth is that international trade and investment are being carried on today against a backdrop of daily and weekly gyrations in exchange rates which are, in comparison with anything previously contemplated by the advocates of floating rates, wild and sometimes disorderly.

It is not an accident of chance that the introduction of floating rates has been followed by five years of escalating inflation, a general deterioration of investment incentives in industrialized nations and a marked slowdown in growth of the physical volume of world trade. Direct causal forces are at work. They are identifiable, but they are not quantifiable. They are not quantifiable because the influences of floating rates on the performance of the international economy have become intertwined with the influences of yet another major shaper of international economic and financial developments—the escalation of crude oil prices.

Without pretending that anyone can disentwine these powerful influences, and while recognizing that judgmental assessments of the importance of each are subject to challenge, one nevertheless can note that neither the timing of the pronounced upswing toward double-digit inflation nor the magnitude of the inflation that has occurred on a worldwide basis nor the severity of that inflation in individual countries (in relationship to their requirement for imported oil) is suggestive of the proposition that world oil prices are at the root of today's inflation. That they have contributed to these problems is beyond question, but they are only one of many influences.

The transition to floating exchange rates has exacerbated the trend toward higher rates of inflation in many ways, but what is less well recognized is that it has introduced new and powerful barriers to the adequacy of private investment on a worldwide basis and, most particularly, in the industrialized nations. In neither Japan, Canada, Italy, the United Kingdom, Germany nor the United States has there been any reversal of the decline in nonresidential fixed investment as a percent of real gross national product that began in the early 1970s, and policy makers in all countries have expressed anxiety as to the longer-run "stagflation" implications of this phenomenon.

They are correct to worry about it, and not only because its continuation will interfere seriously with satisfactory growth rates in the future decades. At least one of the factors presently inhibiting capital investment around the world is a product of exchange rates fluctuations and can be overcome only by the achievement of more stable exchanges or, alternatively, by a sharp turn toward greater protectionism in international trade. The interrelationships between inflation, exchange rates and fixed investments are so clear, in fact, that it is a theoretical absurdity to expect that we can have a restoration of adequate levels of fixed investment against a backdrop of free trade, the existing degree of exchange rate instability and differential rates of inflation.

The reason for this is that a very large share of fixed investment around the world, whether or not the investment involves a movement across national boundaries, nevertheless must be sensitive to actual and potential international competition over many years out into the future. At least this is true in a world of free trade. Yet when exchange rates are changing quickly, often "irrationally," and with no assurance that differential rates of inflation will be accurately reflected in the changes, the entire basis for investment (in all areas which are affected by international competition), becomes riddled with dangers and uncertainties that were not there before. Imagine the perils envisioned by a Japanese or German manufacturer who, knowing that he competes in American markets or in other markets with American producers, reads his newspaper to find the American dollar depreciating out of all proportion to relative changes in costs of production! Far from being enthusiastic about the contemplation of new investment, he is much more likely to develop anxiety about the preservation of those profit margins which make his existing investment viable.

It is important to note that there is nothing in the existing international financial system to make such a potential investor more comfortable about the risks of new investment or the viability of existing ones. He cannot take comfort in the knowledge that the process of foreign exchange adjustments will find an equilibrium which allows him a reasonable chance to produce and sell his products profitably. He might have taken such comfort when exchange rates were pegged in deliberate consideration of terms of trade and sustainable relationships *over time*, but that comfort is not available in a world where exchange rate changes daily reflect the full spectrum of pressures from investment transactions, speculative currency movements and other considerations which have nothing to do with the comparative costs of production in the short run. And since he doesn't know how long the short run is, or how much worse it might become, the potential investor retreats to the sidelines. If he is really smart, and if he speculates on what exchange rates might be required for such a powerful country as the United States to achieve balance-of-payments equilibrium through correction of its current account deficit, he will beat a hasty path to ask his government for protection before he executes this plan of retreat.

