AMENDMENT No. 20

At the end of Article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty, as follows:

" 'Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

" 'This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.' "

AMENDMENT No. 21

At the end of the first paragraph of Article VI, insert the following:

"In accordance with the Statement of Understanding mentioned in Article IV above: The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly."

Mr. ROBERT C. BYRD. And Mr. President, the amendments will be printed overnight, will they not?

The PRESIDING OFFICER. The Chair advises that it will be.

Mr. ROBERT C. BYRD. I thank the Chair.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I should think that the program tomorrow would be about as follows:

The Senate will convene at 9:30 a.m. and after the prayer and the disposition of the approval of the Journal, a total of 10 Senators will be recognized under the orders previously entered, each for not to exceed 15 minutes, and this should run until about 12 o'clock noon.

At the hour of 12 o'clock noon, or upon the conclusion of the orders for recognition of the 10 Senators, whichever is later, the Senate will vote by rollcall on the adoption of the conference report on the Endangered American Wilderness Act of 1978, H.R. 3454, without prior debate thereon or motions, and upon the disposition of that vote the Senate will go into executive session, under the order previously entered, and will proceed immediately to the consideration of Executive N, 95th Congress, first session, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

I anticipate that following that point on tomorrow most of the day will be taken up by speeches made by proponents and opponents of the treaty, and I also anticipate that on Thursday and Friday most of both days will be consumed in debating the treaty with those in opposition and those in support of the treaties speaking throughout Thursday and Friday, and I anticipate that the length of those debates during those sessions should be perhaps 6 hours tomorrow, give or take a little, as to Thursday probably 7 or 8 hours, and as to Friday 6 or 7 hours should be sufficient. Of course, motions will be in order and amendments to the treaty will be in order as the Senate proceeds article by article to debate the treaty.

So rollcall votes could occur, as I say, in connection with the treaties, amendments, and/or motions in relation to the same, but I imagine that most if not all of the 3 days will be given to debate of the treaty.

Mr. President, it may very well be that other matters can be taken care of as we go along but only in the event that they are matters of an emergent nature or of an uncontroversial nature or in the event very brief time agreements can be worked out in relation to such matters so as not to consume much of the time of the Senate, it being desired that most of the time of the Senate be given to the action on the treaties.

Now, that is about all I will say at this point. As to the determination of what constitutes an emergent matter, this will depend upon the matter itself and can await such time as we are confronted with those situations.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:12 p.m. the Senate recessed until tomorrow, Wednesday, February 8, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 7, 1978:

DEPARTMENT OF STATE

John P. Condon, of Oklahoma, a Foreign Service officer of class 1 to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

James Patrick Walsh, of the District of Columbia, to be Deputy Administrator of the National Oceanic and Atmospheric Administration, vice Howard W. Pollock, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate February 7, 1978:

THE JUDICIARY

A. David Mazzone, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

EXTENSIONS OF REMARKS

PANAMA CANAL

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. KREBS. Mr. Speaker, regardless of where my colleagues stand on the Panama Canal ratification issue, I felt they would be interested in the following ariticle, which appeared in the February 2 edition of the Los Angeles Times, by William F. Buckley, Jr., whose impeccable conservative credentials cannot even be questioned by Ronald Reagan:

PANAMA: FOR THE RECORD

(By William F. Buckley, Jr.)

In Ronald Reagan's remarks opposing the passage of the Panama Canal treaties, he gave voice to a number of specific criticisms that turn up in much of the antitreaties literature. They are of general interest, to the extent that the 51% of the people opposed to the treaties rely on these criticisms in passing judgment.

Said Reagan: "We're asked to turn over a $10 billion investment" to the Panamians.

Really, there is no reason to exaggerate our generosity, though it is legendary. The original cost of all nonmilitary property, equipment, facilities, and other improvements contemplated to be turned over to Panama by the year 2000 is $1.6 billion; by the year 2000, the estimated book value will be down to approximately $0.62 billion. The estimated cost of the military installations in Panama (including improvements) scheduled to be turned over by the year 2000 is $398.4 million. The total, in other words, is about $1.02 billion, or a modest one-tenth of the cited figure.

Said Reagan: "(We would place) the U.S. military under the jurisdiction of a government, not elected by the Panamanian people."

In fact, the American military will remain under the command of the U.S. President and, under his direction, can act unilaterally.

Said Reagan: "We will pay the Panamanian government about a billion and a half dollars to take the canal off our hands."

Not exactly: The payments to Panama will be paid by canal users out of operating revenues. That is different from tax dollars.

Said Reagan: "We're dealing with a Panamanian government that has accumulated the highest per-capita debt in nine years of any nation in the world."

Would that it were so. The total Panamanian government debt is about $1.2 billion (the IMF figure for June, 1976). With a population in Panama of 1.6 million, Panama has then a per-capita debt of about $720. Ours, per capita, is $3,300. Gen. Omar Torrijos may be a spendthrift, but he can't match our Congress.

Said Reagan: "We bought in fee simple all the privately owned land in the Canal Zone, and I've seen the figure of those purchases set at $163 million."

In fact, the total payment to private persons for interest in real property was less than that. Namely, about $4 million.

Said Reagan: "Panama derives one-fourth of its gross national product from the canal."

The correct figure is about 12%.

Said Reagan: "In the neutrality treaty, in the event of war, our enemies have the same right of access to the canal that we have."

Technically, that's right. But the treaty's neutrality extends to an area three or four miles out from the actual opening of the canal. If our enemies are so dumb as to head for the canal, our Navy or our Air Force will sink them—just like that! Our only commitment is not to sink them while they are *inside* the canal. This presumably we would not want to do in any case, as it would make it extremely messy for our ships to move past theirs. A historical note: during the past two world wars, no enemy ship used the Panama Canal. No feature of the proposed treaties impinges on U.S. rights outside the mile or two that lead into the canal.

On the whole, Reagan used perfectly defensible arguments and figures, and the above corrections may not weigh decisively in the mind of anybody, but it's a crazy world. There are people going around—I mean grown people—saying that the whole Panama Canal treaty revision is a plot involving Presidents Eisenhower, Kennedy, Johnson, Nixon, Ford and Carter, the State Department, the Joint Chiefs of Staff and the majority of the Senate to bail out of couple of U.S. banks that lent too much money to Panama. That's the right wing's Grassy Knoll.

PRESIDENT CARTER DEAD WRONG ON HIS "FIRESIDE FACTS" ON PANAMA CANAL ZONE

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. SNYDER. Mr. Speaker, in his fireside chat on February 1, the President said:

We do not own the Panama Canal Zone—we have never had sovereignty over it. We have only had the right to use it * * * From the beginning we have made an annual payment to Panama to use their land. You do not pay rent on your own land. The Canal Zone has always been Panamanian territory. The U.S. Supreme Court and previous American Presidents have repeatedly acknowledged the sovereignty of Panama over the Canal Zone.

The Supreme Court has never ruled that Panama was or is sovereign over the Canal Zone. In fact, the Court has stated the precise opposite:

In the 1907 decision, *Wilson* v. *Shaw* 204 U.S. 24, the Supreme Court cited the plaintiff's contentions. Among them:

He contends that whatever title the Government has was not acquired as provided in the act of June 28, 1902, by treaty with the Republic of Colombia * * * Further, it is said that the boundaries of the zone are not described in the treaty * * *.

The Court declared:

A short but sufficient answer is that subsequent ratification is equivalent to original authority. The title to what may be called the Isthmian or Canal Zone, which at the date of the act was in the Republic of Colombia, passed by an act of secession to the newly formed Republic of Panama * * * A treaty with it, ceding the Canal Zone, was duly ratified. 33 Stat. 2234. Congress has passed several acts based upon the title of the United States * * *.

It is hypercritical to contend that the title of the United States is imperfect, and that the territory described does not belong to this Nation, because of the omission of some of the technical terms used in ordinary conveyances of real estate * * *.

Alaska was ceded to us 40 years ago, but the boundary between it and the English possessions east was not settled until within the last two or three years. Yet no one ever doubted the title of this republic to Alaska.

I call to your attention that the Court used the words "cede" and "title" in reference to both Alaska and the Canal Zone—and used the same words in the same decision.

In the 1916 case, *Gideon Dixon et al.* v. *George W. Goethals et al.* 242 U.S. 616 the Court affirmed the judgment of the District Court, Canal Zone, 1915. That opinion, in part, reads as follows:

The plaintiffs in the above-entitled cause seek an injunction restraining defendants from the forcible seizure and destruction of their properties pending proceedings before the Joint Commission to determine the value thereof, and the payment of the amounts therefor.

The theory advanced by the plaintiffs in support of their application is that in cases of expropriation of private property for public use upon the Canal Zone, injunction should issue to prevent the dispossession of the owner until he receives compensation for his property as required by the Constitution and laws. In support thereof they relay upon the provisions of the Constitution of the Republic of Panama which were in force and effect at the time of the ratification of the treaty between the United States and the Republic of Panama which were in force and effect at the time of the ratification of the treaty between the United States and the Republic of Panama. The provisions of the Panama Constitution in question are as follows:

"For serious reasons of public utility, defined by the legislator, forcible alienation may take place by means of a judicial order, and indemnity shall be paid for the value of the property before the expropriation takes place."

Also:

"The private interest will give way to the public interest. But the expropriation which it is necessary to make, requires previous and full indeminization".

And also:

"For important reasons of public utility, defined by the legislator, there can take place the forced alienation of property or rights under judicial writ, but the payment of the declared value will be made before the dispossessing the owner of same."

And the conclusion which the plaintiffs' counsel reaches is that the inhabitants of the Canal Zone have not lost any of the guaranties of the Constitution of Panama and that in so far as these constitutional guaranties are abrogated or infringed by the treaty, that such provision of the treaty are unconstitutional and void.

It is their contention that a treaty can not grant, convey, or barter rights of the citizens which are protected by constitution and that treaty provisions in contraventions of preexisting constitutional guaranties have no binding force or effect. Generally speaking, this proposition may be conceded, but it must be equally conceded that where a government by treaty, parts with the sovereignty of a part of its possessions, that the new sovereignty is equally empowered to legislate therefor without regard to preexisting laws or constitutions.

The district judge then backstopped this statement by quoting in full article III of the 1903 treaty.

In *United States* v. *Husband R. (Roach)*, 453 F. 2d 1054 (5 Cir. 1971); cert. den. 406 U.S. 935 (1971) the circuit court declared: "The Canal Zone is an unincorporated territory of the United States."

Ownership is something totally different from sovereignty. There is no question but that even under Panamanian law the United States owns the canal as an installation built on the real estate at a cost of hundreds of millions of dollars. Even if Panama had not ceded the zone to the United States, as the Court has ruled it did, the United States has clear title to hundreds of square miles of real estate in the zone acquired by purchase at a cost of millions from the old French canal company, the Panama Railroad Co. and individual owners of private tracts of land.

The President was dead wrong on the matter of the annuity. The facts are these:

The Hay-Herman Treaty of 1903 between the United States and the Republic of Colombia, never ratified by the latter, states in article XXV:

"As the price or compensation for the right to use the zone granted in this convention by Colombia to the United States for the construction of a canal, together with the proprietary right over the Panama Railroad, and for the annuity of two hundred and fifty thousand dollars gold, which Colombia ceases to receive from the said railroad, as well as in compensation for other rights, privileges and exemptions granted to the United States, and in consideration of the increase in the administrative expenses of the Department of Panama consequent upon the construction of the said canal, the Government of the United States binds itself to pay Colombia the sum of ten million dollars in gold coin of the United States on the exchange of the ratification of this convention after its approval according to the laws of the respective countries, and also an annual payment during the life of this convention of two hundred and fifty thousand dollars in like gold coin, beginning nine years after the date aforesaid * * *.

The identical financial features of this article were incorporated in article XIV of the Hay-Bunau Varilla Treaty with Panama. Clearly, we could not offer less to Panama than already offered to Colombia.

The annuity therefore was to indemnify for loss of income from the Panama Railroad, and never was a lease payment.

Subsequent increases in the annuity were made in the 1936 and 1955 treaties. Both treaties spell out that the increases were not required by any treaty provision.

The annuity was increased in the 1936 treaty to $430,000. Senate Report No. 2375, dated June 27, 1956, from the Committee on Interstate and Foreign Commerce explained this:

". . . the monetary agreement with the Republic of Panama of June 20, 1904, provided for payment of the annuity in gold balboas. Hence, when the American gold dollar, and later the Panamanian balboa, were devaluated as the result of abandonment of the gold standard by the United

States in 1934, the annuity payment in gold balboas was increased to $430,000 solely to compensate for the decrease in gold content of the balboas."

The 1955 treaty increased the annuity to $1,930,000 purely as an act of generosity on our part.

Subsequent devaluation of the dollar has raised the figure to $2,328,200 at the present time.

Ambassador John M. Cabot, Chief U.S. negotiator of the 1955 Treaty with Panama, wrote the Washington Post May 15, 1976, and on the matter of the annuity stated:

Historically these payments were to be made in return for our taking over the formerly Colombian interest in the Panama Railroad.

President William Howard Taft, in a memorandum issued together with his signing of the Panama Canal Act of August 24, 1912, stated:

The Panama Canal is being constructed by the United States wholly at its own cost, upon territory ceded to it by the Republic of Panama for that purpose, and unless it has restricted itself, the United States enjoys absolute rights of ownership and control * * *.

President Carter also declared:

In the peaceful struggle against alien ideologies like communism, these treaties are a step in the right direction. Nothing could strengthen our competitors and adversaries in this hemisphere more than for us to reject this agreement.

I find this to border on the deceitful, indeed, for it is a matter of public record that the Communist Party of Panama—Partido del Pueblo—on October 14, 1977, announced its support of the new treaties.

What it did do was to state that it does not like continued U.S. military presence until 1999, so we can expect continued hostility and threats despite these treaties that Mr. Carter tries to sell as a hemispheric cure-all.

I shall refrain from commenting on other parts of the President's fireside chat. As I have stated over and over again, I wish the President would demand the truth from his State Department so that he could give the American people only facts on the Panama Canal and Canal Zone.

PRESENTATION OF A PETITION

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. QUILLEN. Mr. speaker, I have received a petition from my constituent, Mr. Oscar Riddle of Erwin, Tenn., who requests that the Congress repeal the withholding tax law. Mr. Riddle has asked that I present his petition to the House of Representatives, and I now submit it for appropriate referral:

PETITION OR MEMORIAL

Under clause 1 or 4 of rule XXII, the following petition and papers were laid on the Clerk's desk and referred as follows:

By Mr. QUILLEN, petition of Mr. Oscar Riddle of Erwin, Tenn.:

PETITION TO: REPEAL THE WITHHOLDING TAX LAW

Under the provisions of the First Amendment to the Constitution of the United States I hereby petition Congress to repeal the Withholding Tax Law so I can personally discharge the responsibility imposed on me when Congress taxes my income. Please include the following reasons in my petition.

(1) As a free people we have given Congress the authority to tax our income. We should all have the freedom to pay that tax directly so we will know exactly how much it is costing each of us to help support our government. This law tends to hide that fact.

(2) Most of us have never known the satisfaction of collecting all of the money we have earned. It is time that we experienced that feeling. We also need the experience of counting out a large portion of what we have earned for IRS so those of you in Washington will have that share of our income that you want to spend. This should make us a more responsible electorate and make our government a bit more responsive to us as well.

Please notify me at the address below when this petition has been presented to Congress, and send me a copy of the CONGRESSIONAL RECORD of that date so I will know it has been done: Oscar Riddle, 1304 Ash Highway, Erwin, Tenn. 37650.

OSCAR RIDDLE.

FRIEDMANNS ARE SCIENTIFIC PIONEERS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. FUQUA. Mr. Speaker, after 15 years of research in the harsh, desolate environment of the world's deserts, the persistence, fortitude, and skill of two Florida State University biologists finally paid off in the form of what could be one of the most significant discoveries of this quarter century. Dr. E. Imre Friedmann and his wife, Roseli Ocampo-Friedmann, recently found and identified microbes living inside of certain porous rocks in the freezing, dry valleys of the Antarctic, an area that was believed to support no life forms whatsoever.

My heartfelt congratulations go out to these two pioneers. Their studies should have a great impact on future searches for life forms—not only on this planet, but on others as well. Mars for instance, has environmental conditions similar to those in which the Friedmanns discovered forms of fungi, bacteria, and algae by meticulously breaking open certain types of sandstone rocks. Undoubtedly, this team's work will influence the design and capabilities of future planetary probes. The Viking lander may not have yielded the greatest discovery in the history of mankind—that of extraterrestrial life—simply because it could not break open a stone.

In fact, Dr. Richard S. Young, Chief of Planetary Biology for the National Aeronautics and Space Administration, has said.

This interesting, if speculative, analogy—between Mars and Antarcitica—is of considerable interest to NASA in designing future attempts to study planetary surfaces for evidence of life.

The world owes a great debt to the Friedmanns, whose devotion to working in a difficult area of biology has already led us down corridors never before considered. Their find has brought us closer to understanding the ecology of our world and has garnered them well-deserved praise. This fascinating discovery is just another example of the fine scientific contributions being made by Florida State University. I sincerely hope that the National Science Foundation and NASA, both of which financed the study, will continue to aid this prestigious institution of scientific endeavor so that man may some day fully understand the universe.

ANOTHER LOOSE CANNON ON THE DECK?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. HYDE. Mr. Speaker, the confusion and lack of direction in our foreign policy was further demonstrated last Wednesday when Leonard Woodcock, U.S. envoy to the People's Republic of China, declared that the United States will seek full diplomatic recognition of the Peking government.

Ambassador Woodcock further stated that our relations with Taiwan are founded on "an obvious absurdity."

Thursday, the State Department "disavowed all knowledge" of Ambassador Woodcock's statement, sounding something like the old television show, "Mission Impossbile."

Who is determining our foreign policy? Who is making the decisions on whether or not this country will fully recognize the Government of Communist China?

Is it President Carter, who said in March 1976 while campaigning "I believe that the foreign policy spokesman for our country should be the President"?

Or is it Leonard Woodcock, who because of his vast experience in foreign affairs as head of the United Auto Workers, was appointed by the President to be the U.S. Ambassador to Communist China?

Who speaks for whom and for what? Is this the President's way of telling Taiwan that we are preparing to abandon our traditional friendship with them in exchange for speculative benefits to be gained from normalizing relations with Red China?

It seems that President Carter was thinking ahead when, in May 1976 during his campaign, he said:

For many nations we have two policies: One announced in public, another pursued in secret. In the case of China, we even seem to have two Presidents.

It is no wonder that small countries, friendly to the United States, are jittery. Any tampering with the Taiwan Treaty

will further erode the trust these countries may still have in our consistency and credibility.

Is Ambassador Woodcock really playing Secretary of State, or is he floating a trial balloon as instructed by the President?

Taiwan and its 18 million people have, with the help and friendship of the United States, built their country into a prosperous, industrialized island state. It has, in turn, reciprocated with military support of our efforts in Korea and Vietnam. A break in diplomatic relations with Taiwan would have a ripple effect throughout the world. We would prove it does not pay to be successfully anti-Communist and expect to retain our friendship.

Our friends in Taiwan have a right to know what our policy is; the American people have a right to know; the Congress should demand to know.

NATIONAL HEALTH PROTECTION ACT OF 1978

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. SIMON. Mr. Speaker, today I am introducing the National Health Protection Act of 1978. This legislation attacks three of the critical problems in our existing health care system. First, is the lack of an effective mechanism for financing comprehensive maternal and child health services for all Americans. Second, is the fear shared by all families that the costs of catastrophic illness might obliterate their financial security. Third, and finally, is the need for an upgraded medicare system that more adequately meets the medical demands of the elderly.

The National Health Protection Act deals directly with each of these shortcomings. Title I would establish a system of Federal payments—through capitation grants—for comprehensive medical care services provided to children age 0 to 6 and pregnant women. Title II would establish a system of refundable tax credits to cover the costs of catastrophic medical expenses. Title III would extend medicare part B to include coverage of hearing aids, eyeglasses, dentures, and out-of-hospital prescription drugs. It would also reduce the inpatient hospital deduction under medicare part A from the present $144 to $50.

Mr. Speaker, as a member of the Budget Committee, I have become increasingly sensitive to the fiscal constraints on Federal programs. Many national health insurance schemes have been proposed, some representing an increased Federal cost of up to $130 billion. It is fiscally, politically, and administratively unfeasible for the Federal Government to adopt such a massive program in a single measure.

Despite these constraints, health care is clearly an area where we need to commit the political will and Federal funds necessary for meaningful change. Based on Social Security Administration calculations, the legislation I am proposing would cost the Federal Government approximately $29.9 billion. While this is no paltry sum, I believe it is a moderate figure for the goals that would be accomplished.

The three separate sections of the proposal could be inaugurated at different times. This would ease the financial burden on the Federal Government. For example, if the program for the aged began in the next fiscal year, one of the other two programs could be launched 6 or 9 months later. The increase in costs would then more nearly approximate anticipated increases in Federal revenues.

Passage of legislation such as this would provide us with an opportunity to implement improvements in our national health system, examine their effects, and then phase in other changes as necessary.

The justification for such an incremental approach to national health insurance has been effectively stated by former HEW Secretary Wilbur J. Cohen, in testimony to the House Health and Environment Subcommittee:

> * * * when one considers that there are before the Congress efforts for a comprehensive national health insurance, which I endorse, I still believe that it is necessary for the Congress, considering both fiscal aspects . . . and the managerial efficiency and effectiveness of programs, to proceed on what I call an incremental basis or what some people perhaps in a more critical view call a categorical, fragmented, or piecemeal basis, with the development of legislature * * *.
>
> I think it accepts an attitude that it is important to provide public support for whatever we do and that sometimes what I would refer to as millenial objectives are best put in place by a piecemeal, categorical, even fragmented approach as long as you are aware of what you are doing and you can see over the course of time the direction that you are proceeding and are willing to make continuous efforts in that direction.

Mr. Speaker, I would now like to move to closer examination of the needs my legislation addresses, and the manner in which it does so.

COMPREHENSIVE MATERNAL AND CHILD HEALTH PROTECTION FINANCING

This Nation ranks 15th in the world in infant mortality. There is no justification for this. About one-fourth of the children in this country never see a doctor before they reach the age of 18. Almost one-half of our children have not seen a dentist. Nearly 40 percent of children age, 0–5 have not received polio immunization shots.

Ten to twenty percent of all children in the United States suffer from chronic, handicapping conditions. It is estimated that at least one-third of these conditions could be prevented by appropriate care during preschool years. We ought to be encouraging this needed care.

The health of children—and concomitantly pregnant women—should be among the highest of our priorities in the health field. There is no greater investment in our future than to insure the healthy development of our children. With relatively small expenditures, we can provide comprehensive health care to children and pregnant women. Coverage of pregnant women is important, because so much of a child's mental and physical development depends on the prenatal environment.

Children have not been adequately served by current Federal health programs. In 1960, one of every 2 Federal dollars spent for health care reached children while in 1975, only 1 of every 10 Federal health dollars reached children. In the last 15 years, we have had a Seventeenfold increase in overall health expenditures. Yet for children, there has been only a fourfold increase.

The National Health Protection Act of 1978 would provide reimbursement by the Federal Government to providers of comprehensive health care services for all children age 0 to 6 and pregnant women. Payment would be made on a capitation basis. This means that fixed payments would be made to health care providers on the basis of the number of people they agree to serve.

There are several advantages of this system. It would encourage providers to keep children healthy. Preventative care—which is critical for child health—would be encouraged. Children would grow up healthy and learn the ingredients of preventive care that would keep them healthy. The use of unnecessary expensive equipment and unnecessary procedures would be discouraged. Per capita grants would encourage the formation of group health practices such as Health Maintenance Organizations, which further contribute to cost savings and preventive care.

A system of capitation payments would work especially well in the maternal and child health field. Care is predictable for these sectors of the population. Most care for children relates to prevention checkups, immunizations, and routine procedures for common illness. Illnesses and care related to pregnancy are also fairly uniform and predictable. In the few instances of unexpectly high costs of care, providers would be protected by reinsurance mechanisms that are encouraged in the bill.

Federal financing of maternal and child health care would not be expensive, when compared with the benefits. My bill would provide coverage for all pregnant women and children age 0 to 6. Based on Social Security Administraiton figures, the cost of such coverage is estimated at $9 billion. Children are much less expensive to serve than other sectors of the population. While per capita expenditures in 1976 for people over 65 was $1,521 and for people 19 to 64 was $547, it was only $249 for children under 19.

CATASTROPHIC PROTECTION TAX CREDITS

One of the greatest fears facing a significant portion of American families is the fear of catastrophic health costs that could be financially debilitating.

Many Americans are already covered by major medical insurance so that they have good protection. Others are covered under medicaid and have adequate protection against catastrophic medical costs. According to the Congressional Budget Office, this still leaves millions of people in this country who are inade-

quately protected against catastrophic costs.

Eighteen million Americans have no medical insurance and do not qualify for any public programs. They are unprotected against catastrophic costs. Another 24 million people who are covered by medicare have inadequate protection against catastrophic costs. Finally, according to CBO, at least another 40 million people have inadequate private insurance.

Something must be done to assist these unprotected and poorly protected people. The key is to insure that people's out-of-pocket costs are not excessive. There is no reason to reimburse people for what their insurance already covers.

While 21.4 million families will incur medical expenses exceeding 15 percent of their income in 1978, 90 percent of these costs will be met by private insurance or existing public programs. But nearly 7 million families will have out-of-pocket expenses exceeding 15 percent of their income. Over 4 million of these families will be low-income families. The large number of poor families in this category points to the need for coverage based on percentage of income, rather than on amount of the expenditure. As the Congressional Budget Office has noted: "A substantial number of low-income families have expenses that might be considered average or normal by absolute standards but are catastrophic in relation to low income."

The inadequacy of proposals to cover annual expenditures of over $2,000 or so can be viewed in this light. While an out-of-pocket expenditure of $1,500 may be easily absorbed by a family with an income of $20,000, it would clearly be catastrophic for a family with an income of $8,000.

The catastrophic tax credit system established in the National Health Protection Act of 1978 is based on percentage-of-income calculations. Once a family spent 10 percent of its income on medical expenses, it would qualify for refundable tax credits for one-half of its additional health expenditures up to 20 percent of income. At that point, any additional health expenditures would be reimbursed in full through the tax system.

Based on Social Security Administration estimates, such a catastrophic tax credit system would result in a net increased Federal cost of $16.9 billion. While this is expensive, it is worth the price to remove the hanging fear of catastrophic medical expenses from millions of American families.

While providing extensive coverage, this system has built-in cost controls. Few families are going to excessively pursue medical care or medical insurance when they must bear the burden of a significant deductible—all of the first 10 percent of their income spent on medical care—and a significant coinsurance payment—one-half of additional expenses up to 20 percent of their income. As CBO has commented in relation to a similar plan:

> Such a plan would respond to the most pressing problems of low-income families not covered by private insurance or medicaid. However, these families would still be required to commit a substantial share of their resources to purchasing medical care.

A catastrophic insurance administered through the tax system has the great advantage of simplicity. It uses established forms and procedures. The possibility of fraud is reduced. The system also assists providers of services in that it assures them of eventual payments for services rendered.

The refundable tax credit will replace the current tax deduction for medical expenses. This provides a partial source of funds for the new program and also increases the equity of the health portions of the tax system. The present tax deduction is extremely regressive. It only benefits higher income people who itemize deductions and is of no use to lower income taxpayers who use the standard deduction. Senator EDWARD KENNEDY has referred to this deduction as "The national health insurance plan for upper income homeowners." While the type of expenses covered would remain the same, the effect will be much more equitable.

EXPANSION OF MEDICARE

When we think of national health insurance proposals, we often neglect the elderly. We tend to assume that their expenses are covered sufficiently by medicare and medicaid. This is not the case, however. Despite the fact that 95 percent of the elderly are covered by medicare, the aged pay 29 percent of their personal health expenditures. Medicare actually covers only 42 percent of elderly health care costs, while medicaid covers an additional 16 percent. The elderly pay an average of $390 per year in out-of-pocket expenses for health care. For many, this is a large bite into their extremely limited income and savings. The catastrophic tax credit established in title II would handle some of these problems. There are, however, several shortcomings in the types of care covered under medicare. These shortcomings discourage people from utilizing needed services.

MEDICAL APPLIANCES

The well-being of millions of older Americans is dependent on medical appliances—eyeglasses, hearing aids, and dentures. These appliances are not covered under medicare. This results in millions of elderly Americans unnecessarily losing visual and audio contact with the world around them as well as being unable to chew the types of food that will keep them healthy and alive.

The problem is simple. According to the House Aging Committee's Subcommittee on Health and Long-Term Care: "In short, for millions of elderly Americans, medical appliances are essential to life itself * * * Presently, these needs for medical appliances are not being met."

Many elderly people simply cannot afford the price of eyeglasses, hearing aids, and dentures. So they do without them. The results are tragic, as pointed out by Nelson H. Cruikshank, formerly president of the National Council of Senior Citizens and now a member of the Carter administration:

> They pay but not in dollars. They pay in the quality of life. Some cut down on food requirements. Some go without the proper type of shelter. Some cut off their social life. Many just do without and fall back into more and more seclusion and live a restricted life because these appliances are not available to them as they should be.

The statistics are staggering. Over 5 million elderly Americans need new corrective lenses because the ones they have either do not help their sight or actually harm it. Countless additional elderly American need eyeglasses, but do not have them because they cannot afford them. Many elderly people cannot see well, and their life is severely restricted. Some are actually judged senile because they cannot see well enough to respond to normal stimuli.

There are 11.4 million elderly Americans without natural teeth. Of these, 600,000 have no teeth whatsoever. Of those who have dentures, 350,000 people over 65 have incomplete dentures. An additional 3.4 million people have dentures which need to be replaced or refitted. While some States provide certain dental services under medicaid, coverage is far from adequate.

Over one-half of all persons 65 years of age and over suffer from impaired hearing. Nearly 8 percent—1.5 million elderly Americans—are unable to hear words spoken in a normal voice. In many cases, a hearing aid can solve the problem. But there is virtually no coverage of hearing aids under medicaid, medicare, and other health benefit programs.

The National Health Protection Act of 1977 would alleviate these problems by including under medicare, part B, coverage of eyeglasses, hearing aids, and dentures, as well as related examinations. The cost, according to the Social Security Administration, would be $1.9 billion. This is not too great a price to pay to allow our senior citizens to be able to hear, see, and eat properly.

DRUGS

My bill would also cover under medicare, part B, the costs of out-of-hospital prescription drugs. In 1975, each senior citizen had average out-of-pocket expenditures for drugs of $102.30. This represented 87 percent of their overall drug expenses.

It is senseless for medicare to cover expensive hospital treatment, but not the followup drugs that are often needed to keep a person healthy and out of the hospital.

My bill would include coverage of out-of hospital drugs under medicare, with the regular 20 percent cost-sharing. The additional cost to the Federal Government would be $1.8 billion.

HOSPITAL DEDUCTIBLE

One additional problem with medicare is the inpatient hospital deductible under part A. It now costs an elderly person $144 to enter a hospital. This is often prohibitive. While it is important to discourage elderly people from unnecessarily entering the hospital, we should not, at the same time, discourage them from getting needed care.

The National Health Protection Act would set a better balance by lowering the inpatient hospital deductible to $50. The increased cost to the Government—

according to Social Security Administration estimates—would be $336 million.

Mr. Speaker, I believe the legislation I am introducing today is a reasonable and effective approach to some of our most serious health care problems. The principles I am advocating in this bill are supported in the Senate by GARY HART, who has introduced similar legislation.

I urge my colleagues to examine the National Health Protection Act. An outline of the bill follows:

OUTLINE OF NATIONAL HEALTH PROTECTION ACT OF 1978

(Introduced by Mr. Simon)

A bill to establish a national system of financing child and maternal health care and a system of protection against catastrophic health care costs, and to improve and expand health care for the elderly.

TITLE I—COMPREHENSIVE MATERNAL AND CHILD HEALTH PROTECTION

Sec. 101.—Definitions.

Sec. 102.—Establishes eligibility requirements for children 0 to 6 and pregnant women.

Sec. 111.—Establishes a system of Federal reimbursement through capitation payments to participating providers for coverage of children 0 to 6 for all health care services related to the diagnosis and treatment of any disease, injury or disability, as well as any other health care services necessary for the adequate protection, maintenance, or restoration of his or her mental and physical health, and coverage of pregnant women for all health care services related to the diagnosis and treatment of pregnancy, diseases or injuries that could threaten the healthy development of the child, and diseases or injuries caused by pregnancy which occur in the 12 weeks following termination of pregnancy.

Sec. 121.—Defines a participating provider as any provider of health care services that enters into an agreement with the Secretary of HEW to provide—at the established capitation rates—covered health care services.

Sec. 122.—Authorizes the Secretary of HEW to make prospective capitation payments to participating providers. These capitation payments may vary by geographic region or age of the child as needed to reduce shortages of providers in particular areas or among certain age groups. The Secretary of HEW is also given authority to assist in the formation of re-insurance mechanism to protect participating providers against unexpected costs.

Sec. 123.—Insures that there are no payments under other Federal programs for benefits provided under this Act.

Sec. 131.—Authorizes $9 billion a year for fiscal year 1980 and such sums as necessary for fiscal years 1981, 1982, 1983, and 1884.

Sec. 141.—Gives the Secretary of HEW the authority to establish capitation rates, establish standards and qualifications for participating providers, establish basic agreements between the Secretary and the participating providers, monitor and study operation of the program, prescribe needed rules and regulations, and report annually to Congress on the administration of the program.

Sec. 142.—Establishes a National Maternal and Child Health Protection Advisory Council to advise the Secretary on policy issues involved in the administration of the program and to study its operation.

Sec. 143.—Provides for coordination between the Secretary of HEW and State health planning and development agencies and health systems agencies.

Sec. 144—Gives the Secretary of HEW authority to make or contract out studies concerning the operation of the Act and how it fulfills its goals.

Sec. 145.—Establishes procedures for the Secretary of HEW, in cooperation with professional organizations, to suspend or terminate contracts with participating providers who are not meeting the terms of the agreement.

TITLE II—CATASTROPHIC PROTECTION TAX CREDIT

Sec. 201.—(A) Establishes a new medical expenses tax credit equal to half of a family's medical expenses that are between 10% and 20% of its modified adjusted gross income, and equal to all of its medical expenses above 20% of modified adjusted gross income.

Defines medical expenses as expenses incurred for the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body. Also covered are transportation primarily for and essential to medical care, and insurance premiums covering medical care.

Defines modified adjusted gross income as adjusted gross income reduced by the amount of personal exemptions, and increased by the amount of income from capital gains, interest on government bonds, and government transfer payments.

Makes the tax credit refundable if it exceeds a family's tax liability.

Eliminates the current medical care deduction.

Makes a variety of technical and conforming amendments to the Internal Revenue Code.

Sets an effective date of January 1, 1980, and a "sunset" date of January 1, 1983.

(B) Gives the Secretary of the Treasury the authority, after consultation with the Secretary of Health, Education and Welfare, to prescribe regulations necessary to provide payments and prevent fraud.

TITLE III—EXPANSION OF MEDICARE

Sec. 301.—Provides coverage under Medicare Part B of hearing aids, dentures and eyeglasses (and related examinations), and prescription drugs.

Sec. 302.—Lowers the in-patient hospital deductible under Medicare Part A to $50.

Sec. 303.—Technical and conforming amendments.

Sec. 304.—Sets an effective date of October 1, 1979 for dentures, hearing aids, eyeglasses and prescription drugs. Sets an effective date of the first day of the first month following the enactment of the bill for lowering the hospital deductible.

THE 1978 PRESIDENTIAL CLASSROOM FOR YOUNG AMERICANS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize three outstanding young people from the Fifth Congressional District of Mississippi, Robin Lee and Sarah Beth Stein of Biloxi, and William E. Kergosien, of Bay St. Louis, who are here in Washington this week to participate in the 1978 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the presidential classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.

THE HIGH PRICE OF REGULATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. ASHBROOK. Mr. Speaker, one of the most disturbing trends in our Nation is the growing number of Federal rules and regulations. The Government is expanding its involvement into all aspects of our economy and our lives.

So great is the paperwork flow that the American economy is in danger of being buried under. The Commission on Federal Paperwork estimates that the Government produces enough documents in a single year to fill 51 major league baseball stadiums or 11 new Washington Monuments. A former Commission member is quoted in the January 2 Time magazine as saying:

> Washington is the source of so much red tape that you'd think it was working on a landfill somewhere. Like the Grand Canyon.

And, as Time magazine goes on to say,

> The paper is backed up by the stern might of the law; it can be followed by fines, loss of federal aid, harassment and obloquy.

Not all regulation, of course, is bad. Reasonable regulation can produce positive benefits such as less pollution and safer working conditions. The overzealous regulation we are now experiencing, however, carries a very high price. The cost can be measured in terms of individual freedom, diminished competition and dollars and cents.

The Dow Chemical Co. recently completed an in-depth study of the cost of complying with Government regulations. The study showed Dow spent approximately $186 million to satisfy these requirements in 1976.

The dollar amount is staggering. Almost as disturbing, however, is the fact that this figure is 27 percent higher than the amount needed to comply with Government regulations only 1 year ago. These costs are passed on to the consumer in the form of higher product prices.

The price of Government regulation also must be viewed in terms of what the consumer did not get. Innovative products and scientific research can be blocked because of unreasonable regulation.

This fact has been stressed by Murray Weidenbaum, director of the Center for the Study of American Business at Washington University. He points out that spending on research and development has slowed to a crawl. Over the last decade, private spending on research has risen only 2 percent a year. And more scientists were employed in industry in 1968 then were employed in 1975.

This is exacting a heavy toll. While the number of patents issued to foreign nations more than doubled between 1963

and 1973, the number of patents to U.S. nationals declined.

As nationally syndicated columnist James J. Kilpatrick has written:

In the stifling atmosphere of excessive regulation, everything slows down.

Kilpatrick then quotes Murray Weidenbaum on how that is reflected in the Food and Drug Administration:

As a result in large part of the stringent drug approval regulations, the United States was the 30th country to approve the anti-asthma drug metaproterenol, the 32nd country to approve the anti-cancer drug adriamycin, the 51st country to approve the anti-tuberculosis drug rifampin, the 64th to approve the antiallergenic drug cromolyn, and the 106th to approve the anti-bacterial drug cotrimaxazone.

These regulatory delays result in heavy social costs. People who could find relief from their illness are deprived of the drugs they need.

Regulatory delays also lead to diminished competition. As Weidenbaum stresses,

Government regulations tend to hit the smaller companies disproportionately hard, in record-keeping, job safety, labor relations, environmental controls, and so on.

Large companies are better able to adjust to the regulatory burden while smaller companies tend to go out of business.

The price of governmental regulation is intolerably high. It is time to cut through much of this redtape. It is time to put an end to overregulation.

THE 26TH ANNUAL CONGRESSIONAL PRAYER BREAKFAST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. MAZZOLI. Mr. Speaker, I was honored to take part in the 26th Annual National Congressional Prayer Breakfast held last week here in Washington.

Since the second session of the 95th Congress has just begun, it is fitting and proper that we call upon the good Lord for guidance and counsel to see us through our rigorous and demanding labors.

The United States was founded by men and women who recognized that a reliance upon the Almighty and the freedom to practice one's religion freely are essential to a nation which seeks to remain strong in the face of challenge from within and without.

Our Nation's Government has grown and flourished precisely because its foundation of prayer and love of God has remained strong and secure.

Prayer has always been an important part of my life and it has shaped my private as well as public life.

This annual prayer breakfast—which attracts people from all over the world—is a testimonial to the fact that increasing numbers of powerful governmental leaders are publicly declaring their dependency on prayer and on God.

This is positive proof that the spirit of our Founding Fathers remains strong today, and that this spirit keeps our Nation great and good.

WORTH REVIEWING

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. VANDER JAGT. Mr. Speaker, in recent weeks we have read and seen a great deal of publicity surrounding a report of the Civil Service Commission on its investigation concerning the Consumer Product Safety Commission (CPSC). This investigation apparently has focused on some 30 employees at the CPSC, as well as its Chairman, S. John Byington.

In recent days I have had the opportunity to review Mr. Byington's response to Hon. Alan K. Campbell, Chairman of the Civil Service Commission, dated February 2, particularly on those issues reflecting on Mr. Byington. Chairman Byington indicates that the CPSC will direct a response dealing with the 30 individual cases to the Civil Service Commission no later than February 13.

Most Michigan Republican Members of Congress have joined with me in urging Mr. Campbell's personal review and reevaluation of this entire matter. We do so only with the deep concern and interest that the matter be conducted solely on merit and facts.

In placing with this statement Mr. Byington's detailed response of February 2 to Mr. Campbell, I believe of particular consideration and interest would be Mr. Byington's listing of the major accomplishments of the CPSC in the past 18 months. His letter follows:

U.S. CONSUMER PRODUCT SAFETY COMMISSION,
Washington, D.C., February 2, 1978.

Hon. ALAN K. CAMPBELL,
Chairman, Civil Service Commission, Washington, D.C.

DEAR SCOTTY: The Commission's management and staff are in the process of preparing a detailed response regarding each of the 30 individual cases cited in Section V of the Civil Service Commission's January 12, 1978 report on its investigation of the merit system in the Consumer Product Safety Commission (January report). I believe that a precise analysis of these 30 individual cases, prepared independently from my own response, will serve to expose numerous deficiencies and errors in the report. It will also separate my personal response from the Agency's,—in hopes that the individual cases will be reviewed in the most objective and fair manner possible. The agency's response will be forwarded to you no later than February 13, 1978.

I would like to express our appreciation to you and your staff for your continuing assistance in dealing with these individual cases, in order to minimize any adverse impact on the careers of the individual employees whose cases are cited. I think that it is essential for the CSC to carefully consider the impact of this report on the rights of these dedicated public servants, and to take the necessary steps to correct any factual deficiencies and legal inaccuracies of the January report.

As to the findings in Sections I through IV, particularly those which relate to me personally and which have already been the subject of considerable publicity and public comment, I feel that any delay on my part in responding to such allegations might only serve to lend credibility to their content.

Let me begin by quoting from a letter to me dated March 9, 1977 from Mr. John D. R. Cole, Director of your Bureau of Personnel Management Evaluation:

"Enclosed is the report of the Civil Service Commission evaluation of personnel management at the Consumer Product Safety Commission. The report is based on findings from an onsite review by a CSC team from November 8 through November 22, 1976.

"The report covers in detail those findings presented to you, and other top management officials, on December 10, 1976. Generally, we found that the personnel management program of the agency is effectively contributing to CPSC mission accomplishment. The staffing program is generally producing quality candidates and promotion actions are being processed correctly."

The March report enclosed with Mr. Cole's letter generally gave the Commission management high marks for the handling of its personnel practices. It made specific recommendations for actions required by CPSC, all of which have been acted upon—including the 13 specific classification cases. It pointed out that, "The most important problem facing the agency is that a significant number of its positions are overgraded." Secondarily, "Timeliness in processing personnel actions was perceived to be the major staffing problem by both supervisors and employees." Thirdly, "The lack of published career ladders also slows down promotions in some cases." But the March report acknowledged that CPSC is revising its Merit Promotion Plan and made recommendations for conclusions in this revision. The record clearly indicates that these matters have continued to be given top priority. The March report stated:

"Agency compliance with CSC and internal regulations in processing personnel actions was satisfactory.

"The agency has already made significant progress in correcting this (use of temporary appointments) situation * * * from 277 in 1975 to 69 in 1976.

"The agency classification program has improved during the past year in several respects * * * the recently established controls on average grade have proven beneficial.

"The quality of candidates referred for vacancies at CPSC is usually good."

I find it difficult to understand why the Civil Service Commission would issue such an evaluation in March and shortly thereafter proceed with another evaluation covering some of the same positions and personnel procedures. Disturbingly, the investigation closely followed my refusal, based on our statute and our lack of transition authority to hire political campaign workers as requested by personnel from the White House.

In the January report, CSC departed from its normal professionalism. It amassed a document filled with innuendo, insinuations, and admittedly unsubstantiated allegations. The obsolescence and nature of many of the alleged violations are deliberate attempts to inflate the magnitude of the alleged improprieties and their inclusion is designed to sustain preconceived allegations of abuses. I believe that the instigation for this evaluation came from sources other than CSC particularly because this document was released to Congressional offices and the press simultaneously to being given to CPSC.

I can only conclude that the motivation for singling out CPSC and applying a special standard which is not broadly, much less universally applied to other agencies during a transition and reorganization period

is for political purposes. I am convinced that this report is directed solely at harassing me, one of the two remaining Republican Chairmen of a regulatory agency. It is particularly regrettable that 30 individuals have also become victims of this political harassment, and have had their privacy rights impaired.

I cannot understand the motivation for including so many cases in the report (approximately one-third) which the investigator knew were obsolete and required no action. Most of the remaining two-thirds of the cases relate to alleged procedural or classification errors that are primarily within the province of technical personnel specialists on whom management must rely in the day-to-day operation of a personnel system. At all times I have relied on the advice of our personnel specialists in personnel actions and in no case disregarded that advice. Although the report attributes blame to the management of the agency, management culpability is never substantiated. Documentation for management's culpability in the report comes from the personnel specialists whose own culpability is summarily dismissed by the CSC. The credibility of such information is suspect, lessening further the report's objectivity. This is especially troubling because in sworn statements I have indicated that no employee with personnel responsibilities ever brought the purported improprieties to my attention. Had he or she done so, I would have immediately investigated and taken the necessary corrective action.

Section IV on "Responsibility" is illustrative of the many unsubstantiated allegations found throughout the January report. It starts off with the allegation that "Most of the violations . . . occurred as a direct result of actions taken or sanctioned by either Mr. Byington or Mr. Dimcoff." It then specifically alleges that I "was principally responsible for the improper appointment of the 12 consultants." However, later in the same section, the narrative states: "The extent to which Chairman Byington knew that actions he took or were taken in his name were contrary to law or regulation is also unclear. It is doubtful he knew on a case-by-case basis the degree of impropriety; . . ."

In one instance—the discussion on consultants—I believe that the CSC oversteps its legal authority. The CPSC has the direct authority to hire and fire and to evaluate qualifications under 5 U.S.C. 3109. CSC's statutory authority is only to ensure that consultants do not perform work within the competitive service. However, in the report the CSC attempts to substitute its judgment on the qualifications of the individuals involved without ever fully and factually documenting the experience of those individuals. For example, the report contains sweeping, unsubstantiated statements like "Most of the consultants . . . were not qualified. . . ." To make such an allegation is clearly outside the province of CSC, and it is specifically refuted by a review of each consultant's record of performance—a matter that was available to and discussed with the investigators. Because CSC's authority is so limited in this area, it would be appropriate and fair for these improper suggestions and comments to be deleted from the final report.

I am also troubled by the allegations relating to the hiring of attorneys with veterans' preference, because a substantial effort has been made by the Office of General Counsel and the Directorate for Compliance and Enforcement over the last year to recruit and employ minority attorneys. Nowhere in the report is this effort ever recognized. With respect to the hiring of veterans, the attorneys discussed in the report were all hired according to the procedures in effect at the time, and to retrospectively criticize the agency for failing to follow new procedures is particularly unjust.