There are many factors underlying the inadequacy of fixed investment, including political uncertainties, regulatory uncertainties and inadequate rates of utilization of capacity in many countries. Nevertheless, the one that will not go away, even if the others are resolved, is the mutual inconsistency of (a) free trade; (b) a high level of investment; and (c) exchange rate changes of the sharpness and rapidity that have occurred in recent years. At least one of these has to be eliminated if the other two are to be retained.

WHERE THE PRIORITIES LIE

It does not require much deliberation to come to the conclusion that the world is heavily dependent on free trade as a buttress to its prosperity and that a high level of private investment is essential for our present and future economic health. Neither of these can be sacrificed. If it is also agreed that there is no road back to the old system of fixed parities worked out at Bretton Woods, it cannot reasonably be proposed that we must scrap the concept of floating exchange rates either. The priorities align themselves: We must make major efforts to reduce the volatility of exchange rates if we wish to avert an alarming trend toward protectionism in world trade and promote an international climate in which fixed private investment opportunities are sufficiently attractive to stimulate and support economic growth.

There are several ways of going about it, but the present approach of the leading industrialized nations around the world is not working (as is evidenced by the clear trend toward greater volatility, rather than less, in exchange rate quotations). Within a period of six months the dollar has fallen 27 per cent against the Swiss franc, 22 per cent against the yen, and 15 per cent against the Deutschemark. These are magnitudes of change, compressed within a short period of time, that certainly would have rendered obsolete the feasibility studies that might have underlain any German, Japanese or Swiss investment plans under consideration at the time. And the fact that the dollar gained almost 7 per cent againts the Swiss franc in one day is adequate testimony to the impingement of exchange-rate volatility on both investment and trade.

As of the present moment, the major defense which the world has against exchange-rate volatility inevitably destructive of free trade and adequate private investment lies in the cooperative action of central banks in intervening in foreign-exchange markets on whatever scale is required to produce short-term stability. The scale of these purchases required in 1977 and thus far in 1978 has been huge, and yet even this magnitude of purchases (aggregating more than $40 billion), has not been adequate to produce sufficient stability in the marketplace. Because of enormous pressures on the American dollar arising out of the deficit in the U.S. current account, plus the flow of capital from dollar accounts accumulated in previous years when the dollar's outlook was brighter, private sales of dollars have simply swamped the absorptive capacity of official institutions.

Looking to the future, it is not likely that the flow of surplus dollars onto foreign-exchange markets will diminish, nor is it reasonable to expect that foreign central banks will be prepared to step up their level of support for the dollar. The disinclination to commit themselves further in the defense of a more stable dollar reflects some considerations which are purely economic and others which might more aptly be termed "attitudinal." The economic considerations include the critical fact that large scale purchases of dollars by central banks abroad tend to be a source of domestic inflationary pressure within the country that does the purchasing, and therefore are often in sharp conflict with domestic economic policy objectives. Second, there is a limit to the extent to which any nation's central bank can sacrifice the interests of its own constituents on the altar of international financial cooperation. This question comes fairly to the fore when a central bank is forced, in the interest of maintaining orderly foreign exchange markets, to commit a heavy percentage of its resources to a currency the longer range value of which may be subject to some doubt.

These barriers to more aggressive efforts by central banks to promote greater exchange stability tend to become most fully operative when the United States, by virtue of policy moves or the remarks of high officials, shows less than full appreciation of the burden which our international financial position is imposing on foreign central bankers. It is understandable that the latter may resent deeply having to spend $300 million (or even $1 billion) in one day to support the dollar at a time when they might prefer to hold gold or Special Drawing Rights (SDRs) or another currecy. If the sudden necessity for such support flows out of language from Washington which reflects either a lack of knowledge or of understanding or of sympathy for the burden our position places on foreign central banks, then it must be doubly irritating to provide it. When the support is less than enthusiastic, the results may be less than completely adequate. We are seeing some of this.

Because of the barriers to more effective support of exchange stabilization by the world's central banks, and in the light of the huge current account deficit in the United States which renders us particularly vulnerable to outflows of liquid balances

held in dollars, it is clear that a continuation of present trends and present reliance on existing defenses expose the world to the grave risk of a disorderly retreat to protectionism and bilateralism in trade from which we all would suffer.