In addition to the specific allegations made in the report, I was very disappointed with other aspects of it. It is ironic that much of the report is directed at women and blacks. It concerns me greatly that 5 of the 30 people are black and 15 are women, two of whom are black. Thus 18 of the 30 cases relate to minorities. I am under the impression that it is Federal policy to make every reasonable effort to recruit qualified female and minority candidates.

The finding that preferential treatment and personal favoritism was extended to certain individuals is also without merit. Of the 30 cases, 15 were either employees of CPSC prior to my arrival as Chairman or confidential staff to other Commissioners. The other 15 were selected because in my judgment they had the knowledge, expertise or experience to perform important tasks in our difficult transition period. Eleven of these 15 were minorities or women. Six of the 15 have already completed their work and left the agency. Two are consultants who will complete their work within a couple of weeks. Three are presently holding consultancy positions that will be evaluated as CSC requested. One is a Schedule C on my immediate staff. Three are now career employees, within the agency, two of whom are long standing Federal civil servants. Therefore, only one individual has attained career status for the first time.

Nowhere in the January report is there any recognition of the fact that during the period covered, the Commission was undergoing a transition from one Chairman to another and was working closely with CSC to complete a major reorganization (its first since its creation) to revise its merit promotion procedures and to establish staffing patterns and career ladders. The actual progress made in these efforts during FY 1977 is completely disregarded and not mentioned despite the CSC commendation in the March report.

No mention is made of the fact that agency management was deliberately and responsibly not filling certain vacancies in January 1977—in the midst of its reorganization, which was later officially approved by CSC—because we were operating on a "no unnecessary adverse action" principle. It is clearly easier to move vacancies than it is people. Yet it is also clearly management's responsibility to anticipate and plan for potential events—such as a government-wide "hiring freeze".

Little or no consideration seems to have been given to the accepted use of, need for, or role played by experts and consultants in every agency reorganization. To even suggest otherwise would be to completely disregard the facts and events of past and present administrations.

Although we may not agree regarding the authority of the CSC to require certain of the actions or agree with the CSC regarding culpability on the part of management, we do agree that it is essential that this agency maintain a personnel program acceptable within the system and that good relations with the Civil Service Commission be established. Although there had been tension between CSC and CPSC since CPSC's inception, and prior to my assuming the Chairmanship, I thought the March report, and my efforts this summer to provide you with constructive comments on the CSC personnel reorganization project, showed real progress in developing better coordination and cooperation between our agencies. I believe it is critical to the long-range future of CPSC that our problems be resolved and, therefore, we intend to proceed with all necessary corrective measures.

Basically CPSC needs to have the political harassment aimed at me separated from any constructive criticism of the agency aimed at helping CPSC achieve its mission. Such is not the case with the January report. It appears to be a mechanism by which some people are still trying to reverse the results of my confirmation process, with little or no regard for the adverse consequences of such action on the agency and the public as a whole.

We have been operating under the worst possible political circumstances and we have been burdened with longstanding Commission vacancies and with lengthy and cumbersome procedural requirements under the laws we administer. Yet, I believe that CPSC has truly "come of age" as an independent regulatory commission.

Major accomplishments during the past 18 months include:

CPSC has established Commission-wide priorities as well as a system and criteria for reviewing and revising them periodically.

CPSC has finalized mandatory standards for matchbooks, architectural glazing materials and pacifiers and is proceeding with the development of mandatory standards for cellulose insulation, miniature Christmas tree lights and power lawn mowers.

CPSC has for the first time taken significant banning actions under Section 8 of the CPSA for unstable refuse bins, unvented gas space heaters (proposed), certain asbestos containing products, extremely flammable contact adhesives and lead-in-paint.

CPSC has completed the agency's first timeliness cases under Section 15 of the CPSA (Corning Glass Works, Inc.—defective coffee pot; Wham-o Manufacturing Co.—defective cross-bow; North American Systems—Mr. Coffee).

CPSC is moving aggressively against imminent hazards under Section 12 of the CPSA (aluminum wire, pitching machines and amusement rides).

CPSC has reduced its backlog of petitions from more than 60 to only 4 that are past the 120-day time limit.

CPSC is making real progress in the systematic regulation of chronic hazards through our draft cancer policy and the Interagency Regulatory Liaison Group (CPSC, EPA, FDA and OSHA), including regulatory action against chlorofluorocarbons and benzene (staff drafting proposal). I believe this is currently the most viable regulatory reform effort in the Federal government.

CPSC has issued the first labeling and data submission regulation for products containing chlorofluorocarbons under Section 27 of the CPSA. In addition, CPSC has proposed a regulation under Section 27 for CB antennae and is preparing to propose labeling regulations for sleepwear chemically treated for flame retardant purposes.

CPSC has proposed and/or finalized numerous procedural regulations (Section 15, 16 and 6(b) of the CPSA), in addition to rules of practice for adjudicatory and nonadjudicatory procedures under the CPSA and FFA.

CPSC has approved the creation of an Office of Public Participation, and has issued proposed procedures for financial compensation for participants in informal rulemaking proceedings.

CPSC has aggressively addressed the use of TRIS in children's wearing apparel.

CPSC has adopted two amendments to the Children's Sleepwear Standard.

CPSC has finalized technical requirements for sharp points for toys and children's articles and has proposed technical requirements for sharp edges on these products.

CPSC has established procedures for petitioning for exemptions under the PPPA.

CPSC has issued interim rules and procedures and has solicited comments for its responsibility under the National Environmental Policy Act (NEPA).

CPSC has in effect an aggressive voluntary standards program under which it is handling such products as: ladders, chain saws, extension cords, ranges and ovens, etc.

CPSC has developed partnerships with state and local governments and has commissioned state officials in Puerto Rico, Washington, Texas, North Dakota, Montana, Wyoming, Nebraska and Colorado, with others to be activated shortly.

CPSC has developed a draft long-range plan. It puts the agency's efforts into perspective, allowing us to plan our future and evaluate our accomplishments. This is a concept I have long espoused and sought to execute.

CPSC has a management structure and system that is operating efficiently and on schedule (via published schedule of anticipated regulatory development actions).

And most importantly, CPSC has institutionalized operating procedures that allow for direct involvement of the Commissioners in the setting of agendas, the establishment of annual operating plans with quarterly reviews and adjustments, and the development and submission of budgetary and legislative requests.

Emphasis must be given to furthering these major achievements rather than have them take a back seat to political attacks on me.

In June of 1976, I inherited an understaffed agency, with minimal resources, with a backlog of 180 projects, and with an inadequate organizational structure. Within the past 18 months, I believe this agency has turned around to the point where its actions and present activities are well on the way to deserved credibility as an effective regulatory agency.

Although I have long been extremely critical of the Federal personnel system, at no time during my tenure as Chairman has it ever been the policy or practice at CPSC to operate intentionally outside the scope of existing personnel laws. On the contrary, it has been our policy and practice to attempt our reorganization and revitalization of CPSC within the spirit and requirements of CSC rules and regulations. Although I always encourage creativity in problem solving, I am unaware of any improprieties in the utilization of the merit promotion system at any level within our organization or within any specific personnel transaction.

You have my assurance of my unqualified support of merit principles and my commitment to the continued exercise of strong leadership for their effective implementation. At the same time, I intend to continue to speak out strongly for extensive and dramatic modifications in the civil service system, which will allow managers to more effectively manage.

Sincerely,

S. JOHN BYINGTON,
Chairman.

ISAAC ZLOTVER APPLIES AGAIN FOR EMIGRATION FROM U.S.S.R.

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. STEERS. Mr. Speaker, I have been working for some time to secure emigration permission from the Soviet Union for Isaac Zlotver, a dying man who wishes to be reunited with his family living outside the U.S.S.R. I have just learned that he has reapplied for permission to emigrate, and I urge my colleagues to write Soviet officials to urge the approval of this dying man's request that he see once again his children.

I would like to present for my colleagues' benefit, the following appeal that came out of the Soviet Union in behalf of Isaac Zlotver. This week, I will circulate for signatures, a letter to the Minister of the Interior of the Soviet Union urging permission for Mr. Zlotver to emigrate:

APPEAL TO LEONID BREZHNEV ON BEHALF OF ISAAC ZLOTVER BY 30 SOVIET JEWS

We appeal to you with a special request that you intervene personally and prevent the continued suffering of a very ill and lonely man, who has been trying to immigrate to Israel for the past 6 years. Isaac Zlotver of Sverdlovsk. Issac Zlotver was a former deputy colonel who was decorated for his heroism during World War II by medals and awards after completing his military service during the war in Berlin. During the last 14 years, Isaac Zlotver was not employed in his military specialty. Until 1971, Isaac Zlotver was employed in the Sverdlovsk office of the Heat and Electricity Department which is an absolutely open office.

After his daughter emigrated to Israel, Isaac Zlotver was fired from his job, and excluded from the Communist Party. In 1975, Isaac Zlotver was operated on for cancer. Following the operation he needed especially good conditions because of his illness but, in fact, he was deprived of them. He received a refusal to his application for a visa and was thus deprived of being reunited with his children. In 1975, after all of his suffering, his wife also fell ill, and not being able to withstand this tragic life, died in July 1977.

Isaac Zlotver remains absolutely alone, an old man, suffering from the pains of his illness and loneliness, deprived not only of his wife, but also of his family in Israel. He has appealed to all possible Soviet officials who are connected with problems of emigration, but to no avail. He is still firmly denied a visa.

We appeal to you personally and we hope that you will give an order to reconsider Isaac Zlotver's appeals; that you will provide the possibility of an old and sick man who gave so much of himself for the Soviet Union, the right to be reunited with his children in Israel.

Vladimir Slepak, Chana Yellinson, Yakov Cretchenik, Yakov Rakhlenko, Alexander Lerner, Larissa Vilenskaya, Lev Godlin, Victor Yelistratov, Victor Eskin, Dina and Yosef Beilin, Natalya and Grigory Rosenshtein, Inna and Yuli Kosharovsky, Ida Nudel, Igor Rovolfov Vladimir Prestin, Zachar Tesker, Venyamin Bogomolny, Boris Chernobilsky, Yakov Schameyevich, Aaron Gurevich, Raphael Roshansky, Emanuel Richterov, Pavel Abramovich Anatoly Schvartsman, Victor Onaximenko, Gennady Chassin, Vladimir Schiffrin.

HUMAN RIGHTS IN CHINA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. CRANE. Mr. Speaker, I am pleased to see that at last some attention is being given in this country to the question of human rights in the People's Republic of China. For too many years the scholars, journalists, and politicians of this country have painted an idealized picture of modern life in mainland China. American visitors to the PRC, impressed by the novelty of the experience, and shown only a limited and carefully selected cross-section of conditions on the mainland, have all too frequently returned home to write just those glowing descriptions of the PRC that the Communist leaders in Peking had hoped for. The press, which should have known better, exercised an effective self-censorship out of fear of Chinese Government retaliation.

Now it appears the ice has been broken, and a more realistic picture is emerging. In recent months, a number of articles have appeared in national newspapers depicting the sorry state of human rights inside the PRC. Whatever may be said for or against the Government of that country, it has now become a matter of public record that human rights, in the terms in which they are discussed today, are all but nonexistent in the PRC. Across the board, the state has preempted and suppressed the rights of the individual—political, economic, and social. In the People's Republic of China, totalitarianism has reached its extreme form.

In order to help establish the record on this point, I am inserting into the CONGRESSIONAL RECORD today the most recent of these articles on human rights in China. Written by Mr. Jay Matthews of the Washington Post, this article describes the forced separation of families which results from current Chinese policies. While some scholars might seek to excuse those policies by the observation that "The Chinese have a different set of cultural values to which our notions of human rights do not apply", the solidarity of the family and of the bond between husband and wife is a primary value which cuts across all cultural differences. This is particulary so in China, where the family has extraordinarily deep social and historical roots. The unity of the family is among the most fundamental of human rights. yet it, like other human rights, is granted no recognition in the PRC today. For an understanding of this problem. I highly recommend Mr Matthews' article to the Members.

MARRIAGE CHINESE STYLE: MANY COUPLES FORCED INTO LONG SEPARATIONS

(By Jay Mathews)

HONG KONG.—Chang Tu-li and Liu Mei-hua met and fell in love while attending Shanghai's Futan University. They looked forward to a long and happy married life pursuing their careers as engineers.

Then Chang was transferred in 1969 to a commune in Kwangtung Province 600 miles to the south. He managed to win a short vacation to return to Shanghai and marry Liu, assigned to a factory in that city, but for the next seven years before he finally fled to Hong Kong, Chang never saw his wife for more than a month each year. They only got that much time by exaggerating the seriousness of an old case of hepatitis. Even when the couple produced a son, Chang's appeals to be reassigned to Shanghai fell on deaf ears.

It is an old story in China, illustrating one of the most deep-seated grievances of the family-centered Chinese. Their government has decided to put the interest of the national economy before those of untold thousands of separated married couples. As the Chinese rebel against and adjust to this policy, they reveal interesting things about that one facet of life in China about which foreigners probably want to know the most and yet learn the least—sex.

The forced separations have brought heartbreak, corruption and even some cases of adultery. They have made life nervewracking and sometimes politically dangerous for government personnel officers. Interviews with young officials in China and refugees and sociologists here, along with a close reading of the Chinese press, indicate that the policy has been particularly hard on better-educated young, urban Chinese whose support for the government Peking now says is crucial in turning the country into a modern industrial state.

If there are any signs that the 28-year-old policy on separations, part of a general official callousness toward anything touching on sex, has softened in the post-Mao era, they are not readily apparent.

The system has even affected foreigners. Andrew and Lyn Kirkpatrick, a married student couple from Britain, were forbidden to live together when they arrived in Shanghai late last year for study. They slept in separate crowded dormitories. When a European businessman allowed them to spend the night together a few times at his Shanghai home, he was reprimanded by the local public security office.

Having lived with the policy for so long, most Chinese try to cope with it as best they can—and many have accepted the separations willingly as a necessary sacrifice for the revolution. A group of American birth control experts who recently toured China reported that pharmacies were distributing a popular "visiting pill," a powerful contraceptive that women could take during the occasional visits of husbands assigned far away.

Strolling through public squares in Chinese cities, visitors will sometimes see small posters marked with horizontal arrows pointed in opposite directions. They have been put up by men assigned to a distant city who seek to rejoin their wives by swapping jobs with someone.

Many separations go back to the 1950s. The newly victorious Communist Party, to disperse crucial industries that might be targets of nuclear attack and to develop the countryside, moved whole factories to remote parts of the country. Husbands or wives assigned to those factories had to go along. Rarely could their spouses arrange a job assignment to the same area. Many of them, preferring city life, would not have wanted to move to the remote places if they could.

The most severely affected marriages are those between college students, who are often given assignments far from their university towns after graduation. Also, in recent years, many men with city jobs, unable to find a wife in town, have married rural women, but have been unable to bring them to the city because of severe restrictions on urban growth.

William L. Parish, Jr., a University of Chicago sociologist who interviewed Chan Tu-Li (not his real name) and other refugees here, says Chinese couples do not take such separations as hard as Americans might. "But they're not very happy about them."

"The sexual aspect is not so important," he said, for even young Chinese couples permitted to live together find few moments of privacy.

One couple in Canton "lived in a place that had been partitioned off into bedrooms," he said. "But a guy sleeping in the top of a triple bunkbed in the next room could look down into their bed. They put up a sheet to block the view, but the sheet was full of holes."

In China, what you eat, what you wear and what work you do all depend on where you are registered to live. It is a system that leads some spouses to tolerate separation for fear of something worse.

The relatively few million people who are registered in large cities, like Peking, Shanghai or Canton, are guaranteed a steady supply of grain even during bad times when peasants in some drought-stricken communes must dine on roots. Children who grow up in cities are far more likely to get factory jobs, the pinnacle of prestige and job security for most Chinese. The cities provide schools that will better prepare children for the all-important college entrance examination.

Registration passes through the maternal line and families will suffer dislocations to win the advantages of urban life for their children. One refugee here told of an educated Canton woman who was assigned to rural Hainan Island, married there and had a child. She sent her small daughter back to be raised by the child's maternal grandmother in Canton, to avoid the peasant life that she herself could not escape.

Often, rural wives married to urban husbands will leave their communes for two or three days a week to live in the city, but cannot get permission to move their children into town. They take advantage of the liberal leave time given peasant women in China, whose menstrual cycles involve a good deal of inconvenience because of the shortage of disposal sanitary napkins. But they must work some time in the rural commune, or risk losing the grain rations and income they and their children need.

Such situations create all kinds of opportunities for corruption, as a recent article from the Manchurian city of Harbin revealed. A policeman there, raised by his elder sister, came under great family pressure when the younger brother of his sister's husband "fell in love with a girl from the countryside and wanted to bring her to the city."

Although "his sister kept pressuring him to settle the matter," the policeman said, "this was not in keeping with policy and so set it aside. His sister became angry and his mother said he had no feeling for a relative."

Eventually, the broadcast said, the policeman persuaded his relatives they were wrong.

The prominence given the story suggests that other officials have been more compliant.

At times when criticism of officials is encouraged, such as during the Cultural Revolution of the late 1960s, these tensions come to the surface. "One refugee who had been a personnel officer during the Cultural Revolution said the people who attacked him the most vehemently were married couples he had had to assign to separate work posts," Parish said.

Some separated couples insist it is all for the best. A women's association leader in Shanghai told visiting American psychologist Carol Tavris that although she only saw her husband two weeks each year, "we do not regard separation too seriously, as a bad thing. We accept it as necessary for the good of the country. We must think about our whole family, the motherland, rather than our own small interests."

Despite the Communist marriage law reforms of the early 1950s that ended the several forms of sexual bondage then existing in China, the centuries-old puritanism of the Chinese peasantry and the lack of time or privacy in the workday Chinese world appear to keep sexual activity at a low ebb. Tavris said it was her impression that "Chinese women have moved sexually from ninth-century feudalism to 19th century Victorianism."

The forced separations and the unwillingness of party officials to license marriages for people who have not reached their mid-20s does bring some extramarital sex, however. One refugee told of a Canton woman "who got pregnant by a next-door neighbor. Her husband was older and away a lot because he was a fisherman."

The woman's mother became enraged when she heard what had happened and threw her daughter out of her home, where she was living. The local party committee found her new quarters.

Parish said officials did not appear to punish extramarital affairs too harshly, "unless it was the wife of a party cadre working in another place. Then you could be accused of something called breaking up the family."

If the illicit relationship caused a pregnancy when it was not the woman's turn to have a child under the neighborhood birth control plan, the other women in the neighborhood could be very rough, he added.

"I've heard of some very nasty cases," said Parish, when they would bring the woman up before a meeting of everyone in her work unit "and ask her all the intimate details of her relationship."

Such stories have persuaded many young people to suppress all thought of love or marriage until they have been assigned to their permanent work post and reached the age when marriage is allowed—about 27 for men and 24 for women. In turn, this may be cutting down on the number of couples who suffer separations.

But the absolute numbers remain very large in this very large country.

Tian Li, a 28-year-old railway worker, recently was reunited with and allowed to marry his fiancee, a French woman, after intervention by the highest officials in the country, including Vice Premier Teng Hsiao-ping. A French journalist asked Tian why Teng was so popular in China. First he mentioned Teng's support for an increase in living standards, but then added: "Teng strongly supports the coming together of couples who are separated by their work throughout the country. The people are especially sensitive about this."

INDIVIDUAL TAX RELIEF ACT OF 1978

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. SCHULZE. Mr. Speaker, last week Secretary of the Treasury Blumenthal appeared before the Ways and Means Committee to present the administration's tax proposals. The Secretary's statement and his responses to questions posed by myself and other member of the committee brought to light the need for certain additional modifications to the tax code. In addition, the hearings highlighted the need for certain long overdue administrative changes. In response to one of my questions, I was shocked to learn that the Internal Revenue Service overwithholds more than $30 billion from American taxpayers each year. This amounts to an involuntary interest-free loan from American workers to the Treasury. In 1973, the average amount overwithheld was $380. Clearly, these are funds which lower and middle-income taxpayers could be using for basic necessities.

In addition, the hearings underscored the impact of inflation on the American taxpayer. Each year, in order to compensate for inflation, most workers receive a cost of living or similar increase in pay. This is done in order to keep the employee purchasing power in line with prices. However, because of the graduated tax rate structure the employee actually loses ground. The income tax

takes a bigger bite each year because the taxpayer is pushed up into a higher bracket and pays a higher precentage in tax. As a result, the taxpayer actually has a reduction in purchasing power.

The need for some form of relief for the elderly, the lower- and middle-income taxpayer and the tuition-paying household is also apparent. In an effort to correct some of these abuses and to partially alleviate the overwhelming tax burden endured by the average American taxpayer, I am today introducing (H.R. 10755), the Individual Tax Relief Act of 1978.

The Individual Tax Relief Act of 1978 contains five sections.

Section I provides for the annual adjustment of the income tax tables and exemption amounts to compensate for the effect on inflation, as I described earlier. This measure will make certain that a taxpayer is not paying a greater percentage of his income merely because of inflation. It is well known that inflation harms our economy in many ways. The annual indexing of individual income tax rates and exemptions will do a great deal to reverse one of the more insidious forms of economic harm. The periodic increase in the standard deduction has been used in the past to attempt to correct the impact of inflation on the tax rates. However, this is a simplistic approach to a complex problem which creates more problems than it solves. For example, charitable giving decreases each time the standard deduction is increased.

Section II provides for the payment of interest at 6 percent on the amount by which a taxpayer's withholding exceeds his actual tax liability. When the graduated withholding schedules were introduced in 1966, a congressional report indicated that it would approximate withholding to within $10 of final liability for 21 million of the estimated 63 million taxpayers subject to withholding. In 1973 only 3.8 million, a little over 5 percent of the 71 million taxpayers reporting withholding, were within $25 of final liability. Almost 88 percent of all taxpayers subject to withholding were overwithheld; the average overpayment was $380. A similar pattern has prevailed since 1966. Current law also provides for a substantial penalty if a taxpayer is underwithheld. For purposes of computation, interest on overwithholding would start to accrue on behalf of the taxpayer on September 1 of the tax year.

Section III provides for a $100 tuition tax credit per household for attendance at elementary, secondary, or vocational schools or at an institution of higher learning. This is an element of tax law which the American people are demanding and which will help to alleviate the burdens placed on those seeking the benefits inherent in education.

Section IV provides for the forgiveness of the long-term capital gain on the sale of a principle residence for taxpayers who have reached age 65. Inflation has had a profound effect on the cost of housing. This fact and the inadequacy of present laws have done little to assist the average retired person who wishes to sell his residence. When faced with the prospect of sale and the resulting capital gains tax many elderly persons choose not to sell. This phenomenon has a chilling effect on the housing market and often leaves the elderly with homes which they can no longer afford or maintain. This proposal would reduce the negative impact of such a sale and increase the availability of housing. The amount of sale proceeds would not totally escape taxation since presumably they would be included in the individual's estate. Moreover, this provision would help to insure that retired persons are less economically vulnerable and dependent.

Section V provides for the exclusion from income of the first $100 of interest income from a savings account or bond. Currently the first $100 of dividend income is exempt from taxation. This provision merely seeks to extend the same benefit to taxpayers who place their funds in savings accounts or buy bonds. In so doing, the provision furthers the concept of tax neutrality.

A Roper poll commissioned by the H&R Block Co. and published in July of last year indicated that approximately 64 percent of the American public believe the tax system is unfair. This is an alarming statistic but one which represents a point of view which is easily justified. Our system of taxation relies on voluntary compliance for its success. If continued compliance by U.S. taxpayers is to be expected, we, in the Congress, must take steps to bolster the tax laws and their administration. I therefore ask my colleagues to support the Individual Tax Relief Act of 1978.

THE PANAMA CANAL TREATIES: "AN ACT OF GRACE"

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. WHALEN. Mr. Speaker, rarely in our long consideration of the issues involved in the ratification of the Panama Canal treaties has an individual come forth with so clear and persuasive a case as does Pulitzer Prize winning columnist George F. Will in the current issue of Newsweek magazine. Mr. Will is known as a thoughtful spokesman for the conservative point of view.

"The treaties can be supported," Mr. Will argues, "as an act of grace by a great nation that, having attended to its interests, does not press its advantages."

Mr. Will expresses refreshing confidence in the international authority of the United States and in our inherent power to do what is right and necessary. Yet he warns:

If in an emergency the United States lacks the will to do what is necessary rather than what a treaty explicitly says the United States can do, then the United States lacks the will to do the unpleasant things it would have to do to protect the canal after rejecting the treaties.

Of particular interest is Mr. Will's contention that the treaties should be ratified even without the amendments which are being proposed in the other body. I commend this article to my colleagues and request permission that it be reprinted in the RECORD:

[From Newsweek Magazine, Feb. 6, 1978]

A VOTE FOR THE CANAL TREATIES

(By George F. Will)

In the fight for the Panama Canal treaties, the Administration's battle flag is gray flannel. Diplomats armed with technical arguments are marching into the teeth of conservatives' cannon. But there is a conservative case for the treaties and it begins by noting that Democratic debate must often be decoded.

When Congress considered subsidizing an SST, the air was thick with arguments about aerodynamics and airline economics. But the argument was not about an airplane; it was about what kind of country this should be. When should government decisions supplement market decisions? More crudely, should government build an expensive plane for "jet-setters"? Today's debate about the canal treaties is only partly about a canal. Beneath arguments about geopolitics and the effect of higher tolls on trade, there is resentment about vanished mastery. In 1954, in Guatemala, the U.S. brushed aside an unsatisfactory government as easily as a waiter brushes away crumbs. But in 1961, across the Caribbean at the Bay of Pigs, an era of shambles began. And now Americans are supposed to feel vaguely ashamed of having constructed the canal that their high-school textbooks celebrated.

A MAN OF THE LEFT

The way to restore Panama to the status quo ante (ante Theodore Roosevelt) is not to cede control of the canal to Panama but to cede Panama to Colombia, from which Panama seceded, with TR's connivance. But Gen. Omar Torrijos' passion for restoration does not extend to dissolving the state where he is supreme. Something like de Tocqueville's compliment to Napoleon (that Napoleon was as great as a man without morality can be) can be paid to Torrijos: he is about as nice as Latin dictators can be. He may be innocent of systematic thought, but he has had the good sense to get perceived as a man of the left. This has intensified the antipathy American conservatives would feel for him anyway, but it has insulated him against the scalding but selective indignation that liberals allocate for some dictators.

Conservatives know that some supporters of the treaties enjoy finding occasions for the U.S. to retreat, preferably apologetically. But it is a bit late for conservatives to become fastidious about liberty in nations with which the U.S. makes treaties. The canal treaties almost certainly will be approved, but after cosmetic improvements. For example, the Senate may insert language that stipulates that "expeditious" treatment of U.S. warships in emergencies means "preferential" treatment in the sense of head-of-the-line passage. Whether a second Panamanian plebiscite will be "necessary" to ratify revised treaties will depend largely on Torrijos' interpretation of Panamanian due process, which is unclear. Dictators usually do not think due process requires inconvenient or unpredictable plebiscites.

Some conservatives want the treaties to affirm the explicit right of the U.S. to intervene to protect the canal. Such a provision would be inconsistent with the purpose of the treaties and unnecessary, given the real rules of the game of nations. It would be inconsistent because the essential purpose of the treaties is to assure Panamanian sovereignty and sovereignty means that no power outside a nation has a right to decide what shall be done within that nation's ju-

risdiction. It is unnecessary for the treaties formally to concede a U.S. right to intervene, because the first law of nations is that "necessity knows no law." Americans must assume that in an emergency their government will do what is necessary to protect what is necessary.

Under the treaties, the U.S. shall have "primary" responsibility for defense of the canal until Dec. 31, 1999. After that, the two nations "agree to maintain" the canals neutrality. A State Department explanation says this does not give the U.S. "the right to intervene in the internal affairs of Panama," but it does give "each nation the discretion to take whatever action it deems necessary." (Emphasis added.) That may seem like a distinction without a difference, but this is a matter requiring reticence.

PARCHMENT BARRIER

Some conservatives believe that unless something like the State Department interpretation is incorporated into the treaties, the treaties will not "settle" the problem of possible conflict with Panama in extraordinary situations. But it is unconservative rationalism to think that all future contingencies can be frozen in ink, like flies in amber. Like most international agreements, the 1903 canal treaty ratified an act of force, and no laws are controlling when force is involved. A Gettysburg ordinance forbade discharge of firearms on part of what became the battlefield. Bismarck said that every treaty contains the unwritten clause *rebus sic stantibus* (so long as things remain the same). A treaty is only a parchment barrier, which means no barrier, to a nation's protection of its vital interests against weaker nations. If in an emergency the U.S. lacks the will to do what is necessary rather than what a treaty explicitly says the U.S. can do, then the U.S. lacks the will to do the unpleasant things it would have to do to protect the canal after rejecting the treaties.

Given the vulnerability of the canal's locks, and today's technology (and ideology) of free-lance violence, it is harder for the U.S. to protect the canal than to protect Europe. The treaties will not limit the U.S. right to guard air and seat approaches to the canal. And by increasing Panama's revenues, the treaties will give Panama an enlarged stake in helping with defense. Panama's only substantial "natural resource" is its narrowness. After the treaties are ratified, the tolls, which have been unreasonably low, will rise to a level that will mean much to Panama but will not be burdensome to the U.S.

AN ACT OF GRACE

The conservative intuition is correct: liberals exaggerate the importance and plasticity of foreign opinion. Latin America will still dislike the U.S. after the treaties are ratified. But the best situation for the U.S. in Latin America is one in which the U.S. is thought of as little as possible and rejection of the treaties would make the U.S. an obsession there.

Some conservatives would have the U.S. assuage its sense of impotence, and frighten its enemies, by frustrating Panama's nationalism. Not since the Mayaguez affair, the U.S. victory over the Cambodian Navy, has so much pride been invested in so small a challenge. The treaties are less instruments of strict equity than instruments in which considerations of prudence and magnanimity converge. Unquestionably, the U.S. has a formal, legal right to remain the cause of Panama's physical division and psychic distress. But proper conservatives insist upon higher standards of behavior than mere legality. Manners are a species of morals and it is ungentlemanly to insist too punctiliously upon formal "rights." The treaties can be supported as an act of grace by a great nation that, having attended to its interests, does not press its advantages.

PANAMA CANAL

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. STANGELAND. Mr. Speaker, I would like to share with my colleagues a letter I received from two Peace Corps workers stationed in the Dominican Republic concerning the Panama Canal Treaties. Their firsthand observations on Latin American and the impact of Senate ratification of the treaties are thought-provoking and certainly worth consideration. Although they presented several reasons why the United States should not ratify the treaties one thought was especially worth noting. Contrary to popular belief, they observed that many Latin Americans feel approval of the treaties will weaken rather than strengthen the position of the United States:

To: Arlan Stangeland, U.S. Representative, of Minnesota, House of Representatives, Congress of the United States, Washington, D.C. 20515, U.S.A.

From: Mr. and Mrs. Daniel Rugroden, Cuerpo de Paz, Apartado 1412, Santo Domingo, Republica Dominicana.

DEAR MR. STANGELAND: Just a short introduction is in order. We joined the Peace Corps about fourteen months ago and are stationed in the Dominican Republic. I have been trying to teach better agriculture practices to farmers in and around a town called Bonao. I have a degree in Agriculture Education from the University of Minnesota, St. Paul campus. I am from Hoffman, where my dad manages the only creamery in Grant County. My wife is a Certified Medical Laboratory Assistant and she has been trying to teach santitation and nutrition to rural housewives. We have gotten to know these people rather well because we have lived with them for over a year now. We also have had the opportunity to travel to Puerto Rico and South America.

Having been in direct contact with the people of Latin American Countries for over a year now we are beginning to understand them a little better. Because we know Spanish, we have been able to find out what the people in these countries think of the United States. And generally, most of these people have a very favorable attitude towards the United States. We fully realize that this favorable attitude is very important for our trade and safety. Therefore, it is the duty of our government to enhance and enrich our relationship with foreign countries. This applies to everything from trade argeements to treaties. However, it would be a great mistake for the United States government to make up a new treaty to give away the Panama Canal Zone. We feel there are several very good reasons for keeping the Canal Zone in the U.S. control.

We feel it may be a different story if the Panama Canal Zone was given to the U.S. due to the spoils of war. Like if it fell into the same classification as the Mexican cession after the Mexican-American War or our possession of Puerto Rico after the Spanish-American War. But it can not be labeled as the spoils of war. True, there was the bloodless war between Colombia and the new Panamanian Government in 1903, but that did not involve the U.S. directly. No, the Panama Canal Zone was bought and paid for according to the Hay-Bunau-Varilla Treaty of 1903. We paid ten million dollars for it. That is more than we paid for Florida, 5 million, or Alaska, 7.2 million. Plus, we are still paying about 2 million to Panama each year. The U.S. has lived up to its side of the treaty, we have paid for it. There is no need for another treaty which gives the canal to Panama. If we apply our Panama Canal Zone Policy to the rest of our treaties, we'd give up a lot of land. For example, should we give back the Louisiana Purchase to France, the Florida Purchase to Spain, the Gadsen Purchase to Mexico, the Alaskan Purchase to Russia, or the Virgin Islands to Denmark because they want it? No, we should keep what we paid for. If we give back just one of these purchases back, it would justify giving them all back. We must keep what we have paid for.

Needless to say, you probably know more about the terms of the original treaty than I do. However, I understand the Hay-Bunau-Varilla Treaty states that the United States Government leases the Panama Canal Zone in perpetuity. The word perpetuity is kind of an ambiguous word. But it has about the same meaning as infinitely or as long as we are around in this life. Based on this terminology the canal is ours now and for as long as we are a country. Let's honor this treaty. We have broken or laid aside enough treaties in the past.

The Panama Canal is one of the greatest achivements of modern mankind. The United States built it from 1904 to 1914 in spite of what skeptics said. We succeeded where the French failed. True, it cost us a fair amount of money to complete it, about $380,000,000. But it was built. It is a symbol of American ingenuity just as much as our present day space flights. We feel there is a certain amount of national pride in the construction of the canal. This national pride would be seriously hurt if we gave the canal away. Our pride as a nation is part of what holds us together as a nation. To know that as United States we can achieve fantastic feats is part of our heritage. It would be unfair to give away part of our national heritage. Not only unfair to us, but perhaps morally damaging to our country.

You are probably more aware of the political situation in Panama right now than we are. It is generally well known the General Omar Torrijos Herrera is a small time dictator. And because he is a dictator, his whole country is subject to his whims. It was the same way in this country for 31 years when General Rafael Trujillo was dictator. If Trujillo decided to kill some Haitians one afternoon—it was done. What Haiti or any other country thought did not matter. General Torrijos of Panama is no different. Once control over the canal is handed over to his government, what is to stop him from raising the canal toll atrociously high or even worse, preventing ships of certain countries from entering the canal zone. In addition, please consider the human injustices that are going on in Panama. Why should we not pursue our human rights theme in Panama? Dealing with the Panamanian Government without mentioning the people's freedom and rights is completely contradictory to our principles. General Torrijos can go around saying that he made the United States bow to him.

Like I, stated in the previous paragraph, Panama is ruled by General Omar Torrijos Herrara, a small time dictator. History has proven that dictators are very unstable. They usually are overthrown rather rapidly. What would happen if General Torrijos fell from power? Who would rule Panama? A government friendly to the west or friendly to the communist countries? Granted, the new treaty does allow us to maintain some control over the canal and preserve our interests. But I point out that according to the new treaty, whoever rules Panama rules the Panama Canal Zone by the year 2000. Because of the strategic importance of the canal, these are very important questions. I now ask; Can we take the chance of its falling under com-

munist influence? No! The free world needs that canal for trade as well as defense purposes. The canal has to remain open to all countries. And the only way to guarantee it being open to all countries is by keeping it that way under our control. We can not afford to take the chance of losing such an important piece of U.S. land.

Many people believe that our Latin American relations will hurt if we do not make a new treaty over the Panama Canal. Our experiences in Latin America have taught us just the opposite. Many of the people in these countries feel that a new treaty over the canal shows that the United States is weak. As I have said before, we have had the opportunity to travel to South America while we have lived in the Dominican Republic. I have gotten the impression from the people of these countries that they find it very difficult to understand the United States' policy. Generally, these people are pro-American. But it is our belief that they are laughing inwardly at us for signing away the canal. A show of power and force influences these people greatly here. If the U.S. seems to be weak by signing away the canal, they may be swayed under the influence of a stronger power, such as Russia. Giving the Panama Canal Zone to Panama will hurt our Latin American relationship in the long run.

Perhaps the best way to sum up the points for not giving the Panama Canal Zone away is by quoting a saying used during the last presidential race. It goes something like this; "We bought it, we paid for it, we built it, and we are going to keep it." I admit that Mr. Ronald Reagan may have oversimplified the issue in this one sentence. But it does bring up several important issues connected with the canal zone. We have paid a lot of money for it. The original treaty does state it is ours for perpetuity. Another point is the national pride that goes along with the construction of such a fantastic engineering accomplishment. There is also the problem of giving into a small time dictator. Not to mention, the possibility of that unstable government falling under the influence of unfriendly countries. The free world trade and security is too valuable to chance it. Our last reason to keep the canal, is to maintain the respect of the Latin-American people.

Realizing that you are a very busy man, we thank you for your time in going over the letter. Thank you very much.

In God We Trust,

DANIEL RUGRODEN.

GEORGE F. WILL BRINGS REASON TO SKOKIE DEBATE

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. EILBERG. Mr. Speaker, one of the most thoughtful pieces of writing on the current debate as to whether the Nazi Party has the right to march in Skokie, Ill., is the February 2, 1978, column in the Washington Post by George F. Will.

As Mr. Will points out, the Nazis make it very clear that they hope to incite violence and racial hatred against Jews and other minorities.

The issue, then, is not the right to free speech. Rather, the issue is the right of the community of Skokie to use every constitutional means at its disposal to prevent the Nazis from abusing the freedom of our Constitution to carry out their violent program of bigotry and genocide.

Very plainly, the motives of the Nazis are totally contrary to the U.S. Constitution. Therefore, it is reasonable for the people of Skokie to take legal efforts to protect themselves against the violence which the Nazis promise to carry out as soon as they have the opportunity to do so.

I offer Mr. Will's commentary for the RECORD because I share his belief that those who defend the constitutional "right" of the Nazis to incite hatred and genocide ignore the fact that these same Nazis would, as Mr. Will states, "destroy the Constitution" if given the opportunity:

NAZIS: OUTSIDE THE CONSTITUTION

(By George F. Will)

During World War II, Sol Goldstein lived in Lithuania, where Nazis threw his mother down a well with 50 other women and buried them alive in gravel. Today he lives in Skokie, Ill., where on April 20 Nazis wearing brown shirts and swastikas may demonstrate to celebrate Hitler's birthday.

Sixty percent of Skokie residents are Jewish, including thousands of survivors of the Holocaust. Aided by the American Civil Liberties Union, the Nazis have successfully challenged an injunction against demonstrations with swastikas, and almost certainly will succeed in challenging ordinances banning demonstrations involving military-style uniforms and incitements of hatred. After 60 years of liberal construction of the First Amendment, almost anything counts as "speech"; almost nothing justifies restriction.

The Nazis say they want to demonstrate in Skokie because "where one finds the most Jews, one finds the most Jew-haters." Beyond inciting hatred, the Nazis' aim is to lacerate the feelings of Jews. Liberals say the Skokie ordinances place unconstitutional restrictions on the Nazis' "speech." But Skokie's ordinances do not prohibit "persuasion," in any meaningful sense. The ordinances prohibit defamatory verbal and symbolic assault. What constitutional values do such ordinances violate?

The Washington Post says the rationale for striking down restrictions on advocacy of genocide is that "public policy will develop best through the open clash of ideas, evil ideas as well as benign ones." A typical Nazi idea is expressed on the poster depicting three rabbis—the Nazi call them "loose-lipped Hebes"—conducting the ritual sacrifice of a child. The Post does not suggest exactly how it expects the development of policy to be improved by "clashes" over ideas like that, or the like idea that Jews favor the "nigger-ization" of America.

Liberals quote Oliver Wendell Holme's maxim that "the best test of truth is the power of the thought to get itself accepted in the competition of the market." Liberalism is a philosophy that yields the essential task of philosophy—distinguishing truth from error—to the "market," which measures preferences (popularity), not truth. Liberals say all ideas have an equal "right" to compete in the market. But the right to compete implies the right to win. So the logic of liberalism is that it is better to be ruled by Nazis than to restrict them.

Liberals seem to believe that all speech—any clash between any ideas—necessarily contributes to the political ends the First Amendment is supposed to serve. But they must believe that the amendment was not intended to promote particular political ends—that there is no connection between the rationale for free speech and the particular purposes of republican government.

A wiser theory is in "The First Amendment and the Future of American Democracy," in which Prof. Walter Berns argues that the First Amendment is part of a political document. There are political purposes for protecting speech, and some speech is incompatible with those purposes.

The purpose of the Constitution, he argues, is to establish a government faithful to the "self-evident" truths of the Declaration of Independence. Holmes said the Constitution was written for people of "fundamentally differing views." That would be an absurd idea about any constitutional community and is especially absurd about this one. The Founders thought rational persons could hardly avoid agreeing about "self-evident" fundamentals. The Founders believed in freedom for all speech that does not injure the health of the self-evidently proper kind of polity, a republic.

So the distinction between liberty and license, between permissible and proscribable speech, is implicit in the Constitution's purposes. Hence restraint can be based on the substance as well as the time, place and manner of speech.

Berns argues it is bizarre to say that the Constitution—a document designed to promote particular political ends—asserts the equality of ideas. There is no such thing as an amoral Constitution, neutral regarding all possible political outcomes.

American Nazis are weak, so liberals favor protecting Nazi swastikas and other "speech." Liberals say the pain to Jews is outweighted by the usefulness of the "clash of ideas" about "loose-lipped Hebes." Were the Nazis becoming stronger, liberals would favor protecting Nazi speech because the "market"—the best test of truth—would be affirming Nazi truth. Besides, restricting speech can be dangerous.

But it is not more dangerous than national confusion about fundamental values. Evidence of such confusion is the idea that restrictions on Nazi taunts and defamations are impermissible because the Constitution's fundamental value is political competition open equally to those who, if they win, will destroy the Constitution and then throw people down wells.

PANAMA CANAL: POLITICIZATION OF THE MILITARY SHOULD BE INVESTIGATED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. DORNAN. Mr. Speaker, the question of the future status of the Panama Canal has become a matter of international as well as national concern. Its value to interoceanic commerce and national defense has been set forth in many carefully considered statements by various eminent civil and military leaders as well as by perceptive publicists and distinguished Members of Congress.

The latest contribution to the growing literature is a thoughtful article by Allan C. Brownfeld, a well known syndicated Washington columnist.

Drawing upon a number of excellent sources, he stresses the fact that virtually all prominent retired military leaders, in contrast to those on active duty, stress the canal as "vital to U.S. security." He also urges an investigation by the Congress of what he calls the "politicization of the military."

Mr. Speaker, because of the timeliness of the indicated article I quote it, along with the considered statement by four former Chiefs of Naval Operations cited therein, as parts of my remarks: I also call attention to a news story from

the Arizona Republic which quotes Defense Secretary Harold Brown as admitting that any member of the Joint Chiefs who advised against the canal treaties would be "expected" to resign. The entire news story follows the statements of the retired Navy admirals:

IS THE PANAMA CANAL STRATEGICALLY VITAL OR IS IT EXPENDABLE?

(By Allan C. Brownfeld)

All too often, the debate about the ratification of the Panama Canal treaties has been based upon emotional rather than strategic and geopolitical considerations.

Advocates of the treaties argue that the Canal is no longer strategically necessary, that the large new supertankers cannot use it anyway, and that by giving it to Panama we will solidify good relations with Latin America. Opponents of the treaties argue that it is still necessary and that, beyond this, the symbolism of yet another American retreat will not be lost upon those concerned with whether or not the U.S. intends to fulfill its international commitments. Some proponents declare that the Canal is a vestige of American "colonialism," and some opponents say that our national honor demands keeping the Canal.

It is high time—before the nation makes the wrong decision—to cut through much of this rhetoric and to consider the vital question upon which such a choice must be made: Is the Canal strategically vital—or is it really expendable?

It is curious indeed that, under pressure from first the Ford and then the Carter Administrations, our military leaders—such as General George Brown, Chairman of the Joint Chiefs of Staff, have shifted their longtime opposition to relinquishing control of the Canal. As recently as 1976, the Defense Department devoted one issue of The Commanders Digest, published by the Pentagon Office of Information, to the subject: "The Military Value of the Panama Canal." On June 8, 1977, four distinguished admirals, all former chiefs of naval operations, vigorously opposed any give-away of the Canal.

To the argument that the Canal is less important because of the large supertankers which can no longer use it, Admirals Carney, Burke, Anderson and Moorer declared: "We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the canal. The supertankers represent but a small percentage of the world's commerical fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of short range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants—Our experience has been that as each crisis has developed during our active service—World War II, Korea, Vietnam and the Cuban Missile crisis—the value of the Canal was forcefully emphasized—sovereignty and control over the Canal Zone and the Canal offer the opportunity to use the waterway or to deny its use to others in wartime. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the overall U.S. defense capability, with enormous potential consequences for evil."

The offhand dismissal by many in the Ford and Carter Administrations of the strategic significance of the Canal on the grounds that it could not accommodate the navy's thirteen large carriers prompted a sharp rejoinder from yet another former chief of naval operations, Admiral David L. McDonald, who held the post from 1963–1967. McDonald stated that, "Carriers as such do not operate independently but as the core of striking forces; and all other units of these striking forces can transit the canal including the very vital logistic support forces. And with Angola plus USSR actions in general I certainly do not think we should permit our presence in the Canal to be diluted."

Similarly, Retired Lt. General Victor Krulak of the U.S. Marines, a former member of the Pentagon's Joint Staff, attacked the argument that the canal was no longer needed because the U.S. boasted a "two-ocean" navy. Measured against its global operational requirements, the whittled-down navy of 1977 does not deserve to be called a two-ocean fleet. It was, said Krulak, a barebones, one-ocean navy. However, if the navy could exercise flexibility in times of emergency by shuttling ships through the canal (rather than resorting to an 8,000 mile detour around the Horn) then it might be described as "two-ocean." Krulak added: ". . . without absolute control of the Canal and the essential contiguous land, the U.S. could not accept the hazard of a one-ocean navy. It would be essential at once to initiate construction of fleets independently able to meet a crisis in either the Atlantic or the Pacific—a massive expenditure which we are now spared only because of our control of the Canal."

How can the fact be explained that almost all prominent retired military men tell us that the Canal is vital to U.S. security, while those on active duty uniformly accept the position of the Administration in power? The politicization of the military is a dangerous trend which is worthy of serious concern—and investigation by the Congress as well. We cannot afford to have military men acting like politicians—far too much depends upon their judgment.

It is not only retired military men who tell us that the Canal remains vital to U.S. security. Hanson Baldwin, for many years military editor of the New York Times, states that, ". . . control of the Panama Canal, for both operational and security purposes, should remain a U.S. responsibility. I feel this quite strongly . . . there is a parallelism in the status quo of the Canal Zone and Guantanamo, and this could be extended by implication to a great many other U.S. land-based facilities. . . . Once a retreat is started, it is hard to stop . . ."