The ultimate defense against such an eventuality lies in the correction of the $15 billion (or so) deficit in the U.S. current accounts, a development which will require more intensive effort than so far has been expended. Accomplishment of this objective will not be easy and will require, in and of itself, a larger measure of cooperation from such important trading nations as Japan (whose chronic inability to eliminate its trade surplus is more a tribute to its desire for rising international reserves than a reflection on its inability to achieve a desired goal of public policy).

CORRECTING THE DEFICIT

We do not know when, or even if, the United States can succeed in correcting its current account deficit. We do know, however, that the deficit itself and the legacy of international liquidity now held in dollars is imposing an intolerable strain on that degree of exchange-rate stability that is essential for the maintenance of free trade and a healthy climate for investment on a worldwide basis. If we are to preserve that climate and provide an opportunity for timely adjustment in the United States, it will be mandatory for foreign exchange markets to be relieved of the pressures now being created by the large overhang of dollars.

U.S. bonds in foreign currencies: Several proposals have been advanced for accomplishing this. One such proposal has featured the removal or reduction) of the dollar overhang by the sale of U.S. Government bonds denominated in foreign currencies. The proposal bears explicit recognition that foreign-exchange volatility is getting out of hand; it recognizes that the maintenance of a high degree of international interdependence requires that the problem be corrected; and it places the responsibility for leadership on that nation whose currency and whose international financial position are central to the growing problem. The proposal has attracted a considerable amount of sympathetic attention, including the endorsement of Dr. Arthur Burns, former chairman of the Federal Reserve Board, but it has been rejected by the current U.S. Administration. The proposal is deserving of the Administration's reconsideration.

Although the severity of the present problems in foreign exchange markets has prompted additional and intensive discussions of the possibilities for a revised and expanded role for Special Drawing Rights within the International Monetary Fund (IMF), the limited attractiveness of SDRs to many investors and holders of international liquidity suggests that this would be too narrow an approach for the solution of a problem requiring such comprehensive treatment.

The Bell Plan: A more comprehensive approach has, in fact, been put forward by the distinguished economist and financier Geoffrey Bell Under the Bell Plan, the International Monetary Fund would be allowed to issue obligations denominated in whatever currency a member country might choose (in addition to SDRs), using the dollar as the currency of subscription, and acquiring dollar assets with the proceeds derived from the sales. The Bell Plan thus would present the IMF with an exchange risk (although Bell notes that the risk would become operative only when and if countries which had retreated from the dollar subsequently elected to get back into dollars), and Bell proposes that this risk be covered by guarantees from the governments of IMF member countries, including the United States.

As a plan for insulating exchange rates from the destabilizing influences of a dollar overhang which may exceed $30 to $50 billion (if nervous and reluctant foreign holders of dollars are taken as the measure), the Bell Plan is assuredly the most specifically tailored to meet the problem. Among its numerous merits is its recognition that the dollar problem is also a world problem, requiring international cooperation for its resolution, and that such cooperation is to be preferred over the drift toward protectionism and economic isolationism which inaction propels.

It is not that the Bell Plan could not provide the basis for an orderly solution to pressing international problems, but rather an assessment of the political difficulties of getting such a plan through the IMF, that suggests the need for U.S. reconsideration of the sale of bonds denominated in foreign currencies.

THE LESS-DEVELOPED COUNTRIES

At least in the U.S. press and among financial analysts in the United States, the bulk of conversation about the international financial situation has carried the flavor that the greatest threat to international financial stability lies in the so-called overextended borrowing position of developing nations. That is not so; it already has been stressed that the principal threat stems from exchange rate volatility and the consequent pressures on investment and liberal trade policies in *industrialized nations*. Nevertheless, a word about the position of developing nations may be in order here.

As a group, the developing nations were making a rather strong economic showing early in the 1970s and their prospects remained bright until the introduction of higher oil prices and the catapulting of OPEC current account surpluses to almost $70 billion in 1974. In the years that followed, the borrowing requirements of the LDCs skyrocketed, but it is significant to note that most of these countries experienced little difficulty in covering their borrowing needs. The petrodollar recycling process, carried out essentially by U.S. and European banks, poured literally billions of dollars into the LDCs and greatly facilitated the balance-of-payments adjustment which circumstances required them to undergo. The entire world has reason to be thankful for the ease with which this recycling process occurred, for had it been otherwise the social and political changes which could have occurred might well have been immense.

In the process of borrowing to facilitate a smoother transition to sustainable payments positions, many of the LDCs reached levels of external debt conspicuously high by historical standards and debt-service ratios that have posed problems. Nevertheless, only a small handful of countries have actually experienced such difficulties as to make debt restructuring much more than a fairly routine matter, and these countries (Peru, Turkey and Zaire, for example) were never the heaviest recipients of American and European bank loans. The countries themselves, each facing a unique set of problems, scarcely establish the pattern to which other LDCs inevitably will conform.

In fact, the arguments concerning the vulnerability of the international financial system to LDC debt have not kept pace with the facts. When doubts first were expressed (and properly so) concerning the threat of rising LDC debt to international financial stability, it was assumed that the OPEC current account surpluses would be large and intractable, that industrialized nations would make relatively smooth adjustments to their "oil deficits" and that the LDCs would be left holding the bag (of deficits corresponding to the OPEC surpluses). None of these things has happened, yet the arguments concerning LDC debt go on as if they had.

In truth, OPEC surpluses on current account have declined sharply, from $65 billion in 1974 to a projected $25 billion in 1978, and further declines appear likely in years to come. At the same time, a very large number of industrialized countries, conspicuously led by the United States and West Germany, but also including Norway, Canada, Austria, Sweden, Denmark and Belgium, have experienced deterioration in their current accounts. Within this framework of falling OPEC surpluses and rising current account deficits in many advanced nations, the current account position of a large number of LDCs has shown remarkable improvement. While arguments were being advanced that many of these countries were doomed, they have been very hard at work expanding their sales to the more industrialized world. Had it not been for the large and undesirable surge in the current accounts surplus of Japan (and, to a lesser extent, Switzerland) over the past several years, the performance record of the LDCs would be even more impressive.

This is not to say, of course, that the current account improvement of LDCs is necessarily commensurate with the expanded debt burdens they have assumed. That question cannot be argued in generalities or in aggregates, but rather is a question of individual country analysis. In such an analysis, the degree of comfort one draws from the data varies from one country to another. Of those which have been the largest recipients of international credits (at least from American banks) in recent years, it is comforting to note that Mexico, Brazil, Korea and Taiwan (to designate only the most important) appear to be in sustainable debt positions and, for reasons which vary from one country to the next, sufficiently well positioned to command additional borrowings.

It is nonetheless true that the debt of LDCs constitutes a *potential* threat to the stability of the international financial system. If that potential threat is transformed into actual damage, it will not be because of massive debt repudiation arising out of the profligacy of LDCs and/or out of the excessive amounts of credit extended to them by U.S. and European banks. It will be because the debt burdens assumed by these countries are justifiable and supportable only in a world of relatively free trade, which is within the capacity of industrialized nations to preserve. There is every reason to believe that the debt burden of LDCs is a manageable problem in *a world of liberal trade policies and reasonably high private investment*, but there also is no doubt that the same debt burden could become a serious problem if the world retreats into protectionism and economic isolationism. Once again, therefore, we are returned to the problem of exchange volatility as it affects the international economic outlook. When economic officials of the industrialized world address themselves effectively to the question of excessive exchange volatility, they also will have gone far toward resovling the problem of LDC debt.

One of the more interesting aspects of international developments since the oil embargo has been that the same set of circumstances which has enlarged the borrowing requirements of the LDCs also has underwritten the upsurge in bank liquidity (around the world) which has made it easier for these countries to command credit in international markets. The enormous liquidity which has been building up in the industrialized world since 1973 (both in banks and in industrial corporations) is the direct counterpart of the falling away of investment expenditures as a percentage of gross national product. Confronted with increasingly strong supplies of loanable funds and

continuing weakness in traditional loan outlets, large commercial banks around the world tended to become—and remain to this day—considerably more aggressive in the allocation of funds to LDC borrowers. Far from confirming the judgment of pessimistic observers that the creditworthiness of LDCs (as a group) has deteriorated, banks have been so anxious to place funds in these countries that risk premiums have declined significantly and to such an extent that some banks have begun to wonder whether the game is worth the candle.