Congress would do well to prevent President Carter's proposed retreat in Panama. The nation's safety, in the long run, may well depend upon what is done.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., June 15, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are enclosing a most important letter from four former Chiefs of Naval Operations who give their combined judgment on the strategic value of the Panama Canal to the United States.

We think you will agree that these four men are among the greatest living naval strategists today, both in terms of experience and judgment. Their letter concludes:

"It is our considered individual and combined judgement that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty."

We concur in their judgment and trust you will find such action wholly consistent with our national interest and will act accordingly.

Sincerely,

STROM THURMOND, USS,
JESSE HELMS, USS,
JOHN L. MCCLELLAN, USS,
HARRY F. BYRD, Jr., USS.

JUNE 8, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commercial units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the Canal as its exists today. The super-tankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of a short range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead, as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the over-all U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923

declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," H. Doc. No. 474, 89th Congress, p. 154).

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U.S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U.S. Zone.

The Panama Canal represents a vital portion of our U.S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgment that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty.

Very respectfully,

ROBERT B. CARNEY,
GEORGE ANDERSON,
ARLEIGH A. BURKE,
THOMAS H. MOORER.

[From the Arizona Republic, Wednesday, Jan. 25, 1978]

JOINT CHIEFS FACE "MUZZLING" IF THEY OPPOSE CANAL PACTS

Secretary of Defense Harold Brown admitted on Tuesday that if any of the Joint Chiefs of Staff opposed ratification of the Panama Canal treaties, they would be "muzzled."

They would be free to criticize the treaties, but Brown said if they do they should be prepared to resign. However, he said all support the treaties.

Referring to some former chiefs who oppose the treaties, Brown said they are not as well informed. Some expressed opposition even before both treaties were completely written, Brown said.

Brown made the remarks in answer to a question from the audience after he had finished a speech on the treaties at a dinner sponsored by the Military Affairs Committee of the Phoenix Metropolitan Chamber of Commerce in the TowneHouse.

Brown told another questioner he doesn't think the canal is a white elephant, but doesn't want to overstate its values.

In his speech, Brown said the treaties, subject to Senate approval, are needed to keep Panama as a friend.

"We want the canal protected from external threats involving sophisticated weapons launched from outside Panama," Brown said. "Just as important, we want it protected from guerrilla or terrorist attacks or threats that could originate close by."

The secretary emphasized that the United States "retains all rights necessary to take whatever actions may be required to ensure the canal's neutrality and security. Those rights include the right to use military force."

Basically, the United States feels it is in a better position to have a friendly nation running the canal than to have the United States operate it in an unfriendly atmosphere, Brown said.

In a press conference before the dinner, Brown praised the work of Adm. Stansfield Turner, Central Intelligence Agency director, who had been reported on the way out until President Carter expanded his authority Tuesday morning.

PROTECTING CHILDREN'S HEALTH

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. MAGUIRE. Mr. Speaker, today I am reintroducing the Child Health Assurance Act with technical amendments and two substantive amendments. The first amendment will insure that preventive health services are given a top national priority in the development of a national health plan—especially for children. This amendment will establish a National Commission on Preventive Health. The first goal of the Commission shall be to report on the preventive health needs for the children of the Nation by January 1, 1980 and on the needs of the rest of the population by January 1, 1981.

This Commission shall:

First. Compile and evaluate all the significant evidence concerning the promotion of health and the prevention of disease;

Second. Formulate national goals with respect to the health status of the Nation;

Third. Formulate a national policy for the promotion of health and the prevention of disease and disabling conditions; and

Fourth. Formulate legislation and administrative recommendations for the implementation of the national policy.

The Commission shall work closely with the Department of Health, Education, and Welfare in formulating its recomendations and shall include consumer representatives, professionals from the medical, scientific, mental health, allied health, and education professions, and representatives from Federal, State, and local health departments. The National Commission on Preventive Health shall be able to focus national attention on the importance of prevention as we develop a national health plan for the United States. We cannot afford to continue paying for the increasing costs of medical care without doing everything we possible can to insure that our people are encouraged to develop habits that promote health and are delivered preventive health services on a regular basis. The National Commission on Preventive Health will bring this too long forgotten concept of prevention to the forefront in the development of a national health plan.

The second amendment to the Child Health Assurance Act deletes the earlier penalty section and replaces it with an enforcement procedure which is relatively short and gives the State two opportunities to correct its failure to comply before a cease-and-desist order from the Secretary of Health, Education, and Welfare is given. The entire process should take no more than 6 months. The order is subject to review in a court of appeals, whose decision shall be final except for review by the Supreme Court.

The final order of the Secretary may be enforced in a civil action in a district court brought by the Secretary, or by the beneficiary. A beneficiary may also bring suit to require the Secretary to enforce his own order. The Secretary is required to watchdog States which have been out of compliance, for two quarters after the State is in compliance.

An enforcement procedure is absolutely essential to insure that States actually provide the preventive health services to its child medicaid population This procedure does not withdraw funds from the State, which ultimately punishes the beneficiary, but is designed to expedite enforcement procedures, reduce Federal paperwork, and provide explicitly for private enforcement of this act.

HIGH CUSTOM DUTY RATES TO UKRAINE

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. RUPPE. Mr. Speaker, recently, while participating in the Ukrainian Congress Committee this past January 22 in Michigan, I was approached by a group of Ukrainians who requested my assistance in urging the Russian Government to reduce their excessively high custom duty rates. One woman indicated that it cost her approximately $200 to send a couple of items to her family in the Ukraine.

In checking into this matter, I first contacted the State Department and learned that since 1976 custom duty has risen an alarming rate of 600 percent to 700 percent across the board on items previously sent from this country. Our citizens pay all costs on their end in sending these items and thus, bear the full burden of cost responsibility. Interestingly enough, the Russian Government will only permit items to be sent from the United States if they are sent through a U.S. company which has been licensed by their Government. The companies who have acquired a license maintain full responsibility in accepting the package and all costs involved.

I decided to obtain the names of two American companies that deal in this operation to see how much they would charge me to send a $20 pair of shoes and a $100 wool coat. Globe Parcel Service, Philadelphia, Pa., determined that costs would probably be approximately $75. However, Package Express and Travel Service, New York, N.Y., determined that costs would be between $90 to $100. The cost of the items had absolutely no bearing on the charges quoted.

It is difficult for me to accept the high custom duty charges which have been imposed on items sent from the United States to the Ukraine. The State Department acknowledges that they are aware of the exorbitant duties imposed and have asked the Soviets to reconsider these charges. Unfortunately, the Soviet Government has elected to ignore our request.

Each one of us has a loved one that we feel some sort of responsibility for. While we may not necessarily assume financial responsibility for them, we would probably provide them with items to fulfill their needs if they were unable to obtain these things for themselves. For this reason, many of our Ukraine citizens do still have strong ties to their families who remain in the Ukraine and thus, do feel a moral obligation and responsibility to provide their loved ones with items of clothing. It is absolutely shocking to me to have learned that in sending a coat and a pair of shoes, I would have been expected to pay between $75 to $100 to send these items to the Ukraine.

I would at this time like to share with you a letter that I sent to Ambassador Anatoly F. Dobrynin of the U.S.S.R. which was prompted by my awareness of this situation:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 31, 1978.

His Excellency ANATOLY F. DOBRYNIN,
Ambassador, Embassy of Union of Soviet Socialist Republics, Washington, D.C.

DEAR MR. AMBASSADOR: Recently, a matter of great concern has come to my attention which I believe merits your consideration. A short time ago, I was visiting with a group of my constituents who were originally from the Ukraine and who still have relatives residing there. I was advised that they are extremely concerned with regard to the very high duties which they must pay in order to send items to the Ukraine from this country.

In checking into this matter, I learned that high duties do exist. Since many of my constituents do feel a moral obligation to provide for their relatives who still reside in the Ukraine, the existing high duties are placing upon them a financial hardship in meeting what they feel is their family responsibility.

In bringing this matter to your attention, I am hopeful that you will bring this problem to the attention of your government in order that they may review this matter with the future prospect hopefully of a reduction in existing duties.

With best wishes,
Sincerely,

PHILIP E. RUPPE,
Member of Congress.

THE FLOATING—NOT SINKING—DOLLAR

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. WHALEN. Mr. Speaker, we have experienced a decline in the value of the U.S. dollar in comparison with other currencies and have generally found this to be a disquieting situation. As yet, however, we don't know the effects of our falling exchange rate upon the world or upon our domestic economy.

Arthur Okun is one of our country's foremost economists. Now a senior fellow at Brookings Institution, Mr. Okun is a former chairman of the Council of Economic Advisors. Writing in the Washington Post on January 29, he provides considerable insight into the causes and possible consequences of our trade deficit and the resulting oversupply of dollars on world markets. He notes that the United States was the only country which met its target for economic growth in 1977 and that last year's economic developments contrast sharply with what happened in 1975.

I believe Mr. Okun gives us a good guide to the currency fluctuations of recent years. Thus, I commend the article to the attention of my colleagues and other readers of the CONGRESSIONAL RECORD:

[From the Washington Post, Sunday, Jan. 29, 1978]

THE FLOATING—NOT SINKING—DOLLAR

(By Arthur M. Okun)

Our dollar has been weak in foreign exchange markets relative to other currencies mainly because the U.S. economy has been *strong*. The current episode of our falling exchange rate presents a sharp contrast to the recent experience of the United Kingdom and to our own experience earlier in the decade: It is *not* the result of above-average inflation rates or poor economic performance.

In 1977, the United States was the only capitalistic industrial country that met its target for economic growth; in the process, we generated higher demands for all types of goods, naturally including imports. And the rise in U.S. imports bolstered the sagging growth curve of other economies—perhaps even saving them from renewed recession. With our imports growing and our exports stagnating because of the weak economies of our trading partners, a lot of dollars were pumped into the rest of the world. Although foreign investors have a strong appetite for dollar securities, it isn't unlimited. With a U.S. trade deficit of $30 billion, it was hardly surprising to find an excess supply of dollars on world financial markets and a resulting adjustment of exchange rates, which lowered the value of the dollar relative to the average of other major currencies by 4½ percent in 1977.

The developments during 1977 were precisely the reverse of what happened during 1975. At that time, the U.S. economy was the sickest in the world, and we were spreading our acute recessionary disease abroad with an 11 percent decline in our real imports. Because we ran a substantial trade surplus, dollars were scarce throughout the world, producing an average rise of the dollar in foreign exchange markets by about 8 percent. That increase in the value of the dollar evidently created an overvaluation, making imports excessively attractive to us and our exports unduly expensive to others. When trade flows finally adjusted to this change in exchange rates after a year or two, that swelled our trade deficit of 1977.

In short, exchange rates have been responding to real phenomena: a U.S. trade deficit that is unsustaining high and surpluses in Germany and Japan that are unreasonably large. While exchange markets can get caught up in a speculative fever and can overshoot, there is no evidence to date that they have gone haywire, or even that they have necessarily completed the appropriate adjustment. Our exchange rate is still a few percentage points higher than it was three years ago, compared to the average of other major currencies; nobody can say with any conviction that the dollar is now undervalued (or still overvalued). To set a target for the exchange rate and try to maintain it would be like freezing the thermometer.

There are, to be sure, some unwelcome consequences of the decline in our exchange rate. First and foremost are higher prices of imports from Japan and Germany, and the additional inflationary effects on prices of U.S.-made products that compete with those imported goods. The drop in the dollar's exchange rate during 1977 is likely to add an extra half a point to our price level over the next year or two. Second, the instability of foreign-exchange values creates anxiety and uncertainty in international capital markets. When exchange markets are gyrating, foreign investors holding dollar bonds and stocks cannot feel secure about the ultimate purchasing power of those assets over the goods they buy. In a period of sharply fluctuating exchange rates, people may make very different bets on the future course of those rates, leading to large and destabilizing portfolio shifts. The results are regrettably disruptive for international and even domestic investors, although they do not add up to a crisis by any stretch of the imagination.

Not all of the consequences are undesirable. American industries that export heavily and those that compete strongly with German and Japanese imports will generate more jobs and earn more profits as a result of the movement of exchange rates. According to one statistical estimate, the decline in the exchange rate of the dollar during 1977 should ultimately reduce our trade deficit by about $7 billion below what it would otherwise be.

To the countries with rising exchange rates, the costs and benefits are reversed. They will get the boon of lower inflation from cheaper imports and the bane of lower export demand. I must say that some of the complaints from abroad do not make sense. For example, many comments from Germany fail to recognize the anti-inflationary benefits to them of lower import prices—even though the Germans stress their eagerness to control inflation. Some foreigners clearly want us to feel embarrassed by the drop in the dollar's exchange rate.

Others argue invalidly that U.S. oil imports have been the major source of the weakness. In fact, oil imports accounted for only about a third of the increase of total U.S. imports during 1977—in large measure an inevitable consequence of our economic growth. Moreover, the U.S. oil imports contribute little to the excess supply of dollars since the OPEC countries have been and remain very willing holders of dollar assets. To be sure, the United States needs an energy bill, and I hope the Senate conferees have made a New Year's resolution to achieve a prompt compromise on what is shaping up as a constructive long-run program. But no conceivable energy bill can lower our oil imports significantly for some years to come.

The plain fact is that some countries have been relying on rising exports to lead them back to prosperity, rather than taking the steps needed to promote growth at home. Their strategy can succeed only if the United States is willing to accept huge trade deficits and to go along with an artificial pegging of exchange rates to sustain that. It is clear why those countries don't enjoy the adjustment of exchange rates, but it should be equally clear why we cannot let them have their way.

Actually, U.S. policies in recent months have had the healthy effect of inducing some of our trading partners to reexamine their economic policies. Japan has responded in an ecouraging way by adopting a more stimulative fiscal policy and by starting to liberalize its restrictive policies on imports. Other countries have to be mature enough to face their responsibilities as well.

Meanwhile, the United States must be alert to the causes and consequences of its trade deficit and its falling exchange rate. Our fundamental competition position will improve over the years ahead if we can strengthen productivity, spur capital forma-

tion, slow the wage-price spiral, and economize on imported energy. But we must continue to refuse to freeze the thermometer. Our government should be buying dollars in exchange markets only when the markets are truly disorderly. And U.S. monetary policies ought to be focused on unemployment rates, inflation rates and investment rates—not exchange rates. We surely don't want to bring about the good old days of 1975 with a strong exchange rate and a weak economy.

PHILADELPHIA LAUNCHES PROGRAM OF FREE EYE EXAMINATIONS FOR SENIOR CITIZENS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. EILBERG. Mr. Speaker, I am very pleased to be able to report that a new program has been launched in the city of Philadelphia to provide free eye examinations for senior citizens in order to help prevent blindness among older people.

The new program is being offered by the Philadelphia Committee for the Prevention of Blindness, which will conduct a preventive program of eye examinations and followup services for approximately 2,500 Philadelphians age 60 and over through a $150,000 contract with the Philadelphia Department of Public Health.

Mayor Frank L. Rizzo, in announcing the city's participation in this effort, noted that this was one more effort of the Rizzo administration to bring vitally needed services and help to Philadelphia's senior citizens. The mayor said:

Many older people do not get their eyes examined regularly and do not realize that there are now medical treatments available which can save their eyesight provided they are treated in time.

The Philadelphia Committee for the Prevention of Blindness has developed this fine program to reach out to our senior citizens—particularly at the Health Department facilities that they use, such as the District Health Centers and the Older Adult Centers—and to help them get whatever eye care they need.

I am really pleased that the City can join in partnership with the Committee in this worthwhile endeavor. This is a good example of the ways in which private groups can work together with government to make life better for all our citizens.

Dr. George Spaeth, director of the glaucoma service at Wills Eye Hospital and president of the Philadelphia Committee for the Prevention of Blindness, noted that the most significant causes of blindness are the diseases that occcur among the older population. He said that the program would be based on face-to-face work with older people, including small group education programs and individual interviews, to find those who have not had their eyes examined in the past year. He said:

When people agree to have their eyes examined we will make appointments for them with ophthalmologists at Wills Eyes, Pennsylvania, Jefferson, Temple, and Hahnemann Hospitals, as well as the Scheie Institute and the Pennsylvania College of Optometry. We will also arrange for free transportation to and from the hospital and will have a member of our staff at the hospital to help them through what might be a strange and confusing situation.

Dr. Spaeth explained that those participating would be given a full eye examination, not just a superfiicial screening which might miss some disease condition and falsely reassure the individual that his or her eyes were in good condition. He said:

The examinations we will offer include a professional review of the person's medical history, taking of blood pressure, determination of visual sharpness, pressure check for glaucoma, examination of the inside of the eye by a light instrument, refraction of the eyes, and any special studies that might be indicated.

According to Martin Kaplan, director of the Committee for the Prevention of Blindness, the committee staff will follow up each person to make sure that the findings of the eye examination are understood and that arrangements are made for any necessary treatment:

In most instances the cost of the examinations and treatment, such as surgery, will be covered by the individual's medicare or medicaid coverage or by a third-party hospital insurance program, such as Blue Cross. We have limited funds in our budget to pay for the examinations when a person does not have any of this kind of health insurance and, although we cannot pay for treatment, area hospitals have indicated that no one will be refused needed treatment if they are without such resources.

If eyeglasses are prescribed, a limited amount of funds are available to pay for corrective lenses at a reduced rate which has been arranged with some opticians. The individual would have to pay for their frames; however, as many opticians have old frames which have been returned by their clients, these could be used at no charge should the individual wish.

Individuals who would like further information on the program, or senior citizens who would like to make an appointment to have their eyes examined should call the committee's office—925–3364.

The Philadelphia Committee for the Prevention of Blindness was formed in 1974, with representatives from business, social service, labor, medicine, optometry, nursing, government, and services to the blind agencies. Incorporated in 1976, its board of directors includes opthalmologists, physicians, optometrists, and other health personnel, social workers, specialists in services to the blind, and community leaders.

MR. FRED MEYER, AN AMERICAN STORY

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. CUNNINGHAM. Mr. Speaker, it is always heartening to see the success story of someone who exemplifies the American work ethic. Mr. Meyer of Fred Meyer, Inc., has just such a story. This man, who came West to pan for gold and ended up as one of the most successful American retailers, is to be highly commended.

He takes the mystique away from business many people seem to share, saying, "All we do is look around, and what people want we try to give them." That is what retailing is all about, and that is why he has been so successful.

Mr. Speaker, I offer the following article from Forbes magazine that tells Fred Meyer's story for my colleagues' review:

[From Forbes, Jan. 23, 1978]

NOTHING REALLY CHANGES

The son of a Brooklyn grocer, Fred Meyer came west around the turn of the century to pan for gold in Alaska, sold coffee, tea and spices door-to-door in a wagon, and rented space to retailers way before public markets had been replaced by supermarkets. Now 91, he is still chairman of the executive committee of Fred Meyer, Inc., the $750-million Portland, Ore.-based food and general merchandise chain. Today the Meyer chain has 62 stores in the Pacific Northwest, a flourishing wholesale food operation, and a net income in 1976 of $14 million.

"There are three basic things man has needed since he was civilized," says Meyer. "He had to have food, clothing and a place to live. Even when people lived in caves, if you had a monopoly on the caves you'd have done quite well. Well, we're in the food business, the clothing business, and now we have the mortgages on the homes."

What's that about mortgages? In 1975 the company acquired a savings and loan operation, becoming the first food retailer to do so. Of the 24 branches, 21 are located right in Meyer stores, and to attract savers, Meyer offers savings "specials" like a pound of coffee or a steak with each new account. While many of the savers are small first-time accounts, earnings from the S&Ls this year should reach an estimated $1.1 million, an increase of 161 percent over the previous year.

Last fall Meyer announced that he was entering the travel field, offering travel packages at prices lower than similar tours offered by travel agencies. "We don't know if we know a lot about the travel business," Meyer explains, "but the cost of entry is low, and we hope we know more than our customers."

All of these new services fit Meyer's basic philosophy that shopping should be simple, maybe even fun: "Going to the store should be like going to church used to be. It should be a social occasion." The typical Meyer complex, whether it is a single store with departments or a series of stores in one of Meyer's 37 shopping centers, offers customers services ranging from a pharmacy, food store and clothing store to a garden center and home-improvement center. Each department has a manager who is a specialist in his particular merchandise area, but decision-making is centralized at the divisional level. As the older stores are remodeled and expanded, nonfood merchandise is also taking a greater portion of sales so that the newer stores really look like department stores with one department devoted to groceries.

Meyer is one of those old-time executives who is fanatical about holding down the overhead. Executives must pick up their own mail and supplies and are addressed in interoffice memos only by their initials (to save the time required to type out full names). Even Meyer's late wife, who served as secretary-treasurer until her death in 1960, was known only as ECM. Buyers who visit Meyer's warehouse-like corporate headquarters find no chairs in the buying room—to discourage

long visits—and Meyer's own office is a jumble of old (not antique) furniture, yellowing maps and bare floors.

But putting his money where it counts has helped Meyer sustain net profit margins of 1.9 percent, better than those of big national chains like Winn-Dixie Stores (1.7 percent), Lucky Stores (1.5 percent) or Safeway (0.9 percent).

While Meyer's style clearly still runs the company, he has not made the mistake of trying to do everything himself. Although Meyer calls them his "boys," Oran Robertson, Meyer's chief executive officer and heir apparent, and President Cyril Green have been with the company for over 25 years and are highly respected within the industry. Jack Crocker, who was president of Fred Meyer, Inc. when it was first opening its Levi jeans centers to capitalize on the boom in blue jeans, is now chairman of Super Valu Stores, the highly successful food wholesaler and general merchandiser, doing the same thing with Super Valu's County Seat stores.

Fred Meyer has a long list of retailing firsts. He opened the world's first self-service drugstore in 1930. When cigarettes were still sold by the package, he sold them by the carton, just the way he sold prepackaged beans and sugar. "We were one of the first grocery stores with paperback books," claims Meyer, whose old-fashioned glasses and bow ties have not changed over the years. "The department stores had a monopoly on them, but today I guess we're the main source of paperbacks."

He argues there is really nothing new under the retailing sun. "Public libraries invented self-service, not retailers." The modern shopping center, Meyer says, is just a new version of the old public markets. He doesn't think of himself as a pioneer. "All we do is look around, and what people want we try to give them."

Fred Meyer, Inc. finally went public in 1960, and its 5.6 million shares recently traded at 25, an alltime high, nine times last year's estimated earnings. Meyer owns about 30 percent of the stock, worth on paper a hefty $43 million. But that doesn't impress the old man, who says: "I think we would have made more money if we bought land, but we had a good banker who said, 'Go into merchandising.' And we did."

HILLSDALE COLLEGE AGAINST HEW

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. SYMMS. Mr. Speaker, the following column by Bob Wiedrich which appeared in the January 10th issue of the Chicago Tribune describes a harrowing tale of the valiant struggle of one private college in Michigan which is facing off against the bureaucratic edicts of the overbearing department of HEW. HEW alleges that, because 205 of Hillsdale College's students accept some veterans benefits or Government loans, Hillsdale must comply with all of HEW's rules and regulations which pertain to schools who accept Federal aid. Yet Hillsdale prides itself in its independence from Government hand-outs while at the same time practicing an open admissions system offering equal consideration to any minority who chooses to apply to the college. Hillsdale has stood firm and has, over the 3 year period of this battle, raised a $29 million emergency fund, $14.7 million of which is earmarked for scholarships to cover, among others, those students whose Federal assistance is subject to HEW's whim. I am particularly proud to make note of the fact that our colleague, PHIL CRANE himself a graduate of Hillsdale, has headed up this impressive fund raising drive. Both he and Hillsdale have distinguished themselves in this remarkable fight for educational freedom. I commend this column to your reading and believe you will join me in extending to PHIL and to Hillsdale a hearty "Well done!"

The column follows:

[From the Chicago Tribune, January 10, 1978]

HILLSDALE COLLEGE VS. FEDERAL IDIOCY

(By Bob Wiedrich)

David and Goliath tangled over the weekend. And we bet you didn't even notice.

Sunday was the deadline for tiny Hillsdale College in southern Michigan to bend to the will of Uncle Sam's mighty might or lose federal aid to some of its students.

To say the least, the battle is unequal Hillsdale only has 1,028 students this semester. The United States government represents more than 200 million citizens.

However, the college has one thing going for it—its determination to resist to the bitter end attempts by the Department of Health, Education, and Welfare to force its idiotic will on the campus.

So the only people likely to become casualties of this fracas with Washington are the 205 young men and women who receive some form of federal aid to further their educations at Hillsdale.

The money they receive amounts to $300-000 annually.

Fortunately, even that is not a certainty. For the college administration and its many supporters are not taking Uncle Sam's guff lying down.

They have launched a three-year, $29-million fund raising drive, $14.7 million of which will be earmarked for scholarships, including some for the kids being threatened with intellectual extinction by the government.

And to date, $12 million has been received from admirers of the 133-year-old school that never has accepted any form of government aid and has no intention of starting now.

And therein lies the absolute bureaucratic stupidity that has cast Hillsdale College in a confrontation with HEW which it neither sought nor deserves.

Here is the scenario:

HEW says that Hillsdale is a recipient institution of federal aid because the 205 students, as individuals, accept veterans' benefits and government loans to pay for their tuitions.

According to Washington, that means the college has to toe the line and conform with all of HEW's affirmative action programs and other requirements imposed on educational institutions foolish enough to accept the government dole.

HEW maintains that Hillsdale must comply with government laws banning discrimination on the basis of sex.

And that by refusing to sign a statement swearing that it will not so discriminate, Hillsdale College has violated the law and should be penalized by a withdrawal of all forms of federal aid.

The obvious flaw in that thick-headed logic, of course, is that the school receives no federal aid and does not discriminate. Forty-five per cent of its student body are women.

So the quarrel obviously boils down to one simple fact—Hillsdale College's refusal, as a matter of principle, to swear in writing that it will not do what it never has done.

Since Hillsdale was founded in 1844, the campus has been open to blacks and females. That, incidentally, was long before the Civil War and Abraham Lincoln's Emancipation Proclamation.

So Hillsdale College has been far ahead of the United States government in practicing what it preaches—equal rights for all Americans.

Nevertheless, the HEW edict stands. And according to school officials, they have been notified to appear Jan. 16 at an HEW administrative hearing in Denver, which makes about as much sense as the rest of Uncle Sam's dingaling gig.

College authorities are not the only people incensed by Washington's heavyhanded intrusion on the free spirit at Hillsdale.

College President George C. Roche, currently on leave of absence to run for retiring Republican Sen. Robert Griffin's seat from Michigan, reports having received individual donations to the college fund of as much as $10,000.

And Joseph T. Gill of Palatine, Ill., an accountant with a son who is a junior at Hillsdale, was sufficiently angered to write this column an eloquent letter in defense of the school as a last bastion of independence and free enterprise.

"Having no legitimate leg to stand on is only a small challenge to the ingenuity and cleverness of those who would be our keepers," Gill wrote.

"Having discovered that roughly 20 per cent of the Hillsdale enrollment are recipients of government aid as individuals under several programs, the government has seized on this reed in the desert to declare the institution itself to be a recipient of federal funds. . . .

"That these students who freely chose Hillsdale could have chosen any other school makes no difference.

"They are interested only in placing freedom under the collectivist yoke and, if they have to twist the intent of Congress and distort the meaning of the law to accomplish that purpose, so be it."

Gill rightly points out that George Orwell's 1984 is but a scant six years off. And that the knuckleheads at HEW are apparently doing their best to speed up the novelist's terrifying schedule for an end to individual freedom by trying to topple Hillsdale College now.

This column normally does not hustle readers for contributions, however worthy the cause. But in this instance, if you can spare a dime, drop it in the mail to Hillsdale College, Hillsdale, Mich. 49242.

Then write a rousing indignant letter to your congressman and senators voicing your outrage at the idiocy that prevails along the Potomac.

THE RECORD CELEBRATES ITS 100TH YEAR

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. MAZZOLI. Mr. Speaker, I would like to take this opportunity to extend my congratulations to the editor and the staff of the Record, the publication of the Roman Catholic Archdiocese of Louisville which is celebrating its 100th year of publication.

The Record does an excellent job of informing the people of the Archdiocese of Louisville—and the community at large—about both religious and secular matters of concern.

In confusing times, such as we live in today, Reverend William Zahner, editor

of the Record, and his staff provide a fare of articles and columns designed to place today's event into a moral and ethical perspective.

Father Zahner, an energetic and talented priest-newspaperman, has given strong leadership to the Record. And, in his tenure as editor, the paper has won several awards for merit in newspapering.

The Record can take pride in its first 100 years of service to the archdiocese and to the whole community. I wish it another 100 years of achievement.

ARE WE THE SUPPLIER OF MILITARY WEAPONS FOR THE WORLD?

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. MITCHELL of Maryland. Mr. Speaker, on numerous occasions I have expressed open opposition to continued U.S. involvement in supplying military weapons to the Middle East countries. Yet, the Carter administration is contemplating another transaction involving the sale of defense aircraft vessels from the United States to Saudi Arabia.

We have noticed efforts by seven members of the Senate Foreign Relations Committee to urge the administration to delay approval of the sale of 60 F–15's to Saudi Arabia. However, a delay in these sales would not be enough, since generally, it is known that even with delays, the eventual transactions are bound to take place.

Currently, our Nation and others are witnessing a most historical occurrence. The two countries, Israel and Egypt, appear to be reaching the stages of peace as they continue to negotiate in terms of each country's perspective and proposed solutions to a conflict which has intensified itself within the last century.

We can continue to hope that the final outcome of these intense negotiations will be peace. Although we must also face the possibility of another war between these two forces. While we hate to think that war may be a result of the Middle East peace talks, it is unreal to deny that the further occurrence of war is a possibility and that Saudi Arabia might participate in such a war in light of its military capabilities.

If at any time we are to concern ourselves with the elimination of U.S. military arms sales to the Middle East, it should certainly be now, during a time when delicate peace talks are taking place between Israel and Egypt.

While we are of course concerned with the developments in the Middle East countries, let us not forget how our continued sales of defense mechanisms would interfere with our own domestic economic priorities. It is impossible to think in terms of a balanced budget for our Nation if we cannot meet the economic and social welfare needs of our people while our military programs continue to escalate.

The United States has cited human rights and the maintenance of a system which advocates fair opportunities for all as a goal which our Nation has professed as its own. However, it is ironic that we speak of such a high goal and continue to even consider selling defense weapons to other countries.

Particularly, at a time when Egypt and Israel are involved in an attempt to achieve an objective which our Nation professes to hold in such high esteem—peace.

As we monitor further developments in the area of U.S. sales of defense mechanisms to foreign countries, let us remember that at this time, we are contemplating an action which could contribute directly to the perpetuation of war between Israel and Egypt who are trying so hard to reach an agreement. Their desires are so like our own country—to live harmoniously and be at peace with neighboring countries, and to eventually be an integral part of an eventual worldwide peace.

The sale of the F–15's is but one isolated incident. However, it typifies many prior transaction between the United States and our foreign allies. The pattern remains the same. First, there is contemplation about the sales. Next there is a cry for a delay in these sales. Finally, the inevitable happens; the transaction is completed and we have again involved ourselves in the destruction of lives, property, and the morality of those countries that were plagued by war. Hopefully, the pattern will be different in this case and the sale of the 60 F–15's to Saudi Arabia will be canceled. The United States can no longer remain the weapon supplier for the world.

CRIME SUBCOMMITTEE TO HOLD HEARINGS ON CIGARETTE BOOTLEGGING

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime of the House Committee on the Judiciary has scheduled an initial set of hearings on H.R. 8853 and H.R. 10066, which address the problem of racketeering in the sale and distribution of cigarettes.

The first 2 days of hearings will be February 15, 1978 and February 28, 1978, beginning each day at 10 a.m. in room 2237, Rayburn House Office Building.

At the hearings on February 15, the subcommittee will take testimony from Members of Congress who have sponsored the major legislative proposals in this area. The subcommittee currently has pending before it 21 bills on the subject.

Those wishing to testify or to submit a statement for the record should address their requests to the House Committee on the Judiciary, Subcommittee on Crime, 207–E Cannon House Office Building, Washington, D.C. 20515 (telephone: 202–225–1695).

GEN. DANIEL JAMES, JR.

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. CLAY. Mr. Speaker, a great black American was honored on January 26, 1978, on the occasion of his formal retirement from the U.S. Air Force.

Gen. Daniel James, Jr., known affectionately to many of us as "Chappie" has set an unparalleled record of achievement in the history of the armed services. Of the hundreds of thousands of black Americans who have served their country ably and honorably, General James is the only one who was permitted to rise to the exalted rank of four-star grade. He alone will be remembered in the military mind of America as a leader of men.

His sparkling level of performance would easily place him high among the most respected members of the armed services. It is not just his outstanding record as an Army officer for which he should be honored. Chappie James is a living symbol of the kind of justice that is not in abundance in this country. Our youngsters need to know that once in a rare while a black man is properly rewarded for his sterling character and proud patriotism.

I wish to take this opportunity to share with my colleagues a few words taken from the program booklet of his official retirement ceremony:

General James is widely known for his speeches on Americanism and patriotism for which he has been editoralized in numerous national and international publications. Excerpts from some of the speeches have been read into the Congressional Record. He was awarded the George Washington Foundation Medal in 1967 and again in 1968. He received the Arnold Air Society Eugene M. Zuckert Award in 1970 for outstanding contributions to Air Force professionalism. His citation read ". . . fighter pilot with a magnificent record, public speaker, and eloquent spokesman for the American Dream we so rarely achieve."

Other civilian awards that General James has received include the following: 1960—Builders of a Greater Arizona Award; 1970—Phoenix Urban League Man of the Year Award, Distinguished Service Achievement Award from Kappa Alpha Psi Fraternity; 1971—American Legion National Commander's Public Relations Award, Veteran of Foreign Wars (VFW) Comander in Chief's Gold Medal Award and Citation; 1975—Capital Press Club. Washington, D.C., Salute to Black Pioneers Award; 1976—Air Force Association Jimmy Doolittle Chapter Man of the Year Award, Florida Association of Broadcasters' Gold Medal Award, American Veterans of World War II Silver Helmet Award, United Service Organization Liberty Bell Award, Blackbook Minority Business and Reference Guidance Par Excellence Award, American Academy of Achievement Golden Plate Award, United Negro College Fund's Distinguished Service Award, Horatio Alger Award, VFW Americanism Medal, Bishop Wright Air Industry Award, and the Kitty Hawk Award (Military). He was awarded honorary doctor of laws degrees from the University of West Florida in 1971, the University of Akron in 1973, Virginia State College in 1974, Delaware State Colege in 1975, and St. Louis University in 1976. He was also named Honorary National Commander, Arnold Air Society in 1971.

General James is a command pilot. He has received numerous military decorations and awards which are listed in the attached fact sheet.

General James is married to the former Dorothy Watkins of Tuskegee, Alabama. They have a daughter, Danice (Mrs. Frank W. Berry); and two sons, Daniel II, a captain in the Air Force, and Claude.

BOOK REVIEW

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. BROWN of California. Mr. Speaker, on Thursday last I inserted in the RECORD a few selected quotations from a new book about Presidential-congressional relations entitled "The Prospect for Presidential-Congressional Government," by Cohen, Hughes, Lepawsky, Moos, and Vile. I will not repeat the laudatory statements which I made at that time, but refer the reader to pages 2159–2160 of the CONGRESSIONAL RECORD. Today I would like to complete the quotations from Professor Lepawsky's last chapter of the book, those quotations dealing more specifically with the increasing role of the Congress:

PART II.—CONGRESSIONAL ASSUMPTION OF STRATEGIC PRESIDENTIAL POWERS

In the readjustment of functions and reallocation of responsibilities now underway, Congress is sharing in or encroaching upon some highly strategic powers and prerogatives that have been either constitutionally assigned to or historically appropriated by the Presidency. These include: (1) military decision and foreign policy, (2) the intelligence function and executive privilege, and (3) the exercise of emergency powers.

* * * * *

The War Powers Act of 1973 was the first general restriction imposed by Congress on the President's role as commander in chief of the armed forces. The fact that this "constitutional" legislation was initially vetoed by President Nixon, and then re-passed over his veto by the required two-thirds Congressional majority, will not readily be forgotten, even though cogent arguments may be raised in the future for restoration of the President's powers of military action. When the prestigious Senate Majority Leader, Mike Mansfield of Montana, announced, "There will be no more Vietnam wars," he was referring to the series of Presidentially declared wars, including the Korean War, that followed the Second World War.

This newly revised system of Presidentially-and-Congressionally shared warmaking and war-ending was enforced in 1975, during the delicate terminal stages of our withdrawal from Southeast Asia (including Cambodia as well as Vietnam). Despite the military complexities and diplomatic embarrassments in which we were embroiled, the new decisionmaking arrangement effectually met the challenge in 1975. Since then, Congress has delved deeper into the area of strategic policy and diplomatic decision previously occupied unilaterally by the President. In the earliest of these instances, President Ford deferred to Congressional opinion, while President Carter disregarded it. Where the facts involved are indecisive and the range of possible decisions is wide, the President may prevail. But at some point, Congress will resist, and it now possess more means than it did previously to inject its will into the decision process.

The newer interplay of diplomatic and military responsibilities, involving both policy or strategy and operations or tactics, now embraces recently recognized Congressional powers along with traditionally essential Presidential functions. For example, because the Senate possesses the constitutional power to participate in the treaty-making process, this body had become concerned by 1969—initial year of the Nixon Administration—over a Presidential initiative of longer standing, that of independently entering into "executive agreements" with foreign countries. Whether or not these agreements were in pursuit of duly negotiated treaties or previously established policies, over 5,500 of them had been made since the end of the Second World War, including especially critical commitments by President Nixon.

In a definitive 1969 resolution, therefore, the Senate declared that "a national commitment by the United States results only from affirmative action taken by the executive and legislative branches of the United States Government by means of a treaty, statute, or concurrent resolution of both Houses of Congress" specifically providing for: the use of armed forces of the United States on foreign territory; or a promise to assist a foreign country, government, or people by the use of armed forces or financial resources of the United States, either immediately or upon the happening of certain events.

Attacking the executive agreement question more directly was a 1972 Congressional act sponsored by Senate Foreign Relations Committee member Clifford Case of New Jersey. The Case Act requires the transmission of all executive agreements to Congress within sixty days unless they are secret, in which case they are to be routed to the Senate Foreign Relations Committee and the House International Relations Committee. The House of Representatives' involvement in the treaty-making process to this extent, along with its International Relations Committee's recently enlarged jurisdiction—ranging explicitly from "intervention abroad and declarations of war" to "relations of the United States with foreign nations generally"—has now augmented the movement toward Congressional assumption (or resumption) of strategic powers previously monopolized by the President.

* * * * *

The intelligence function and executive privilege

Here too, the Nixon Administration had overreached itself. In April 1973, at a joint hearing of several Senate subcommittees, including the Judiciary Committee's Subcommittee on the Separation of Powers, the Attorney-General, Richard Kleindienst, shocked the Senators by asserting that they had no power to compel anyone in the executive branch to testify or to produce documents if forbidden to do so by the President. Kleindienst argued, "Your power to get what the President knows is in the President's hands." The only recourse, he asserted, was the next Presidential election, or the President's impeachment, a challenge the Judiciary Committee soon accepted. Moreover, when President Nixon further defied Congress by refusing to produce his self-incriminating Watergate tapes, the case went to the Supreme Court. While upholding the doctrine of executive privilege generally, the court refused to apply it to the Nixon tapes and in July 1974 decided unanimously against the President.

* * * * *

CONGRESSIONAL RESUMPTION OF POLICYMAKING AND FUNDING RESPONSIBILITIES

The test of Congressional recovery of powers which have been historically assumed by the President is, of course, the extent to which Congress actually resumes its original legislative initiative and policymaking mandate, including its power to appropriate funds, without which public policies cannot be carried out. In fact, Congress is already making a distinct recovery of its powers in these fields.

* * * * *

Congressional limitations now pose a constant threat to Presidential inititives in international affairs. Apart from the strategic restrictions imposed on the President by the War Powers Act of 1973, Congressional restraints are now applied also to detailed military decisions and actions by the President, even though the necessary funds already lie in the Presidental pipeline.

* * * * *

Presidential impoundment and its impact on domestic policy

When the President withholds from public expenditure money which Congress has duly appropriated for domestic policies and programs, that is, when he "impounds" funds, legislative executive relations become most sorely strained. Although impoundment as an instrument of executive power did not originate with President Nixon's Administration, it did reach its peak during his battles with Congress in the early 1970s. Governmental activities which he philosophically opposed and financially obstructed through impoundment, ranged over the entire repertoire of established national policies and enacted federal programs: water pollution control and highway construction, urban housing and farmers' home loans, rural electrification and rural environmental assistance, hospital construction and community mental health centers, health manpower training and vocational education, elementary, secondary and higher education and library services, food stamps and child nutrition, urban renewal and economic opportunity programs. In the latter instance, the Nixon Administration actually began to dismantle the entire U.S. Office of Economic Opportunity.

The Nixon Administration's campaign of impoundment waged against national policies and programs resulted in some fifty separate lawsuits. The administration lost most of them, and was compelled to restore the impounded funds and reactivate the interrupted programs. In the OEO case, for example, the Federal District Court of the District of Columbia explicitly denied the implied Presidential contention that "the Constitution confers the discretionary power upon the President to refuse to execute laws passed by Congress with which he disagrees." When considering Nixon's impeachment in June 1974, the House Judiciary Committee went further and questioned "whether the 'impoundment' power being exercised is really 'executive' power at all, or whether the actions of the executive branch are an invasion of the legislative province assigned by the Constitution exclusively to Congress.

* * * * *

* * * Congress still has to demonstrate that it can thus match the fiscal achievements already attained by our existing executive-controlled economic planning body, namely, the Council of Economic Advisers, which pursues its own established system of relations and reporting to Congress and to Congress' prestigious Joint Economic Committee. The broader institutional issue, indeed, is whether planning generally—especially long-range and comprehensive policy planning—will remain exclusively an executive responsibility as it has been traditionally, or to what extent it will become a proper legislative function, or possibly a joint Presidential Congressional responsibility.

CONGRESSIONAL POWERS OF OVERSIGHT, LEGISLATIVE VETO, AND SHARED ADMINISTRATION

In addition to the powers of legislation newly expanded since Watergate, Congress now exercises enlarged controls over established policies and continuing programs. These Congressional controls seriously affect the Presidency because they partake partly of the administrative process, ranging all the way from a general "oversight" of the executive branch to detailed types of "shared administration" carried on jointly with the executive. Shared administration comprises a congeries of Congressional activities that not only impinge on the President's powers, but are particularly controversial, constitutionally speaking, because they reputedly violate much that remains of the separation of powers doctrine. Congressional oversight, on the other hand, though partly classifiable as an investigatory or inspectorial function normally belonging to the executive, is conceded to be a legitimate responsibility in modern democratic societies.

Congressionally shared administration through exercise of the legislative veto

Procedurally these laws and regulations all fall into two general categories which in practice often merge with one another: (1) the strictly legislative veto, whereby an executive or administrative proposal or decision is set aside or ultimately confirmed; and (2) the process more akin to share administration under which the executive or administrative officer is required to clear with Congress in advance of his decisions or actions, a process known in federal terminology as "a coming into agreement" between the legislative and administrative authorities and personalities involved. Consequently, matters of sheer executive responsibility and of concrete administrative substance are increasingly subject to vetoes, disapprovals, approvals, "agreements" by: Congress as a whole; or by either of the Houses; or merely by a Congressional committee or subcommittee; or simply by a single committee chairman; or solely (though rarely) by an individual Congressman.

We should acknowledge that this sort of administrative sharing and Congressional "interference" with the President and the administrators under his command has worked fairly smoothly so far. There is no running feud—at least not yet—between the White House and Capitol Hill over the Congressional veto, and Congress seldom finds it necessary to reject or reverse any particular executive proposal or administrative decision. If any warranted opposition appears in Congress, or if any substantiable objection is posed by an aggrieved Congressman, the item is generally withdrawn by the administrators and no issue arises.

Nevertheless, there are sometimes involved differing principles of public policy, or divergent concepts of proper administration, or opposed views of political parties, from which no retreat is possible. When the issue does become one of high policy or administrative conflict or partisan politics, as has been the case in some governmental reorganizations, the legislative veto and shared administration may become lethal instruments of the American decisionmaking process. A battle then often takes between President and Congress, involving the use of raw political power, a contest in which little quarter is asked and less given, but one which is ultimately resolved within the rugged realities of American politics.

How for will Congress continue to tread on executive turf and trespass on administrative terrain as a consequence of the Watergate-Nixon provocation? The legislative veto is widely regarded as evidence of Congressional aggrandizement of a type of power the Constitution assigned only to the President; and in strict constitutional constructionist circles, shared administration is considered to be in violation of the remnants of our separation of powers doctrine.

CONGRESSIONAL REORGANIZATION AND RELATED REFORMS

Effective Presidential-Congressional government thus requires both a reformed Congress and a reconstituted Presidency. And in its broadest sense, Congressional reform also entails modifications of our political party system and certain related "parliamentary" reforms. Although the latter constitutes one of the most problematic of these developments, present trends in both our party and our "parlimentary" affairs raise prospects for selective changes in our political constitution under the impetus of the continuing reaction to the Watergate-Nixon years.

* * * * *

CONGRESSIONAL REFORM AND PRESIDENTIAL-CONGRESSIONAL GOVERNMENT

The most emphatic expression of political independence is found in Congress itself. While acknowledging the need for a minimal measure of party discipline and granting the essential leadership role to the President, who enjoys a national mandate clearly exceeding the particularized Congressional constituencies, the resurgent Congress is now in a vigorous, historic contest over American constitutional powers as well as over current public policies. In any transition toward Presidential-Congressional government the long accepted adage that "the President proposes, Congress disposes" may take on new meaning. Although the American public rates the President primarily for his "legislative" accomplishments, and not merely his "executive" achievement, and although it still expects Congress to cooperate with the President and to expedite his legislative program, Congressmen are individually and collectively assuming independent initiatives and exercising increasing powers.

This is now a matter of Constitutional strategy, not, as it has often been in the past, a purely political tactic by a minority party. When the Republican Nixon-Ford Administration was displaced by the Democratic Carter-Mondale Administration, the Congressional leaders announced that their new attitude would be independent of the political coloration of the Presidency. Congress, they warned, was no longer going to "roll over and play dead." In a more serious vein, the Senate Majority Leader Mike Mansfield declared: "I believe the Congress will retain momentum. There will be a slow and deliberate effort by Congress to reassert its own power. Of course, we have to be sure the pendulum doesn't swing too far in the other direction. But the President will not continue to accumulate power at the expense of Congress."

* * * * *

A shopping list of "parliamentary" proposals

Other informal processes and more formal structures may emerge to help institutionalize a Presidential-Congressional system, but only experience will demonstrate their adaptability to the American form of government. During this most recent constitutional crisis, relatively few suggestions have been made for doing away entirely with our Presidential type of executive, or for totally transforming our other branches of government. However, the usual shopping list of Parliamentary proposals has been revived by a number of critics of American government, including several observant political scientists.

* * * * *

Some milder moves toward Presidential-Congressional Government

More indigenous to American government, and easier to accomplish, would be certain milder changes in a Parliamentary direction, of the kind suggested by our co-author Maurice Vile. Like him, some American political scientists have recommended seating the Cabinet (and some the President) in Congress, where they could be questioned but would have no power to vote. Such "Parliamentary" proposals not far removed from the present practice of Congressional committee hearings, where Cabinet members and policy-level civil servants are subjected to a "question-hour" as gruelling as any experienced in the British House of Commons.