This is not a situation that is likely to persist for very long. If international financial authorities succeed in addressing the problem of excessive exchange volatility, investment incentives are likely to be rekindled in Europe, and part of the impetus to aggressive LDC lending will wane, particularly as such lending relates to Eastern Europe and the African continent. If they do not, such lending most probably will wane in any event as the degree of risk assigned to LDCs (in an increasingly protectionist world) would tend to rise.

In the United States, the developments are likely to proceed somewhat differently. U.S. investment is much less sensitive to exchange-rate volatility than in Europe, partially because a much lesser proportion of U.S. production is devoted to international sales and partially because the vulnerability of the dollar to further declines affects U.S. producers in a positive way. Essentially for these reasons, investment incentives in the United States have not been so seriously depressed as in other parts of the industrialized world. This is reflected in the fact that economic recovery from the most recent worldwide recession has been faster in the United States than in other countries.

If we were living in a world that was almost static, one would be tempted to assert that investment incentives in the industrialized nations have shrunk significantly while the same incentives in LDCs have increased, that this shift has also involved a shading in the relative importance of private investment and that the shift itself will produce future pressures on liberal trade policies presently maintained by most industrialized nations. But we are not living in a world that is (almost) static, so the most one can say is that (in the absence of such exchange disturbances as to propel the world in a headlong plunge toward protectionism) the availability of credit for financing the development programs of the LDCs is likely to remain assured.

CONCLUSIONS

The economic integration of the Free World that has been built from the ashes of World War II is in jeopardy. It is not relevant to concentrate on the various and complex reasons for the downfall of the international financial system that was built up around the Bretton Woods Agreement; but it is important for the world to recognize that free trade, a high level of investment and exchange volatility of the degree we have seen in recent years are totally and irrevocably incompatible. Free trade is not to be given up without enormous cost and dislocation to the Free World. A high level of investment cannot be given up without extraordinary prejudice to our future growth and to the standards of living of our children. There remains only the question of whether the recent volatility of exchange rates can be eliminated. The answer is an unequivocal yes, but it is an answer which governments may be more reluctant to answer than bankers.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, August 3, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 4

9:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To resume hearings on H.R. 12536, the Omnibus National Parks Amendments.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 134, extending the deadline for ratifying the ERA.
318 Russell Building

9:30 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To resume oversight hearings on the Government in the Sunshine Act (Public Law 94-409).
3302 Dirksen Building

10:00 a.m.
Armed Services
Military Construction and Stockpiles Subcommittee
To hold hearings on the military base realignments by the Department of Defense.
212 Russell Building

Environment and Public Works
To hold hearings on several public building prospectuses.
4200 Dirksen Building

Joint Economic
To hold hearings on the employment-unemployment situation for July.
6226 Dirksen Building

10:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume mark up of S. 2755, the Drug Regulation Reform Act, and S. 3115, to establish a comprehensive disease prevention and health promotion program in the U.S.
4232 Dirksen Building

AUGUST 7

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the problem of property insurance in urban America.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 2475 and H.R. 10587, to improve conditions of the public grazing lands.
3110 Dirksen Building

AUGUST 8

9:30 a.m.
Judiciary
To hold hearings on the nominations of James D. Phillips, Jr., of North Carolina, to be U.S. circuit judge for the fourth circuit; Harry E. Claiborne, to be U.S. district judge for the district of Nevada; Thomas A. Wiseman, Jr., to be U.S. district judge for the middle district of Tennessee; and Norma Levy Shapiro, to be U.S. district judge for the eastern district of Pennsylvania.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 2533, proposed Gasohol Motor Fuel Act.
3110 Dirksen Building

AUGUST 9

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

Human Resources
To hold hearings on S. 3205 and S. 3309, proposed Indochina Migration and Refugee Assistance Amendments.
Until 11:30 a.m. 4232 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To hold hearings on what information is currently available to the public on food labeling and nutrition content.
322 Russell Building

10:00 a.m.
Budget
To mark up second concurrent resolution on the Congressional Budget for FY 1979.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 2533 proposed Gasohol Motor Fuel Act.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposed initiatives designed to improve Federal water resource programs transmitted by the President in his message of June 7, 1978.
4200 Dirksen Building

Finance
To mark up miscellaneous tariff bills.
2221 Dirksen Building

Rules and Administration
To consider further the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC.
301 Russell Building

AUGUST 10

8:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To hold hearings on S. 2560, to expand the Indian Dunes National Lakeshore.
3110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
6226 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Nutrition Subcommittee
To continue hearings on what information is currently available to the public on food labeling and nutrition content.
322 Russell Building

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Commerce, Science, and Transportation
To hold a business meeting on pending calendar business.
235 Russell Building

Environment and Public Works
To hold hearings on several public building prospectuses.
4200 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

AUGUST 11

9:30 a.m.
Environment and Public Works
To hold hearings on the nomination of Karl S. Bowers, of South Carolina, to be Administrator of the Federal Highway Administration, DOT.
4200 Dirksen Building

10:00 a.m.
Budget
To continue markup of second concurrent resolution on the Congressional Budget for FY 1979. (Afternoon session expected.)
6202 Dirksen Building

Rules and Administration
To continue to consider the nominations of John Warren McGarry, of Massachusetts, and Samuel D. Zagoria, of Maryland, to be members of the FEC, and other legislative and administrative business.
301 Russell Building

AUGUST 14

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 2860, proposed Solar Power Satellite Research, Development, and Demonstration Program Act.
3110 Dirksen Building

AUGUST 15

9:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on H.R. 2329, proposed Fish and Wildlife Improvement Act, and H.R. 8394, proposed Refuge Revenue Sharing Act.
4200 Dirksen Building

Human Resources
Labor Subcommittee
To hold joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1699, proposed Diesel Fuel and Gasoline Conservation Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns domestic security.
2228 Dirksen Building

AUGUST 16

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings to receive testimony from officials of the Department of Energy on nuclear waste disposal.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business
3110 Dirksen Building

9:30 a.m.
Human Resources
Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To hold hearings on S. 3270, proposed Justice System Improvement Act and related bills.
2228 Dirksen Building

AUGUST 17

9:30 a.m.
Human Resources
Labor Subcommittee
To continue joint hearings with Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits on bills relating to the Employee Retirement Income Security Act (S. 3017, 901, 2992, 3193, 1745, 1383, and 250).
4232 Dirksen Office Building

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To hold oversight hearings on the physical and financial condition of the Erie canal.
4200 Dirksen Building

Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To hold hearings on S. 2053, the Deep Seabed Mineral Resources Act, now pending in the Commerce, Science, and Transportation Committee.
4221 Dirksen Building

Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings with the Governmental Affairs Subcommittee on Federal Spending Practices and Open Government on S. 2515, dealing with occupational alcoholism programs.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 18

10:00 a.m.
Energy and Natural Resources
Parks and Recreation Subcommittee
To resume hearings on H.R. 12536, the Omnibus National Parks Amendments.
3110 Dirksen Building

AUGUST 21

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Gloria Schaffer, of Connecticut, to be a member of the Council on Environmental Quality.
235 Russell Building

AUGUST 22

9:00 a.m.
Human Resources
To hold hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 23

9:00 a.m.
Human Resources
To continue hearings on S. 2645, proposed National Art Bank Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

AUGUST 24

10:00 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 3363, proposed International Air Transportation Competition Act.
235 Russell Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1449, proposed Grand Jury Reform Act.
2228 Dirksen Building

AUGUST 25

10:00 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To continue hearings on S. 3270, proposed Justice System Improvement Act, and related bills.
2228 Dirksen Building

AUGUST 28

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

AUGUST 29

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter as it concerns undercover operations.
2228 Dirksen Building

SEPTEMBER 14

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the FBI Charter and its overall policy.
2228 Dirksen Building