Undoubtedly we could profit from increased dialog between the executive and Congress. The Carter Administration considered the advisability of formalizing such arrangements, including regular use of the President's room near the Senate chamber. But few who are conversant with comparative governmental institutions would wholly replace the Presidential or Presidential-Congressional system with Parliamentary government in the U.S.A. As Professor Vile has shown, the British system itself is being reappraised, recognizing the fact that Parliamentary government on its part has already undergone certain changes toward the Presidentially inclined Prime Ministership system.

In the same spirit is co-author Ben Cohen's recommended establishment, alongside the Presidency, of a super-cabinet Executive Council appointed by the President but confirmed by the Senate. Most pertinent is Cohen's sage suggestion for "quiet, prior consultation" between President and Congress in the course of policymaking and decisionmaking. Certainly, we should have more than the usual political pressures exerted by the President on Capitol Hill, including crisis conversations and emergency phone calls by White House assistants to leading Congressmen, in order to smooth out policy differences and legislative details. In fact, unless such executive-legislative contacts are conducted more systematically and sensitively, they can even become counterproductive as Congress learns better how to structure and stiffen its growing independence.

* * * * *

Internal congressional reforms accomplished

In its resurgence after Nixon-Watergate, Congress has pursued three major long-delayed internal reforms: committee reorganization, Congressional procedure, and Congressional staffing.

* * * With its elaborate committees and their extensive personnel, and with its own ample staff support for individual members. Congress has now become a billion dollar per year bureaucracy in its own right.

This is an affluent apparatus even for a great Democracy, and it will no doubt help Congress earn its reputation as "the greatest deliberative body in the world." Nevertheless, the expectant American public looking for a better legislative product will be scrutinizing Congress as never before. Can a burgeoning Congress, working side-by-side with a recuperating executive, live up to these expectations?

CONSTITUTIONALISM AND CONDUCT

We are now witnessing a historic test of talent and of will between our two primary branches of government. The outcome will depend in the first instance on our success in fashioning a shared and workable relationship between the two. Co-author Malcolm Moos correctly epitomizes the current constitutional challenge by asserting that the key question is "how to reconnect the President with the American political and administrative system and with the Congress in particular." Paradoxically, because of its pre-

viously subordinated position. Congress may, at the outset, decide to seize the advantage vis-a-vis a dynamic President in order to "keep him in his place," without, however, antagonizing an electorate still wedded to pure Presidential forms of government. A major unknown is whether, when issues of constitutional principle do arise, members of Congress will transcend their political party loyalties in favor of their institutional allegiances to the "club" of Congress itself. Yet, in the integrating play of American politics, there is always an inducement for minority party Congressmen to vote with (and to sustain the vetoes of) a President, especially when he is in contention with his own majority party.

* * * * *

* * * Appropriately, the present process of institutional revision and constitutional amendment is an experimental and flexible one. But it is unduly sporadic and, worse still, it is crisis-oriented. We need a more regular, continuing, systematic oversight of evolving constitutional arrangements. For this purpose, the appointment of a joint Presidential-Congressional commission on legislative-executive relations might be advisable, to evaluate, to facilitate, and possibly to monitor the process. My fellow authors share my views of the possible value of such a joint undertaking.

TERRORISM AND OPPRESSION CONTINUE IN ARGENTINA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. DRINAN. Mr. Speaker, another delegation of international authorities has visited Argentina and has been told by the Argentine Government that it soon will be releasing a list of 3,474 political prisoners currently being detained by the authorities in Argentina.

This evidence confirms the conclusions of the three-person mission sent to Argentina by Amnesty International. This team, of which I was a member, filed a comprehensive report in March 1977, of the shocking conditions in Argentina where hundreds of people continue to disappear and the basic human freedoms are denied.

I attach herewith the statement of French Admiral Antoine Sanguinetti and American lawyer Herbert Semmel.

I attach also the statement issued by the Council on Hemispheric Affairs.

These sad documents confirm the wisdom of the Congress in terminating aid for Argentina.

Mr. Herbert Semmel, executive director of the Center for Law and Social Policy based in Washington, has raised an excellent point by calling for an immediate announcement by the U.S. State Department of its willingness to accept at least 500 prisoners and their families from Argentina. The Attorney General has the power under existing law to admit at least this number of persons from Argentina. Mr. Semmel and others associated with the most recent international visitation of Argentina stress the fact that the United States has been generous in accepting refugees from Cuba, Vietnam, and elsewhere and in this spirit should extend visas to those persons in Argentina who are most oppressed.

The statements follow:

STATEMENT OF ADMIRAL ANTOINE SANGUINETTI AND HERBERT SEMMEL

Argentina will shortly announce the names of 3,472 persons it acknowledges holding as political prisoners or alleged terrorists. The Argentine Minister of Interior admitted to an international delegation that few of these prisoners will be tried because legal proof of any guilt is lacking.

The statements of Argentine officials were made to members of the Delegation of the International Federation of the Rights of Man in Argentina to investigate the circumstances of political prisoners and disappeared persons. The delegation of four included Admiral Antoine Sanguinetti, a retired Admiral of the French Navy; Herbert Semmel, Director of the Center for Law and Social Policy; Judge John Carro from the Supreme Court of New York; and Franceline Lepany, a French attorney. The delegates were in Buenos Aires from January 18 to 25 and met with three Argentine cabinet officials, Foreign Minister Admiral Montes; Chief of the Navy Admiral Massera; a member of the ruling Junta; and the Minister of Interior General Harguindeguy. The delegation also met with three human rights organizations in Argentina: the League for Human Rights, the Permanent Assembly for Human Rights and the Ecumenical Movement for Human Rights with bishops, lawyers, professors and representatives of major political parties and trade unions; and with relatives of prisoners and disappeared persons.

Argentina at present is ruled by a military junta which seized power in 1976 and operates under a state of siege which has the effect of suspending all other provisions of the Constitution. The delegation received the first official figure issued by the Argentine Government of prisoners held for political reasons or as alleged terrorists, a total of 3,472. The Minister of Interior stated that many are held under executive detention, in which no charges are filed and the prisoners receive no trials. The Minister claimed that all these prisoners were connected with terrorists, but admitted that proof was lacking in many cases, in which event no trials are held.

In addition to the officially acknowledged prisoners, thousands of persons have disappeared in Argentina since the state of siege was imposed, a fact recognized by government officials, who, however deny any official responsibility. Members of the delegation were told by officials of human rights organizations that unofficial detention camps exist in a number of places around the country most notably the Army camp known as Campo de Mayo and the Navy Mechanic School, but government officials denied such reports.

Members of the delegation also spoke with many eyewitnesses to the seizure of persons. They reported that the seizures were generally made by persons dressed in civilian clothes who identified themselves as members of the security forces. The most well-known recent case was the seizure of two French nuns in December 1977 and nine other women. These seizures occurred within two blocks of a police station, lasted twenty minutes, and involved six cars with heavily armed men. No police interfered. Many seizures occur in broad daylight, at homes and in workplaces, so that it would appear that the cooperation of the security forces is necessary. The delegation met with persons who stated they had been seized, held, in some cases tortured and later released. Other persons stated that at least twenty pregnant women had disappeared and one grandmother told of being called by an orphanage to pick up her grandchild whose pregnant mother had been seized several months earlier and had not been heard from since.

Foreign Minister Montes stated that some of the prisoners would be allowed to leave the country but that the United States would not accept them because they were "terrorists." Mr. Semmel discussed this claim with U.S. Embassy officials in Buenos Aires and on his return with State Department officers in Washington. He learned that there is no active parole refugee program for Argentina but that the State Department has requested additional authorization for parole visas for Latin America from the Justice Department. Mr. Semmel discovered that there is a misunderstanding by U.S. Embassy officials in Buenos Aires of the legal requirements for parole immigrants involving the question of whether Congressional action is needed for any parole program for Argentina. State Department officials in Washington confirmed that only Justice Department action is required, although consultation with chairmen of the Congressional committees with jurisdiction is a usual practice. Mr. Semmel called for an immediate announcement by the United States of its willingness to accept at least 500 prisoners and their families. He also conferred with a member of Senator Kennedy's staff who expressed the Senator's continuing concern about the situation in Argentina.

CURRENT SITUATION IN ARGENTINA—A REPORT OF THE U.S. FRENCH STUDY MISSION

The Argentine interior minister told members of a delegation of prominent French and U.S. citizens, who have just returned from a fact-finding mission to Argentina, that his government would soon begin to release the names on a list of 3,474 political prisoners currently being detained by the authorities.

Argentine and international human rights organizations maintain, however, that many more thousands of additional persons are being unofficially held by government security forces. Up to this date the government has adamantly refused to disclose the names of any political prisoners in their hands. The minister's announcement is nevertheless seen as being significant because only a few weeks ago the Argentine ambassador in Washington, in a published response to three religious leaders, who are also members of COHA's board of trustees, flatly denied the existence of "any political prisoners in Argentina."

The fact-finding mission, sponsored by the International Human Rights Federation and the Association of Catholic Jurists, with the assistance of COHA, included Admiral Antoine Sanguinetti (Ret.) and civil rights lawyer Franceline Lemany from France, and Washington attorney Herbert Semmel, who is the director of the Center for Law and Social Policy, as well as New York State Supreme Court Justice John Carro, from the U.S.

The joint delegation met with Admiral Emilio Massera, the commander of the Argentine navy and a member of the three-man military junta which rules the nation; Foreign Minister Oscar Montes; and Minister of the Interior General Albano Harguindeguy, who heads the nation's police and prison system. The delegation also met with representatives of the three principal human rights organizations in Argentina as well as representatives of all of the nation's traditional political parties and community leaders.

The interior minister admitted to the delegation that the majority of those on the list to be made public are being held under State of Siege regulations, with no formal charges being lodged against them. He described many of them as being subversives or those the government "feels" are subversive,

but lacks the necessary proof to substantiate the claim.

In response to a query by the delegation as to why only 50 Argentines have been permitted to exercize their constitutional right to go into exile to the country of their choice, the interior minister responded by saying that the reason for this small figure was that neither France nor the U.S. would accept political refugees. He did not offer an explanation why the Argentine government was not responsive on this question to the offer of many nations to accept Argentine political prisoners.

Attorney Herbert Semmel discussed the minister's assertion with U.S. embassy officials in Buenos Aires and came to the conclusion that these officials were insufficiently aware of the possibility that the U.S. would accept asylum cases in this country. The American members of the delegation raised the question whether the time had not come for the U.S. to institute a parole program, patterned after what was done in Cuba and Viet Nam, in order to receive victims of Argentine repression.

Another observation of the delegation was that several U.S. embassy officials seemed more concerned with articulating the Argentine government's defense of its human rights excesses as being based on the need to extirpate terrorism in the country rather than vigorously representing the Carter Administration's policy of favoring human rights observance in the southern zone of Latin America.

A spokesman for COHA announced that the organization would broach the parole question with the commissioner of the Immigration and Naturalization Service and Congressional leaders and members of the Justice Department to advance the possibility of an emergency program to provide relief to Argentine refugees.

The French members of the delegation were disappointed over the inability of Argentine government officials to give satisfactory answers to the status of 16 missing French nationals in the country, including two recently abducted French nuns.

FARMERS AND THE OFFICE OF CONSUMER REPRESENTATION

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. NOLAN. Mr. Speaker, farmers and consumers will both benefit from an Office of Consumer Representation. Farmers are also consumers and the following "Dear Colleague" letter explains the stake which farmers have in the establishment of the Office.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR COLLEAGUE: We urge your support for new legislation which will be offered on the House floor as a substitute for H.R. 6805, the Agency for Consumer Protection bill. The substitute, which creates an Office of Consumer Representation, is an attempt by supporters and critics of the Agency to resolve their major differences and to reach a mutual agreement which might more readily receive widespread support.

As representatives from farming districts, we support the substitute legislation to establish an Office of Consumer Representation. This Office will be an inflation and bureaucracy fighter, benefitting rural as well as urban consumers.

Individual farmers, like other consumers, have at times been adversely affected by inflationary government decisions or victimized by price-fixing and other unfair trade practices. The Office of Consumer Representation could help farmers by representing their interests as consumers before other federal agencies. The Office would also be empowered to petition the Justice Department and the Federal Trade Commission to initiate formal investigations of fraudulent trade practices which affect farmers and rural consumers.

An active Office of Consumer Representation could assist farmers with a variety of problems, including:

When farmers are bilked by grain elevator operators who illegally downgrade the grain which farmers deliver to them, and then sell it at the actual higher grade to processors and other consumers.

When federal energy policy establishes unjust pricing regulations, such as the arbitrary 1973 Cost of Living Council decision which resulted in a 300 percent rise in propane prices.

When the ballooning prices for machinery replacement parts are the result of illegal collusion by manufacturers.

Clearly, farmers and rural consumers also have a significant stake in securing the establishment of an Office of Consumer Representation. We strongly urge you to support the substitute when H.R. 6805 comes before the House.

Sincerely,

JOHN B. BRECKINRIDGE,
RICHARD NOLAN,
Members of Congress.

RURAL ELECTRIFICATION ACT AMENDMENTS OF 1978

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. JONES of Tennessee. Mr. Speaker, I am introducing the Rural Electrification Act Amendments of 1978, in order to assure that citizens of our rural areas are able to receive the benefits of new technologies emerging in the telecommunications industry. These technologies enable telephone and broadband telecommunications services to be economically provided to even the most rural areas through joint utilization of a single facility. This bill amends the Rural Electrification Act to permit REA financing of broadband facility construction including facilities for provision of cable television.

The rural telephone systems financed through the REA telephone loan programs have done an outstanding job in bringing telephone service to rural America.

In 1949, it was estimated that only 38 percent of rural homes and establishments had telephone service of any kind. Today that figure approaches 90 percent as 858 REA-financed rural telephone systems provide service to 3,560,532 subscribers. Again in 1949, the service standard established for the new REA telephone program was eight-party service. At present, 62 percent of the service provided by rural telephone system financed through REA is one-party service.

The mission of the rural telephone program. however, is still not completed. Rural telephone systems are providing initial service to an increasing number of new subscribers annually, over 500,000 in the past 4 years alone. The challenge also remains of upgrading existing service to single party and meeting customer demands for new services such as push-button dialing, call forwarding, conferencing, 911 and other convenience features which, today, are not generally available to rural area residents.

Demands from subscribers for these services, and simply the rate of technological development within the telephone industry mandates a continuing accelerating pace of change. The service provided by the most fully upgraded rural telephone systems will soon become technically obsolete. Developments in the areas of digital technology, electronic switching capacity, coaxial cables and, in the fairly short term, utilization of fiber optics will render our present rural telephone systems, which dot rural America with literally thousands of little cinder block or brick remote central office buildings, connected to subscriber premises by hundreds of thousands of miles of twisted copper wire, nearly as obsolete as the magneto crank phone.

The dominant trend in the telecommunications industry is the convergence of communications and computer technology. Many of the basic features of the modern computer were, in fact, developed in the Bell Laboratories, and the electronic telephone central office is actually nothing but a large computer. A number of other forms of computer-controlled types of equipment for maintaining and administering transmission facilities and switching machines are already in common use. The national telephone network is undergoing a conversion to digital technology, a process which promises a substantial cost savings in the delivery of ordinary telephone services and will also permit economic offering of premium and convenience services. In addition to plain old telephone service (POTS), utilization of these new technologies in the area of broadband communications will also permit delivery of any number of additional "nontelephone" services because of the enormous increase in bandwidth or capacity which is available. When this conversion to broadband technology is complete, it is difficult to identify a communications service which could not be provided over the local exchange network.

Today, the Rural Electrification Act precludes utilization of REA funding for provision of cable television other than those "intended exclusively for educational purpose".

This prohibition undoubtedly was intended to prevent any "unfair competition" to cable television companies from telephone systems, but the result has simply been to deny the availability of cable TV services to rural America.

This legislation would permit rural telephone systems to get financing to construct economically efficient facilities for provision of cable television service in rural areas where it is not generally presently available.

Certainly there is a growing awareness that the benefits of modern telecommunications services are not being made

fully available to rural areas. Provision of cable television services is the most common example of the capabilities of broadband communications. For several reasons, however, this superior type of television reception is simply not available in the rural areas and communities which are served by REA-financed member telephone systems. Over 1 million households in rural America receive no television service of any type—an additional 22 million receive only inadequate quality service according to a study conducted by the Denver Research Institute.

The National Cable Television Association stated in a recent Federal Communications Commission filing that:

> Under current economic and regulatory conditions, the goal of making broadband communications services available to all Americans can not be achieved by the private sector alone.

Under present circumstances, private CATV operators normally require a subscriber density of 30 to 40 per mile to achieve economic feasibility. Nationwide, the rural telephone systems financed by REA have an average subscriber density of less than 4 per mile of line. This gives an indication of the rural character of the areas which I am discussing. Although cost figures for combined provision of telephone and broadband services are not yet definitely established, I believe that by utilizing technology, rural telephone systems could provide telephone and cable television service as well as any number of additional broadband services at an affordable subscriber rate. Recent developments announced by the 33M Co. indicate in some instances a joint-use coaxial broadband system could be constructed for less than the present cost of a "conventional system."

Coaxial cable is now being used by rural telephone systems in several systems for purely telephone applications.

I believe that the substantial economies which would result from the technological developments in the industry will require greater utilization of these facilities without regard to the question of the provision of services beyond telephone. In my view, however, cable TV and broadband communications services are a definite part of the total telecommunications service which it is the objective of our rural telephone systems to provide.

In fact, the general inadequacy of television service represents one of the single greatest differences in the "quality of life" now existing between rural and urban America. The historic commitment by Congress to rural development over the past quarter century has insured that technological developments in central station electric service and modern, efficient telephone service did not bypass rural America. I believe this commitment must be continued if the benefits of broadband communications are to be made available in rural America.

In November of 1976, at the request of Senator HERMAN TALMADGE of Georgia, the Office of Technology Assessment held a 3-day conference and seminar in Washington to debate "The Feasibility and Value of Broadband Communications in Rural Areas." A proposal recommending amendment and revision of the Rural Electrification Act to permit Government-assisted financing was adopted by the conference in its tentative report and findings.

Very recently, an interagency task force coordinated by the Office of Telecommunications Policy, has published a massive study on future telecommunications needs of rural America. In this study the concept of provision of facilities for broadband telecommunications by REA-financed telephone systems is strongly endorsed.

By the use of the term "broadband telecommunication services," I mean far more than simple provision of cable television. I am not disposed to argue before the Congress that the interests of rural citizens are so neglected by their inability to receive "Starsky and Hutch" or the "Brady Bunch Hour" that immediate creation of a new Federal program and utilization of public revenues is necessary to rectify the situation. When delivered in combination with telephone service, however, cable TV is the economically feasible item which will make it possible for local telephone systems to offer to their subscribers a myriad of other services which are technically feasible but not economically viable in rural areas as separate considerations. That list includes remote meter reading, energy conservation, continuing education, telemedicine. law enforcement applications and many more.

The central question is how will the basic facilities over which these services are made available be provided. The REA-financed rural telephone systems have basic facilities in place. Their personnel are trained and competent. Most are managed by local area representatives—people completely aware of area conditions and subscriber needs. The economies of using these preexisting advantages are so self-evident that public policy should definitely not require the establishment of a new group of carriers to bring discrete portions of these multiple telecommunications services to the consumers.

In 1977 testimony before the Appropriations Subcommittees on Agriculture and Related Agencies of both the Senate and the House, the Administrator of REA, David A. Hamil, indicated an awareness of the desirability of providing broadband services to rural America.

> The technology exists which would permit the utilization of coaxial cable to provide, in this one facility, telephone and broadband subscriber service, including cable television, with only a small incremental cost over providing just telephone service.

The rural telephone systems are willing, even eager to undertake this challenge. The Agency, REA, appears to strongly support my contention that joint provision of broadband facilities is the most economically efficient means of bringing these services to rural areas. This legislation makes only a minor modification to the Rural Electrification Act. The distinctions the act presently contains have become outmoded through time and technical change. I hope this legislation can receive early consideration and passage by the House.

CONTINUING CRISIS IN FOSTER CARE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. MILLER of California. Mr. Speaker, within the past year, the Congress has given more serious consideration to the problems of the foster care system, and the families and children who find themselves in it, than at any point in recent history. Extensive hearings and investigations, both within Congress and throughout the country, have established the wastefulness of the present Federal program, both in fiscal and in human terms.

H.R. 7200 would focus more attention on the rights of the family to needed preventive and reunification services, establish greatly needed accountability procedures, and provide adoption assistance to families wishing to adopt eligible children who, otherwise, would remain indefinitely in foster care at far greater cost to the Government, and to themselves.

When I first began my work on foster care and adoption, there seemed little hope that reforms in this system could be achieved. But the near unanimity of opinion in support of the thrust of H.R. 7200, and especially the superb leadership provided by my colleague, the chairman of the Subcommittee on Public Assistance (Mr. CORMAN of California), has brought us to the brink of fulfilling that reform in 1978.

Let us note what has occurred in the 10 months since my own "foster care and adoption reform bill" was introduced for the first time:

The Public Assistance Subcommittee, under Congressman CORMAN'S leadership, incorporated most of the provisions of my bill into H.R. 7200, and won the support of the full Ways and Means Committee;

The full House passed H.R. 7200 last June by the overwhelming margin of 335 to 64;

Vice President MONDALE announced, in July, the Carter administration's endorsement of a foster care and adoption reform package very similar to that passed by the House;

California Senator ALAN CRANSTON introduced the administration bill in the Senate, S. 1928;

Testimony from a wide range of social welfare, administrative, children and family, and legal rights groups before the Senate Finance Committee endorsed H.R. 7200's principles and urged swift enactment;

The Finance Committee modified H.R. 7200, but retained the essential thrust of the legislation, and passed it on to the full Senate, where it now awaits final action. It appears that the Senate will take up H.R. 7200 in March.

This is a great record of accomplishment in a very short time. I believe that, under the continued leadership of Con-

gressman CORMAN and Senator CRANSTON, we will see H.R. 7200 enacted. It is imperative, however, that we not reduce the pressure for its passage. As the accompanying excerpt from a recent Los Angeles Times story on foster care shows, the condition of the children in foster care demands expeditious action. Nothing has moved this legislation swiftly more than the concerted efforts of organizations and citizens working in the foster care and adoption field who have stressed the need for this legislation to their local congressmen and senators. Those efforts must be redoubled now, so that we move the final steps necessary to have H.R. 7200 signed into law this year.

The article follows:

[From the Los Angeles Times, Dec. 4, 1977]

FOSTER HOMES: A HUGE SYSTEM WITH MAJOR PROBLEMS

QUALITY TOO VARIABLE, PLACEMENTS TOO MANY, CASE LOADS TOO HEAVY

(On any day, more than 10,000 children in Los Angeles County are living away from their homes and parents. From infants to teen-agers, they are largely victims of circumstances—absent parents, sick parents, abusive parents. Some have behavior problems which had led to their removal from home. These are the county's foster children. This article examines whether the $100 million-plus foster care programs are doing all they should. An acompanying story describes some of the vivid scenes in the complex mosaic of foster care.)

(By Celeste Durant)

Fifty-seven tattoos were sanded from her body when she was 17—a record in pencil lead and skin of boredom, frustration and weakening sanity, a legacy in self-mutilation during 14 years in foster care.

She remembers drawing most of them to while away the hours she spent in solitary confinement in the 37 juvenile institutions she was placed in during her late childhood and adolescence.

Before, during and after the institutions there was a series of 30 foster homes where she also spent time, shuffled from family friends and relatives to homes licensed by the county.

And during her odyssey from one home to another, one institution to another, she watched herself progress from a lonely child looking for love to a person anesthetized to new people and new hopes.

She became hardened, difficult to handle, a chronic runaway who ended up spending four years of her life—two weeks here, three months there—in solitary with only two or three years of formal education and a nervous breakdown to show for it.

And when she left the system at age 18, she went out into the world, had three children and became a child abuser—a woman capable of dragging a child across the room by its hair, hurling a child through the air in a fit of rage or attempting to strangle one.

Her children also ended up in foster care; one of them, a son, she put up for adoption.

She is now 37, has two of her children back with her and is a foster mother.

"I can't say much for a system that underwrites that kind of life for kids."

Her name is Jolly K. and she is the founder of Parents Anonymous, a self-help group for child abusers.

When she looks back on her life and the years of physical and emotional isolation she suffered she says, "it's a —poor way for society to handle children.

"The institutions and half of those foster homes were with the full knowledge of the state and the county. They were directly involved.

"I can't say much for a system that would underwrite that kind of life for kids."

There are more than 10,000 foster children in Los Angeles County ranging in age from infancy to 18: they come in all sizes, colors and sexual preferences and are spread out from one end of the county to the other.

There is the baby in Long Beach whose mother brought her home from the hospital and left her in a crib in her own filth until she developed maggots that ate their way through one of her eardrums.

The 14-year-old boy from Carson, abused by his natural parents, rejected by his adoptive ones, who was picked up in the back seat of a car sexually servicing a 56-year-old man.

The 5-year-old girl from Highland Park who watched the adult cousin she was living with smother another small child because it started crying during the Donny and Marie television show.

The county's foster child population changes from day to day, week to week; some stay only a few days while others spend their entire childhoods.

They have been removed from their homes either to protect them from their parents or because they have committed crimes.

Where they live, how long they stay and what happens to these children is the responsibility of a sprawling, chaotic, fragmented system that the Los Angeles County government calls "out-of-home placement."

As county governmental systems go, "out-of-home placement" is awesome—it meanders over three separate county departments, employs about 2,800 county workers, utilizes the services of over 4,000 private households and more than 500 group homes and large institutions.

Its total budget hovers in the neighborhood of $118,117,694 a year with $40,204,880 of it coming from federal and state funds.

The system suffers from all the expected frailities of large bureaucracies—mountains of paper work, limited funds, inadequate resources and a general lack of communication among its various parts.

It also labors under the additional burdens that arise when a bureaucracy gets involved in the business of dealing wih people's lives.

Although there have been many changes in the system since Jolly K. was a child, she feels many of the problems are still there.

"I would like to tell you that I am an exception," she said. "On a scale of 1 to 10, I am towards a 10 but there are a lot of kids on the 5, 6 and 7 level. They haven't had as many placements as I had, but what's the arbitrary number before you break their hearts, minds and souls?

"I wish I could say I was unique—it would give me comfort to say this doesn't happen to many people, but it does."

Said Supervisor James A. Hayes, "The thing that really gets me is the fact that I found in juvenile camps and hall youngsters who had been bounced from eight to 10 foster homes."

Not surprisingly then, the foster care system here is frequently criticized. A federal General Accounting Office study released earlier this year accused the county of "losing" children—warehousing and forgetting them.

And Supervisor Hayes last spring urged that the county upgrade the quality of both foster homes and parents, while hiring more social workers to reduce case loads.

Both participants and observers agree—the system does not work as well as it should. They say its major problems are that:

Too many children are removed from their homes and kept for too long a time.

"There are more placement recommendations than there should be probably," said a commissioner in the Dependency Court, "because social workers are overburdened and don't have the resources to work with the situation in the home so the safest thing is to remove the child."

Social worker and probation officer case loads are too heavy to allow the kind of service the system says it wants to provide.

"I have 52 children on my case load," said a children's services worker in the San Fernando Valley. "About 15 are abused and neglected children, and it's very difficult to do what we should for them.

"You have to build a relationship so the child will confide in me and build a relationship with the parents, also. You want to return the child to a home you feel confident in—you like to know the family and the extended (other relatives) family. There just isn't enough time.

The quality of both individual foster homes and group facilities is uneven.

"The quality of placements vary from very good to average to not so good and Probation and (the Department of Public Social Service) from time to time close down sub-par ones but when you get to the lower end of the spectrum you are between a rock and a hard spot—you need bed spaces and you can't afford to be choosy," said Judge Peter Smith, presiding judge of the Juvenile Court.

"It's a question of whether you have people in homes that are not really bad but not all that good or have them sit in Juvenile Hall and have them get nothing."

There are very few bed spaces available in the county to handle what the system calls its "hard-to-place" population of severely emotionally disturbed youngsters.

Said Esther Strathy, central placement coordinator for the county Probation Department, "Too much time is spent seeking placements. We must divest ourselves of this frantic search for placements for these special kids, then we will be able to service all kids better."

Foster parents are not trained to deal with the kind of children that are now entering the system.

"Foster care is not what it was 10 years ago—no sweet little children who were abandoned because they were illegitimate," said Stephanie Klopfleisch, director of the Bureau of Social Services for the county Department of Public Social Services (DPSS). "We are getting older, physically ill, psychologically disturbed kids."

Said Mrs. Rhonda Kloempken, president of the California Foster Parents Assn., "We are getting children that we have no capability of handling."

According to a 1975 study by the state Department of Health, 14 percent of the foster children from L.A. County used in their survey entered the system because they had been abused by their parents, 30 percent because of parental absence from the home and 18 percent because of the child's behavior. The other 38 percent were divided among various causes.

Racially, Los Angeles county's foster child population in the survey was 41 percent white, 27 percent black and 21 percent Spanish surnamed with the remainder in the "other" category. Sexually it was 49 percent male and 51 percent female.

The Department of Adoptions has about 1,000 children, most of them referred by DPSS, in foster homes awaiting adoption.

IS CARTER "MAZE DULL?"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. ASHBROOK. Mr. Speaker, President Carter's first year in office has left many Americans wondering whether

Carter is capable of handling the job. These doubts are now being openly expressed in management circles.

A management expert who is a personal adviser to some of the Nation's top executives has labeled Carter as "maze dull." According to Eugene Jennings, a psychologist and management professor at Michigan State University, this term is used to describe someone who is unintelligent about avoiding or maneuvering out of tight situations. People with this personality trait trip themselves up and create crises.

In Jennings view, this defect will work against the effectiveness of the Carter Presidency. "President Carter," he says, "is destined to be disappointed by his moment in history." He predicts it will be an administration marked by gaffes and blunders.

Following is an interesting article on this subject which appeared in the January 10, Mount Vernon, Ohio, News:

PRESIDENT CARTER IS "MAZE DULL," MSU MANAGEMENT EXPERT CLAIMS

(By John Cunniff)

NEW YORK.—A confidential adviser to top executives describes President Carter as "maze-dull," and terms it a defect that will hobble his administration.

Maze-dull, said Eugene Jennings, a psychologist and management professor at Michigan State University, is a person who is unintelligent about avoiding or maneuvering out of tight situations.

Such people, said Jennings, who has observed the personality condition in many corporation presidents, repeatedly trip themselves up and create crises because of traits such as arrogance and ignorance.

Jennings, who is a personal adviser to some of the nation's top executives and some Washington officials too, said the current administration is destined to be marked by gaffes and blunders.

Unless he manages to surround himself with wise aides, and defers to them, said Jennings, "President Carter is destined to be disappointed by his moment in history."

The characteristic, said Jennings, is "too much built into the nature of the man to be overcome by additional experience." He listed six qualities as among those that mark the maze-dull personality:

1. A vast ego; an idealized notion of self. This is the essential character trait that hides from the individual the imminence of trouble.

Such a person is guilty of the sin of presumption. "He presumes there is more power to the office than there is; and he presumes also that his personal power is greater than it is."

These characteristics lead to unrealistic promises. Applied to Carter, "you have to believe in the tooth fairy to think he will be able to balance the budget."

They also feed arrogance. "An arrogant person doesn't have respect for information and experience. He believes intelligent people can do anything."

2. Inward-oriented intelligence. Maze-dull people seek answers within. They immerse themselves in every detail. They read, read, read. They do not trust others. They cannot delegate.

Such behavior keeps them involved in trivia and prevents them from making the big decisions that can change the course of events. It prevents them from building a team, from tapping available wisdom.

3. A tendency toward ideas and programs almost to the exclusion of politics and people. "They believe a bright idea, when enunciated, should be convincing in itself."

Such people feel they should not have to engage in politics to sell their ideas. "They fail to understand that politics is the essential art of government, not bright ideas."

4. Intention versus consequences. They belive that good consequences follow from good intentions. "They fail to anticipate the consequences of their own behavior."

Faced with consequences other than those they see or feel justified, they either cave in or become a bull in a china closet. Such people should learn the creative art of silence, but they feel silence is impotence.

5. Conflict between right and proper. Jimmy Carter has a stronger sense of right and wrong than of propriety and impropriety.

"It was right that a good friend stand by Bert Lance; it was improper that the president of the United States do that. It was right that Carter establish his own White House style; it was improper the way he did it, because in ostentatious style he tried to appear the opposite."

6. Emotions rule reason.

In summary, said Jennings, "Carter is lacking for the Washington jungle what a kid from the typical middleclass suburb would lack if thrown into the jungle of New York. He lacks the smarts."

In the past, said Jennings, who has written many books on the executive behavior, maze-dull individuals have sought to overcome their defect by arming themselves with aides and subordinates who can see the pitfalls.

REPORT ON MIDDLE EAST TRIP

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. PEASE. Mr. Speaker, I recently returned from a 3-week trip through the Middle East as a member of the House International Relations Committee. During that time, I met with the leaders and other government officials in seven nations. I feel that my understanding of the personalities and the needs of these Middle Eastern countries has been tremendously enriched. In the past 2 weeks I reviewed and reflected on my experiences in three reports to my constituents. I would like to share these articles with my colleagues and include them at this point in the RECORD:

WASHINGTON REPORT NO. 1

(By DON J. PEASE)

After traveling 17,800 miles to and through seven Middle East nations in a period of 19 days, I have to fight off the temptation to consider myself an expert on the current Arab-Israeli peace efforts.

Assuredly, I am not an expert, even though I and a dozen fellow members of the House International Relations Committee were in the Middle East at a particularly fascinating and crucial time. After talking with top officials in Tunisia, Syria, Egypt, Jordan, Saudi Arabia and Iran, we flew into Israel on January 15 the day before the political committee of the Jerusalem peace talks was supposed to convene.

Taking off from Tehran, Iran for Tel Aviv, Israel, we learned that the peace talks were off the track and that U.S. Secretary of State Cyrus Vance had postponed his departure for Jerusalem. Within 12 hours that mini-crisis was solved. I was in Jerusalem for the start of the political committee meetings, and I attended the state dinner at which Israeli Prime Minister Menachem Begin affronted the Egyptian delegation, contributing to suspension of the negotiations the day after our congressional delegation departed Israel.

There's only one thing I think I know for sure at this point—that both the Arabs and the Israelis genuinely want peace.

Mainly, both sides want peace because they are sick of war. Too many young men of Israel, Syria, Jordan and Egypt have been killed or maimed in the four Arab-Israeli conflicts of the past 30 years. The pain of war is too directly real for too many families.

Another motivation for nations like Jordan and Egypt is their overwhelming need for economic development. With millions of their citizens living in abject poverty, the last thing they need is to spend what little wealth they have on another Arab-Israeli war. Egypt desperately needs to spend its money on agricultural development so it can feed its citizens.

For Israel, there is also an economic motivation. Even though per capita income in Israel is very high, the burden of defense has given Israel's citizens the highest tax rates in the world and annual inflation rate of 40 percent or more.

Another powerful motivation for peace on the Arab side—especially in oil-rich Saudi Arabia—is the fear of a resurgence of Arab radicalism in Syria, Iraq and perhaps even Egypt. Soviet-inspired Arab radicals would be a serious threat to the existence of conservative Arab state like Saudi Arabia.

Sadly, the fact that all nations want peace—for differing but very good reasons—doesn't mean that peace will come. As the headlines tell us every day, the peace negotiations threaten constantly to fall apart.

Here are some factors which may, individually or collectively, scuttle the current peace initiatives and lead to another war in the Middle East.

Thirty years of hostility and isolation on the part of the Israelis and Arabs. It's hard to assume good will on the part of someone you've fought with four times in 30 years, and there has been zero contact between individual citizens or officials of the nations. Despite President Sadat's dramatic gesture of acceptance, a vast reservoir of fear, mistrust and misunderstanding still exists among the Arabs and Israelis. I could sense it in every nation we visited, but especially in Israel, where Israelis see themselves as a beleaguered 3 million people pitted against 150 million Arabs bent on destroying them.

Territorial considerations—again as the news media tell us—produce a wide gulf between the two sides. United Nations resolutions 242 and 338 call for return to Egypt, Jordan and Syria of lands occupied by Israel in the 1967 war. To the Arabs of every nation we visited, that means return of ALL occupied lands. To the Israelis, retention of part of the occupied lands seems imperative to their security in their event of future hostilities. On the helicopter flight, the Israelis took us to a point on the occupied West Bank where return to the 1967 borders would put only nine miles between an Arab state and the Mediterranean Sea. The same helicopter took us to the Golan Heights, where Syrian territory looks down within easy rifle fire range of Israeli settlements.

Those Israeli concerns puzzle and infuriate Anwar Sadat, who told us at his retreat near the Aswan Dam that Israel doesn't understand the new reality opened up by his November visit to Jerusalem—that security for Israel lies not in land but in the peaceful intent of her Arab neighbors.

Yes, say the Israelis, but Sadat will not live forever, and he cannot speak for all 21 Arab nations.

The personalities of the two principal actors on the negotiating stage—Begin and Sadat—are also a factor which could bear heavily on success or failure of peace talks. In his meeting with us, Sadat did not seem emotional and impetuous, but his impatience with the peace negotiations suggests that he

may be. On the other hand, I can report that Begin in person definitely comes across as the doctrinaire hard-liner you've heard about. After two encounters with Begin, our congressional delegation was generally pessimistic that Begin could muster the flexibility to conduct sensitive political negotiations. The Egyptian foreign minister was visibly angered when Begin, giving a toast at what was to be a pleasant social occasion, made a partisan speech. We Americans present couldn't blame the Egyptian for being angry.

Domestic political considerations complicate matters for both Begin and Sadat. The latter has Arab hard-liners like Syria, Iraq, Libya and Algeria sniping at him. Sadat has to appear to be standing fast on Arab demands for return of all occupied lands and for self-determination for Palestinians. For his part, Begin is a prisoner of his own past rhetoric and that of his political party, the conservative Likud. To them, the occupied West Bank of the Jordan River is the ancient Jewish lands of Judea and Samaria.

When Sadat and Begin make statements designed for consumption by their domestic critics, they appear inflammatory when radio, television and newspapers carry them to the other nation.

And for domestic political reasons, Sadat feels the negotiations must proceed speedily so Arabs will see concrete results of the bold Sadat initiative. Begin says he needs slow negotiations so that Israelis can get used to the idea that maybe the Arabs really will live in peace with them.

Despite all this, will peace come? Can the hazards be surmounted? At this point, it's an act of real optimism to believe so. Nonetheless, both the Israelis and the Egyptians insist that the peace process has proceeded too far to be reversed. I hope they are right.

WASHINGTON REPORT

(By DON J. PEASE)

Iran and Saudi Arabia, both of which I visited during my recent three-week trip to the Middle East, have several interesting similarities.

Both maintain very close and friendly relations with the United States.

Both are staunchly anti-communist and deeply suspicious of the Soviet Union.

Both have ambitious programs to modernize themselves.

That's on the plus side.

Additionally, both have autocratic governments which are the opposite of the American concept of democratic rule.

At a time when President Jimmy Carter has raised worldwide the banner of human rights, both Iran and Saudi Arabia have poor records on human rights.

At the time when Carter is trying to slow the rapid spread of weapons of death and to reduce the role of the U.S. as the arms merchant of the world, both Iran and Saudi Arabia are pressing the U.S. hard to supply them with highly-sophisticated new weapons.

Yet the ability of the U.S. to resist those arms pressures and to seek improved human rights conditions in the two nations is severely hampered.

For there is one more important similarity between Iran and Saudi Arabia.

Both have the United States over an oil barrel. We are so heavily dependent upon them for oil—and they know we are—that U.S. policy options toward the two nations must always take oil into account.

In the case of Iran, the U.S. is in a tight bind but not a stranglehold. Iran supplies the United States with over 800,000 barrels of oil each day—about 10 percent of our imports. Because Iranian oil fields are approaching the peak of their productive capacity, it is expected that Iran will continue to supply about 10 percent of U.S. oil import needs.

With Saudi Arabia, the picture is ominously different.

First, Saudi Arabia supplies the U.S. now with over 1.5 million barrels of oil per day—20 percent of our daily imports and a full 10 percent of total U.S. consumption from both domestic and imported sources. For every 10 days that American gas stations are open, one day is Saudi Arabian oil day.

Secondly, Saudi Arabia—with 25 percent of the total world oil reserves—has a life-or-death hold on the future economic health of the United States and other western industrial nations. By 1985, it is estimated that daily U.S. demand for oil will increase by over 6 million barrels per day. New oil wells in the U.S. will meet only about 1 million barrels of that demand. The rest must come from imports, chiefly from the one nation that has a significant ability to increase its oil production—Saudi Arabia.

Within a half hour of my arrival in Riyadh, the capital of Saudi Arabia, other congressmen and I were told the brutal facts by American diplomatic officials. Unless Saudi Arabia agrees to double its daily production from 8.5 to 16.6 million barrels per day by 1985, there will be a severe world-wide shortage of oil. The price of an imported barrel of oil is likely to jump from the current $14 per barrel to between $30 and $45 per barrel.

From the viewpoint, then, of the United States, Japan and western Europe, it is imperative that Saudi Arabia agree to double its production of oil.

What about from the Saudi viewpoint? It is hard to avoid the conclusion that increasing oil capacity is not in the best interests of Saudi Arabia.

In the first place, the Saudis need produce only 5 million barrels of oil daily to provide the government with all the revenue it can possibly use for its ambitious programs to transform Saudi Arabia into a modern nation. The additional 3.5 million barrels currently being produced each day yield only money (mostly U.S. dollars) which—when invested—is eaten up by inflation. Saudi officials like Crown Prince Fahd, with whom we talked, are convinced that a barrel of oil in the ground will grow in value a lot more than an American dollar over the next several years.

Secondly, the huge Saudi oil reserves are not endless. The proven reserves will last about 50 years at the current rate of production. If the Saudis give in to U.S. pleading to double production, the proven reserves will last only about 25 years. Looking to their own future well-being, Saudi Arabian officials are developing a petrochemical industry which uses oil as a raw material for plastics, synthetic fibers and a hundred other products. As Zaki Yamani, the Saudi minister of petroleum, told me, "There will come a time when future generations will curse us for wasting oil as a fuel instead of saving it for use as a raw material."

Despite these convincing reasons for not increasing production, Saudi Arabia may do it anyhow. Saudi officials say they do recognize a responsibility to the economic health of the western world. Pragmatically, they know that world-wide economic chaos resulting from an oil crisis would be fertile ground for communism, which the Saudis strongly fear.

Clearly, however, the Saudis dislike the idea of their precious oil flowing so fast to meet the insatiable demands of the western nations. They are watching closely efforts by President Carter and the Congress to establish a national energy policy for the U.S.

Just as clearly, the U.S. dependence on Saudi oil limits severely our ability to restrict arms sales to Saudi Arabia and, to a lesser extent, Iran. That may explain why Saudi Arabia and Iran received 57 percent of all U.S. arms sales in 1976 and 68 percent of all sales in 1977.

To their credit, the Saudi officials never mentioned oil in the same breath as the super-sophisticated F-15 fighter planes they want to buy from the U.S. this year. But to the 15 congressmen who spent three days in Saudi Arabia, the connection was not hard to make.

WASHINGTON REPORT NO. 3

(By DON J. PEASE)

In this last column of a three-part series on my recent 20-day trip to the Middle East, I want to report on several general impressions that I gained from my discussions with heads of state and other governmental leaders.

The first two I have covered in detail in previous columns, and I will only summarize them here.

PEACE

The governmental leaders and, I believe, the people of all seven nations that we visited, are eager for peace to come to the Middle East. But there are enormous complications—involving historical considerations, strategic considerations and even the personalities of national leaders—which jeopardize the peace talks and make it very possible that peace will not be achieved despite the general longing for an end to 30 years of hostilities.

OIL

The alarming dependence of the United States upon Middle East oil, a dependence which is projected to grow dramatically by 1985, is of great concern not only to Americans but also to Saudi Arabian and Iranian leaders who are worried about how their countries will survive when their supplies of oil are gone.

Here are some other strong impressions which I have picked up during nearly three weeks of intensive conversations with Middle East leaders:

DEVELOPMENT

Every nation we visited was intensely interested in its own internal development. Growing enough food for the people, providing jobs for them, raising the national per capita income are overriding concerns. Where official U.S. aid is available (only to the poorest of the nations) it is greatly appreciated and is seen by foreign ledaers as a crucial element in their development plans. All of the nations we visited, bar none, were eager for the cooperation of American corporations, farm experts and others in furthering the development of local economies. The Syrians, for example, who disagree with the United States violently on how the Middle East peace talks should proceed, made it crystal clear that they desire the most friendy ties with the United States in the economic area.

The Soviet Union is held in low regard by almost all Middle East leaders, even including the Syrians, who receive considerable military and economic aid, but accept Soviet help out of practical necessity rather than any regard for the Russians. The Soviets are considered to be unreliable in the long term as either suppliers of military equipment or partners in economic development. In Israel, in Iran and in five Arab nations that we visited, the leaders distrust the Soviet Union, believing that the Russians are not sincerely interested in any nation of the Middle East or Africa.

The United States, on the other hand, is seen as not having an American ax to grind when it participates in the development of Middle Eastern nations. The U.S. is seen as genuinely interested in a Middle East peace settlement. That accounts for the unusual fact that both sides in the highly volatile Arab-Israeli situation look to the United States as an "honest broker", striving to bridge the gap between them.

CONFLICT

Middle Eastern leaders are convinced that the Soviet Union has only one basic strategy and purpose in the Middle East and Africa—to create unsettled economic and political conditions so that radical Marxist groups can gain political power. The United States and the Soviet Union are engaged in a global competition on a nation-by-nation basis, the Soviets trying to foment instability and the United States trying to promote stability. If that sounds like too much of a self-serving, flag-waving American viewpoint, it came not from Americans but from the top leaders of the Middle East. The current armed conflict between Ethiopia and Somalia was brought to our attention time and again as a prime example of Soviet trouble-making.

U.S. DIPLOMATS

In each nation we visited, we came into close contact with the U.S. ambassadors to those nations and to career foreign service officers working in the embassies. I was very pleased to find that the ambassadors were a very impressive group of people. Most were career foreign service officers who showed a fantastic knowledge of the social, economic and political traditions of the nations to whom they represented the United States government. The two ambassadors who were non-career, politically-appointed types displayed less expertise, but they came across as competent, hard-working individuals. There was not an "ugly American" in the lot. All seemed to have the respect, admiration and trust of the Middle East leaders with whom they worked.

CARTER AND VANCE

It was a great experience for a group of 15 American congressmen, visiting nation after nation, to find the universally-high degree of respect accorded to our country's two highest diplomatic representatives, Secretary of State Cyrus Vance and President Jimmy Carter. Without exception, Middle East leaders told us that they view Carter as men they can trust, who are genuinely interested in peace and progress for the nations of the Middle East, and who are friends in a very personal sense of the Middle East leaders they have met and worked with.

AN APOLOGIST FOR TERRORISM VISITS CAPITOL HILL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. McDONALD. Mr. Speaker, on Tuesday, January 31, Members and staff were invited by the ad hoc monitoring group on South Africa to hear a briefing by Donald Woods, a South African journalist who recently fled his country. The ad hoc group consisted of our colleague, THOMAS J. DOWNEY, of New York, and ANDREW MAGUIRE, of New Jersey. A member of my staff attended the briefing and reported to me on the discussion.

Representative DOWNEY opened the meeting by announcing that only staff and Members would be permitted to attend, as at a previous briefing, South African representatives had been present and revealed to the press matters that had been discussed, to the embarrassment of the organizers. My staff member reported, however, that Mr. Woods said little that he had not repeated at other gatherings, and later that day in congressional testimony. The only major difference was that, at the congressional briefing, questions were asked that seemed to upset Mr. Woods.

Woods stated in his opening remarks that in South Africa the security laws were "quite crazy" and designed to stamp out dissidents. He admitted, however, that he had edited his newspaper for 10 years, was often critical of the Government and that he himself had not been banned until last October.

He urged the United States to withdraw or downgrade its diplomatic relations with South Africa; institute a tougher visa policy which would bar South African visitors from the United States; and institute an economic embargo that would end both trade and loan capital to South Africa. He further stated that some people urge continued business with South Africa, because it benefits the blacks. He denied this and said the representative leaders of the African blacks, Nelson Mandela, Robert Mangaliso Sobukwe, and Steve Biko, all opposed trade with South Africa.

He warned that if South Africa does not give in to the demands of the responsible black leaders they would be faced with revolutionary Marxist-Leninists in the future. Woods further stated that if the United States does nothing against South Africa there would be racial civil war and the blacks would be hostile to the West.

Representative DOWNEY questioned Woods about the effect in South Africa of statements made in support of the Government by Gov. Meldrim Thomson of New Hampshire. Woods answered that the impression that was given was that Governor Thomson spoke for most Americans. He said in a joking manner that most Americans held the opposite view.

A questioner from the audience asked about Woods' view about repressive regimes in the Soviet Union and the rest of the Communist world. Woods answered that while he deplored repression, South Africa was worse than the Communists and that this matter was irrelevant, because the issue of the day is racism. Woods did not respond to statements from the audience showing that the Soviet Union was far more repressive than South Africa could ever be. He seemed disinterested.

Another questioner asked about the statement by Woods concerning responsible black leaders. Woods acknowledged that he felt that Mandela and Sobukwe were such leaders. He was asked that in light of the fact that he had just warned against revolutionary Marxist-Leninists, why was he promoting Mandela and Sobukwe who are Marxist-Leninist terrorists. He denied that they were. The questioner then pointed out that Mandela was the leader of the terrorist arm of African National Congress, which was called Spear of the Nation (Umkhonto We Sizwe). African National Congress is controlled by the Communist Party of South Africa, and receives financial support from the Soviet Union. Sobukwe's group, the Pan-Africanist Congress, proclaimed themselves Maoists and receives financial support from Red China. Both of these groups have engaged in terrorist attacks on innocent civilians. Congressman DOWNEY responded that it does not matter if they are terrorists since Menachem Begin, Prime Minister of Israel, was also a terrorist. The questioner pointed out that Begin had never killed innocent civilians, but Mandela and Sobukwe had.

Mr. Chairman, that is the essential difference between freedom fighters and terrorists. Freedom fighters make war on the enemy army, terrorists make war on innocent civilians. The Communist-led African National Congress publicly took responsibility for a series of bombings September 16, 1976, in Cape Town, South Africa. Their official communique was published in SECHABA, Official Organ of the African National Congress South Africa (Second Quarter, 1977). SECHABA is printed in English in Communist East Germany.

The communique follows:

DECEMBER 16TH IS A HISTORIC DAY IN THE FREEDOM STRUGGLE

The national liberation movement, under the leadership of the ANC, formed Umkhonto We Sizwe in 1961 when it became clear that only through armed struggle—no matter how long and bloody—could freedom be won. Umkhonto provides our people with the skills of modern warfare. The bomb blasts and sabotage actions that rocked South Africa in the early 1960's are being heard again. Now the conditions and opportunities for our struggle have become more favourable. The oppressor will be met bullet for bullet here in South Africa. Our youth—African, Indian and Coloured—must join Umkhonto in ever bigger numbers and train to become skilled freedom fighters. Remember: to succeed in struggle it is essential to be disciplined, organised and correctly to identify the enemy. You must be part of an organisation, part of a revolutionary movement—the ANC with its allies and military wing Umkhonto We Sizwe will lead our people to victory!

Countrymen and comrades: You have shown your courage and contempt for death. With such fighting spirit and unity our final victory is assured. Let us continue to convert our anger into revolutionary action. Let us harass the enemy on every front.

On this December 16th—Heroes Day—the NC dips its revolutionary banner in memory of all those comrades who have fallen in battle. To all the parents we say "Be proud for giving birth to such heroic children. They have not died in vain and we will continue the battle until victory is won."

To all of you we say: Forward brave fighters! Forward brothers and sisters! Maintain your revolutionary unity and fighting spirit. Together we will raise the struggle to more glorious heights The blood of our people has made us stronger and more determined.

Amandla Ngawethu.
The Struggle Continues.
Victory is certain.

At his press conference on February 2, 1978, Woods told a reporter that Mandela is not a Communist and Sobukwe is not a Maoist, but a Christian. I would like to commend to my colleagues the documentation on the Communist and terrorist activities of these two men that Woods would like to see rule South Africa. The documentation appeared in Terrorism, a staff study prepared by the Committee on Internal Security, U.S. House of Representatives, August 1, 1974. His support for terrorists and lack of concern for the violation of human rights behind the Iron Curtain cast serious doubts on the integrity and credibility of Donald Woods.

Excerpts from the House Internal Committee staff study follow:

SOUTH AFRICA (AZANIA)—AFRICAN NATIONAL CONGRESS

The African National Congress (ANC), the oldest of the southern African revolutionary parties, was formed in South Africa in 1912. It was outlawed in 1960.

According to The African Communist for January-March 1963 (p. 8), Moses Kotane, former secretary-general of the South African Communist Party, has served as a member of the executive committee of the African National Congress. Other Communist Party functionaries including J. B. Marks and Albert Nzula have also served on the executive committee, according to The African Communist of July-September 1964 (p. 11).

In 1961 the Communist Party decided to lead the African National Congress into a campaign of terrorism. An official of the African National Congress, Nelson Mandela, was placed in charge of the terrorist organization called Umkonto We Sizwe (Spear of the Nation).

On July 11, 1963 the police raided a farm near Johannesburg and captured many of the leaders of the terrorist movement including some white and black communists. The finding of the judge president in the trial of the Umkonto We Sizwe terrorists was that the African National Congress was "communist dominated." (See pamphlet, "Rivonia, Operation Mayibuye," a review of the Rivonia trial by H.H.W. DeVilliers, published in Johannesburg in 1964.)

Subsequently, Abram Fischer, a white Communist Party member and member of a prominent Afrikaans family, was captured. He admitted during his trial in 1966 that the leaders of the terrorist movement had given assurances to the Communist Party that no action would be taken without prior consultation with the party. As a result Mandela was allowed to choose the leadership of the terrorist movement. As Fischer said, "The Congresses and the Communist Party did not wish to have their membership held liable for every act of sabotage * * *."[63]

Despite the arrest of much of the terrorist leadership, the remnants of Umkonto We Sizwe continued to engage in terrorist activities and to coordinate with other African terrorist groups including ZAPU of Rhodesia, Frelimo of Mozambique, and the MPLA of Angola, according to The African Communist, Fourth Quarter, 1967 (pp. 5–8).

Sechaba, the official organ of the African National Congress of South Africa, and Zimbabwe Review, the official organ of the Zimbabwe African Peoples' Union (ZAPU) in Rhodesia, are both printed in English in East Germany.

The African Communist was originally published in England and still lists a London address. However, for a number of years it has been printed in East Germany. (See the African Communist, Second Quarter, 1970, p. 120.)

The editor of The African Communist until his death on June 18, 1974, was Michael Harmel. A white member of the central committee of the South African Communist Party, Harmel had spent the last few years in Czechoslovakia as a member of the editorial board of World Marxist Review, the international communist theoretical organ. In order to maintain the pretense that the South African Communist Party was led by Blacks, Harmel used the pen names of Umlweli, Titshale, Terence Africanus and A. Lerumo. An obituary article on Michael Harmel appeared in the Daily World, June 22, 1974 (p. 10).

The African Communist, a quarterly published "as a forum for Marxist-Leninist thought throughout our continent, by the South African Communist Party," in 1963 published a statement by the central committee of the South African Communist Party stating why acts of violence were necessary in South Africa, The party declared:

* * * the oppressed masses are turning to methods that are illegal and nonpeaceful. They are looking to illegal organizations like the African National Congress and the Communist Party for leadership and liberation. Violent outbreaks of one sort or another are becoming more and more common. Sometimes, as in the case of the operations of Umkonto We Sizwe, these outbreaks are purposeful, effective and carefully planned on a nation-wide level. * * *"[64]

The SACP proceeded to denounce the Poquo guerrillas sponsored by the Pan-Africanist Congress for their "uncontrolled and violent" outlook of "blind revenge on Whites."[65]

The African Communist for July-September 1960 carries an account of the arrest of seven people involved with the ANC, the SACP and the Spear of the Nation in 1963. The magazine said that "The police found many confidential documents, including 'Operation Mayibuye,' the Umkonto We Sizwe draft plan for guerrilla warfare." A tenant of a farm, a member of the SACP, was arrested, the article continued. He had:

"* * * documents in his handwriting indicating that he had been sent abroad on a mission to find whether arms could be obtained for the Umkonto soldiers."

* * * * *

"Among the documents discovered at Rivonia were manuscripts in the handwriting of Nelson Mandela, who had found refuge at the farm at one stage of his underground leadership. Next to Chief Lutuli, Mandela has become the best known and most popular of the Congress leaders. * * *"

* * * * *

"* * * The leaders in the dock * * * disdained to repudiate * * * or to deny the part that some of them had played in Umkonto. * * * "I admit immediately," said Mandela, "that I was one of the persons who helped to form Umkonto We Sizwe, and that I played a prominent role in its affairs until I was arrested in August 1962." "

* * * * *

" 'I do not deny that I planned sabotage,' said Mandela, 'I did not plan it in a spirit of recklessness, nor because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation that had arisen * * *.' "

* * * * *

"* * * Mandela vigorously defended the A.N.C. policy of cooperation with the [Communist] Party in the common struggle for national liberation. Leading Communists * * * had served on the National Executive of the A.N.C. This was not surprising, he pointed out. The Party had for very many years fought side by side with the Congress: many Africans equated Communism with Freedom * * *"[66]

Over the years the Soviets have used ANC and its leader, Oliver Tambo, to contact various emerging African military groups.[67]

The Maoist group operating in South Africa is the Pan-Africanist Congress (PAC), founded in 1959 by Mangaliso Sobukwe. Originally advocating nonviolence, PAC turned to Maoism in 1963 and organized its members into clandestine cells.[68] In 1963 PAC claimed sponsorship of the Poqo guerrilla terrorists in South Africa.[69]

In 1967, PAC leader Potlako Leballo described his strategy as "simultaneous, protracted rural and urban guerrilla warfare" which would "pin down the enemy in the cities at the outset."[70]

Despite these threats, the South African "liberation forces" have been only minimally active during 1972 and 1973. Oliver Tambo explained this in an interview in the November 1973 issue of Muhammad Speaks, publication of the Nation of Islam (Black Muslims), a violently antiwhite organization whose members have been involved in violent conflicts with local police:[71]

"* * * one simply can't place South Africa in the same category as every other country and say, "There is fighting here, why isn't fighting there?" We know historically and have decided that the answer to the situation is armed struggle. That stage of actual fighting must be reached as part of the process of struggle. Its timing must fit the conditions that prevail."[72]

While ANC is not yet, based on Tambo's statement, ready for armed struggle, one of their spokesmen, Tennyson Makiwane, has stated that ANC has "an operative link with the underground unions of the black workers."[73] This remark takes on added significance when taken in context with the recent strikes in South Africa and the statement made in the July 1973 issues of the South African Communist Party magazine, Inkululeko, that "strikes are a potent force because they begin to instill fear into the capitalists; because they help to educate the workers about the true nature of the capitalist state."[74]

The article stresses that the strikes must be seen in the context of the political and ideological struggles, and quotes Lenin who wrote, "Strikes are a school of war and not the war itself, strikes are only one means of struggle, one aspect of the working class movement." States the article, "The white ruling class will not surrender its control of the State without a violent struggle, therefore the continuation of the preparation for such a struggle is essential for victory.* * *"

FOOTNOTES

[63] Fischer, Abram, "What I Did Was Right . . .," pamphlet, Mayibuye Publications, London, 1966, p. 28.

[64] The African Communist, April-June 1963, p. 3.

[65] Ibid.

[66] The African Communist, July-Sept. 1964, pp. 4, 6, 9–11.

[67] See Chapter VI.

[68] Crozier, op. cit., p. 59.

[69] The African Communist, April-June 1963, p. 3.

[70] Crozier, op. cit., p. 59.

[71] Hoover, J. Edgar, FBI Director, statement before subcommittee of House Appropriations Committee, Mar. 3, 1965.

[73] Muhammad Speaks, Nov. 30, 1973, p. 21.

[73] Southern Africa, January 1974.

[74] Inkululeko, July 1973.

Footnotes at end of article.

TIPS ON HOW TO AVOID OVERPAYMENT OF INCOME TAX BY OLDER AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. PEPPER. Mr. Speaker, in my position as chairman of the Select Committee on Aging, I am acutely aware older Americans are often faced with economic hardship due to limited, if not fixed, incomes. It is alarming to realize that a great number of older Americans are overpaying their income taxes, and thus losing additional income, by failing to take advantage of legal tax reduction mechanisms.

Provisions of the Tax Reduction and Simplification Act of 1977 have made possible increased tax relief for many

Americans. However, individuals cannot take advantage of these provisions and minimize their tax liabilities unless they are aware of the changes in the tax law.

The Senate Special Committee on Aging has revised its annual checklist of itemized deductions. This summary can serve as an invaluable tool to the elderly—even to nonelderly persons—as 1977 Federal income tax time approaches. I commend the committee for its efforts and submit its summary here for the benefit of all who may read it:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1977)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of a taxpayer's adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital, or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3-percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3-percent limitation):

Abdominal supports (prescribed by a doctor)
Acupuncture services
Ambulance hire
Anesthetist
Arch supports (prescribed by a doctor)
Artificial limbs and teeth
Back supports (prescribed by a doctor)
Braces

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs
Chiropodist
Chiropractor
Christian Science practitioner, authorized
Convalescent home (for medical treatment only)
Crutches
Dental service (e.g., cleaning, X-ray, filling teeth)
Dentures
Dermatologist
Eyeglasses
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed)
Gynecologist
Hearing aids and batteries
Home health services
Hospital expenses
Insulin treatment
Invalid chair
Lab tests
Lipreading lessons (designed to overcome a handicap)
Neurologist
Nurses services (for medical care, including nurse's board paid by you)
Occupational therapist
Ophthalmologist
Optician
Optometrist
Oral surgery
Osteopath, licensed
Pediatrician
Physical examinations
Physical therapist
Physician
Podiatrist
Psychiatrist
Psychoanalyst
Psychologist
Psychotherapy
Radium therapy
Sacroiliac belt (prescribed by a doctor)
Seeing-eye dog and maintenance
Speech therapist
Splints
Supplementary medical insurance (Part B) under Medicare
Surgeon
Telephone/teletype special communications equipment for the deaf

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health)
Wheelchairs
Whirlpool baths for medical purposes
X-rays

Taxes

Real estate
State and local gasoline
General sales
State and local income
Personal property

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value for the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

Other charge accounts for installment purchases—may deduct the lesser of (1) 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. You may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box for income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if employment requires it.
Payments made by a teacher to a substitute.
Educational expenses required by your employer to maintain your position or for

maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1978, you will be entitled to the additional $750 personal exemption because of age for your 1977 Federal income tax return.

"Zero Bracket Amount" (Standard Deduction).—The former standard deduction has been replaced by a flat amount the law calls "zero bracket amount." This amount depends on your filing status. It is no longer a separate deduction as such; instead, the equivalent amount is built into the new simplified tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, taxpayers who itemize deductions will need to make an adjustment. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

New Tax Tables.—New simplified tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Now, even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you no longer need to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

General Tax Credit.—The general tax credit has been revised to take into consideration the exemptions for age and blindness. Married taxpayers filing separate returns will now be limited to a credit based on $35 per exemption.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $35,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $35,000, an election may be made to exclude part of the gain based on a ratio of $35,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpaver may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling your Home) may also be helpful.

Alimony Paid.—Payments for alimony are now adjustments to income. You no longer have to itemize deductions to claim a deduction for alimony you paid.

Credit for the Elderly.—An expanded and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer must meet the income requirement of having received over $600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20-percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040, line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

WHY SHOULD FRANK CARLUCCI BE THE NO. 2 MAN AT THE CIA?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. DRINAN. Mr. Speaker, I know that Members of the House will want to read very carefully a perceptive article in the New Republic of February 4, on Frank Carlucci. The article raises several questions about the competence and the credibility of Mr. Carlucci, who has been nominated to be Deputy Director of the CIA.

This thoughtful article raises several questions suggesting that Mr. Carlucci is less than competent to assume a very important and highly sensitive position in the Carter administration.

The article follows:

"OÙ EST CARLUCCI?"

(By Suetonius)

The story is still savored in the usually melancholy folklore of the Foreign Service. Congolese Premier Cyril Adoula is about to sit down to a White House luncheon in 1962. Looking around the state dining room and finding only John Kennedy, Dean Rusk, Robert McNamara and other notables, Adoula is distressed at the absence of the equally important American official who had befriended him in the old days in Leopoldville. "Où est Carlucci?" the Premier asks plaintively. "Who the hell is Carlucci?" Kennedy whispers in turn to Rusk, and aides are dispatched on a frantic search. In a cheap Foggy Bottom cafe they find Frank Charles Carlucci III, grandson of an immigrant Italian stonecutter, 32-year-old Foreign Service Officer Class 5, and buddy of Cyril Adoula. He is spirited off to the White House just in time to have dessert with the Premier,

and save the administration from the fate of a diplomatic incident.

For a generation of bureaucrats, that anecdote has been a relished vindication against the pretense and naivete of elected political leadership—and so, too, has Frank Carlucci's career. Rescued from a stalled ascent in the Foreign Service, thrust suddenly through a succession of high level positions in domestic affairs, eventually returned to diplomacy as a key ambassador, he was named in December to be Stansfield Turner's principal deputy at the Central Intelligence Agency. Like the Adoula story, it all seems the civil servant's fantasy come true, a tale of buried brilliance discovered and suitably rewarded. But Carlucci's remarkable rise has owed more to mundane politics than to brilliance. His appointment to the Central Intelligence Agency is another example of how the Carter administration has chosen to govern.

Carlucci belonged to that wave of middle-class Foreign Service recruits that swelled the corps with ambition, idealism and excess personnel in the 1950s. The stonecutter's son had become an insurance broker, and Frank III grew up comfortably. After Princeton, Harvard Business School, two years in the Navy, and an unpromising start with Jantzen Swimwear, he joined the State Department in 1956. There followed some routine clerical assignments in Washington, a commercial posting in Johannesburg, and then, in 1960, a junior political reporting job in Leopoldville during the Congo's bloody passage to independence (and American patronage). It was a brief moment of diplomatic swagger and exploit in US African policy, charged with the myths of cold war rivalry and before the military dictators and CIA subsidies settled in. In the Congo, Carlucci distinguished himself not only by the contact with Adoula, a future premier, but also by acts of bravery, in rescuing a car full of Americans from a Congolese mob after a traffic accident, and of diplomatic skill, in negotiating the release by Patrice Lumumba (another friend) of several Belgian hostages. He won a department superior service award, a place at the Congo desk in Foggy Bottom and later one of the Foreign Service's few outside-Washington plums for an officer of his grade, the lone Consul-Generalship on the island of Zanzibar.

After nine years in government, Carlucci had been promoted at steady and routine two-year intervals. In the summer of 1965 he was sent to Rio de Janeiro, where he spent the next four years in a series of embassy administrative jobs and won another bureaucratic award for his management of housekeeping chores spurned by most of his fellow officers. But in Rio, the African zeal and adventure already filed away, his career began noticeably—and, again, routinely—to slow and dull. Held at Class Three, the foreign service's make-or-break threshold to either senior rank or early retirement, Carlucci at 39, like so many other FSOs, began to melt indistinguishably into the bureaucracy. No intellectual gifts, no rare expertise singled him out among hundreds of equally talented officers. Not even his past bravery and citations guaranteed promotion to the top: during the Vietnam period department awards were handed out, as one winner recalled, "like Iron Crosses in 1918."

So early in 1969, Frank Carlucci was in Brazil, one more obscure, middle-level embassy official apparently without much of a future. Yet in the next six years, he received four presidential appointments, sat occasionally with the cabinet and became ambassador to Portugal with enough political weight to challenge the most powerful Secretary of State in recent memory. What his foreign service record obscured was that, more important than knowing Adoula or rescuing Americans in Africa or being efficient in Rio, Carlucci had also wrestled with Don Rumsfeld at Princeton.

When Rumsfeld gave up a congressional seat to become Richard Nixon's director of the Office of Economic Opportunity, he promptly brought Carlucci home from Rio in July 1969 to be his assistant director for operations. Carrying responsibility for the then-still-massive community action program, the job catapulted Carlucci not only far upward in the bureaucratic pecking order, but also into the midst of complex domestic issues for which he had no apparent grasp or concern. The reason for the appointment, however, was rudimentary. OEO was a stepchild agency which the Nixon White House viewed (like the State Department) as a disloyal Democratic preserve and relic. Rumsfeld, intending to dismantle the poverty program and expecting sniping on all sides, reached in time-honored Washington tradition for a personal friend with no obvious political liabilities and some bureaucratic experience at taking orders. For his part, of course, Carlucci did not question the logic of his deliverance. I've never had a strong preference for location," he told the *New York Times*. "I've always been more interested in the nature of the job."

In the event, the "nature" of this particular job was to go along dutifully with the Nixon squeeze on OEO, and thus to get along handsomely in a regime that appreciated but rarely found such professional loyalty. Little more than a year later, with Rumsfeld himself promoted to White House Counselor Carlucci was made director of the poverty program. Over the next six months he continued the Nixon-Rumsfeld policies without major change; cultivated an affable nonpartisan image with the Congress; and dodged the only covert political controversy by sponsoring a temporary compromise between Governor Ronald Reagan and California's Rural Legal Assistance program which Reagan wished to destroy. Carlucci presided over the steady attrition of the antipoverty effort policies which threatened legal services and other valuable reforms nationwide and which cut OEO's budget by more than half during Nixons' first term.

Presumably on the basis of that performance, Carlucci was elevated again in July 1971, this time to the White House itself to be number three man under George Schultz in the Office of Management and Budget. Again there were no obvious credentials to explain the change, though Carlucci had won what the press called (without undue elaboration) "high marks" for his management at OEO. Don Rumsfeld was still sitting down the corridor from the President. Discreetly supporting the fiscal policies that plunged the country deeper into recession, Carlucci stayed on at OMB through most of the Watergate collapse. Late in 1973, with White House backing, he became Caspar Weinberger's undersecretary at the Department of Health, Education and Welfare. A December 1973 speech before the Georgia chapter of the American Society of Public Administration provides a good example of Carlucci's contribution at HEW to the function of American social policy. The speech is a vintage example of bureaucratic prose celebrating as it does the "synergistic impact" and "program considerations" of better administration. Only Nixon's "New Federalism," the undersecretary assured his audience, would keep more people from "falling down the dependency ladder."

In November 1974, early in the Ford regime—in which Rumsfeld was White House Chief of Staff and eventually Secretary of Defense—Carlucci was named ambassador to Portugal. His qualifications for the job—past diplomatic experience and a knowledge of Portuguese—were plainer than for any of his recent appointments. Still, bureaucratic politics seemed once again decisive in Carlucci's rotation through high office. For a new administration nervously watching the fresh, volatile and leftward-swinging democracy in Portugal, he would be a certifiably safe, conservative envoy. Perhaps more important, he would also be Rumsfeld's protege, one of the few direct Ford links in an ambassadorial corps bureaucratically owned or co-owned by Henry Kissinger.

Carlucci performed predictably as ambassador. To questions at his confirmation hearing, he stoutly denied any CIA meddling in Lisbon. (When pressed by one senator on the elliptical language of his answers, he even showed a rare flash of public irritation: "It means that I know that there isn't," he replied curtly.) Carlucci may have been discreetly ignorant as an unbriefed appointee (not uncommon) or consciously dissimulating. But whatever the reason, his answers were inaccurate. At the time Carlucci testified, the CIA, with Kissinger's approval, was lavishly devoting both money and agents to shore up the most conservative elements in Portugal. Later, in 1975, when Kissinger moved toward a virtual aid embargo against the independent and still non-Communist Lisbon regime, Carlucci opposed the cut-off in what several sources remember as a "blistering" cable exchange. To the usual ambassadorial fervor for one's clients he added the old alliance with Rumsfeld, and thus won the battle with rare immunity from Kissinger's retaliation. At the same time, however, he also reportedly conditioned U.S. humanitarian aid to Portugal's collapsing African colonies on the ouster of the most vocally anti-American officials in Lisbon.

Now, having been kept on in Lisbon by the Carter administration, he returns to Washington to be deputy director of the CIA. Ironically, he is once more the White House's choice. And again he appears as the loyal, blurred bureaucrat needed to ride out controversy. Admiral Turner refused to pick a deputy from the Agency's hostile old-boy network, while the old boys themselves are still smarting from the forced retirement of 200 superannuated agents last autumn. So Carlucci is the administration's happy compromise. As at OEO, OMB, HEW and the Lisbon Embassy, not to mention all those Foreign Service postings long ago, he will be expected, with some confidence, to follow orders and "manage" things quietly. Beyond that, of course, his qualifications for the job are, as usual, rather vague.

In the Congo he quietly watched the widening CIA intervention that led indirectly to the murder of his friend Lumumba and even to the later overthrow of Adoula. He arrived in Rio only months after the CIA engineered the military coup against the elected Goulart regime, and watched quietly as the Agency administered covert subsidies and technical aid to keep the torture-prone Brazilian junta in power. At his own Lisbon Embassy he sat quietly as the local CIA station struggled to keep the new Portuguese democracy within proper bounds. Now he will be the only official short of Turner himself who will have the writ and means to monitor the full range of CIA operations. Under the reorganization plan just announced, the Agency will exercise unprecedented central control over the planning and execution of American espionage. That organizational grip probably will make Carlucci the single most powerful deputy in the government, and surely the most powerful in the history of the CIA.

In the lavish sunny office of the deputy director, he will be another classic bureaucrat somehow expected to command and temper the bureaucracy. To ride one of the rogue elephants of Washington institutions he comes from an apprenticeship as a pliant passenger in a Nixon administration run amok. The bravery and brashness of the young Foreign Service officer seem to have deserted Carlucci some time ago, worn away by the mores and unbroken success of his promotion. The man who saved Americans from a mob and freed Belgian hostages could

not bring himself to try (and it would have taken equal courage, there is no doubt) to rescue poverty programs from a mob mentality in the White House, or to release the health and educational advances held hostage by Nixon-Ford policy. If there is any ideology apparent in his record since 1969, it is certainly not that of his present employer. More apparent than any ideology, though, is the old bureaucratic pragmatism, the career greased by a willing suspension of belief. Carlucci is known for a clipped informality that often passes for self-assertion and strength in the otherwise oily culture of bureaucacy. By several accounts of those who have worked with him, critics as well as admirers, he is personally an easy, unpretentious man devoted to his work—not at all unlike hundreds of his kind in the huge, faceless civil service from which he emerged eight years ago. And when the man is measured against his offices, particularly the CIA, what stands out is not evil or danger or gross incompetence, but simply the utterly pedestrian quality of it all.

Carlucci will not be alone at the upper reaches. On the National Security Council staff, at the State Department, in a dozen important embassies, under Andrew Young at the UN—in nearly every precinct of foreign policy, there remain men who similarly owe their rank, their present authority, in large part to the dubious people and practices Jimmy Carter was elected to replace. This feckless resort to bureaucratic government—the loss of independence and commitment beyond self, the further atrophy of merit and idealism—is expensive. The politics that now return Frank Carlucci to Washington, like those that hoisted him out of oblivion during the Nixon years, are still the politics of a closed system.

Last spring, when senior State Department bureaucrats put forward Carlucci's name for the job as Deputy Undersecretary of State for administration, rumblings of opposition from Congressman John Brademas and Senator Paul Sarbanes—opposition reportedly on the basis of Carlucci's Nixon record—stopped the move. With his CIA confirmation hearings upon us, there is apparently no serious questioning of Carlucci's new appointment.

"Où est Carlucci?" Why he's gone to be Deputy Director of the CIA, Cyril. It's a long story from when you knew him. But then, come to think about it, it's not all that different from how you and your boys ran things in the Congo.

HUMAN RIGHTS IN ESTONIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. EILBERG. Mr. Speaker, February 24 will mark the 60th anniversary of the proclamation of the independence of the Republic of Estonia—one of the nations of Eastern Europe which now exists in captivity under the domination of the Soviet Union.

In connection with this forthcoming anniversary, I would like to share with my colleagues in the Congress a very moving appeal for human and national rights in Estonia, prepared by the Estonian American National Council.

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

On February 24, 1918, Estonia proclaimed her independence, establishing thereby the basis for the free and independent Republic of Estonia. On the 60th anniversary of that historic event, it is appropriate to recall certain facts about the Estonian people and their land.

Since time immemorial the Estonians have lived in their present geographic location on the east coast of the Baltic Sea. They belong to the Finno-Ugric race and speak their own language—Estonian—which is related to Finnish. The Estonians have no relationship to either the Slavic or Germanic peoples or their languages. Their strong sense of national untity and cultural distinction have carried them through all previous periods of foreign oppression and exploitation. In the latter part of the 19th century their national consciousness became a particularly forceful element which eventually led to the creation of the independent state of Estonia.

The establishment of the independent Republic of Estonia was possible only after the Soviet Red Army was driven from Estonia in the War of Liberation, which lasted from November 28, 1918, to February 2, 1920, when a peace treaty was signed at Tartu, Estonia, in which Soviet Russia renounced forever any claims to the territority of Estonia. There followed several other basic treaties between Estonia and the Soviet Union:

1. The Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated May 4, 1932.

2. The Convention of Conciliation, dated June 16, 1932.

3. The Convention for Definition of Aggression, dated July 3, 1933.

The Soviet Union and Estonia were also parties to the Kellogg-Briand Pact on renunciation of war as an instrument of national policy signed at Paris August 27, 1928, which is still on the list of treaties in force.

In spite of these solemn treaty obligations, the Soviet Union, without any scruples, decided to liquidate the independence of Estonia as well as of Latvia and Lithuania. On August 23, 1939, Stalin and Hitler agreed to divide Eastern Europe. In the first stage, the Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territories and about nine months later, Estonia, Latvia, and Lithuania were unilaterally declared Soviet republics and annexed to the Soviet Union.

To camouflage this takeover of an independent country, the Soviets staged so-called "elections," completely disregarding the Estonian constitution and election laws, and presented to this illegally elected body prepared resolutions about sovietization of the entire country. Finally a delegation of this body was ordered by the Soviets to be sent to Moscow to "request" the Kremlin to incorporate Estonia as a part of the USSR.

In the history of the world there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the overlordship of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

As far as the people of Estonia are concerned, they have suffered incalculable human and material losses since the start of the Soviet occupation. Tens of thousands of Estonians from all walks of life have been deported to remote areas of the Soviet Union or liquidated by secret execution squads. All of the freedoms enjoyed by the citizens of Estonia under their own constitution have been abolished and the authority of the Soviet government and the secret police has become the rule of the land.

More than 75,000 Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and they feel morally obligated to speak out on behalf of the people of Estonia.

Confirmed reports from Estonia show that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

The Final Act signed in Helsinki declares that the inherent dignity and equal and inalienable rights of members of the human family lie at the foundation of freedom, justice, and peace in the world, and the right of self-determination for every nation is the goal of mankind.

Keeping these principles in mind, all freedom-loving Estonians are united in their determination for the restoration of the independence and national rights of Estonia. On the 60th anniversary of the proclamation of Estonian independence, all Estonians appeal to world public opinion to support them in this struggle for freedom and justice.

UPSTATE BULL FINDS FAME IN WEST

HON. EDWARD W. PATTISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. PATTISON of New York. Mr. Speaker, many people are under the mistaken impression that New York State is an asphalt jungle.

For the purpose of dispelling this myth that New York is a tangle of highways and industries, I am inserting into the RECORD a January 18, 1978, New York Times article about Patriot, the 1,620-pound bull that won top honors at this year's National Western Stock Show.

Patriot and his owner, Jerome Brody, are residents of Columbia County, which is part of my district.

Patriot is a tribute to agriculture in New York State, and living proof that the best, if not the biggest, bull is from New York.

The article follows:

UPSTATE BULL FINDS FAME IN WEST

(By Molly Ivins)

DENVER, January 17.—Here at the National Western Stock Show, the cattle breeders' Kentucky Derby, top honors for Black Angus have once again been taken by a New York owner and a New York bull.

In a scene normally dominated by men with Western twangs in ten-gallon hats and pointy-toed boots, breeders are getting used to having tassle-loafered New Yorkers walk off with the prizes. New York State is one of the major cattle-breeding areas in the country, particularly for Black Angus.

For the second consecutive year, the owner who took top honors in Black Angus was Jerome Brody, who is also the owner of Gallagher's Steak House on West 52d Street and of the Grand Central Oyster Bar. Mr. Brody, a 50-year-old Princeton graduate, has been in the cattle-breeding business only three years. In his role as restaurateur he regularly hobnobs with the likes of Jacqueline Onassis and Vanessa Redgrave.

His Gallagher's Angus Farm is near Ghent, N.Y., in Columbia County. Over the past 15

years, Columbia and Dutchess Counties in New York have produced more grand champion bulls than all the rest of the United States.

Mr. Brody's bull Patriot, born on the Fourth of July in 1976, has now won two-thirds of the breeders' Triple Crown. He won at the North American Livestock Exposition in Louisville, Ky., and here in Denver. He will be shown at the All-American Breeders Futurity next summer. Patriot is 1,620 pounds of prime beef, but there is no possibility he will ever wind up as steak at Gallagher's.

Patriot's victory here probably increased the value of his stud services by about a third, Mr. Brody said. Almost all registered breeding of cattle is now done by artificial insemination, and a healthy bull can provide about 6,000 services a year.

Mr. Brody refused to put a price on Patriot, saying, "Anything I say would probably be underpricing him, but I don't want to sound like a raving, proud owner, either." Most bulls sell for $1,500 to $2,000, but a champion may be worth several hundred thousand dollars. Patriot is an intermediate bull and is young enough to be shown again next year.

Mr. Brody also owned the supreme champion at last year's National Western Show, Manhattan Gal, a relatively dainty beast of 1,300 pounds. There are 76 head of Black Angus at Gallagher's Farm, and a new crop of calves is due shortly.

New York State's cattle business is almost entirely in the breeding end, not to produce meat for the table but to produce breeding cattle that will eventually improve the beast that does wind up on the table.

Mr. Brody said that for him and for other New Yorkers, cattle breeding was not just a gentlemanly hobby but a highly competitive business. "You try to have your own sales and to sell the progeny at higher and higher prices," he said. Mr. Brody is even trying to spread the Angus message in Europe. Last March, he showed Pioneer, a bull, at the Paris Agricultural Exhibition. It was the first time an Angus had been shown in France.

Mr. Brody and other New York cattle breeders are well known to the readers of such publications as the Angus Journal. But the idea of New York as a cattle state still seems incongruous to most people. But, as Jerome Brody is regularly proving on the cattle show circuit, you don't need the boots if you've got the bull.

RESPONSIBILITY FOR HEALTH

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. JACOBS. Mr. Speaker, would you believe:

RESPONSIBILITY FOR HEALTH

Most individuals do not worry about their health until they lose it. Uncertain attempts at healthy living may be thwarted by the temptations of a culture whose economy depends on high production and high consumption. Asceticism is reserved for hair-shirted clerics and constipated cranks, and every time one of them dies at the age of 50, the hedonist smiles, inhales deeply, and takes another drink.

Prevention of disease means forsaking the bad habits which many people enjoy—overeating, too much drinking, taking pills, staying up at night, engaging in promiscuous sex, driving too fast, and smoking cigarettes—or, put another way, it means doing things which require special effort—exercising regularly, improving nutrition, going to the dentist, practicing contraception, ensuring harmonious family life, submitting to screening examinations. The idea of individual responsibility flies in the face of American history, which has seen a people steadfastly sanctifying individual freedom while progressively narrowing it through the development of the beneficent state. On the one hand, social Darwinism maintains its hold on the American mind despite the best intentions of the neoliberals. Those who are not supine before the federal Leviathan proclaim the survival of the fittest. On the other, the idea of individual responsibility has given way to that of individual rights—or demands, to be guaranteed by government and delivered by public and private institutions. The cost of private excess is now a national, not an individual, responsibility. This is justified as individual freedom—but one man's freedom in health is another man's shackle in taxes and insurance premiums. I believe the idea of a "right" to health should be replaced by that of a moral obligation to preserve one's own health. The individual then has the "right" to expect help with information, accessible services of good quality, and minimal financial barriers. Meanwhile, the people have been led to believe that national health insurance, more doctors, and greater use of high-cost, hospital-based technologies will improve health. Unfortunately, none of them will.

The barriers to the assumption of responsibility for one's own health are lack of knowledge (implicating the inadequacies of formal education, the too-powerful force of advertising, and the informal systems of continuing education), lack of sufficient interest in and knowledge about what is preventable and the cost/benefit ratios of nationwide health programs (implicating the powerful interests in the health establishment, which could not be less interested, and calling for a much larger investment in fundamental and applied research), and a culture which has progressively eroded the idea of individual responsibility while stressing individual rights, the responsibility of society at large, and the steady growth of production and consumption ("We have met the enemy and he is us!").

The individual must realize that perpetuating the present system of high-cost, after-the-fact medicine will only result in higher costs and greater frustration. The next major advances in the health of the American people will be determined by what the individual is willing to do for himself and for society at large. If he is willing to follow reasonable rules for healthy living, he can extend his life and enhance his own and the nation's productivity. If he is willing to reassert his authority with his children, he can provide for their optimal mental and physical development. If he participates fully in private and public efforts to reduce the hazards of the environment, he can reduce the causes of premature death and disability. If he is unwilling to do these things, he should stop complaining about the rising costs of medical care and the disproportionate share of the gross national product that is consumed by health care. He can either remain the problem or become the solution to it; beneficent government cannot.

JOHN H. KNOWLES.

EDUCATION AND CHILDREN: PRIORITIES OUT OF FOCUS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. HARRIS. Mr. Speaker, approximately 2,300 years ago Plato told of the captured tribe that was chained in their captors' cave in a manner that they could see only the back wall of the cave. The captors kept a fire at the mouth of the cave and for a generation the captives could only view the shadows cast on the back wall of people passing in front of the cave. Plato tells us that when finally released, the former captives believed that shadows were reality and people were the reflection of shadows. We now have a generation that has grown up under the heavy influence of television. How "real" are the images they have watched on the television screen?

In preparing for a speech to the Delta Kappa Gamma Society, I asked my legislative assistant, Ms. Glenda Surovell, to gather information on television's apparent effect on our young people. She did more. Ms. Surovell prepared a statement that, in my opinion, is timely and thought provoking. I presented the statement on February 4 because I believed it to be worthwhile. I share it with my colleagues today for the same reason:

EDUCATION AND CHILDREN: PRIORITIES OUT OF FOCUS

I welcome this opportunity today to talk about the effect of television on children. Television, whether good or bad, is a fixture in American life today. It teaches us, it numbs us; it delights us, it saddens us. That box in our family room (there are now even televisions we can carry around in our pocket) is a pervasive and modern form of telecommunications we cannot afford to ignore.

What are the facts? Ninety-seven percent of all U.S. households have television sets. Nearly 45 percent of all homes have more than one. Seventy-seven percent of all home TV sets are color. Children average 25 hours and 38 minutes of viewing a week; teenagers average 22 hours and 36 minutes. Adult women watch 30 hours and 14 minutes a week and adult men consume 24 hours and 25 minutes a week. This is quite a dose from the screen.

One of my major concerns and yours is what is television doing to our children. To the young child, the television can be a teacher, a window on the world, a trusted companion. Children probably develop a trust of the "tube" because it is a familiar and stable part of their world. It can be a comfort too—monsters can instantly disappear. And they can begin to look at life ahead as an endless, exciting serial of fantasies and animation, with a few "Cocopuffs" thrown in for snacks.

I'm not sure we really know what television does to children. There have been many studies by universities and private groups and there have been extensive Congressional hearings on this subject in recent years.

One study reports that children who view television become desensitized to violence in real life, that "normal emotional responses to human suffering become blunted and this desensitization may easily cause not only major increases in our society of acts of personal aggression but also a growing attitude of indifference and nonconcern for the victims of real-life violence."

Another expert says, "The accumulation of evidence suggests . . . that children will copy TV violence; that they often do not do so because of parental control and lack of access to weapons; that TV teaches a child that violence often succeeds and that problems can be solved by violence; that viewing TV violence blunts sensitivity to violence in the real world; that children remember specific acts of violence, and that preferring violent television at an early age leads to more aggressive teenage behavior."

Another study says, it is "not that children learn how to commit violence on television, but that television conditions them to deal

with real people as if they were on a television screen."

There is no consensus about the effect of television and television violence on children. In fact, there is not even a consensus about what violence is. Is it, for example, a murder, robbery, or argument; is it a push or shove? What about accidental violence like a strike of lightning or an automobile collision? Is violence the slaughter of a herd of cattle in HUD? Is it the killing of Bambi's mother? Despite these disputes, data from CBS independent researchers indicates that during prime time, the level of violence on television was as high or higher in 1976–77 than it was in 1972. We do know that from 8 to 8:30 pm every night there are, on the average, 14.7 million children between the ages of 2 and 11 in the television audience. (This same study shows that the number decreases as the night wears on and that, incredibly, from 12:30 am to 1 am, there are still 1.1 million children watching television! Quite frankly, I don't know why those children aren't in bed, but maybe they are). We also know that the average American child will see 18,000 murders on TV by the time he or she graduates from high school, says the American Medical Association.

Well, those are some of the facts. Where do we lay the blame? The House subcommittee that held a hearing last year concluded, simply, "On everybody." Putting a "Kojak" or "Deputy Dawg" on the screen involves the production community, networks, their affiliates, and other broadcast licensees. Advertisers—companies peddling "Wheaties" and "Digel"—support these programs too. And finally, the consumers, you and me, sit there in front of the "boob tube" and soak it up. The age-old law of supply and demand is operative here too: if there were less of a demand for violent programs, the supply would correspondingly diminish.

With our children, one answer is simply to turn it off. As independent free human beings, we can always turn that knob. One Congressional witness even suggested that TV manufacturers be required to put locks on the sets so that parents could "lock out" these shows from their kids. One response to that was locking it up makes it even more inviting and kids would go next door or somehow find a way to see the shooting, knifing, bludgeoning or whatever.

Well, that is the tip of the iceberg of the problem. The question obviously begging is what do we do. And here again, the answers are not easy. Our Constitution says we must have freedom of the press and freedom of expression. And I think most of us believe in that principle. The Family Viewing Hour—an attempt at self-regulation by the industry—is probably a good step. But, lawyers tell us, TV is dominated by three giant corporations and this approach may involve antitrust problems. The Federal Trade Commission is now trying to determine if advertising that teases little appetites with an endless array of sugar-coated cereals contradicts Section 15 of the FTC Act which provides that advertising cannot be misleading. Section 5 of the FTC Act prohibits "unfair or deceptive acts or practices in or affecting commerce." Does children's television advertising, especially advertising for highly sugared products, violate this law?

There have been some suggestions other than locks, that is. Local affiliates could be given the opportunity to prescreen programs in advance of the broadcast date. We could establish a children's television network; it could operate within the framework of the public broadcasting service. A former FCC chairman suggested that licensees be required to broadcast a signal, such as a small white dot, in the corner of the television screen to indicate that the program about to be viewed contains material designed primarily for adult viewing.

What every study I've read concludes is that the public, especially parents, need to be educated. And this is where you, the educators come in. You can help. "The most direct approach (to solving the problem)," concluded the House subcommittee, "would be to refrain from viewing programs that are known to contain violent material. The effectiveness of this approach could be heightened if, at the same time, viewers made the broadcaster and advertisers aware of the cause of their dissatisfaction." After all, we don't have to watch "Hawaii Five-O." We don't have to buy "Skin Quencher" if its advertisements are paying for "Police Story."

We certainly have as a nation a commitment to provide opportunities for young children to develop into happy, healthy, contented human beings. I would hope that all of our national policies have kept this as a central goal. But I'm afraid we have not quite done that, and the problem of television programming and its effect on children is a perfect example. We have been asleep. We have let an industry grow erratically and monstrously without even thinking about what it is doing to us. This is not so unique. There are many anti-children policies. Let me name a few:

The 1979 federal budget that came over to Congress last month totaled $562 billion. In it there is only 4 cents for education out of every federal dollar.

We have spent $50,000 per person overseas to train people to operate an M–60 tank. We spend $70 in federal funds to give one handicapped child an education.

For the price of one atomic submarine (it was $158 million several years ago) we could provide a nutritious school lunch every day for 1,417,111 children.

The unit cost of one F–18 combat fighter, $15 million, equals what we put into education research—the budget of the National Institute of Education.

For the price of one C–5A transport plane, $47 million, we could construct and staff 10 community colleges for one year.

Of all the mothers of children under 18, 46 percent are working today. That means there are 28.2 million children with working mothers. Only 900,000 of those children receive any kind of child care supported by federal funds. We have never seriously come to grips with the latch-key child.

We have a National Board for the Promotion of Rifle Practice that costs us $233,000 a year. But we don't have a Department of Education.

We dole out $236 million a year for ship construction, $388 million for ship operations, plus another $100 million in tax subsidies to maritime industry. But the 1979 federal budget only has $60 million for adolescent health services and $52 million for maternal and child health.

Since 1937, the federal government has spent over $4.2 billion in price support loans to tobacco producers. This figure comes close to the $5 billion we have spent on cancer research and prevention since 1965. This to me seems like a very contradictory and expensive federal policy.

We give subsidies to the cotton industry, martini lunches, oil companies, sugar importers and believe it or not, even beekeepers. I say something is wrong when our priorities as a nation get that mixed up.

Our priorities are out of whack. I'm about ready to say we need a children impact statement every time we make a law. Do we really believe in life, liberty and the pursuit of happiness for our children? We have a Mother's Day and a Father's Day. Maybe we should have a Children's Day. The bumper sticker I see on the highways makes good sense: "Have You Hugged Your Child Today?"

The researchers I referred to earlier suggest to us that television "blunts" and "desensitizes" children, that it encourages attitudes of "indifference" and "unconcern," that they are encouraged to "turn people off" as though they are turning off the television set. Is this what we want? Is this what our national policies ought to encourage, if not directly by neglect?

My message to you today is that we have to get serious about education, you and I. In the Congress, I vote for every education bill. No one can tell me education is too costly. I fight cuts in education spending. Just this week, I received my "children's rating" and I am pleased to say it is 100%. I wish it would be 500%.

Alfred North Whitehead has put it well: "When one considers in its length and breadth the importance of this question of the education of a nation's young, the broken lives, the defeated hopes, the national failures, which result from the frivolous inertia with which it is treated, it is difficult to restrain within oneself a savage rage." I say, "Let's do something about it." I say, "Let's have a little savage rage." Let's all turn into "lionesses." They're our "cubs."

AMBASSADOR LODGE ON THE PANAMA CANAL

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. SARASIN. Mr. Speaker, a great friend and statesman, Ambassador John Davis Lodge, has asked me to place the following article in the CONGRESSIONAL RECORD. The article appeared in the New York Times on November 29, 1977, and is authorized by Ambassador Lodge, I believe my colleagues will find the article of great interest:

[From the New York Times, Nov. 29, 1977]

THE CANAL: A RAMPART

(By John Davis Lodge)

WESTPORT, CONN.—The principal arguments vehemently raised in support of the Panama Canal treaties are not altogether convincing.

It is alleged in screeching tones that we stole it. That is contrary to the record. It was an act of constructive statesmanship by one of our great Presidents, Theodore Roosevelt. It constitutes a notable public service by the United States to the entire world. We should not be apologetic but proud of this unprecedented engineering achievement. We succeeded where the French failed. But for us, the Panama Canal would not exist. In one way or another it has been paid for by us many times over.

Should we now say that the Louisiana Purchase, by which President Thomas Jefferson bought one-third of the United States from Napoleon for $15 million, was a steal and that therefore we should return this vast area to France? And how about Alaska? And Hawaii?

It is asserted that the Panama Canal constitutes an anachronistic vestige of colonialism in a decolonializing world. Certainly the British, French, Spaniards and Portuguese have been shedding their colonies. But how about the Russians and their satellites? Are these satellites not in effect colonies?

Moreover, the Panama Canal Zone is not a colony. It is inhabited by many thousands of Americans. True, it is not contiguous to the United States, as it is to Panama. Is contiguity then the criterion? Well then, how about Alaska, contiguous to Canada and close to Siberia. Should we hand Alaska over to Canada or perhaps to Russia? Alaska is a state as is Hawaii. Yes—and we could con-

ceivably make a state out of the Panama Canal Zone.

It is declared that the Latin Americans resent the North American presence in the Canal Zone. Yet there are many others who fear Russian control of the canal by means of their control of Fidel Castro's Cuba and Castro's power and influence over Gen. Omar Torrijos Herrera, the current, temporary, unelected, left-wing, military dictator on Panama. And there are many others around the world who fear that the Panamanians, in spite of their threats and promises, will not run the canal as efficiently as we do. We run it very well indeed.

Argentina, Brazil, Chile, Bolivia, Uruguay, Paraguay and Ecuador have anti-Communist Governments and fear Communist infiltration of the Canal Zone. Many in these countries would dread our relinquishing control of it.

The principal argument advanced in favor of the treaties is that, as General Torrijos has warned us, if they are not ratified by the Senate there will be trouble in Panama—demonstrations, riots, bombs, guerrilla activity—and that therefore we must agree to the treaties as an act of appeasement—a mini-Munich, if you will—but, in effect, a shotgun arrangement.

We got tired of the Vietnam War, we refused to help in Angola, and so now it is proposed that 217 million Americans should cave in and run away before the ominous threat of 1.5 million people in Panama. This is the worst possible reason for ratification of the treaties, for it portrays us Americans as a supine pack of cowards, a paper tiger who will give in at the slightest threat of combat. It is succumbing to blackmail.

This is the argument that would cause us to lose face and friends and confidence in many parts of the world, particularly in South America, where our sanctimonious sermonizing about human rights has made us unpopular.

Certainly the treaties can properly be revised. However, let us recognize that in the normal struggle in which we are inextricably involved, for the United States to surrender control of the canal will, in this jungle world, present the enemy with an advantage. While in some ways the canal may be obsolete, in unfriendly hands it could present a difficult and dangerous problem for the United States, especially in the event of a showdown.

The overriding question is this: Is it in the interests of our national security, is it in the interest of the United States as leader of the non-Communist world to lessen our control of this vital waterway and rampart at a time when Russian imperialism, heavily and increasingly armed, is very much on the march? The national interest must be the determining factor. We should be governed by geological considerations. If we move out, will the enemy eventually move in?

SHORELINE EROSION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. RUPPE. Mr. Speaker, with the support of several of my colleagues, I am today reintroducing the shoreline erosion management bill, H.R. 10015, that I earlier introduced on November 1.

After introducing H.R. 10015, I requested and received comments on this legislation from numerous State and Federal agencies concerned about the shoreline erosion problem on the Great Lakes. I am pleased that the comments I have received have been quite positive, having reviewed responses from Michigan, Ohio. Illinois, New York, as well as Federal agency comments. I am pleased that the bill I am introducing today has necessitated only minor modifications in light of these comments.

It is time that the Federal Government live up to its responsibilities in the Great Lakes area. After all, its control of water levels on the lakes at Niagara Falls and Sault Ste. Marie under the authority of the International Joint Commission and its involvement in the winter navigation program and interstate commerce on the lakes have been significant contributing factors to the shoreline erosion problems.

The approach established under this bill—a Federal, State, private partnership—is a major turning point in controlling the accelerated erosion process that is eating away at this magnificent fresh-water shoreline resource. Previous efforts to control this process have excluded the private property owners from participation, despite the fact that 70 percent of the critically eroding areas and 82 percent of the entire shoreline is privately owned. Now, by providing a low interest loan program for private property owners to be administered by the State and providing for State-Federal grants for eroding public property, we will be marshaling our resources in a cooperative endeavor to preserve this coastal resource for future generations.

It is my hope that this legislation will serve as the major vehicle for reversing the destructive erosion forces on the Great Lakes.

COMMUNITY EDUCATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. LEHMAN. Mr. Speaker, Congress will soon be considering the reauthorization of the community education program. Community schools have been a great success in Dade County and have generated a high degree of public enthusiasm.

In order to make my colleagues more aware of the potential of community education programs, I would like to share with them this editorial from the Miami Herald. The editorial is as follows:

COMMUNITY SCHOOL PROGRAM SCORES AN "A" ON ALL COUNTS

Top school administrators and a group of citizens gathered for lunch the other day to give new impetus to an old program, community schools. They advocate a proposal that almost anyone would agree makes sense: keeping the schools open during non-school hours for use by the community.

From a fiscal standpoint, this is appealing. Publicly financed buildings, playgrounds, libraries, auditoriums, and other facilities should be used for as many public functions as possible. Why should the gate to the school playground be locked at 3 o'clock, requiring neighborhood children to play in the street? Why should a community have to build an activities center when there is a nearby school that is closed more than it is open?

This is the situation with all but 57 of Dade County schools. Yet the county participates more fully in community schools than most places in the nation. It pioneered the program years ago.

Local supporters soon learned that despite its seeming simplicity, the program is fraught with obstacles. The greatest is the most obvious: reluctance of the school administrators to share their turf with outsiders. Basically the struggle is over sharing not buildings and playgrounds, but power.

Dade County School Superintendent J. L. Jones concedes as much. He is a strong supporter of the community-school concept. But like most other educators, he views it in much broader terms than most citizen advocates.

The latter are concerned primarily with better utilization of school facilities and programs in meeting community needs. But the educators see the community schools as a vehicle for gaining community control of the educational system.

In a way, each side perhaps is focused on the same object, but from opposite ends of the telescope.

While appearing to sympathize to some extent with the educators, Dr. Jones has decided, wisely, we think, that the best course is to let the citizens in, both in the buildings and in some of the decision-making. Though not persuaded that this will lead to better learning, he argues that participation is an "end in itself" because "it makes new resources available to the schools."

That is an interesting approach, considering that the aim of community schools is to bring more school resources to the community. If the reverse also occurs, and the schools get more resources from the community, then so much the better. It is not often, in the school system or anywhere else, that a program comes along whose benefits are so well balanced.

LITHUANIA'S INDEPENDENCE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Ms. MIKULSKI. Mr. Speaker, February 16 is a day of great importance for individuals of Lithuanian origin because this day commemorates the 60th anniversary of the restoration of the Republic of Luithuania. The proud citizens of this Baltic republic fought bravely for their independence, but in 1940 the Soviet Union, an ally of Nazi Germany at the time, seized and occupied all Lithuanian territory. At the end of World War II, the Soviets refused to restore the independence of the Baltic States.

Since that time the citizens of Lithuania have been under foreign rule. The domination of this people by the Soviet Union is a flagrant denial of the principle of national self-determination. Those Lithuanians who have not been able to escape from their homeland have been subjected to political repression, religious persecution, and a denial of their human rights.

I am a cosponsor of a concurrent resolution in the House introduced by Representative DORNAN which, expressing the sense of Congress, encourages the self-determination of the captive nations of Lithuania, Estonia, and Latvia. I was pleased to learn that in recent weeks representatives of these captive nations have visited Belgrade to appeal

to the conference on behalf of their countrymen under Soviet occupation.

To the Lithuanian people I express my continuing sentiments of support on this 60th anniversary celebration of independence. It is my hope that they may soon recover their homeland so that the next independence day will be celebrated in a free Lithuania.

THE COMMUNICATIONS ACT

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. ROSE. Mr. Speaker, the Communications Subcommittee of the Committee on Interstate and Foreign Commerce is engaged in highly important work—preparing legislation to give the Nation a modern communications law.

Under its distinguished chairman, the Honorable LIONEL VAN DEERLIN, the subcommittee will be bringing before this House a bill that could have a greater impact on the lifestyles of our citizens than that of the railroad legislation of the last century.

Mr. VAN DEERLIN, who was a radio and television news director in his home city of San Diego before coming to Congress, has written a perceptive article about the problem and the potential of rewriting the Communications Act of 1934. I commend this article, which appeared in Sunday's New York Times, to my colleagues:

BROADCASTING NEEDS A NEW ACT TO FOLLOW

(By Lionel Van Deelin)

Congress has a job to do. It ought to rewrite—and significantly update—the Communications Act of 1934. Believe it or not, what we see on television today is regulated by a 44-year-old law. When written, the law was intended to regulate broadcasting "in the public interest, convenience and necessity," whatever those words may have meant in 1934. Your telephone system, too, operates under this law—which mentioned only radio and wire communication. The Act antedated television, coaxial cable, satellites, direct microwave beams, laser beams, fiber optics and a host of other technologies which may change the lives of Americans as sweepingly as the Industrial Revolution. The authors of the Act could not anticipate the manner in which three networks would come to dominate broadcasting. Their key aim had been *localism*. Assignment of frequencies was supposed to tailor broadcasting service to the needs of individual communities.

The Act hasn't worked that way. It has, in fact, done almost the opposite. Today, in the face of F.C.C. rules intended to limit multiple station ownership in the 50 top markets, the following is true:

Each of the three networks owns five of the most profitable TV station licenses in the nation. (Their 15 outlets, which are one-fiftieth of U.S. commercial stations, yield one-fifth of the total earnings.)

In addition to their own stations, the networks provide more than 80 percent of each day's total programming on 585 other commercial outlets. Three out of four TV stations are licensed to, or affiliated with, the networks.

Finally, the bulk of programming on nonnetwork independent stations is mostly syndicated re-runs of network hits from earlier years.

It's not hard to understand why things have worked out this way. It takes money to produce quality programming; even a prosperous local broadcaster could not maintain the volume of entertainment or the breadth of news coverage produced for the wider total audience served by networks. But the flood of new transmission techniques sends a clear message: Wider programming choices are within our economic reach.

Too often, those choices have been denied the consumer or needlessly delayed by slow F.C.C. authorization. FM radio, with its superior ability and spectrum of space for hundreds of new stations, waited more than two decades for licensing. The reason? Its introduction threatened a major company's then-dominant place in communications manufacturing.

Pay TV—the option of watching programs without commercial interruption, for a fee—was long denied American householders first by a five-and-a-half year freeze by government regulators on all cable development and then, in 1972, by the imposition of rules by the F.C.C. which the courts later found to be arbitrary and capricious.

Now a bipartisan group in Congress is determined to forge a new Act, one more attuned to the times. We hope to establish a House position by year's end, and send a bill to the Senate early in the next Congress.

The consumer will benefit from a new law. The explosion in communications holds promise of vastly expanded services at ever decreasing costs. Old systems and new are coming together. Through home telephone service either cable or optical fiber can provide 30 to 60 new television channels. "Solid state" techniques and miniaturization have brought computers within reach of every home. The cable giant, Teleprompter, is already linking up New York's banks and may next put the equivalent of a teller's window into the lobbies of apartment houses—without the teller. Warner Cable is serving the west side of Columbus, Ohio, with a two-way TV system that extends the classroom into everyone's living room, and permits football fans to second-guess Woody Hayes by voting with a dial on their TV set for their optional play choice during a time-out. Our Postal Service needn't worry much longer about rain, sleet or the gloom of night—letters can move electronically long distance and need be hand delivered only within a city, just as telegrams go by wire from town to town and are then delivered as 'mailgrams' to the addressee.

Something called "video retrieval" is just around the corner: If tonight's TV log lists nothing tempting, one will be able to dial an old program or movie—or a replay of last night's hockey game. The demand for these kinds of options is demonstrated by the success of the home video tape recorder which was a pre-Christmas sellout in many department stores (at under $1,000, and falling). With one of these devices, the viewer can record for later replay a program he is watching, or a program other than the one he is watching—or he can set the device to record a program when he is not home. He can even rent tape cassettes and videodisks of programming unavailable on the air.

Network broadcasters are understandably nervous about what negative ramifications an updated Communications Act might hold for them. They recall a startling forecast by the communications advisers to President Ford: that the decade of the 1980's might see cables and satellites ending the need for conventional present-day networks. The long-throttled competitor, pay TV, is suddenly enjoying a boom. The owner of a local UHF station in Atlanta uses a combination of satellite and cable transmission to compete for audiences around the country. Hollywood talks of beaming new films via commercial satellite straight to local stations, bypassing the networks. Japanese broadcasters are now testing the transmission of satellite programming direct to home receivers, via rooftop antennas. Sophisticated telephone terminals still in the laboratory could significantly broaden the choice of news and entertainment flowing into the average home. Cassetes, videodiscs and the new 'electronic games" all challenge the broadcasters' domination of our home screens.

In a time of record profits (annual income $8.1 billion and growing) the broadcast industry feels embattled as never before. Yet rather than moving to equip itself for a new environment, the industry chooses to draw its wagons into a circle around the hopelessly outdated Communications Act of 1934.

Perhaps, as most commercial broadcasters insist, the nation's tastes *are* adequately served by a nightly diet of comedy, police shows and pap. If so, such fare will withstand the test of competition—and broadcasters can continue to enjoy a healthy return on investment without the protection of tight government regulation.

But the task of Congress is to match the Communications Act with the times; to make certain it serves the consuming public, and not just the varied industrial or business interests involved. Americans should be able to enjoy the full fruits of American ingenuity—the right to choose from the widest range of sources for their entertainment and—more important—their enrichment.

DAY REACHES HIS GOALS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. JACOBS. Mr. Speaker, just in case nobody believes there are Horatio Algers any more, I insert the column written by Thomas R. Keating in the Indianapolis Star on February 2, 1978—a good story about a good life:

DAY REACHES HIS GOALS

(By Thomas R. Keating)

Now that John Day is a state legislator, he doesn't have to hitchhike anymore or fret about how to buy his next meal or pay the rent.

Most of all he doesn't have to worry anymore about whether he has what it takes to reach his goals

A lot of people will tell you how they came up the hard way, but very few have been along the route John Day took.

John grew up in Holy Cross parish on the near Eastside. His parents were divorced when he was young and when he was graduated from Cathedral High School in 1956, he was on his own.

He rented a tiny apartment at 13th and Pennsylvania streets, got a federal loan to attend Marian College and set out to work.

He had to drop out a couple of times to deliver whiskey and work at a hospital and a variety of other places when he needed money. Sometimes he worked nights and went to school days. Other times he worked days and went to school nights.

He did this for six years while living alone on a budget of $2 a day.

He had no car, not what you would call an active social life and no one to turn to for an extra $10 or $20 to tide him over. He ate a lot of peanut butter and jelly sandwiches and often just didn't eat for a day or so. He hitchhiked to Marian and back for all his classes.

You would see him occasionally in those days, usually talking about an interest in politics that was fired by listening one night in 1959 to a speech given by a U.S. Senator named John Kennedy.

He always looked a little hungry then, a little nervous and a little overworked, but never even a little sorry for himself.

When his first goal, college graduation, was reached, Day got a job teaching at Roncalli High School and another government loan to attend graduate school at Indiana University. In less than three years, he had a master's degree in government and went to work in the probation department at Marion County Juvenile Court.

About this time, he also started work on another goal. He used to tell fellow students at Marian that someday he was going to help develop legislation to help people.

In 1968, Day ran for a seat in the legislature, won in the Democratic primary and lost in the general election. In 1970, he ran for a seat in the legislature, won in the primary and lost in the general election. In 1972, he ran for a seat in the legislature from the newly created 45th district and this time, lost in the primary.

You may be getting the idea he doesn't give up easily.

In 1974, he was elected to the legislature from District 45 and again in 1976.

District 45 is roughly bounded by 38th Street on the North, Keystone Avenue on the East, Fountain Square on the South and Harding Street on the West.

It is a district in which about 75 percent of the voters are black. Everyone ever elected to the General Assembly from the district has been black—except Day.

Unlike many men who come from less than modest beginnings and, when they become successful make a creed out of believing that there is no reason anyone who is poor cannot do the same thing. Day has devoted his time to legislation that would benefit the boy he once was rather than the men of power he has come to know.

On his first day in the legislature back in 1975, Day was sworn in and then waited all of about two minutes before introducing a bill called the Uniform Residential Landlord Act.

It is a bill that spells out the rights of tenants and landlords and, among other things, allows a tenant to break a lease if health and safety standards are not maintained.

Day set about working for the bill's passage with the doggedness that is by now as ingrained into his personality as the nervous intensity that marks even his relaxed moments.

In 1975, the bill was defeated in the house by a margin of 43 to 42. Day called all the representatives who voted nay and turned many of them around. On a second vote, the bill passed 53 to 25 with 20 abstentions. It then went to the senate and died.

In 1976, the bill was voted down in the house, 47 to 45.

In 1977, Day picked up a co-sponsor in the senate, Republican Speaker Pro-Tem John Thomas from Brazil. When the senate deadlocked, 25 to 25, however, Lt. Gov. Robert Orr broke the tie with a no vote and the bill expired again.

This session of the General Assembly, the senate version of the legislation finally passed, 23 to 21. The house will most likely vote on the bill within two weeks.

It should pass but if it doesn't, it will some day. With Day's record for persistance, it's almost a sure thing.

SALUTE TO FEDERAL PAPERWORK COMMISSION

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. JONES of Oklahoma. Mr. Speaker, almost daily we are reminded in the press of some Government cost overrun, a new bureaucratic nightmare, or another ineffective effort to deal with a problem. Little notice is given, however, when one small part of the Government functions exactly as it was designed.

Yet this very happening occurred last week when the Commission on Federal Paperwork, chaired by Congressman FRANK HORTON, terminated its work. Not only did this Commission complete its work on schedule, but it returned $1.25 million in unspent funds to the Federal Treasury. The Commission made approximately 810 recommendations on ways to reduce paperwork of which 60 percent were acted upon by Congress. There is an estimated $3.5 billion in first year savings as a result of the recommendations already being implemented, and an estimated first year savings of $10 billion if all recommendations are put into effect.

Thus I believe the news of such a successful endeavor by a Federal Commission should be made more available to the American public. Too often the public is exposed to Government endeavors which are unsuccessful. It is good to publicize when the Government does something effectively and efficiently.

"EUBIE" BLAKE BEGINS HIS 95TH YEAR

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. CONYERS. Mr. Speaker, today, February 7, is the 95th birthday of James Hubert "Eubie" Blake, one of America's greatest musical artists and composers. A creator of ragtime and Broadway musicals, he has become a legend in his time.

Eubie Blake was born in Baltimore in 1883, the last of 11 children and the only one to survive past infancy. His parents were once slaves. He learned his musical skills outside of school, joining a singing quartet at age 12, a vaudeville show at 15, and composed his first song, "The Charleston Rag," in his 16th year. Despite the limited opportunities to study music and difficult circumstances—for two decades he survived by performing in every manner of nightclubs, and even on the back of a horse-drawn wagon—Eubie played his music and composed his songs until they became the classics of the day.

In 1915 Eubie launched a new career in Broadway musicals by teaming up with Noble Sissle, his lifelong friend and partner. Along with the comedy team, Miller and Lyles, they created a series of all-black Broadway musicals that inspired a whole new generation of jazz artists and audiences alike. Its enormous success was followed by several other musical scores and memorable songs such as "Memories of You."

Eubie Blake symbolizes the greatness of jazz and its standing among audiences throughout the world as the classical music of America. At 95 Eubie Blake continues to delight musical audiences, for which we are all immensely grateful.

TRIBUTE TO JOHN CRAMER

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. UDALL. Mr. Speaker, not long ago, I introduced a "whistleblower's bill" to protect Government workers who report on things and people that go wrong in the Federal bureaucracy.

Learning of the semiretirement of John Cramer, it occurred to me that he probably was one of the alltime whistleblowers in this city, a man who whistled from a bully pulpit, a column that began in the old Washington Daily News and continued in the Washington Star.

John deserves recognition as one of the best journalists in Washington. For nearly 40 years, he has represented the best in journalism—a reporter with a deep pride in his craft who was fair, careful, and diligent with facts, fearless, and with a deep, human side.

He did not just blow whistles. John knew that the great majority of Federal employees are topnotch, reliable, conscientious people, and he wrote about their point of view, and about their problems.

In journalism, a reporter who gains respect from the opposition has hit one of the high marks of the business. John recently was the subject of such a tribute, in the form of a column written by Mike Causey of the Washington Post.

I include Mr. Causey's column in the CONGRESSIONAL RECORD. It is worth reading, because John Cramer is worth remembering.

[From the Washington Post]

"GODSPEED" TO RESPECTED RIVAL

(By Mike Causey)

After spending 36 years slaving over a hot typewriter (and loving every minute of it), John Cramer, The Washington Star's popular federal columnist is going into semi-retirement.

John's long career (begun with the old Washington Daily News in 1941) covers a lot of ground. He leaves a trail of delightful writing, top investigative reporting, and a legion of sadder but wiser federal officials who felt his wrath. And lots of friends and admiers. He's the dean of the crew of writers who cover government workers. John did it longer, and better than most.

For lots of people in and out of government it is sad that John is pulling the plug. The good news, however, is that he will write a column every Sunday in The Star. His colleague, Joseph Young, will do the Federal Column Tuesday through Saturday.

Cramer titled against the federal windmill in his lively column in the old Daily News until it merged with the Star in 1972. Crooked, dumb or pompous federal officials would tremble, as they opened the tabloid to page 2, where John always called it the way he saw it. Often the Daily News would make it easier with a banner headline to find his column.

John was usually for the underdog, and always for good government. He is credited with killing off a number of plans and legislative proposals that would have hurt government workers, or given undue benefits to officials.

At least two pieces of legislation dealing with the civil service are unofficially called

"The Cramer Act" and "The Cramer Amendment" because he pushed them into law. President Johnson once invited him to the White House for the signing of a "Cramer" law, along with the members of Congress who agreed that John had done more than the rest of them put together.

A major news magazine once decided to do a feature on Cramer. They wanted to find out what made the popular, and durable, columnist tick. A researcher asked what his philosophy was How he could cover the government daily for so long and maintain his sanity.

Cramer is said to have told them something like: "My philosophy is that the U.S. government is made up of some awfully good—people who are under some dreadfully bad management." Regular readers of the column know he never strayed from that philosophy, protecting the little people and deflating the big ones.

"John Cramer gave me a harder time than anybody in this town," said a top General Services Administration official. "He would tear a piece out of my hide regularly. But nobody was more honest, or fair." That kind of comment keeps cropping up when friend and foe talk about John Cramer.

Despite our rivalry, John and I did collaborate on a research project in the mid-1960s. It lasted for several years. The place was a 14th street NW restaurant called the Dolphin, located almost exactly between the Post and the News buildings. The original building, unmarked by any plaque to our research, remains.

The purpose of our studies was to determine the effects of certain selected distilled beverages on the brains of two Americans of Irish descent. We did it without compensation and today ask no praise for whatever humble contribution to science we might have made.

One day, John arrived early. He was several test tubes ahead of me.

A woman came into the restaurant. She walked over to the table, littered with olives, onions, lemon rinds and paraphernalia for stirring liquids. She stopped, studied John for a moment and said:

"Pardon me, aren't you John Cramer?"

(In those days, the Daily News ran a drawing of John's profile with his column.)

"Yes ma'am," John said.

"You look exactly like your picture in the newspaper," she said.

"I know," Cramer replied. "I'm sorry."

Actually, there is no need for John to be sorry, during his 36-year war and love affair with the bureaucracy. He did nice work.

FRANK BROPHY, OUTSTANDING CITIZEN

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 6, 1978

Mr. RHODES. Mr. Speaker, I would like to join my colleague in paying respects to Frank Brophy, who was a well-loved and respected citizen of our State, and a warm personal friend of mine.

Frank Brophy was a descendant of a family that pioneered banking in Arizona during the early copper mining days, founding banks at Bisbee and Douglas. From the time when Arizona had little but sunshine, sagebrush, and scattered settlements, the Brophys have been in the forefront of the banking industry that financed its growth. Frank was chairman of the board of Douglas Bank and active in Valley Bank, both institutions that have financed a wide range of economic development projects.

He was a writer, a rancher, and a firm and ardent supporter of States rights. He introduced pedigreed citrus and helped develop Sphinx dates. He participated in many civic activities, raised purebred cattle and fine horses, and was a director of the Arizona National Livestock Show, chairman of the Arizona Racing Commission, and a member of the State Fair Commission.

Frank Brophy was a colorful individual, a man of vision and vociferous enthusiasm for Arizona and the free enterprise system. I extend my condolences to his family, and feel a heavy sense of personal loss in his passing.

A NEW WATCHDOG TO KEEP WATCH ON THE OLD WATCHDOGS?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. HYDE. Mr. Speaker, at the risk of incurring the wrath of consumer activists, and with the absolute certainty that I will be accused of being anticonsumer and probusiness, I vigorously oppose the creation of a "super" agency whose main purpose would be to represent the interests of consumers (as interpreted by this new elite) in Federal agency proceedings.

Proponents of this legislation contend that this new agency is necessary because existing agencies are not doing their job. The logic seems to be that we need a new watchdog to keep watch on the old watchdogs.

There are many things wrong with H.R. 9718, the Consumer Representation and Reorganization Act of 1977, the first of which is the autocratic manner in which it is being forced upon us, and in turn, the American people. This is only the latest example of numerous attempts to ram bad legislation down our throats.

H.R. 9718 has never been before committee, and cannot even be considered a committee substitute. The original legislation survived the Government Operations Committee by a one-vote margin, hardy indicative of strong committee support.

Nevertheless, the Democratic leadership, under mounting pressure from the White House to help Jimmy Carter keep a campaign promise, declared that the House would consider the newest version of the bill on February 7, and here we are.

The administration claims this measure will "reorganize certain consumer programs." They fail to point out that a single Executive order could consolidate all existing consumer agencies into one.

The new Office of Consumer Representation will have the authority to intervene in nearly every agency proceeding, and would place the full weight and power of the executive branch against the respondent, adding a huge array of powers already given existing agencies: A second prosecutor, free to intervene, investigate, depose, subpena, interrogate, examine, cross-examine.

Consumer advocates claim that an Office of Consumer Representation will have no difficulty in determining just what is in the consumer's interest. Which consumer? We are all consumers, with differing points of view.

The last time certain consumers insisted on mandatory seatbelts. Congress gave them what they wanted. The result: Congress was deluged with angry mail and rescinded the law, but not before it had cost consumers $2.4 billion extra for their new cars.

Which consumers will the new agency represent, those who agree with Ralph Nader on every issue? The environmentalist? The conservationist? The taxpayer? The poor? The middle class? The homeowner? The renter? The large family? The elderly? Obviously there is no one point of view for the consumer.

Which consumers would the new agency have represented in the recent FDA ban on saccharin?

What about the dozens of new statutes already on the books, from the Hazardous Substances Act to the Fair Labeling and Packaging Act, from the National Traffic and Motor Vehicle Safety Act to the Consumer Goods Pricing Act?

The American people do not want another new agency; they want less Government interference in their lives. They want President Carter to keep his campaign promise to streamline the Federal Government and reduce the size of the bureaucracy, not create more.

Congress ought to exercise tough oversight over those agencies which already exist to protect the public interest rather than create a new one.

LEGISLATING RESPONSIBLY: LIMITING LEGISLATION ON APPROPRIATIONS BILLS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. HARRIS. Mr. Speaker, today I am introducing a resolution to limit legislation in appropriations bills and I am pleased that 26 Members of the House have joined me by cosponsoring this measure.

The separation of legislation and appropriations is a fundamental principle of constitutional government, from which derives our authorizations-appropriations process and the jurisdictional structure of our committees. However, the House has compromised this principle in several ways over the years.

Basically, my resolution, first, prohibits limitation amendments, which are conditions on spending that are allowed through practice in the House; and second, deletes the "Holman rule," which

has permitted certain changes in existing laws in appropriations bills. The text of my resolution, the history of the current rule, and my reasons for introducing this measure appeared in the CONGRESSIONAL RECORD on January 19 on page 125.

It is my belief that our authorizing committees can and should handle policy question thoroughly and deliberatively. Appropriations bills should be money measures for purposes authorized in law. They should not become "issue Christmas trees."

The following Members of the House are cosponsors of this resolution. I look forward to additional Members joining this bipartisan group:

LIST OF COSPONSORS

Mr. Brodhead, Mr. Buchanan, Mr. Carr, Mr. Cotter, Mr. Danielson, Mr. Edwards of California, Mrs. Fenwick, Mr. Fithian, Mr. Krebs, Mr. Mann, Mrs. Meyner, Ms. Mikulski, and Mr. Miller of California.

Mr. Moss, Mr. Ottinger, Mr. Patterson of California, Mr. Pattison of New York, Mr. Rose, Mr. Runnels, Mr. Ryan, Mr. Solarz, Mrs. Spellman, Mr. Stokes, Mr. Weaver, Mr. Whitley, and Mr. Zablocki.

CONGRESSMAN BEVILL'S LETTER TO THE PRESIDENT ON ADMINISTRATION NUCLEAR POLICIES

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. McCORMACK. Mr. Speaker, on January 25, the Honorable TOM BEVILL, chairman of the Public Works Subcommittee of the Committee on Appropriations, wrote to the President relating the impressions Congressman BEVILL had received during his recent trip to Europe. Congressman BEVILL visited the heads of the energy agencies of the Western European nations, met with the leaders of the International Atomic Energy Agency, and toured the French liquid metal fast breeder demonstration project.

Congressman BEVILL's impressions, as he related them in his letter to the President, provide an important message for all Americans, and constitute an important contribution to our thinking of one of the most significant aspects of a responsible national energy program. I am, with his permission, inserting a copy of Congressman BEVILL's letter to the President at this point into the RECORD:

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Partly because of the growing controversy between the Administration and the Congress with respect to the pace and direction of the nuclear power program, I have been looking more deeply into nuclear energy issues nationally and internationally.

Recently, I had an opportunity to visit with the Director General of the International Atomic Energy Agency, the Executive Director of the International Energy Agency, and energy officials in the Republic of Spain. I also visited the French East Breeder Reactor Demonstration project (Phoenix) and the nuclear waste vitrification facilities at Marcoule. Members of my Subcommittee staff visited similar nuclear facilities in the United Kingdom.

I found great concern that the U.S. is abandoning its position as the world leader in peaceful nuclear technology by its decisions to defer indefinitely reprocessing of nuclear fuel and delay development of the liquid metal fast breeder reactor. It seems that most nations of the world have had great confidence in the breadth and depth of the U.S. nuclear programs. They believed that our intense concern for nuclear safety and critical licensing processes could be depended upon to provide safe nuclear energy options for those nations that do not have our energy reserves, nor capital resources to invest in nuclear development. Now, there is great uncertainty as to our policy and intentions, and suspicion that our International Fuel Cycle Evaluation initiative masks an arbitrary decision by the Administration to limit development and use of nuclear power for energy purposes.

All of our contacts supported U.S. objectives of preventing further nuclear weapons proliferation and assuring adequate nuclear safeguards. But we found no responsible official at the technical level who believes we should defer reprocessing of light water reactor fuels or delay development of the uranium-plutonium cycle liquid metal fast breeder reactor because of proliferation or safeguards concerns. All seemed to think that with appropriate national and international agreements, present programs can be adequately safeguarded, and that the world needs for energy dictate aggressive development of nuclear energy capabilities, particularly a viable breeder reactor.

We found almost universal surprise and amazement at U.S. proposals to reexamine technologies previously rejected in favor of the LMFBR option since this seems unwarranted on any technical grounds.

Partly because of concern over U.S. policy, Spain, for example, has decided to order four large nuclear power plants from a non-U.S. supplier and to buy nuclear fuel from Russia. They have contracted with Britain and France for reprocessing. Such decisions aggravate our unfavorable trade balances and further weaken our position of leadership in nuclear matters.

IEA world energy projections indicate that other nations need to turn to a more permanent source of energy, such as fast breeder reactors, well before the turn of the century. Russia, France and Britain each have already developed and operated 250 MWe fast reactor prototypes comparable to our Clinch River project and have shown great progress in liquid metal technology. They are moving aggressively to reprocess present fuels and have demonstrated technology to reprocess fast reactor fuels. Their waste management programs seem comprehensive and adequately designed to deal with problems of nuclear wastes. These countries are already at work on commercial size breeder reactors.

In the U.S. it would seem sensible to move to more permanent energy sources at an early date to conserve our exhaustible fuels. Also, there is growing concern over the potential environmental consequences of greatly increased use of depletable resources for energy needs.

The Administration's 1979 budget calls for "a strong but reduced base technology for the the liquid metal fast breeder reactor" and again proposes cancellation of the Clinch River demonstration plant. Overall, the budget reflects a reduction in funds for the breeder program from $708 million in 1977, to $517 million in 1978 and further to $367 million in 1979—a decrease of nearly 50 percent in two years. The 1979 budget also reduces funding for nuclear fuel cycle activities by 13 percent.

These reductions seem inconsistent with Administration statements regarding the need to move to more permanent energy sources In addition, while the budget characterizes the Clinch River plant as an "unnecessarily expensive plant based on outmoded technology", nothing is proposed in its place which might help to move U.S. technology back to the forefront.

I know of the pressures being exerted by those who oppose the peaceful use of nuclear power in this country and who would like to stop our development programs. But it is obvious that others are proceeding without us and, in fact, may now be several years ahead of us. It appears that the choice is whether we decide to maintain a posture of leadership to assure safe use of nuclear energy in the world, and to secure our future energy options, or whether we abandon our leadership role to others and take added risk with respect to energy supplies through a hiatus in our nuclear development and demonstration programs. I think this latter course is dangerous to the Nation and strongly urge your personal reconsideration and redirection of the Administration's present planning.

I would be pleased to discuss this matter with you if you wish to do so.

Sincerely,

TOM BEVILL,
Chairman, Public Works Subcommittee.

KILLINGSWORTH: "THE CASE FOR THE HUMPHREY-HAWKINS BILL"

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. CONYERS. Mr. Speaker, with any new legislation that represents a major departure in the way Government solves problems, there is bound to be strong reaction. This is particularly the case with the Humphrey-Hawkins full employment bill. Conservative critics allege it will harm the economy. Critics on the left castigate it as being merely symbolic. Both positions misperceive the nature of H.R. 50.

The full employment bill does four things, which never have been tried before. It sets a goal of 4 percent or less unemployment (3 percent for adults) by 1983; coordinates economic and budget policy, as well as all phases of Federal activity, into a coherent full employment plan; utilizes a wide variety of policies to achieve the goals, including private sector incentives, public service jobs, and targeted investment, job training, and employment in economically depressed areas; and, provides safeguards against inflation. The very policy process which H.R. 50 establishes provides for monitoring and evaluation, thereby insuring that the most effective policy instruments will be chosen to achieve the full employment goals.

Last Friday Dr. Charles Killingsworth, the distinguished labor economist at Michigan State University, testified in support of H.R. 50 before the Senate Subcommittee on Employment, Poverty, and Migratory Labor, chaired by Senator GAYLORD NELSON. As a leading authority on employment policy, Dr. Killingsworth has considerable knowledge about the weaknesses of existing policy. I urge my colleagues to consider care-

fully his closely reasoned defense of Humphrey-Hawkins:

THE CASE FOR THE HUMPHREY-HAWKINS BILL
(By Charles C. Killingsworth*)

Rational discussion of the Humphrey-Hawkins Bill faces three impediments. The first impediment is the view that unemployment is now declining rapidly because of the operation of the "natural" forces in the economy, thereby reducing the need for measures like Humphrey-Hawkins. The second impediment is that there have been four different versions of the Humphrey-Hawkins Bill in the last several years, and the differences between these versions are in some respects quite substantial. The third impediment, related to the second, is that hardly anyone now writing or speaking for the popular media has actually read the full text of Humphrey-Hawkins IV, the version now under consideration. In this statement today, I wish to comment briefly on each of these impediments. Then I will turn to an appraisal of the most significant contributions that the bill would, in my judgment, make to employment policy in the United States.

Last month the Bureau of Labor Statistics announced that the national unemployment rate had dropped to 6.4 percent in December, 1977, and that revised seasonal adjustments showed a fairly steady decline in unemployment since the first quarter of the year. Some analysts have found these revised unemployments rates "incredible," but the general public finds no persuasive reason to doubt the validity of these official government figures.

Some opponents of Humphrey-Hawkins have suggested that the sharp recent drop in unemployment rates weakens the case for this proposed legislation. I believe that is a fallacious view. It is extremely important to recognize that at least half of the decline in unemployment since June, 1977, must be attributed to the rapid expansion of the Public Service Employment program since that date. More than 300,000 new jobs have been created in the last six months by that program. Most of those hired were unemployed when they got PSE jobs. There are also other governmental job creation programs which, although they have not expanded rapidly in the past six months, are quite large. College Work-Study, CETA youth programs, on-the-job training and similar on-going programs contribute to the employment total. My rough estimate is that about two million persons are currently enrolled in such programs (including 700,000 in Public Service Employment). If all of these programs had been terminated as of early December, the reported national unemployment rate would have been between 8.0 and 8.5 percent in that month, rather than the 6.4 percent actually reported. The Humphrey-Hawkins Bill implies continued reliance, as needed, on the direct job creation efforts of government. It is illogical, to put the matter mildly, to argue that because unemployment has now been substantially reduced—in large part by this policy—the need for Humphrey-Hawkins has also been reduced. This country still has the menacing problem of a labor market with inadequate capacity for spontaneous job creation in some areas.

It is understandable that some otherwise well-informed persons are not aware of the substantial differences between the successive versions of Humphrey-Hawkins. The sponsors of this bill have been remarkably responsive to the friendly and even the not-so-friendly critics of the proposal, and Humphrey-Hawkins IV is a markedly different bill from Humphrey-Hawkins I. So far as my personal views are concerned, I was unable to support Humphrey-Hawkins I; I had some reservations about Humphrey-Hawkins II; I endorsed Humphrey-Hawkins III; and I think Humphrey-Hawkins IV is a significant improvement over its predecessor. Many people with whom I have discussed the Humphrey-Hawkins proposal recently still have reservations based on provisions which no longer appear in the bill. A substantial educational effort will be necessary to overcome these obsolete criticisms.

Thus far, with a few outstanding exceptions the popular media have not been very helpful in informing the general public about the current Humphrey-Hawkins proposal. I get the impression that some of those writing and speaking on the subject have never actually read the full text of any of the proposals. Some of the assertions now being published appear to be based on gossip over one of the famous three-martini lunches. Thus, one respected national publication editorially condemns Humphrey-Hawkins IV on the ground that it is a "hollow promise" that will deliver nothing; and a few days later another national publication condemns the same bill on the ground that it will produce more inflation, more government spending, and more government intervention in the economy. It is hard to see how both could be right. I don't think either one is.

In my judgment, Humphrey-Hawkins makes four fundamental contributions to the development of a rational and effective employment policy in the United States. They are as follows:

(1) The bill recognizes fairly explicitly that merely pressing a button labeled "tax cuts" will not solve our chronic unemployment problem.

(2) The bill sets a goal of 4 percent unemployment (3 percent for adults) by 1983.

(3) The bill describes a variety of policy instruments that should be considered in developing a balanced program for the achievement of the target rate of unemployment.

(4) The bill provides a detailed set of procedures to be followed by the President and the Congress in developing the full employment program.

Some critics complain that the Humphrey-Hawkins Bill is virtually meaningless because it does not, by its own terms, provide a blueprint for the rapid achievement of full employment. I think understanding may be helped by comparing the Humphrey-Hawkins approach with the planning of a journey. First you pick a destination, and then a time of arrival. Then you get a set of road maps, showing the various routes you can follow to your destination. After these steps, you still have a great amount of planning to do; and after you are under way, you may have to change those plans because of unexpected conditions along the way. If you are a pessimist, you may keep in mind that there is a possibility that you may never reach your goal. But if you are a realist, you will know that it is certain you will never reach your goal if you never make a beginning. Humphrey-Hawkins provides that kind of beginning—the goal, the timetable, the road maps.

I think the most important contribution of Humphrey-Hawkins would be one that is only implied by the language of the bill. It would compel conscious planning of government policy for an explicit employment goal; thereby, it would induce a process of comparison, evaluation and selection of employment policy instruments on the basis of their relative effectiveness in reaching the goal of full employment. The result, I think, would be a considerable change in emphasis in our national employment policy. One briefly-stated example will illustrate the point. Since the early 1960s, our principal reliance has been on tax cuts to reduce unemployment. Relatively little effort has been made at high policy-making levels to compare the effectiveness, and especially the cost-effectiveness, of tax cuts and other employment policy instruments. Recent studies have shown, however, that of the various major employment policy instruments, tax cuts are the least cost-effective of all.

A tax cut of $8 billion, it has been shown, may be expected to create roughly 320,000 jobs. A Public Service Employment program costing $8 billion may be expected to create about 1,000,000 jobs initially. But that is an understatement of the total effect. By conservative estimating methods, it can be demonstrated that the spending of the PSE paychecks will create at least another 320,000 jobs. In other words, the secondary job creation effect of the PSE program is at least as large as the total effect of the tax cut. And it is important to emphasize a further point. The PSE program has been criticized on the ground that it creates jobs only in the public sector. That is a mistaken notion. Virtually all of the 320,000 jobs created by the spending of PSE paychecks will be in the private sector. The "bottom line" is that, with equal expenditures, the PSE program creates about four times as many jobs as a tax cut.

Furthermore, a tax cut is unlikely to do much to relieve the problem of communities that are hard-hit by structural unemployment—like Youngstown, Johnstown, Lackawanna, Akron, and a long list of others. Indeed, President Catrer's investment credit proposals may actually hasten the process of abandonment of aging production facilities, thus enlarging the overall problem of structural unemployment. And it is now generally recognized that tax cuts leave untouched the most extreme part of the national unemployment problem—that of black teenagers, especially those in central cities. By contrast, the PSE program can be (and to some extent already is) designed to reach precisely those communities and labor market groups that are helped least, or not at all, by tax cuts.*

I do not mean to imply that a Public Service Employment program is a panacea for unemployment. My point is that too often in the past our employment policy has been shaped by ad hoc decisions based on untested assumptions about the realtive effectiveness of this or that instrument, particularly tax cuts. The experience that we have accumulated in the last two decades with a variety of other remedies for unemployment—manpower training, subsidized private employment, relocation allowances, public works, and job banks, to mention a few—provides a basis for comparative analyses that will lead to the development of a more cost-effective and better-coordinated employment policy than we have had in the past.

I have left for the last what may be the most frequently-heard objection to the Humphrey-Hawkins Bill. Can we have full employment without inflation? My answer to that question is, probably not. But the question is quite misleading. I think inflation (to some degree at least) is likely to be with us for many years whether we have full employment or not. There is now a fairly widespread recognition among economists

*University Professor of Economics and Labor Industrial Relations, Michigan State University; President, Industrial Relations Research Association. The views stated herein are those of the author and should not be attributed to any organization with which he is affiliated.

*I have developed the ideas summarized in the paragraphs above in much more detail in a recent article (with Christopher T. King) entitled, "Tax Cuts and Employment Policy," published in a book entitled, Job Creation—What Works? (Salt Lake City: Olympus Press, 1977). The article has just been reprinted in full in the Congressional Record (House Proceedings) for January 26 and 30, 1978.

that in recent years our problem of inflation has not originated in the labor market. I do not believe that full employment will cure inflation. I do believe that inflation is an important problem, but it should be attacked at its true sources and not by the intolerable and ineffective "remedy" of high unemployment rates. The Humphrey-Hawkins Bill would make an indirect contribution to better control of inflation. I have just pointed out that this unemployment calls for the development of more cost-effective unemployment remedies than we have emphasized in the past. The predictions of accelerated inflation resulting from the Humphrey-Hawkins Bill have been based on analyses of the past, sometimes the very distant past), when our primary reliance has been on tax cuts, which are far more costly and far less effective as unemployment remedies than the more modern instruments developed in recent years. These predictions are as obsolete as the old-fashioned policies on which they are based.

One final observation. It would be fatuous to insist that Humphrey-Hawkins IV is perfect as it stands and that not a word or comma in it should be touched. I have some small remaining quibbles with it myself. But the bill itself includes explicit procedures for reconsideration of goals and methods in the light of experience. Furthermore, I believe that experience with employment and training legislation during the past two decades justifies considerable faith in the efficacy of legislative oversight, at least in this field. The example of the Manpower Development and Training Act of 1962 is instructive. Congress monitored that legislation closely. Major improvements in the law were enacted regularly, and the whole system was fundamentally revised after a dozen years of experience by the passage of the Comprehensive Employment and Training Act—which itself is now up for revision. As all informed persons know, this Subcommittee has played a key role in that process of steady improvement on the basis of experience. But improvement is not likely if you never even start the program. I believe that the Humphrey-Hawkins Bill represents a sound beginning, and I respectfully suggest that this Subcommittee would serve the nation and its people well by a favorable report on this bill.

THREE CHEERS FOR DR. BUTTERFIELD

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mrs. SCHROEDER. Mr. Speaker, the American Medical Association (AMA) recently adopted a statement on parent and newborn interaction supporting the bonding process between newborn infants and their mothers. The process enhances and humanizes the birth experience, allowing the mother, newborn infant, and father to make skin-to-skin contact and eye-to-eye contact in the moments immediately after birth.

Dr. L. Joseph Butterfield, M.D., chairman of the department of perintology at Children's Hospital in Denver and past chairman of the Committee on Maternal and Child Care, and one of my heroes, originally spearheaded the work of the AMA on the bonding philosophy and developed early drafts of the statement for the AMA. He has been working a long time trying to get the importance of the bonding concept recognized—it looks like he has finally done it.

The recognition of the importance of family-oriented childbirth is a major step in the right direction toward more family interaction. I think Dr. Butterfield hit the nail on the head when he said:

Until this entire country gets back into the family business, we are on a headlong course for disaster in terms of human relationships and family interaction.

THE NEED FOR AN INVESTIGATION OF ATTORNEY GENERAL BELL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. CRANE. Mr. Speaker, Attorney General Bell's handling of the replacement of David Marston as the U.S. attorney for the eastern district of Pennsylvania has raised questions nationwide—in legal circles, on Capitol Hill, among the general public—as to the credibility not only of candidate Carter's campaign pledge to appoint Federal judges and prosecutors "strictly on the basis of merit" but also of nominee Bell's commitment under oath before the Senate Judiciary Committee that the Justice Department "will not be used for political purposes."

Most recently, however, information has been produced which alleges the existence of a deal between Griffin Bell and Senator JAMES EASTLAND that, in return for taking appointments to the Federal district courts out of the patronage system, U.S. attorneys' nominations would remain as political plums. This agreement is reported to have taken place on December 13, 1976—one week before his nomination by President Carter to be Attorney General and 3 weeks before his testimony (to the contrary) at his confirmation hearings.

Various other shreds of evidence are surfacing—mainly at inopportune moments such as Jody Powell's briefings or Presidential news conferences. One of these intriguing tidbits is the Attorney General's testimony on June 22, 1977, before Congressman ROBERT DRINAN, who is the author of a bill to turn the appointment of all U.S. attorneys over to the Attorney General under the civil service merit system. When asked if he could support this legislation, Bell replied he could not due to "an agreement with the Senate," that is, the aforementioned deal with Senator EASTLAND. With this rather shocking statement to handle, the Justice Department first denied the existence of such an agreement. Of late, Justice has admitted that "an oral exchange between Judge Bell and Senator EASTLAND * * * in late December of 1976 or early January of 1977" did in fact occur. Obviously, the date of this exchange is crucial to the unraveling of this tale.

Further, Attorney General Bell is quoted as saying on January 9, 1978, that he (Bell) had "nothing against Mr. Marston * * * but this is the political system in this country." Finally, after firing Marston, Bell flatly stated that the U.S. attorney's removal was precipitated "not because of lack of merit qualifications, but solely because of political considerations."

Innuendo feeds on innuendo; suspicion breeds even more suspicion. At present, the position of the chief arbiter of justice in our land, the Attorney General, is under fire. Among other movements from various quarters, Republican National Committee Chairman Bill Brock has called for the Attorney General's resignation, citing his politicization of the Justice Department and its appointment process. Our system of justice is, at present, viewed with skepticism by a large number of the American people; Federal officials in particular are subject to intense scrutiny and/or disdain for what is often rightly perceived to be a comfortable distance above the sanctions of the law.

Thus, I have introduced legislation, House Resolution 1002, calling for the investigation by the House Judiciary Committee of any infractions of the law by Attorney General Bell. Congress is the appropriate body to launch such a discovery process, and it is with the House Judiciary Committee that such investigatory power rests. The questions and suspicions of the American pepole, the Congress, and members of the legal profession deserve credible and well-documented answers. Should any irregularities in conduct be uncovered, these, too, should be brought out into the open and the appropriate disciplinary steps taken. This country should not be forced to sit still and wonder while another gaping wound in our democratic system is allowed to fester.

Thus, my resort to a congressional investigation. Let us deal with this problem out in the open—in front of the TV cameras if necessary—and find the answers to these questions and allegations in a meaningful and comprehensive manner.

OUR NATION'S VETERANS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. YOUNG of Florida. Mr. Speaker, today the House Veterans' Affairs Subcommittee on Compensation, Pension and Insurance began to hold hearings on veterans' pension programs. During the course of the subcommittee's deliberations, numerous proposals dealing with our Nation's veterans will be considered. I had the opportunity to submit testimony on behalf of my own proposal which would provide a general service pension program for World War I veterans, as well as my proposal to protect veterans' pensions against cuts caused by increases in social security benefits. I believe very strongly that this legislation is of particular importance,

and would like to take this opportunity to bring my testimony to the attention of all my colleagues in the hope they, too, will actively work toward enactment of these proposals:

TESTIMONY OF HON. C. W. BILL YOUNG OF FLORIDA

Mr. Chairman, I appreciate having the opportunity to testify once again on the urgent need to provide special financial protection for our World War I veterans, as well as the need to protect all veterans' pensions against cuts caused by increases in social security benefits.

As you will recall, during last year's consideration of the Fiscal 1978 Budget Resolution, we were successful in adopting an amendment to H. Con. Res. 341 to increase budget authority by $700 million for the purpose of implementing a pension program for veterans of World War I—once such a penison program is approved by the Congress. During the debate of this important amendment, we received assurances that hearings would be held early this year on legislation to establish a World War I pension program. I am very pleased that this promise is being kept and that during the course of your Subcommittee's deliberations on pension reform, my bills and others to establish a World War I pension program will be considered.

Since I have actively fought for legislation to provide a general service pension for our veterans of the First World War throughout my tenure in the U.S. House of Representatives, it is extremely gratifying to note this resurgence of interest in the plight of World War I veterans by the Veterans' Affairs Committee. The creation of a general service pension program for these veterans and their widows is necessary if we are to provide them with benefits comparable to those provided the veterans of every other major war in which our country has, unfortunately, become involved. For example, veterans of the Spanish-American War and earlier conflicts were provided unrestricted pension programs; veterans of World War II, Korea and Vietnam are given broad benefits under the GI bill of rights. The legislation I have introduced (H.R. 1386 and H.R. 1387) is aimed at providing those World War I and Mexican Border veterans with some form of equity at a particularly difficult period in their lives.

My legislation proposes to extend the existing unrestricted pension program for Spanish-American War Veterans to include World War I and Mexican Border veterans and their survivors, and to increase the monthly pension rates under the expanded unrestricted pension program. The number of living World War I veterans fell below 1 million in fiscal year 1975 and, according to the Veterans' Administration, this figure is now somewhere around 700,000—and that number is decreasing at an average rate of 100,000 per year!

Mr. Chairman, when the cause of world freedom called, these Americans answered the challenge—often at great personal sacrifice. As their numbers rapidly decrease due to increasing age and, in many instances, deteriorating health, they need the help of the Nation they served so well. And they need this help now more than ever before. By ensuring these veterans and their families with adequate pensions—without regard to outside income—we will ensure that our World War I and Mexican Border veterans are able to maintain their dignity and respect during their remaining years.

I am also pleased to note that this able Subcommittee will consider another recurring problem facing all veterans, and the means by which to alleviate this problem relating to veterans' pensions versus social security increases. As I have previously testified before this Subcommittee, due to the large number of veterans residing in the Sixth Congressional District, I am also particularly aware of the plight of those veterans who have been stricken from the rolls, or who have had their pensions reduced, as a result of increased social security benefits. In response to the fact that VA pensions frequently go down when social security benefits automatically go up, the Congress has for the past several years enacted legislation providing increased veterans' benefits. Although these "catch-up" increases are usually not the same percentage as that of the social security increases, they are aimed at alleviating the present unfortunate situation confronting our Nation's veterans on a yearly basis. What is the object of doling out larger sums of social security to these people in an effort to allow them to barely keep pace with the rate of inflation while, at the same time, reducing their veterans' pensions as a result of these increased social security benefits?

Unless we enact legislation such as I've sponsored, this vicious cycle will continue to devastate our veterans year after year. My bill, H.R. 1385, is aimed at providing this necessary protection by stating that recipients of veterans' pensions are not to be penalized by increases in monthly social security benefits. Mr. Chairman, I urge this Subcommittee to delay no longer in correcting this inequitable situation so that our veterans will no longer have to face each New Year darkened by the prospect of lost or reduced pensions.

In conclusion, Mr. Chairman, I think the facts before us are crystal clear. Reform is long overdue, and the time remaining grows exceedingly short. We need to enact legislation to provide a general service pension program for World War I veterans, and we need to enact legislation to protect veterans pensions. I urge speedy committee action, and offer my assistance to do whatever is necessary to secure final approval of this legislation.

FORMER SECRETARY OF NAVY MIDDENDORF ALERTS US TO THE DANGER IN THE MEDITERRANEAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. KEMP. Mr. Speaker, earlier this week in a letter to the editor of the Washington Star (January 31, 1978), the distinguished former Secretary of the Navy, the Honorable J. William Middendorf II has provided a most impressive analysis of the dangerous situation now evolving in Italy. Italy is the host nation to our key naval installations in the Mediterranean. Moreover, Italy shares responsibility with the U.S. Navy for the security of NATO's southern flank. We all have an immense stake in the outcome of the parliamentary maneuvers now underway in Italy. Should these maneuvers succeed in placing Communist deputies in an Italian Government, the security of NATO could be gravely undermined. I commend Secretary Middendorf's letter to the attention of the Congress, and include the text of his well-informed letter:

REDS ON THE BLUE MEDITERRANEAN

The fall of the Italian government could signal peril ahead for the fragile fabric of the free world. Italy, a stalwart member of NATO, makes a major contribution to the security of Southern Europe and to its soft underbelly, the Mediterranean. The Italian navy, for example, presently shares with the U.S. Navy key responsibilities in keeping that body of water a relatively peaceful lake.

The large and growing Soviet naval presence in the area, coupled with the withdrawal of the British and our own increasingly strained naval resources, makes Italian support all the more valuable. Further, if it weren't for the availability of Italian port facilities, we would not be able to maintain anywhere near the peace-keeping presence there that we do now. The critically important stabilizing presence of the Sixth Fleet during the 1973 Middle East war would not have been possible without our use of these ports.

For one reason or another, most other Mediterranean ports have been closed to us, and the potential loss of Italian ports or, indeed, any weakening of Italy's NATO resolve and cooperation as a result of Communist influence within their government would be cataclysmic to the West.

The makeup of the new Italian government will thus be watched with greater than usual interest in the West. Southern Europe or, to be more precise, Latin Southern Europe, is faced with an inexorable advance of Communist parties from within. In Italy, France and Spain, Communist parties owe much of their success to their promise to build a different kind of Communist society one more humane than those in Eastern Europe, and independent of Moscow. Their leaders have repeatedly professed attachment to the principles of democracy and independence, have publicly criticized the repression of human rights in East European Communist countries and have promised that each Communist party has the right to decide on all internal matters without Moscow's interference.

Even if we don't question their sincerity, the real question is whether they can keep their promises once in power.

Let's take a closer look at the history of communism. Most Communist parties have started their political growth in "alliance" with other "progressive forces" in an attempt to solve some crucial national issue, usually to form a government. The next step is to share power in a government of "national unity," followed by a coup that leaves the Communists as the sole government.

The Communist moderate leaders of this first period are inevitably overthrown by hard-liners who accuse the former of weakness towards capitalism. The party is purged, bringing to the top those demanding "ideological purity." "Workers" and "peasants" replace intellectuals in key party positions. The terror begins: actual and potential opponents are physically exterminated, especially the moderate members of the Communist party. All revolutions must first devour their young.

One might argue that while this happened in Russia in 1917 (years later Kerensky, himself, told me how this process worked in his case) and in Eastern Europe in the late 1940s, times have changed. Not true. Look at the recent "national emergency" governments in South Vietnam and Cambodia in the transition period. The Communists first used representatives of churches and the bourgeoisie to gain their goals, then purged them all and even cracked down on the social categories that their former allies represented.

What this all means is that even if present Southern European Communist leaders were sincere in their desire to avoid the classical form of repressive communism, they would probably not be able to do so because of the unavoidable mechanics of the system.

It should be clear that the independence

of Communist countries towards Russia is imperfect and most temporary, while their sense of solidarity to Communist doctrine is constant. We should not underestimate the importance of their sharing a Communist ideology—they speak the same language. And there is also an emotional element: whatever differences exist, Russia remains the mother Communist country, and Moscow a Mecca for all Communists. Russian help will always be the preferred option to losing political power, because a pro-Moscow faction will always exist in any Communist party.

The recent very commendable statement by our State Department decrying Communist participation in the Italian government has been received with mixed feelings in Europe, and questions have been raised about our right to express opinions concerning momentous events in other countries. Like it or not, the fact remains that the United States is the main economic and military power in the free world, upon whose strength so many countries now depend. But we, too, depend on them. We cannot for long disregard what happens in other parts of the world. Embattled democratic forces in Southern Europe, under threat of communism, wait even long for our support.

Finally and more particularly, what these critics overlook is that we and Italy are members of a fundamental alliance and that the question of Communist participation in the government of an alliance member impinges directly on the solidarity and future of that alliance. The toleration shown by the democratic world to fascism in the 1930s led to the Second World War. We learned a bitter lesson the hard way. Let's not make the same mistake again.

J. WILLIAM MIDDENDORF II.

WASHINGTON, D.C.

ANOTHER VIEW OF THE WORLD OIL SITUATION IN 1985

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. STOCKMAN. Mr. Speaker, as is so often the case, the vital question of world oil supply and demand in the mid-1980's has become the subject of much controversy among experts. Because certain of these experts have jobs at the Central Intelligence Agency, their view has tended to predominate in public discussion. President Carter and Energy Secretary Schlesinger have defended many of the high-cost energy policy choices in the proposed National Energy Act by pointing to the tremendous crisis that is to befall the world in 1985.

The Central Intelligence Agency does not have a monopoly on information in this area, however. That is why I would like to commend the following article to my colleagues. It contains the views of Arnold Safer, a vice president of the Irving Trust Co. of New York, which is one of the world's largest banks. Mr. Safer argues that the OPEC oil price increases of the early 1970's will lead to a great expansion in non-OPEC-controlled supplies within the next few years. The implications of his article have considerable significance in our deliberations here as we consider proposals to force fuel substitution and uneconomic conservation programs upon the American consumer. I urge my colleagues to read this article as a first step to arriving at a balanced judgment on the question of what the world oil situation will be during the next decade:

WORLD OIL EXPERTS COULD BE WRONG, ECONOMIST SAYS

(By Arnold E. Safer, Vice President, Economics, Irving Trust Co.)

NEW YORK.—The very rise in world oil prices begun in 1974 is likely to lead to major oil surpluses around the world in the years ahead. Both geology and economics support this view. It is largely political trends which suggest the scarcity theory.

First, the world's proven reserves of crude oil were some 15 billion barrels higher in January 1977 than they were in January 1974, when the energy crisis burst onto the scene. In other words, over the past three years new discoveries outpaced consumption by an average of five billion barrels per year, extending our future oil consumption horizon from about 31 years to 33 years.

Second, new reserves from the North Sea and Mexico are likely to be identified rapidly over the next two or three years, so that the world's proven reserves will continue to increase at least into the early 1980s.

Third, to the extent that the geologist's concept of ultimately discoverable reserves is at all useful, the world is estimated to contain some additional 1.5 trillion barrels or enough oil to last for another 65 years at projected future consumption rates.

Fourth, with world economic activity likely to remain sluggish for some time ahead, there is little possibility of a major boom in petroleum demand.

Finally, U.S. energy policy is now committed to allowing higher prices for newly discovered natural gas, either through deregulation or continued regulation at higher prices. The prospect of higher prices has encouraged significant new drilling which in turn could lead to a greater availability of gas, thereby arresting the trend toward substitution of oil for gas.

While other energy sources remain mired in environmentalist controversy, drilling for new oil and gas in the U.S. and around the world is proceeding at a rapid pace.

In light of all these trends, we are projecting a continued easing of world oil markets at least through 1982 and potentially through 1985. Not only will more abundant oil supplies offer the prospect of lower oil prices (in real terms), but they will create the market environment in which the U.S. government could develop policies to dilute OPEC's price-setting powers.

Within the context of this gradual shift of the world's oil markets toward an excess supply condition, U.S. energy policy should seek to change the commercial mechanism by which oil is imported. Without this change, it is unlikely that oil consumers will benefit optimally from the improved conditions.

World Consumption

From 1955 to 1973, world oil consumption grew at an average rate of more than 7% per year. Since 1973, annual world consumption has grown at only slightly more than 1%. High prices, slow economic growth and a new emphasis on conservation have all contributed to the sharp decline in the growth.

Between 1977 and 1980, we project a 3.5% annual growth in world oil consumption—somewhat more rapid than in 1977 but still only about half the long-term historical rate. This forecast is based upon GNP projections for the U.S. (4%), Western Europe (2.5%) and Japan (5%). It assumes that oil consumption grows at about the same rate, despite government rhetoric about conservation and despite attempts to substitute alternate energy sources.

By late 1980 or early 1981, the world economy is likely to experience a recession. Its magnitude is not expected to be as severe as that of the 1974–75 downturn but it will be of sufficient depth to impact world oil consumption. Although the timing of the European and Japanese downturns might differ from that of the U.S., we have assumed a concurrence of recession throughout the world. As a result, we have projected a decline of around 3.5% in consumption in 1981.

After the downturn, we expect strong economic recovery. World consumption is projected to grow at 4% in 1982, at 3.5% in 1983 and at 3% in 1984 and 1985. The importance of the projected recession and recovery lies in its relation to the non-cyclical growth of supply. That is, large excess supplies can be expected by late 1980 or early 1981, representing a combination of declining demand and increasing supply—a situation likely to persist for some time and one which represents a significantly different perception of the world oil market than is prevalent now.

NON-OPEC SUPPLIES

Two key assumptions underlie our projections of non-OPEC oil supplies. First, we are assuming that oil production in the lower 48 states will not continue to decline but will increase marginally after 1978. In 1977, U.S. oil production in the lower 48 appeared to have stabilized with crude oil at 8.1 MMB/D, natural gas liquids at 1.7 MMB/D and refinery processing gains at 0.6 MMB/D. We are assuming that continued increases in U.S. exploratory activity will keep lower 48 production stable at 10.4 MMB/D in 1978 and that gradual price decontrol will move this production up to 11.0 MMB/D by 1982.

The second key assumption is the continued growth of Sino-Soviet oil exports to the well publicized CIA report cited by President Carter at the time of his energy proposals. The CIA suggested that the Soviet Union would turn from a net exporter of one MMB/D to a net importer of two MMB/D by 1985.

Since the CIA study was issued, there have been a number of critical reviews which found serious fault with CIA's assumption. In particular, there is no firm reason to believe that Soviet production will decline significantly. Even if it were to fall off, the Soviet's need for hard Western currencies suggests that they would continue to export oil and substitute coal and nuclear fuel for domestic needs.

We estimate 19.3 MMB/D of non-OPEC production in the noncommunist world in 1977, up from 17.6 MMB/D in 1976. Another 1.2 MMB/D of estimated net Sino-Soviet exports to the West increased the total 1977 supplies outside of OPEC to 20.5 MMB/D.

For 1978, we expect non-OPEC sources to supply 22.6 MMB/D with most of the increase coming from Alaska and the North Sea. Increased Mexican and Sino-Soviet oil will raise total non-OPEC supplies to 26.5 MMB/D by 1980 and to more than 29 MMB/D by 1982. Part of these new supplies will come from smaller but still significant increases in such areas as Argentina, Brazil and other non-OPEC countries in the Mideast, Africa and Asia.

The average annual growth rate of non-OPEC supplies between 1977 and 1982 is estimated at more than 9% while the growth in world demand is forecast at around 2.5% per year.

Estimating oil production bevond 1982 is only guessing at what might be discovered in still unexplored regions. There are many significant potential pools of new oil known to geologists. These include Argentina, Vietnam, the U.S. east coast and Alaska. (Significantly for the U.S. picture, the east coast exploratory drilling is due to start soon.) Policymakers cannot count on new reserves coming from these areas but neither can they discount them.

OPEC SUPPLIES

OPEC oil production reached its peak in 1973 at close to 31 MMB/D. It maintained roughly this rate in 1974 but production declined substantially in 1975 with world recession. In 1976 OPEC production rebounded to 30.5 MMB/D and in 1977 is estimated to have averaged around 30 MMB/D. This included a sizable inventory buildup toward the end of the year, partly due to normal seasonal patterns and partly due to hedge buying in anticipation of an OPEC price rise in January 1978.

In 1973 and 1974 OPEC production reached two-thirds of world consumption. In 1975 world consumption declined as a result of recession. OPEC production declined even more and the OPEC proportion of total world demand fell to less than 60%. With economic recovery in 1976 and 1977, world demand and OPEC production expanded at about the same rate and the OPEC proportion has remained around 60%.

Our forecast of future OPEC production is derived from the difference between projected world consumption and projected non-OPEC production. Thus, a dramatic decline is projected for OPEC production in 1981 and 1982. This results from the dual assumption of economic recession and increased non-OPEC supplies at that time. We are, therefore, projecting that OPEC will be supplying less than half of world consumption in 1981 and 1982.

As total requirements for OPEC oil begin to decline over the next five years, OPEC will be faced with a fundamental challenge to its internal cohesion. Some member countries will have to cut back production in the face of rising import costs, thereby jeopardizing development programs already in progress. The way for any one OPEC country to maintain its oil exports in the face of declining demand, however, would be to cut prices and the incentive to do so will grow as excess capacity builds over the next few years.

To prevent this, OPEC would either have to set up a centralized allocation system or agree to lower prices for all member countries in an attempt to stimulate overall demand for OPTC oil. The adoption of either alternative will further erode OPEC unity and mean increased bargaining power for consuming countries.

U.S. POLICY OPTIONS

U.S. foreign policy should recognize the possibility that the potential instability within OPEC could lead to political repercussions in the Mideast. Present foreign policy perceptions concerning the Mideast are clouded by the official forecast of increasing world energy scarcities and thus tighter OPEC control over world oil supplies in the middle 1980s.

Despite our projection of an easing of international markets, we expect that U.S. imports will rise to at least nine MMB/D by 1985 and could be as high as 12 MMB/D. This is neither as low as the administration's goal of 6 MMB/D nor as high as the 16 MMB/D projected by some government studies in the absence of the official energy policy.

U.S. demand is assumed to grow at 4% per year over the 1977–85 period. With Alaskan oil supplies building up from an average of 0.2 MMB/D in 1977 to an expected 1.7 MMB/D by 1980, imports can be held at a fairly constant rate of around eight MMB/D through that time.

By 1985, however, we expect U.S. demand to outstrip increases in domestic production. As a result, U.S. oil imports are likely to rise after 1981, putting further stress on the balance of payments.

Nevertheless, the terms of thesse oil imports after 1981 could be quite different than at present.

First, if OPEC is supplying less than half of the world's oil demand by 1982, versus 60% today, then the cartel may have a more difficult time maintaining its internal cohesion and could become more susceptible to arm's length bargaining over crude prices.

Second, if non-OPEC foreign sources are providing 30% of world demand by 1982, versus less than 20% today, then a greater number of oil import sources will be available than at the present time.

To take advantage of these changes, serious consideration should be given to altering the commercial mechanism by which oil is imported into the U.S. A market exchange system for oil—possibly regulated by representatives of both consuming and producing nations—would be a more useful approach than the current OPEC practice of indexing world oil prices to world inflation rates. Over the next few years, as OPEC's alternatives become more limited, this option might become more acceptable to them.

U.S. international oil policy should focus on setting the stage for a new approach to oil pricing. It should also continue a dialogue with the oil-exporting nations that might lead to OPEC's recognition of the mutual gains a neutral market pricing system could provide.

COTTON WORK GLOVE INDUSTRY SUFFERING DUE TO IMPORTS

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. COLEMAN. Mr. Speaker, today I had the opportunity to testify before the International Trade Commission so as to emphasize the dire situation now facing the American work glove industry due to rising imports of cotton work gloves from the People's Republic of China.

Hundreds of workers in my Sixth District of Missouri have lost their jobs during the past 4 years while imports from the PRC have more than tripled.

I know that many of my colleagues in the Congress face similar situations in their States, and I would like to take this opportunity to share with them my statement before the International Trade Commission:

STATEMENT OF THE HONORABLE E. THOMAS COLEMAN

Mr. Chairman, members of the Commission, I appreciate the opportunity to appear before you this morning in support of the petition filed by the Work Glove Manufacturers Association for import relief from cotton work gloves imported from the People's Republic of China.

The PRC has become an aggressive marketer of cotton work gloves in this country. I do not object to commercial relationships between our nation and a communist country, such as the PRC, so long as the relationship is mutually advantageous. But no country should be able to capriciously ignore the rules of fair trade to the detriment of American workers.

Rather than discuss all the legal issues with you at great length, which I am sure you are familiar with, I would like to focus on just one of the legal criteria for relief: market disruption. The definition of market disruption is found in Section 406(d)(2) of the 1974 Trade Act:

"Market disruption exists within a domestic industry whenever imports of an article, like or directly competitive with an article produced by such domestic industry, are increasing rapidly, either absolutely or relatively, so as to be a significant cause of material injury, or threat thereof, to such domestic industry."

I will leave it to the technicians who will follow me to specifically treat the questions of "like or directly competitive" articles and what constitutes a "rapidly increasing" level of imports. Let me briefly comment, however, on the question of material injury.

At one time the Sixth Congressional District of Missouri was the home of five cotton work glove factories, owned by two different companies: Lambert Manufacturing Company and Mid West Glove Corporation. Today for all practical purposes only two of these factories remain in production of cotton work gloves.

Mid West had a peak employment of about 425 in 1973–74. Today it employs 290 workers.

At one time it had about 160 employees involved in the manufacture of cotton work gloves in three different plants. Today only one factory remains—one factory is closed and the other has been sold but is no longer used for cotton work glove production—employing 50 people to produce cotton work gloves; 160 workers less than four years ago; 50 today.

Lambert Manufacturing has a similar story to tell. In 1974 it was employing about 170 people in the cotton work glove area. Today, it is down to 81 employees. Much to the credit of this employer, it has avoided laying off its employees. Instead it chose to scale down the work week, first to four days, then three days. But workers cannot afford to live on wages from a three day work week and many have left to look for other jobs. A large percentage of these workers are women, who either by age or family responsibilities cannot leave these communities to seek employment elsewhere. These people want to work—they don't want a government hand-out. But it is very difficult to find employment in a rural area.

Statistics cannot tell the human side of this tragedy in Rural America but they do serve as a fulcrum upon which your judgments must be based. So, let's take a brief look at the PRC's impact in this country. the PRC did not really begin to enter our market until 1973—the same year that our industry began its downward slide. In 1973 we imported 299,000 dozen pairs of cotton work gloves from the PRC. In 1976 that figure had more than tripled to 966,000 dozen pairs. And, the first 8 months of 1977 showed an almost 40% increase over the level of imports from the PRC in 1976.

Although I haven't seen any statistics to support this assertion yet, I am told that importers of cotton gloves are contending that there has been a decline in the level of imports from the PRC in the last few weeks and months. If this is so, two reasons for this phenomena come to mind. First, we have just come out of a dock strike that undoubtedly had a major impact on the unloadings of imported cotton work gloves. This factor alone may account for any recent "weakness" in the importation of these gloves from the PRC. The second factor may be this petition itself. When a petition similar to this one was filed in 1976 with the ITC, cotton work gloves imports dropped sharply during the months during which this Commission had that petition under consideration. Obviously, the petition had been filed at the peak of these imports, right? Wrong! Once the ITC rejected that petition the level of imports rocketed upwards again and has continued to rise until about the time a second petition is filed. I hope that ITC will not be lulled into a false sense of security by the recent aberration in what is a patently clear long term trend of increasing imports.

The diplomats may sound warnings of the repercussions that this petition may have on our relationships with the PRC. Nevertheless, you must not forget the mandate which Congress has given you in Section 406. A country's

ideology does not give it license to wreck havoc on a small, industry in this country.

Trade is not a one-way avenue that Communist nations can exploit at our expense. The PRC refuses to buy grain from American farmers. It buys from other nations. Yet, it has no qualms about dumping work gloves in this country to the detriment of American jobs. We need to send a clarion signal to the PRC that they can do business with the United States, but only according to the rules of fair trade.

Let me share with you some comments from a recent letter to President Carter to give you an idea of the concerns being voiced in my District:

"What if they should start importing peanuts from Red China at approximately 50% of your cost of production? What would your reaction be? We are sure that you would feel that there should be some type of restrictions placed on imported peanuts. . . . When one industry is so affected by imports, whether it be work gloves or peanuts, it starts a chain reaction which affects many other industries. So when we are speaking of the effect of imports on the Work Glove Industry, we are also speaking of the textile mills, the paper industry, the chemical industry, the tool and die industry, transportation, the corrugated box industry, and many, many others, and yes, possibly the farmers."

Let me suggest that perhaps even more important than the finding of serious injury is the type of relief which you will propose to the President. By statute the ITC is barred from recommending adjustment assistance. This is reassuring to my constituents who compare subsidies of this type to a "doctor placing a large band-aid on a critically ill cancer patient and telling him to go home, he is cured." Realistically, the only relief which will restore health to our domestic industry is an import quota.

I am fully confident you will upon the conclusion of these hearings find that the rising imports from the Peoples' Republic of China have caused material injury to the cotton work glove industry. By recommending the establishment of import quotas for cotton work gloves from the PRC you will have taken a significant step towards assuring the continuing vitality of our domestic work glove industry and the jobs of thousands of Americans.

Thank you again for your consideration of this serious problem.

THE SECOND CAREERS ACT OF 1978

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. WAXMAN. Mr. Chairman, today I am pleased to introduce the Second Careers Act of 1978. This legislation would create a comprehensive program for easing the unemployment crisis of the older worker. The program would be administered by the Department of Labor.

President Carter noted in his recent State of the Union Message that—

> Job opportunity—the chance to earn a decent living—is also a basic human right which we cannot and will not ignore.

Each American, regardless of age, should have the right to the opportunity for a job. In the truest sense, the right to work is basic to the right to survive. Older workers in this country are not afforded this basic human right and in fact begin to face age discrimination in employment and Federal job training programs as early as age 45.

The Second Careers Act of 1978 would redress in part the pattern of discrimination against older workers and afford them a suitable employment program which is responsive to their interests, life experiences, and the specific needs of our economy. The legislation would apply mainline employment techniques of the kind carried out by effective CETA title I programs for unemployed, underemployed and/or disadvantage people who are over 40 years of age. The bill provides subsidized wages for participants but with defined wage responsibilities for employers after a period of time.

Further, the bill includes the following kinds of mainline employment functions for program participants;

First. Analysis of the local labor force by comparative age factors. Such analysis would establish a defined universe of need for middle-aged and older workers in an area.

Second. Job market analysis—inventory of the available job stocks to determine new areas for job development.

Third. Development of a second career strategy plan. Such a plan would spell out the age profiles within the jurisdiction, the problems which workers over 40 have encountered, steps planners intend to take to meet the problems, and the specific programs to be implemented.

Fourth. Job and career counseling to promote responsible decisionmaking on the part of participants.

Fifth. Job development and employer relation functions which will promote effective job referral and placement.

Sixth. Allowance for programs which provide for participation in work or training on a part-time or flexible-time basis.

Recognizing that adequate research is unavailable to potential employers and the public on the capabilities of the older worker, the bill establishes the Institute on Age and Employment. The Institute would be charged with the promotion and dissemination of research on how to utilize the older worker more effectively. One year following enactment, the Institute would be required to forward to the Congress a formal policy and plan on how to better utilize middle age and older workers.

Included in the first year report would be policy options and alternatives to retirement which would emphasize retention and self-support of older workers. By developing an agenda on how to make employers aware of the ability and skills of older workers, the Institute would have have a practical impact on the personnel policies and practices of employers in both the public and private sectors.

Mr. Chairman, too often when we discuss the problems and needs of older Americans, we think exclusively in terms of social and health programs. While these programs are essential to improving the quality of life of older Americans, these programs view older Americans as individuals in need of support, who are otherwise unable to depend on their own resources. Many older persons can be productive, however, and do not need nor desire large amounts of support. These individuals wish to work, to be self-sufficient and continue contributing to society. Older workers cannot always find jobs however, and existing Federal job assistance programs are nonresponsive to their needs.

The U.S. Civil Rights Commission recently released a report which characterized age discrimination against older persons in Federal programs as "widespread." In a statement accompanying the report, the Commission said:

> We are shocked at the cavalier manner in which our society neglects older persons who often desperately need federally supported services and benefits.

In the case of job programs under the Comprehensive Employment and Training Act (CETA), the report confirmed what older workers have known all along—CETA administrators place the highest priority on finding jobs for people between age 22 and 44.

I readily admit that much of this bill could be put to work immediately through the current CETA structure. The fact is, however, that CETA does not work for older Americans. The older a person gets, the more difficult it will be to find a job and the less likely he or she will be to participate in an employment training program funded by the Federal Government. Age participation figures for CETA programs confirm this pattern. Persons between 55 and 65 receive just 5 percent of CETA provided services. Individuals over 65 represent a mere 0.9 percent of CETA recipients.

Over 1.4 million older workers are currently unemployed and actively seeking work. This figure represents almost 26 percent of all unemployed Americans. While the numbers of unemployed older Americans are lower than among younger age groups, we know that the length of unemployment is substantially higher for older job seekers. In fact, older workers can expect to be unemployed 30 percent to 70 percent longer than other age groups.

When we consider the category of "discouraged worker" the plight of the older worker becomes even more apparent. This group comprises workers who are no longer actively seeking work but are willing to take a job immediately if one were available. In 1975, there were over a million such workers. Over one-half were over 40 and about a third were over 55. As this pattern has held constant for the last 10 years, it suggests a structural discrimination based on age against older workers seeking a job. The recent report by the U.S. Civil Rights Commission confirms this trend.

These figures tell us that as long as an older worker remains employed, he is in good shape. However, should he later lose his job due to downturns in the economy or the pressure of technological change, he will have a difficult time rejoining the labor force. This trend is reinforced by a Federal job training program which fails to address the legitimate needs of the older worker.

There have been efforts to address the

employment problems of the older worker. Title IX of the Older Americans Act of 1965, the Community Service Employment Program for Older Americans, is specifically designed to provide jobs for Americans over age 55 who meet certain poverty criteria. Currently the program provides an estimated 37,500 jobs.

Measured against participants under CETA who are over 55, this number would constitute about half the group serviced. Yet measured against the estimated level of need for persons over 55 who both qualify for the senior aide program and who would take part if the opportunity were made available—estimated 5 million—the number pales into insignificance.

The need for employment support, job training and retaining and job placement services is demonstrated by the increase in complaints under the Age Discrimination in Employment Act of 1967. Over the last 3 years, complaints have increased by 55 percent. In addition, the numbers of persons over 40 joining together in litigation under the act have also increased. These actions indicate a pattern of discrimination and neglect on the part of the employer community, public and private sector, which must be corrected.

Last year, the House voted almost unanimously to enact amendments to the Age Discrimination in Employment Act of 1967. The legislation would raise the upper age limit for protection from age 65 to 70. Workers between ages 40 and 70, those who would be protected against age discrimination if the proposed 1977 amendments become law, make up over 40 percent of the U.S. work force and 36 percent of the population. This employment discrimination protection, however, is useless unless the Federal Government adopts formal employment policies to help older workers remain in the labor force.

The Federal Government must address ways to make work possible for persons who are out of the labor market involuntarily, employed at jobs which either pay little or employed at jobs which are becoming technologically obsolete. These individuals, older men and women, need to be placed back into the mainstream of American worklife. These workers do not want or need short term, artifically created jobs which disappear when the funds run out. They simply need to work at jobs which they physically can do, which pay decent wages and which provide them with a sense of being part of the working, contributing, taxpaying population.

Mr. Chairman, if America is to face the challenge of an expanded economy, the need for utilizing the capabilities and skills of older Americans will grow. The talents and experiences of older Americans represent a vast resource we dare not neglect. The time has come to champion a vibrant and fresh national policy toward employing the older worker. We need to adopt an aggressive and imaginative approach to using the skills of people in ways commensurate with their abilities.

I believe we have come late to the realization that an employment policy which takes jobs away from one age group in order to provide jobs for another is both shortsighted and cruel. It is time to articulate a domestic social policy which supports and encourages all those, regardless of age, who desire to work.

The Second Careers Act of 1978 provides an important first step toward achieving such goals. I invite my colleagues to join in cosponsoring this much needed legislation.

THE PANAMA CANAL GIVEAWAY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. HANSEN. Mr. Speaker, the great debate of the Panama Canal is scheduled to start soon. The American people remain overwhelmingly opposed to the potential treaties, even in light of the massive administration attempts to saturate the media with protreaty propaganda.

One of our colleagues, Congressman LARRY MCDONALD has written a highly informative article concerning the canal controversy which I include for the RECORD and forthrightly recommend to all of my colleagues as well as every American who is interested in learning the real truth behind the proposed canal pacts. The article follows:

[From the Review of the News, Jan. 25, 1978]

GIVEAWAY

(By Congressman LAWRENCE PATTON MCDONALD)

The 1903 treaty between Panama and the United States ceded the Canal Zone to our country "in perpetuity." This means America has the right to be the lawful sovereign over that territory forever. During the past year the American people have nonetheless been subjected to an unprecedented propaganda campaign directed by the White House and offering a variety of excuses—all of them false—to support the giveaway of the Panama Canal to a Castroite military dictator.

During the next few weeks the United States Senate will be asked to ratify the treaty so rashly signed by President Carter. Enormous pressure is being put on each undecided and opposed Senator. Like most politicians, they are trying to compromise. Panama will make any deal so long as we give up our sovereignty and ownership of this vital American property. It will then take possession of our Canal and do as it pleases—ignoring treaties just as Nasser did with the Suez Canal and calling on the Soviets to defend its new interests.

Though well aware of this, President Carter has let it be known that certain "compromises" and "adjustments" to the treaty can be worked out by agreements between himself and Torrijos. Senators are thus talking about brave—and utterly worthless—modifications of the treaty.

Some Senators are confused by these "red herring" issues, and others are being dazzled by the White House courtship. They must be reminded that no compromise will be tolerated. Senators who talk about modifying the treaties are like those who would change the wording of a death warrant to make it sound more courteous to the family of the condemned prisoner.

Curiously, this effort to engineer U.S. abandonment of our strategic territory on the Isthmus of Panama went into operation 32 years ago. The presentation of the current giveaway treaty to the U.S. Senate is the culmination of a campaign that started in 1946 when Soviet agent Alger Hiss, then head of the State Department's Office of Political Affairs, sent to the fledgling United Nations a list of so-called "U.S. occupied territories" which included the Canal Zone. It was Communist agent Alger Hiss who presented to the world the concept that America was merely renting the land through which we had built the Canal and that one day we would have to give it back. But the yearly annuity paid to Panama that Communist agent Alger Hiss and his successors present as "rent" was in fact assumed when the Canal Company took on the obligations that the former Panama Railroad Company had paid to Colombia before Panama revolted and became independent. It was assuredly not "rent."

Most reasonable Americans would expect that after a high-ranking official like Alger Hiss is exposed as a Communist agent working for a hostile foreign power our government would immediately review his work, detail the instances in which he influenced U.S. policies to the detriment of our national interests and to the advantage of his Communist bosses, and then reverse those policies. This has not been the case with the Canal Zone.

There is no constitutional, legal, or practical reason for this nation to give away her territory on the Isthmus in obedience to Communist demands. It cannot be too frequently emphasized that the 1903 treaty with Panama specifies 19 times that Panama has ceded this territory to the United States; it states 7 times that the territory has been ceded in perpetuity; and, it then specifically states that Panama retains no sovereignty and powers over the territory which has now been ceded to the United States. As for the legitimacy of the agreement, it is important to note that, following the November 1903 signing of the treaty by the representatives of the United States and Panama, every member of the Cabinet of the Panamanian Government then signed the treaty ceding to the United States the Zone where the Canal was to be built.

Striving to obscure and confuse the basic issue—that the Canal and Canal Zone are the lawfully held property of the United States—the Carter Administration has put together a concerted propaganda effort to try to deny the validity of U.S. sovereignty. The Administration's distortions include describing the railroad annuity as "rent" for "leasing" the Canal from Panama, and creating a bogus issue of whether under the new proposed giveaway treaty the U.S. can "intervene" in defense of the Canal. The whole question of whether the United States may or may not defend the Canal under the proposed treaty is a "red herring." Right now, under the 1903 treaty, we own both the Canal Zone and the Canal, and thus it is our constitutional responsibility to defend this American territory against any aggressor. Those Senators and Congressmen who have allowed themselves to be confused by this false issue of whether and under what circumstances the United States could intervene in Panama in defense of the Canal are doing America a serious disservice.

The issue is that, under the 1903 treaty, America owns the territory of the Canal Zone and Canal on the Isthmus. The proposed Carter-Torrijos treaty would abrogate that treaty and give sovereignty over the territory to Panama, a country ruled by a Marxist military dictator who has demonstrated his commitment to a Castro-style Communist dictatorship.

The proposed giveaway treaty also states that as soon as the present Canal Zone is handed over to control of the Torrijos regime, U.S. citizens who are employees of the planned Panama Canal Commission, contractors and their dependents, "shall abstain

from any political activity in the Republic of Panama" and be subject to the rule of dictator Omar Torrijos. How Torrijos and his Marxist henchmen will interpret this is indicated by the fact that Freedom House—on whose board of directors National Security Advisor Zbigniew Brzezinski sits—rates Panama's respect for human and political rights as low as that of any other dictatorship in the Western Hemisphere.

But indeed the ultimate challenge from the Administration's "new foreign policy" activists and propagandists who are engineering this giveaway is their implied claim that this nation has no legitimate strategic or defense interests outside the borders of the continental United States.

We must remember that the Communist strategists have made a specialty of taking the maximum advantage of any such precedents. Communist writers have badly stated that wresting control of the U.S. territory on the Isthmus of Panama is a key step to Communist takeover of the Caribbean and Central America. In March 1973, the secretary-general of the Panamanian Communist Party, which calls itself the *Partido del Pueblo* (P.D.P.), wrote in the official international Communist journal *World Marxist Review* that Panama must be seen as "another weak link in the chain of imperialist oppression, one of the fronts in the great struggle for liberation."

Abandonment of the Canal Zone territory would be a clear signal to the Kremlin that this country no longer has the will, the moral fiber, or the ability to defend its overseas possessions and rights against aggression from even so pathetically weak a Soviet stooge as General Omar Torrijos. If the Senate approves this giveaway, the full political and strategic backing of the Kremlin, Castro, and the apprentice Stalins in Jamaica, Panama, and Guyana will redouble pressure for U.S. abandonment of our naval base in Guantánamo, and for the "liberation" of the Commonwealth of Puerto Rico into the hands of a totalitarian Communist minority.

Furthermore, radical pressure has already been built to press for American termination of our various defense and economic agreements with such anti-Communist countries as the Republic of China, South Korea, the Philippines, Iran, South Africa, and most of Latin America. Both U.S. and foreign revolutionary organizations have already begun agitational campaigns against U.S. ownership of islands in the Pacific and a number of these militant groups have actually laid claims to possession of continental U.S. territory For example, revolutionary Chicano groups with backers in Mexico and Cuba now claim title to most of the American Southwest; and a racist terrorist organization called the Republic of New Africa, again with Cuban support, claims ownership of extensive areas of the American South.

It is not improbable that unless we draw the line America will eventually be told to divest itself of such so-called "colonialist, imperialist" possessions as the State of Hawaii and the Virgin Islands; told that the terms of the Gadsden and Louisiana Purchases must be considered invalid; and, finally, informed that Northern California and Alaska must go back to Soviet Russia since their sale by the Czar was not validated by the Russian people.

This is no joke. Don't forget that Soviet agent Alger Hiss first listed the Canal Zone as a "U.S. occupied territory" some 32 years ago. The Communists are patient. It is their expectation that one day instead of arguing about a Canal giveaway treaty with Torrijos, we will find ourselves negotiating with a future People's Republic of Mexico for visiting rights at the Alamo.

The Panama Canal treaty has become the single most important policy issue of the Carter Administration. The President signed the giveaway treaty in a staged carnival atmosphere, making the most of contrived television and newspaper coverage. Assorted dignitaries from a number of Latin American countries had been invited to attend, including the leaders of anti-Communist countries the Administration had needlessly insulted by crediting false Leftist claims about alleged violations of "human rights." This was done to fool the American people and persuade them to go along with the betrayal of this vital trade and strategic defense asset worth some $7 billion.

The President declared that, after the treaty was signed and made public, all the American people would see it as good for both Panama and the United States. We have been waiting for months and have yet to see anyone point to any benefit whatsoever for the United States. The Administration's lobbyists nonetheless continue trying to persuade the American people to reject common sense and accept, if not actively support, the giveaway of this $7 billion working testimonial to American ingenuity, determination, and administrative efficiency. The giveaway artists are relying upon created fear, on manufactured guilt, and on apathy.

The "fear" they promote is that there will be riots, an attempt to sabotage the Canal, or even guerrilla war against this United States territory if the giveaway treaty is rejected. Certainly Panama's Communists have whipped up riots previously. In 1964, some 23 Panamanian rioters were killed and 4 American soldiers lost their lives. The exhibition of U.S. determination to protect its property and its citizens put an end to the disorders.

As for vulnerability, the Canal like every other particle of American territory is defended ultimately only by our will to resist. If we won't defend the U.S. Canal Zone from guerrillas, will we defend Texas or Arizona? We would do well to remember that, when it comes to guerrilla warfare, it is the United States which has trained the Latin American military forces in the counterinsurgency tactics which have proved so successful that Castro's many attempts to initiate guerrilla operations have repeatedly been quashed wherever Leftist political factors did not intervene.

As for "guilt," the Administration's propagandists join with the radical Left in claiming that America's territories are examples of repressive "colonialism" and are repugant to "world opinion." In fast, anti-American "world opinion" is coordinated by Soviet K.G.B.'s "black propaganda" directorate, its Marxist allies in the Western countries, and by such international propaganda fronts as the misnamed World Peace Council. Americans should face the fact that the United States, with its representative form of government, its respect for the fullest range of human rights, and the example of the prosperity created by independent citizens under our Free Enterprise system will always be hated by the totalitarian dictatorships and oligarchies which predominate in the Communist camp and the Third World.

Assurances from the giveaway proponents that "all is well" and Panama is too far away to be concerned with are designed to lull people into believing that their elected Senators and Representatives can handle the Panama question without input from the voters. This is not so. Without a continuing flood of letters from American voters opposing the Canal betrayal, Senators and Congressmen will become vulnerable to intensive White House pressure to acquiesce. Dozens of federal-aid projects are being offered or withdrawn, support is being promised for a Senator's favorite legislation, political organizations suddenly provide or withhold funds for reelection campaigns, and so forth. But repeated letters and telegrams from concerned constituents will let Senators and Congressmen know that the voters oppose this dangerous giveaway of strategic American property and will tolerate no retreat whatever.

In its desperate efforts to secure ratification of the Canal Treaty, the Administration has even accepted the help of allies on the Marxist Left. Among those actively involved in supporting the Panama treaty are:

Coalition for a New Foreign and Military Policy (C.N.F.M.P.), a Washington-based lobbying group which formerly aided the Vietnamese Communists by urging Congress to cut off economic and military support to the anti-Communist Government of South Vietnam. The C.N.F.M.P. leadership works with the Soviet World Peace Council in urging unilateral Western disarmament and a massive slash in America's defense budget in order to fund bloated socialist welfare projects. It has been widely publicizing the fact that the White House credited it with being the principal influence in the President's decision to terminate the production of the B–1 bomber. The C.N.F.M.P.'s foreign-policy statements are drafted by associates of the Marxist Institute for Policy Studies (I.P.S.), where the late K.G.B. agent Orlando Letelier has been replaced by the self-admitted Castroite propagandist Saul Landau.

Washington Office on Latin America (W.O.L.A.), another Washington-based lobbying group which supports Castroite terrorist groups such as the Sandinista Liberation Front in Nicaragua. The W.O.L.A. is funded by some of the febrile extremists working with and in the National Council of Churches. It and its circle promote the "Christian socialist liberation theology," viewing Christ as a moral and intellectual forbear of terrorist Ché Guevara.

Washington's Ecumenical Program for Inter-American Communication and Action (E.P.I.C.A.), funded by the National Council of Churches. This pro-treaty group has staffed its offices with activist leaders of pro-terrorist Castroite groups including the Puerto Rican Solidarity Committee, the anti-Bicentennial July 4th Coalition, Non-Intervention in Chile, and the Panamanian Solidarity Committee.

American Friends Service Committee (A.F.S.C.), the Philadelphia-based "anti-imperialist" organization which is not part of the Society of Friends. This group supports terrorism and armed struggle so long as they are directed against what A.F.S.C. believes to be the root of all war and oppression—the American form of government and our Free Enterprise system. It is active in the fight for the giveaway treaty.

National Council of Churches, Committee on the Caribbean and Latin America, which is funded with the offerings of churchgoers who have no voice or vote in the disposition of their money. During this past year the N.C.C. took up the causes of the Wilmington 10, defendants convicted of arson and riot conspiracy in North Carolina, and of members of the terrorist American Indian Movement charged and convicted of violent felonies. It too is now neck deep in helping Mr. Carter sell the Canal giveaway.

Joining with these Leftist groups in supporting the treaties are a number of the largest U.S. banks, some of which are seriously overextended in unsecured "soft" loans to irresponsible Third World countries like Panama.

The total Panamanian debt to U.S. banks is $1.7 billion—almost all of it accumulated under dictator Torrijos. Panama must allocate some $47 million—which is 39 percent of its national Budget—to debt service on these massive loans. The loans were necessary because the Torrijos regime had run the Panamanian economy into the ground. Undoubtedly the directors of the creditor U.S. banks—which include Chase Manhattan

Bank, First National City Bank, Bank of America, Banker's Trust, First National Bank of Chicago, Republic National Bank of Dallas, and treaty negotiator Sol Linowitz's Marine Midland Bank—see that the only way of getting back their money with interest is to get control of the Canal and Canal Zone for Torrijos—so he can extort the money owed to the international banks from shipping fees. Not surprisingly, some of the large companies that have interlocking directorates with these banks have also joined in the campaign to give this strategic American territory to the Marxist regime in Panama.

The fight to block ratification of the giveaway treaties now pits the organized lobbyists of the White House, the radical Left, and the banking elite against an outraged American people. The people can win if they increase their efforts now with letters, telegrams, and telephone calls to their Senators. What must be emphasized is that American sovereignty over the U.S. Canal Zone must not be compromised. Period.

Already such ambitious politicians as Senator Howard Baker (R.-Tennessee) are proposing to add agreeable language to the treaty if only the Senate will consent to give away the Canal. Such reservations and codicils as are proposed, to repeat, will amount to little more than polite language in a death warrant. Our Senators must be urged to Vote No on the Canal treaties.

REPUBLICANS ARE TURNING TO CONABLE AS SPOKESMAN IN CONGRESS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. RHODES. Mr. Speaker, recently my good friend and colleague BARBER CONABLE was the subject of a profile in the New York Times. As many of us know, these journalistic sketches often can be wide of the mark in their portrayals of various individuals.

However, when the New York Times described BARBER CONABLE as a "Republican wheelhorse," in the most positive sense of that term, it scored a bullseye. I know that I speak for many Members on both sides of the aisle when I say that his voice is one to which I pay particular heed, especially when he addresses matters affecting fiscal and tax policy.

I hope my colleagues will enjoy reading this article as much as I have:

[From the New York Times, Jan. 21, 1978]

REPUBLICANS ARE TURNING TO CONABLE AS THEIR SPOKESMAN IN CONGRESS

WASHINGTON.—Although he is in his seventh term in Congress, he still gets mail addressed to "Barbara." And some of the letters come from women's rights groups "as if he's one of them," an aide says. Representative Barber B. Conable Jr. of upstate New York is not rankled by it. He has been accustomed for a long time to the "barbarazing" of his name.

What is far more important is that colleagues in the House have no trouble identifying him as a Republican wheelhorse. The 55-year-old conservative lawmaker from Genesee County in western New York is the floor manager and chief Republican spokesman for many of the major bills considered by the House. In the coming months, he will be one of the principal Republican voices on welfare revision and tax reform, including tax cuts.

On Capitol Hill he is considered the "most national" of New York State's 39 Representatives, a number of whom have been characterized as excessively parochial. In fact, Mr. Conable says: "I'm not very amenable to arguments that a bill 'is good for New York.'"

A NATIONAL APPROACH TO ISSUES

He insists on dealing with issues as national, not regional, matters. As for the question of more Federal help to New York City and state, he says: "A bill must not become just a New York position or it's foredoomed. What we do has got to make economic sense for the nation."

His Capitol Hill office is a reflection of a solid-citizen's love of tradition. There is a carefully preserved century-old desk with cabinet doors and more than 100 compartments and cubby holes that he calls "a cross between a juke box and an altar." The rugs are antiques handed down by his mother.

On the walls there is a collection of Indian artifacts, including ceremonial masks and 10 pipe-tomahawks, the first of them acquired when he was an Eagle Scout; also, about 20 prints of the Federal Capitol, some very rare.

His home is a farm house built in 1835 in Alexander, a crossroads village of 400 people. Behind it is his 180-acre forested plot where he goes to cut wood "when I feel out of sorts." A nature lover, he also plants thousands of seedlings to keep the forest young.

Mr. Conable is a self-styled "Jefferson Republican," and for the last year he has been the top-ranking Republican member on the powerful House Ways and Means Committee, which will be handling welfare and tax matters this year. He has achieved "almost cult status in Washington," says National Journal, a well-regarded Washington periodical. "House members, lobbyists and journalists speak admiringly of him, more because of his intellectual brilliance than because of his expertise."

Mr. Conable, the father of four, rarely spends a weekend in his comfortable town house not far from Capitol Hill. In his 13 years in Congress, he has never made fewer than 40 trips a year back to his district, which includes the western, largely Democratic half of Rochester, suburban Monroe County and the rural counties of Genesee, Livingston, Ontario and Wyoming, having much more in common with the Middle West than New York City.

Many Congressmen prepare news letters for the constituents back home, but it is doubtful if any spend as much effort and thought on it as Mr. Conable. He will sit in a high-backed swivel-chair—turn out a "Washington Report" that is not only full of details about what he has been working on but also offers such unorthodox political philosophy as this:

"For politicians, discretion is avoiding offense to the organized activists. It doesn't matter if the offense is justified. It doesn't matter if the organized activists are a minority of the people. Don't do it. Old Pol, even if it means you have to damage the majority, who are non-organized and non-activist."

As a minority member of Congress, no matter how effective he may be on various sections, of a bill, he is likely to be on the losing side on the final vote. For example, his detailed, carefully crafted plan for stabilizing the Social Security system with relatively small increases in employee-employer taxes, starting in 1981, was shoved aside by the Democratic majority.

Instead a bill with a substantial tax increase was approved, leading Mr. Conable to tell constituents in his "Washington Report" "the public reaction to this staggering increase in taxes has understandably been one of outrage."

The approved bill included features fought for by Mr. Conable to make significant improvements in the treatment of women under the Social Security system. Mr. Conable sums up his roll as follows: "As ranking member of Ways and Means, people listen to me when I talk. What is power? All it is, is influence. As long as people listen when I talk I've got some influence."

HIGH SILHOUETTE ROLE DROPPED

When Mr. Conable had the chance in January to take the top Republican spot on the Ways and Means Committee he quickly dropped his "high silhouette role" as G.O.P. policy chairman that he had held for three years. Party rules would not let him hold two such top positions.

As he explained to constituents, it was not a tough choice. "I never have been very ambitious politically, neither viewing the House as a career nor as a step to higher political office," he wrote. "The Ways and Means Committee is a great place for someone interested in legislating, in my mind the reason for my being here, and so I made it my preference."

He has had no serious trouble in beating Democrats in his district in recent years, including the popular Midge Constanza in 1974. She is now a top White House staff member.

The tall, bespectacled Mr. Conable got his A.B. Degree at Cornell in 1942 at the age of 19, completing the four-year course in three years. He joined the Marine Corps as a private, but by the time he went ashore with an assault wave at Iwo Jima in February 1945 he was a first lieutenant; and he finally worked his way up to the rank of colonel. He got his law degree at Cornell in 1948.

Mr. Conable enjoys concocting descriptions with some punch to them. Here are some recent Conable-isms:

On the Carter Administration's welfare revision plan—"It's got to be simplified. They haven't been honest about the cost of it so no one has confidence in the impact of the whole package. The cost estimate is phony as a $17 bill."

On the performance of Congress—"The 95th Congress is half over and if you started recounting our achievements you'd realize that, well, we're not halfway there. We started the year with a full plate, legislatively speaking. We're still chewing over the first big morsels we tried to swallow, and what's left looks more and more indigestible."

On a New York Congressional colleague who shall be nameless—"He's a dignified man and stands for nothing."

During the Gerald R. Ford-Ronald Reagan battle of 1976, Mr. Conable supported Mr. Ford all the way. While describing himself as a conservative, he contends that a lot of the Reagan conservatives "are not in the real world."

As a youngster, Barber Conable was teased by other boys who recited an old English rhyme:

"Barber, Barber, shave a pig,
How many hairs to make a wig?
Four and twenty that's enough.
Give the poor Barber a pinch of snuff."

A Conable great-grandfather married Sophia Barber, and both the Representative's grandfather and father were named "Barber." His father was county judge for Wyoming County and was succeeded by the Congressman's brother, John, who still holds the position.

Mr. Conable had three daughters (Anne, Jane and Emily) before begetting a son, and then remembering that old rhyme that used to ring in his ears, he says: "That's why I named my son Sam, and not Barber."

REMARKS OF DAVID B. SENTELLE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. MARTIN. Mr. Speaker, I am happy and honored to be able to submit these inspirational remarks given at the Charlotte, N.C., Civitan Club's luncheon. Mr. David B. Sentelle graciously welcomed "aboard" new citizens in a way I know added to their excitement and exhilaration of the occasion. His heartfelt comments should cause all of us to pause and reflect on our free country, so thoughtfully described by Mr. Sentelle as the "greatest ship of state":

REMARKS OF DAVID B. SENTELLE

Ladies and Gentlemen, my fellow Americans, welcome aboard. Welcome to passage, if you would, of the greatest ship of state, sailing on the sea of international nationhood today. Welcome, if you would, to the right to complain.

Some years ago, a gentleman from a middle-eastern nation arrived in New York. From there, he moved to a midwestern city where, with the help of friends, he established a small restaurant which became a gathering place for the steel workers and union leaders in that mid-western city. For years, they gathered there to drink coffee, eat apple pie, and complain, as Americans are wont to complain about the state of our government.

For years, the proprietor made no contribution to these complaints. Suddenly, one day he joined in and complained as bitterly as anybody in the group. Finally the union president asked him—Ali, why is it that suddenly you have begun to join in our complaints? Ali told him—one does not complain when one is a guest in the home of his friends. Then he proudly produced the papers that proclaimed him an American citizen and declared that when one has married into the family, he has earned the right to gripe.

You are now members of the family, and I welcome you to the greatest griping society perhaps ever to exist in the world. Welcome, in short, to the family.

It is difficult to know what is important enough to say to new members of this family. In welcoming new citizens to the United States, it would be easy to talk about freedom. It would be easy to say—whatever nation you came from, or whatever government you existed under before, you have enjoyed no more freedom, and probably a great deal less, than will be yours for the rest of your life.

It would be easy, but it would be redundant. It would be safe to categorize the achievements of immigrants and contributions of persons born beyond these shores, to begin with Alexander Hamilton and his great role in the launching of his ship of state, and to read a list as long perhaps as my arm, closing with Henry Kissinger and his international reputation. It would be safe, but again, it would be redundant, as you know about freedom more than we.

So, do you know, that we are a nation of immigrants. So, do you know, that those of us who were born here, save for those few who belong to the Indian nation, are immigrants also. Even those of us who may not know the tangled web of our own roots know that our roots lie beyond the oceans and reach into some European or Asiatic or other non-American nation, and you know that too.

You know probably, more of this history of this nation than do most who were born in it.

It would be easy and safe again to talk about the strength and material success to which you have come, but again, you know it. You know that poverty in this nation is usually opulent compared to middle class of most of the nations of the world.

No, I wish instead to speak to you of the family that you have joined, of the love that exists therein. The English language is impoverished by having only one word for love. There ought to be, as there is in the Greek, a number of words to express different degrees and kinds of love, because there are many kinds of love.

And outside of divine love, probably the greatest and the most unselfish is that which exists within the family, between the parent and the child, or conversely between the child and the parent. That love can be the most beautiful when it is not the love between the natural parent and the natural child, but the love between the chosen. Billy Graham has said that going to church doesn't make you a Christian any more than going to a garage makes you a car. It is equally true that having a child doesn't make you a parent any more than having a piano makes you a musician.

A biological act produces natural children, even though the biological act may have been engaged in only for the gratification of biological desire. Not so with adoption. Adoption occurs because the new parent has love to offer; the new child has love to receive. Your act today and over the last few years has been an act of mutual adoption, for which I can think of few parallels.

One, perhaps the best, is from ancient Rome, when under the laws of that great nation, two adults, an older man and a younger man, who had found a love for each other to great to express in ordinary friendship, could go before a magistrate of ancient Rome and adopt each other as father and son, as did Julius and Augustus Caesar, as did Augustus and Agrippa, as has the United States and you.

Again, under the laws of North Carolina today, a child above the age of twelve may consent to his or her adoption by an adult, joining in that petition to the courts of North Carolina because of their mutual love, so has the United States and you.

For our nation is a parent. The word patriot comes from the Latin word for father. It is your love, your choice, of this new nation that has made you seek it as your new parent. It is the love of this nation for people like you that has made it accept you as its new child.

Welcome, then, to the family. Like all families, we have our problems. Like all families, we gripe and complain about each other. Among strangers, we wear masks. Among strangers, we do not show ourselves or our feelings, but to our families we can be who we are.

If you want to hear an amazing change in tone of voice, you just listen to a woman answer the telephone. And I guess the same is true of a man, but being a man, I don't see it in us. You listen to a woman answer the telephone, and when she doesn't know who's on the other end, she says—Hello?—in her sweetest voice. And then it's her husband who speaks on the other end, and he says—Hi, Honey—and she says—Oh, it's you—because she feels bad and she doesn't have to hide from him the fact that she feels bad. We can show who we really are, and she knows he loves her.

So it is in the family of a nation. We don't have to hide from each other when we feel bad. We can show who we really are. Welcome to that love, welcome to that honesty, wherever you have been at large in the world before, welcome home, for home now you are. Home, not in a comfortable, always peaceful, always gentle home, but home in a house boat, a rocking ship, that sails on stormy seas. A houseboat that sometimes runs out of fuel for its engines as we have run short on fuel for our industrial engines, these last few years.

A houseboat that sometimes suffers from a mutinous crew, at times perhaps on incompetent captain, but a houseboat that has sailed through storms before and with your help and the grace of God, will sail through the storms of today ready to receive, as it received you, those castaways who love its crew and love its passengers and wish to become one in their labors of setting a straight and true course.

THE PROBLEM OF HOSPITAL COSTS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. SYMMS. Mr. Speaker, almost everyone is aware of the high costs of medical care today, especially hospital costs. What many people do not realize, however, is that Government intervention into the private practice of medicine is largely to blame for skyrocketing costs of medical care in the United States.

The Educational Research Institute of the American Conservative Union released a study a few months ago which analyzed the problem of hospital costs. The study was performed by Ted Christopher, a junior at Harvard University. I commend Mr. Christopher's study to my colleagues in Congress:

THE PROBLEM OF HOSPITAL COSTS

(By Ted Christopher)

When Senator Edward M. Kennedy introduced the Carter Administration's plan to limit increases in hospital budgets, he called attention to the huge expenditures by Americans on hospital services: "Last year the nation's total hospital bill jumped to $55.4 billion, or more than $1000 per family . . . Americans today must work more than one full month of every year just to pay for their health care—two weeks' wages for hospital costs alone." [1]

As Kennedy and many others note, moreover, the trend is one of rising costs. President Carter puts it: "Since 1950, the cost of a day's care in the hospital has increased more than 1000 per cent—over eight times the rise in the Consumer Price Index. Today, the average hospital stay costs over $1300; just 12 years ago, a slightly shorter stay cost less than $300. And in the next year expenditures on hospital care may rise another 16 per cent." [2]

Different people variously attribute this sizable increase to patients, physicians and to the hospitals themselves. The President suggests that the private sector is somehow responsible or can alter the situation in some fashion. "The private sector's response to the challenges of cost containment will help decide its future role in our health care system."

Beyond these partial statements, however, there seems to be little public attention to the source of rising hospital—and other health care—costs. In particular, minimal notice is given the fact that the problems of

---

Footnotes at end of article.

runaway health costs have become especially acute in the past decade, which happens to have been a period of sharply escalated Federal involvement in the medical field, through Medicare and Medicaid. There are numerous data suggesting the conjuncture of Federal involvement and rising costs is more than coincidence, that in fact the relationship is one of cause and effect.

It is noteworthy to begin with that, before the adoption of Medicare and Medicaid, the hospital price index was actually lower than the consumer price index, taking 1967 as the base year for comparison. In 1965, the CPI was 94.5, the hospital index 76.6. Five years later, consumer prices had risen to 116.3, a rather modest increase, while hospital prices had doubled to 145.4. Since 1970, consumer prices have risen to 172, while hospital prices have doubled yet again, to 282. In the decade after adoption of Medicare and Medicaid, in other words, hospital charges increased by roughly 300 per cent, consumer prices by 75 per cent.

The Department of Health, Education, and Welfare itself has stressed this correlation. "The medical price index," says HEW, "accelerated during 1965–70, but decelerated rapidly with the imposition of cost controls in 1971. Whereas prices for physicians and dental services did not move much faster than the CPI (except during 1965–70), the increases in rates for a hospital semi-private room ranged from two to three times the annual rate of increase experienced by the CPI, with notable acceleration recorded after the onset of Medicare." [3]

THE SPENDING EXPLOSION

In 1965, total spending for personal health care in the United States amounted to $41 billion—$31 billion in the private sector, $10 billion in the public sector. Since that time, there has been an exponential increase in the amount of money spent on health care. In 1974, the total figure was $104 billion, with the major increase occurring in the public sector. Private spending had gone up to $63 billion (about the same rate of increase as in the preceding decade), while government spending had grown to $41 billion.

The Council on Wage and Price Stability has summarized the process this way: "Since 1965, expenditures under private health insurance plans have increased 229 per cent—from $8.3 billion in 1965 to $27.3 billion in 1975. However, the proportion of total personal health care expenditures met by private health insurance has been relatively stable, reaching 26.5 per cent of expenditures in 1975.

"The rapid growth in private third-party payments in the last decade is dwarfed by the growth in public expenditures resulting from Medicare and Medicaid. Government expenditures for personal health care jumped 484 per cent from $7 billion to $40.9 billion, between 1965 and 1975. Government health care expenditure thus accounted for 39.7 per cent of personal health care expenditures in 1975, compared to 20.8 per cent in 1965. The government's impact is particularly noticeable in the hospital sector, where it met 55 per cent of expenditures in 1975." [4] (Even the growth of private insurance payments is traceable in considerable measure to official policy. This phenomenon, as noted by Harvard's Martin Feldstein in *The Public Interest*, has been strongly encouraged by tax treatment of insurance premiums as compared to taxes on personal income. "Individual's can deduct about half the premiums they pay for health insurance," Feldstein notes. "More important, employer payments for insurance are excluded from the taxable income of the employes as well as the employers. These premiums are also not subject to social security taxes or state income taxes. Thus, even for a relatively low income family, the inducement to buy insurance can be quite substantial . . ." [5])

The effect of such an increase in medical outlay would be inflationary on the face of it, since this rapid hike in spending meant a larger number of dollars were competing for medical services and facilities, bidding up the price of all the factors in the medical economy. While the supply side could and did expand in response to the sudden escalation of demand, it could not increase as rapidly as the number of dollars flowing into the system. Rising prices were the predictable result.

Beyond the sheer effect of raw demand, however, was the particular method of medical financing adopted under Medicare and Medicaid, stressing third party payments in behalf of consumers and after-the-fact reimbursement of providers. Through the impact of these programs, more than 90 per cent of hospital bills are now picked up by someone other than the patient, and 55 per cent are absorbed by the Federal government. The result, from the patient's standpoint, is that the service received is seen as "free," or nearly so, at the point of consumption.

PRICE IS NO OBJECT

Though this arrangement conforms to prevailing notions of medical care as a "right," it ignores the role of price as a regulator of demand. As prices go up, other things being equal, demand is curtailed; as prices go down, demand is increased. At a zero price for a scarce resource of service, demand would theoretically be infinite. In the case of hospital and other medical care, as the price to the consumer has been reduced at the point of consumption, demand for medical care, in quantity and quality, has risen sharply.

"In the United States," notes medical economist Paul Ginsburg of Michigan State University, "the system of hospital financing is approaching one where patients will have no incentive to consider price. Already, 90 per cent of hospital expenditures are covered by third-party payment . . . If third-party coverage is approaching 100 per cent it appears that neither charge nor cost-reimbursement is consonant with a 'quality' level of less than the limit of technology . . . With patients insensitive to price, and with costs or charges reimbursed, there is no restriction of increasing levels of quality . . . and quantity to the patients' saturation point." [6]

Representative Philip M. Crane (R-Ill.) likewise observes: "With only 10 per cent of hospital expenses being paid out of pocket by the consumers in 1977, there is obviously little incentive to choose the least expensive service since the difference in cost to the consumer is negligible. He pays only $5 more for the $100 treatment than the one costing $50." [7]

In view of these considerations, it is hardly surprising that, following the establishment of Medicare, hospital admissions among the elderly increased by 25 per cent and the length of hospital stays increased by 50 per cent. Dr. John B. Reiss of the New Jersey State Department of Health has noted: "The divorce of direct payment of use of health care, and payment for that care through third-party reimbursement may well have some effect on continuing increases in consumer demand for health care services. People who seek health care generally are not concerned with price at the time which they enter the system." [8] Joseph D. Hawkins, Texas State Insurance Commissioner, adds: "Insurance that at one time was purchased to cover the cost of unexpected illness and injury, increases health costs by stimulating the demand for broader, first dollar coverages. This, in turn, generates the provision of more complete, technical and expensive care." [9]

COST REIMBURSEMENT

As these comments suggest, the prevailing system of reimbursement to health care providers has also played an important role in boosting health expenditures. In essence, providers are reimbursed by the Federal government according to their costs or customary charges. This means, in a nutshell, that in order to get more money, the hospital needs only to spend more, passing the bill along to the Federal government. When confronted by a demand for augmented wages or a proposal to buy more expensive equipment to upgrade the quality of care, therefore, the hospital administrator has no particular reason to turn it down.

New York University economist Herbert Klarman explains: "Cost reimbursement . . . was widely adopted under Medicare and Medicaid. Under this method of payment a hospital is paid a daily rate related to its own cost of operation. The hospital administrator can no longer deny requests for higher wages or more supplies on the ground that money is lacking; to get money, he need only spend more." [10] Msgr. James P. Cassidy of the Department of Health and Hospitals of the Catholic Charities, Archdiocese of New York, agrees: "The more you spend, the greater your chance of reimbursement, and if you saved money in the past and did not spend your money, then you are penalized by lower reimbursement." [11]

Increased hospital wages have been one obvious effect of this procedure. Before 1965, salaries of hospital employees grew at a rate of about 5 per cent per year. Since then, the rate of increase has risen to double the previous level. Referring to expenditures by hospitals, columnist M. Stanton Evans has pointed out that "by far the vast majority of these expenditures—roughly 70 per cent—have gone to pay the wages of hospital personnel, as wages pushed steadily higher by employee demands have connected up with public funds." [12] Representative Crane has noted that in one year wage hikes alone constituted nearly 30 per cent of the rise in hospital costs.

In addition, cost reimbursement has prompted hospitals to install more costly equipment increasing the "quality" of care and thereby their appeal to prospective patient-customers and to health care professionals. As Senator Kennedy has stated, "the system tends to encourage hospitals to add expensive new facilities and technologies." [13] Kennedy notes that in the past six years the number of laboratory tests per patient has risen by eight per cent and that the cost of these tests has risen by ten per cent annually. Ralph Nader's Health Research Group adds: "Because of their desire to attract or keep medical staff members and to enhance the reputation of their institution, hospital administrators buy high-technology equipment and facilities, such as $500,000 CAT (computerized axial tomography) scanners and open-heart surgery units which they . . . could share with other hospitals." [14]

Representative Crane observes: "The number of intensive care units increased 130 per cent between 1970 and 1975, and the nursing hours per patient day in these units increased from 14.2 to 15.5 in the same period, adding to the cost of treatment . . . By the end of this year, U.S. hospitals will have 1,400 CAT scanners, which are used to detect cancer." [15]

Harvard's Feldstein confirms these observations. "It is our method of financing health services," he says, "that primarily determines the pattern of technological change itself. Hospitals would not be buying the latest, expensive medical technology if they could not afford it. What permits them to afford

it is our mode of insuring against hospital costs." [16]

In a recent issue of the New Republic, Eliot Marshall describes a process of hospital expansion, duplication of services and fight for greater "quality" in an environment where market considerations have largely been eliminated. He describes two lavish new hospitals going up in Boston, both of which provide private rooms and both of which are dependent on Federal financing. One features individual bathrooms for each patient, and an automated monorail system for the delivery of food and other supplies.

As Marshall puts it: "Political allegiances are important in the hospital war because the normal rules of competitive enterprise do not apply . . . Boston—like other parts of the country, including Florida, Washington, D.C., and Southern California—already has more hospitals than it needs. Yet private hospitals continue to expand and multiply, often with government financing and always with the exception of revenue from government health programs. . . . " [17]

In addition to all the above, a plethora of other government programs and regulations has added to the problem of medical costs. The Hill-Burton program, which in one year constructed 40 per cent of the new beds in non-federal short-term hospitals, is largely responsible for the present surplus of 100,000 hospital beds, each of which costs $20,000 a year to maintain. Federal pension requirements have forged many hospitals into costly programs, such as the $680,000 one which the Yale-New Haven Hospital adopted. Further, even the paperwork involved in licensing and quality standards, budget review, rate and reimbursement guidelines and countless other regulations helps to drive up expenses. And, of course, hospitals face the more familiar regulations as well—OSHA, EPA, FDA and so forth. As Representative Crane has noted: "If each of the more than 7,000 hospitals in the United States added just one more employee at $10,000 as the result of federal regulations, the annual added cost would be $70 million. Obviously the number of extra personnel is much higher than that at untold expense." [18]

In sum: By accelerating demand, creating incentives for both consumers and producers to seek more expensive services, and by introducing a host of complex regulations, the government has played the central role in creating the current problem of rising hospital costs.

FOOTNOTES

[1] *Congressional Record*, April 26, 1977
[2] House Document No. 95–129: "Health Care: Message from the President of the United States," April 25, 1977.
[3] *Health: United States*: 1975, DHEW Publication No. (HRA) 76–1232, p. 68.
[4] Executive Office of the President, Council on Wage and Price Stability, Staff Report, April 1976: *The Problem of Rising Health Care Costs*, p. 14.
[5] "The High Cost of Hospitals—And What To Do About It," *The Public Interest*, Summer 1977
[6] "Regulating the Price of Hospital Care," paper prepared for Regulatory Reform Conference, American Enterprise Institute, Washington, D.C. September 10–11, 1975
[7] *Congressional Record*, May 3, 1977
[8] Executive Office of the President, Council on Wage and Price Stability, *The Complex Puzzle of Rising Health Care Costs*, December, 1976; p. 10
[9] *Ibid.*, p. 11
[10] "Major Public Initiatives in Health Care," *The Public Interest*, Winter 1974
[11] *The Complex Puzzle of Rising Health Care Costs*, p. 12
[12] *Clear and Present Dangers*, Harcourt-Brace Jovanovich, 1975, p. 211
[13] *Congressional Record*, April 26, 1977
[14] *Congressional Quarterly*, April 30, 1977
[15] *Congressional Record*, May 3, 1977
[16] *The Public Interest*, Summer 1977
[17] "The Great Hospital War," *The New Republic*, May 28, 1977
[18] *Congressional Record*, May 3, 1977

THE PANAMA DEAL—MUZZLING CONGRESS, THE MILITARY, AND THE CONSUMER

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. HANSEN. Mr. Speaker, the proposed Panama Canal treaties are a sellout of American interests. President Carter's "fireside chat" last week was reflective of just how far the President is willing to go in his attempts to subvert the will of the majority of the American people. His efforts were not, however, successful as is witnessed by an article in the Washington Post which stated:

> Telephone calls to the White House ran 4 to 1 against the Panama Canal treaties after President Carter's televised speech urging the public to accept them.

The President is misinformed in his claims that the treaties are in the "highest national interest of the United States." This is untrue in almost every respect.

The overwhelming majority—30 to 1—of retired flag-rank military officers who no longer fear for their jobs and can speak freely, agree that our military security stands to be dangerously and irretrievably impaired.

Contrary to the President's statement, the United States will become more involved in colonialism and imperialism, rather than less. This is because the United States is currently handling matters regarding the Panama Canal which lies in U.S. territory largely without interference in Panama's internal affairs which would not be possible if the canal is absorbed as part of that nation.

At a time when our balance of payments is running at a record deficit, it is nothing but economic suicide to further impair our trade possibilities by turning over control of a major U.S. trade route to a foreign nation.

Furthermore, every household in the eastern part of the United States which stands to benefit by new domestic oil supplies from Alaska's northern slopes will find a bigger bill for heating oil every month thanks to the tolls and tariffs of dictator Torrijos. If the treaties are ratified, the price of sugar and other groceries for every U.S. family will also increase, not to help the beleaguered farmer, but to pad the pockets of the foreign middleman in Panama.

Mr. Speaker, there still exists a grave constitutional question concerning the proposed treaties which President Carter has failed to acknowledge. I have authored a resolution which is supported by a majority of the Members of this body which would assure the House a vote in the question of disposing of Government property as provided in article IV, section 3, clause 2 of the Constitution.

A substantial majority of the House are prepared to resist any attempt by the Executive or the Senate to usurp unauthorized authority or exclude the House from exercise of its appointed responsibilities to the Nation and its citizens.

As Members of the U.S. House of Representatives we would not presume to deprive the Senate of its constitutional powers regarding treaties because of article IV considerations. Likewise we would trust that the Senate would not presume to deprive the House of its designated authority.

This resolution will, no doubt, set back the Carter administration railroading efforts in the Senate since it clearly demonstrates that Senate majority leader, ROBERT BYRD of West Virginia, and Foreign Relations Committee leaders, JOHN SPARKMAN of Alabama and FRANK CHURCH of Idaho, do not enjoy the support of their constituency in giving away the canal as witnessed by the fact that all Members of the House from those three States are cosponsors of my resolution.

Additionally, Mr. Speaker, I call to your attention a recent article which I insert for the RECORD, by Mr. Kenneth Merin of the American Law Division of the Congressional Research Service which states:

> While it is impossible to make a categorical assertion that article IV, section 3, clause 2 is either exclusive or concurrent, it appears that those powers have been recognized as exclusive for purposes of disposal of property in and around the Canal Zone to Panama.

The complete text of Mr. Merin's remarks follows:

PANAMA—THE CONSTITUTIONAL QUESTION

(By Kenneth Merin)

Almost lost amidst the debate over the political, military, historical, and economic ramifications of the proposed Panama Canal Treaties is the constitutional question of whether American territory and property may be transferred to a foreign nation under the treaty making power. Article II, Section 2, clause 2 of the Constitution authorizes the President to negotiate and enter into treaties:

"He shall have the Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; . . ."

However, Article IV, Section 3, clause 2 grants Congress the power to dispose of territory and other Federal property:

"The Congress shall have Power to dispose of and make all Rules and Regulations inspecting the Territory or other Property belonging to the United States; . . ."

Certain powers granted by the Constitution to Congress are concurrent, and may be exercised by either the Congress, or the Executive through its treaty power. If the disposal power is concurrent, then American property interests may be conveyed to foreign nations without the approval of the House of Representatives. Exclusive powers may be exercised only by the Congress. If the disposal power is found to be exclusive, then both

Houses of Congress would be required to assent through legislation to any transfer of property interests.

CONSTITUTIONAL ANALYSIS

Two powers exercised by the Congress and generally conceded to be exclusive are the appropriations and revenue law powers. Their exclusive nature is readily apparent from the language of those Constitutional provisions. Thus, "All Bills for Raising Revenue shall originate in the House of Representatives; . . .", and, "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; . . .". Other provisions of the Constitution state the legislative powers of Congress in a permissive form, without the mandatory language used in the grants concerning appropriations and revenue powers.

LANGUAGE PERMISSIVE

The language of Article IV, Section 3, clause 2 is permissive, "The Congress shall have the Power . . .". Despite that language, the Supreme Court has constantly ruled that Congress' power to dispose of federal territory and property is exclusive. Those decisions, however, involved situations concerning the locus of authority within the federal system.

The Court did not consider the nature of the Congressional power as a limitation on the extent of the treaty power. In fact, Article IV does seem to be devoted to the distribution of authority between the State and Federal Governments. However, good arguments supporting both the exchange and concurrent interpretations of the disposal power may be culled from the Records of the Constitutional Convention, the various State Ratifying Conventions, and the Federalist Papers.

It does not appear that there is any clear answer to be obtained from the Constitution as to the exclusive or concurrent nature of Article IV as it relates to the disposal of property to a foreign power. Therefore, it is advisable to look to the past treaty practice of the United States in order to determine if that practice reveals precedent that may be considered controlling.

TREATY PRACTICE

Are previous disposals of territory and property (without implementing legislation) valid precedent for the proposition that the House of Representatives has no role in the disposition of Federal property interests? A comprehensive review of such actions suggests that they are distinguishable from the proposed cession of property to Panama.

One group of such treaties may be categorized as "boundary treaties". Through these instruments the United States delineated its borders. However, the settlement by treaty of a disputed boundary does not provide support for the concurrent nature of the disposal power, since a treaty for the determination of a disputed line operates not as a treaty of cession, but of recognition.

Treaties that conveyed interests in land to the Indian tribes comprise the second group of treaties which have been suggested as a basis on which to find support for the concurrent nature of the disposal power. The Indian treaties do not serve to prove this point for several reasons.

First, many of those treaties did not grant the Indians a complete ownership interest in the land. Next, in those instances in which the Indian tribes received an ownership interest, the Federal Government still exercised ultimate control over the land through its power of eminent domain. That power obviously would not exist if lands were transferred to a foreign nation. Finally, Congress passed a law over a century ago that repudiated the practice of disposing of lands to the Indian tribes by treaty.

A third group of treaties does provide more of a basis on which to base a claim that treaty practice of the United States shows that the disposal power is concurrent. The prime example of this sort of treaty is the instrument returning Okinawa to Japan. That 1972 cession did convey Federal property to Japan, seemingly without congressional approval. The precedential value of this treaty is limited by the lack of congressional opposition to the transfer and by existing statutory language which may have been used as a basis under which the transfer was made.

CONCLUSION

The treaty making power, vested in the President to be exercised with the advice and consent of the Senate is extremely broad in scope. That power is limited when the Constitution confers an exclusive grant of authority on Congress.

Although there are excellent arguments in favor of the proposition that the authority to dispose of property is concurrent and may therefore be exercised under the treaty making power, those arguments are not altogether free from doubt. Supreme Court decisions have recognized the exclusive nature of Congress' Article IV powers as they relate to the Federal-State relationship.

Those rulings have never been qualified by other decisions characterizing the disposal as concurrent when used by the executive under the treaty making power. It does not appear that past treaty practice with either foreign nations or Indian tribes provides authoritative precedent establishing, with any degree of certainty, the exclusive or concurrent nature of Article IV, as that provision relates to disposal of land to a foreign sovereign.

It is clear that Congress has often asserted an exclusive right to dispose of federal territory and property. It is also apparent that both the Executive and the Senate have recognized that claim in past dispositions of property in the Canal Zone to Panama. Therefore, while it is impossible to make a categorical assertion that Article IV, Section 3, clause 2 is either exclusive or concurrent, it appears that those powers have been recognized as exclusive for purposes of disposal of property in and around the Canal Zone to Panama.

Finally, regardless of the nature of the Article IV power, the co-operation of all three branches of government is necessary for the effective implementation of American foreign policy. Although the President is the sole organ of communications with other nations, conclusion of a treaty without prior regard for congressional attitudes might adversely affect the continuing executive/congressional relationship.

PREVIOUS CESSIONS

The United States has transferred territory and property in and around the Canal Zone to the Republic of Panama on four previous occasions.

The 1932 and 1937 transfers were effected by Act of Congress. In 1943, a Joint Resolution approved an executive agreement calling for the transfer of property to Panama. Three provisions in a 1955 treaty with Panama provided for the disposition of territory and property. One of those provisions required implementing legislation. Although the other two provisions did not call for implementing legislation, a State Department official acknowledged that implementing legislation would be required for all three provisions.

Finally Mr. Speaker, I wish to call your attention to my previous remarks in the CONGRESSIONAL RECORD (Extensions of Remarks) of November 8, 1977, concerning the muzzling of the military on the Panama Canal subject.

As a continuance of my statements on this subject I include for the RECORD two recent articles, one from the January 25, 1978, issue of the Arizona Republic and one from the February 5, 1978, issue of the Washington Star. The articles speak for themselves, in one Secretary of Defense Harold Brown admitted to muzzling the Joint Chiefs on the Panama question and in the other an Army general has questioned the treaties and is preparing to retire in June. I highly recommend both articles to my colleagues in light of the seriousness of the implications of this matter. The articles follow:

JOINT CHIEFS FACE "MUZZLING" IF THEY OPPOSE CANAL PACTS

Secretary of Defense Harold Brown admitted on Tuesday that if any of the Joint Chiefs of Staff opposed ratification of the Panama Canal treaties, they would be "muzzled."

They would be free to criticize the treaties, but Brown said if they do they should be prepared to resign. However, he said all support the treaties.

Referring to some former chiefs who oppose the treaties, Brown said they are not as well informed. Some expressed opposition even before both treaties were completely written, Brown said.

Brown made the remarks in answer to a question from the audience after he had finished a speech on the treaties at a dinner sponsored by the Military Affairs Committee of the Phoenix Metropolitan Chamber of Commerce in the TowneHouse.

Brown told another questioner he doesn't think the canal is a white elephant, but doesn't want to overstate its values.

In his speech, Brown said the treaties, subject to Senate approval, are needed to keep Panama as a friend.

"We want the canal protected from external threats involving sophisticated weapons launched from outside Panama," Brown said. "Just as important, we want it protected from guerrilla or terrorist attacks or threats that could originate close by."

The Secretary emphasized that the United States "retains all rights necessary to take whatever actions may be required to ensure the canal's neutrality and security. Those rights include the right to use military force."

Basically, the United States feels it is in a better position to have a friendly nation running the canal than to have the United States operate it in an unfriendly atmosphere, Brown said.

In a press conference before the dinner, Brown praised the work of Adm. Stansfield Turner, Central Intelligence Agency director, who had been reported on the way out until President Carter expanded his authority Tuesday morning.

HE'S WORRIED—AND GOING TO RETIRE: GENERAL OFFERS CANAL PACT OPTION

(By Jeremiah O'Leary)

When the tall, distinguished-looking three-star general testified in full uniform before a Senate committee last week on his ideas for an alternative to the administration's proposed Panama Canal treaties, there were ominous vibrations throughout the Pentagon.

But Lt. Gen. Gordon Sumner, Jr., 53, chairman of the 19-nation Inter-American Defense Board, drew no flak from the White House or the Joint Chiefs of Staff for what some might regard as an expression of disagreement with the policy of his commander-in-chief.

For one thing, Sumner didn't say outright he was against the canal treaties, only that he has serious concerns about them and that

he had a proposal of his own if the Senate does not ratify the pacts.

For another, Sumner applied for retirement late last year, effective May 31, in light of his convictions about the canal treaties and therefore is somewhat out of reach of any rebuke or punitive action that might be contemplated.

"I felt I would be in a better position not to embarrass anybody if I put in my papers," Sumner said in an interview yesterday. "And I'm not thinking of becoming a martyr."

Sumner indicated he was aware of what happened to Maj. Gen. John K. Singlaub and Lt. Gen. Donn A. Starry for stepping out of line with public pronouncements.

Singlaub was removed as chief of staff for U.S. forces in Korea after publicly challenging President Carter's decision to pull U.S. troops out of Korea. Starry was rebuked for failing to clear a speech with the Pentagon in which he warned that the United States might wind up in the middle of a Sino-Soviet War.

But Sumner, in his testimony last week before the Senate Armed Services Committee, did no more than express his concern about the treaties and suggest an alernative if the treaties fail when the ratification vote is taken in about five weeks.

His proposal was that the United States would transfer control of the canal to the Inter-American Defense Board, the defensive arm of the Western Hemisphere under the Rio Treaty, to operate the waterway as an international utility. As members of the board, both Panama and the United States would participate in defense of the canal, Sumner said.

Under Sumner's proposal, the Canal Zone would remain intact under control of the board, and benefits to Panama could be increased by contracting out services now estimated to be worth $100 million a year.

Sumner was asked if he had thought he might be subject to disciplinary action for, in effect, making a proposal far different from the administration's official policy on Panama.

"What I have done is make my views known in a non-inflammatory way," Sumner said. "I have received no instructions from my government through channels since my position is international and not like that of the generals in charge of NATO and Southern Command.

"I had orders from the Joint Chiefs to testify, so I had to do that. I told them I wanted either a letter or a subpoena before I testified, and I was ordered to go ahead on the basis of a letter, not a subpoena. I would have been in violation of my orders if I had not testified.

"My position is that, as chairman of the IADB, the treaties are officially none of our business. As an Army officer, I have to support my government. As a person, I have serious worries about the treaties. Having received no instructions, I can say what I think."

Nevertheless, Sumner decided just before Christmas to retire with 35 years of service so he could speak his mind. While he carefully does not dissent from the treaties signed by Carter and Gen. Omar Torrijos, Panama's chief of state, Sumner openly declares the U.S. position in Latin America has "gone to hell and I don't want to be part of it."

Sumner is well-schooled in international affairs. He was Middle East adviser to Secretary of Defense James R. Schlesinger and before that was an aide to Secretary of Defense Melvin Laird.

He also has seen service in the Bureau of International Security Affairs, the "little State Department" of the Pentagon. Sumner is a native of Albuquerque, N.M., and joined the Army in November 1942. The was in the 2nd Division in World War II and the 1st Cavalry Division in the Korean War.

ADDITIONAL ASSISTANCE FOR SOVIET JEWISH REFUGEES NECESSARY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 7, 1978

Mr. SOLARZ. Mr. Speaker, in his budget request, the President has asked Congress to provide a $21.2 million increase in the State Department's U.S. refugee program to be used for "increased grants to voluntary agencies—to resettle Soviet and other refugees in the United States."

Mr. Speaker, I strongly support this additional funding and commend the President for his initiative in this crucial area. This unique immigrant group, refugees from a system that did not provide them with the freedoms that all Americans enjoy, has already made a useful contribution to our society. I look forward to the day when they will enjoy full American citizenship, and I am particularly pleased to take this opportunity to welcome the large numbers of families who have settled in the Brighton Beach and Boro Park neighborhoods in my district.

I ask that my testimony on behalf of the President's request submitted to the International Relations Committee be included at this point in the RECORD, and I urge all of my colleagues to support this essential program which makes clear America's willingness to support humanitarian goals through practical measures:

TESTIMONY OF REP. STEPHEN J. SOLARZ ON U.S. REFUGEE ASSISTANCE

Mr. Chairman, I am submitting this testimony to the Subcommittee in support of the President's budget request for a $21.2 million increase in the State Department's U.S. Refugee Program to be used for "increased grants to voluntary agencies . . . to resettle Soviet and other refugees in the United States." This funding is of the utmost importance to insure the successful absorption of Soviet refugees in our communities.

Since 1972, over 20,000 Jewish refugees have emigrated from the Soviet Union to the United States to escape political and religious persecution. About half of this total have come to New York City, and a large percentage of these have settled in the Brighton Beach and Boro Park neighborhoods in my district. These new immigrants have already become productive participants in our society, and I look forward to the day when they will enojoy the benefits of American citizenship.

Mr. Chairman, I am sure you are well aware of the massive commitment the American Jewish community has made to the resettlement of these refugees. The Jewish community spends an average of $10,000 for each Russian refugee family resettled in the United States, and in 1976 alone the American Jewish community spent over $19 million to help resettle the 5,000 Soviet refugees who arrived in the United States. I am assured that this commitment will continue in the years to come.

However, the current rate of refugee immigration to the United States has increased in recent years while the overall numbers of Jews leaving the Soviet Union has also increased somewhat in the recent past. Accordingly, private funds are no longer totally sufficient to take care of the enormous resettlement costs of this unique population.

Mr. Chairman, I am personally acquainted with the variety of programs that the Jewish Federations and agencies like the New York Association for New Americans and the Hebrew Immigrant Aid Society have provided for refugees coming to the United States. These agencies have provided funding for basic maintenance, clothing, household establishment, language training, health care, job training, family counseling and other activities. Because of these programs, the resettlement of Jewish refugees has been remarkably successful. For example, a recent follow-up study of 100 families who received service from the New York Association for New Americans shows a familiar pattern: the overwhelming majority of families are able to find a niche for themselves within a year, with 88 percent saying they were satisfied with their present life in New York and their prospects for the future.

Because of the costs associated with these remarkable programs, Jewish Federations and their agencies have applied for Federal categorical assistance to supplement private community support. Indeed, I have frequently personally interceded with various Federal agencies in the attempt to gain support for these necessary programs. Unfortunately, applications for this assistance have not been generally successful, and the discouraging experiences of New York City's Jewish agencies and the New York Association for New Americans have led me to believe that a special Federal program was essential for this unique group.

For this reason, I was extremely pleased to learn that President Carter has endorsed increased assistance to Soviet Jews in the State Department's U.S. refugee program to supplement ongoing Jewish community efforts in a fruitful partnership between the private and governmental sectors. I strongly urge the Subcommittee to approve the President's request, and I commend the Administration for its notable efforts in making the request this year.

Let me add one further note. I believe it is equally important for this Subcommittee to continue its ongoing initiative in authorizing $20 million to aid in the resettlement of Soviet Jewish refugees in Israel. In the past ten years, over 120,000 refugees have emigrated from the Soviet Union to Israel, and, as you know, governmental agencies like the General Accounting Office have found that U.S. funds contributed significantly to resettling these refugees. While we consider increasing assistance for those refugees coming to the United States, we should not forget that about half of Jewish emigrants from the Soviet Union do immigrate to Israel and continue to require assistance there.

These two congressional refugee resettlement authorizations should be seen in their proper light as complementary and essential. The few millions of dollars we will spend on these programs makes clear America's willingness to support humanitarian goals through practical measures.