

Brenkworth again was employed by the Commission until his appointment to the Disbursing Office on June 1, 1948. He advanced to chief bookkeeper in August of 1951 and subsequently became the assistant financial clerk on January 1, 1953, a position he held until his appointment as financial clerk on August 23, 1954.

He is survived by his wife, Elsie, and two children, Barbara and Lisa.

I am sure the Members of the Senate join me in expressing our condolences to his wife and to his children, and join me in saying that Mr. Brenkworth was a fine public servant and we regret to hear the news of his passing.

#### PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 9 a.m. tomorrow. After the two leaders have been recognized for not to exceed 3 minutes each, Mr. BENTSEN will be recognized for not to exceed 10 minutes, after which the Senate will resume consideration of the first concurrent budget resolution. At that time, Mr. LUGAR will be recognized to call up his amendment, on which there is a time limitation of 2 hours. There will undoubtedly be a rollcall vote in relation to that amendment. It should be kept in mind that all of the statutory time of 2 hours may not necessarily be utilized; some of it may be yielded back. So a rollcall vote could come earlier than, let us say, 11:15 a.m.

Following the disposition of the amendment by Mr. LUGAR, Mr. ROTH will call up his amendment. At the present time, there is a time limitation on that amendment of 2 hours; on the disposition of that, Mr. DOMENICI will call up his amendment, on which there is a time limitation of 1½ hours.

Upon the disposition of the Domenici amendment, Mr. SCHWEIKER will call up his amendment, upon which there is a limitation of 1 hour. That will be followed by the amendment by Mr. RIEGLE, on which there is a limitation of 2 hours; to be followed by an amendment by Mr. STENNIS, on which there is a limitation of 2 hours; to be followed by an amendment by Mr. METZENBAUM, on which there is a limitation of 1 hour; to be followed by

an amendment by Mr. KENNEDY, on which there is time limitation of 2 hours, after which Mr. TOWER will call up his amendment, on which there is a 1-hour time limitation; subsequent to which Mr. HATCH will be recognized to call up his five amendments, one at a time, of course, with a time limitation on each of 1 hour.

Mr. President, as I say, the time limitations that I have set forth in this statement may be reduced, either by consent or by virtue of the parties in control thereof yielding some of the time back. There may be other amendments around, and it promises to be a long day tomorrow. The leadership will endeavor, as best it can, to complete action on the resolution tomorrow.

Tomorrow is Wednesday. That will be 3 days this week on the first concurrent budget resolution. It is then hoped that the Senate can take up the Department of Education bill on Thursday, hoping to complete it, and the aircraft noise abatement bill, also, on the same day. There is a time limitation on that bill likewise. So, tomorrow promises to be a busy day, with a good many rollcall votes.

Does the distinguished Senator from Oklahoma have anything to add?

Mr. BELLMON. I believe the special orders outlined by the distinguished majority leader is in accord with our understanding. I have nothing to add.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

#### RECESS UNTIL 9 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 o'clock tomorrow morning.

The motion was agreed to; and, at 6:18 p.m., the Senate recessed until tomorrow, April 25, 1979, at 9 a.m.

#### NOMINATION

Executive nomination received by the Senate April 24, 1979:

##### IN THE ARMY

The following-named Army Reserve officer for appointment as Chief, Army Reserve and appointment to major general in the Re-

serve of the Army and in the Army of the United States, under the provisions of title 10, United States Code, sections 3019, 3442 and 3447:

To be major general, USAR and AUS

Brig. Gen. William Roger Berkman, 559-32-4169.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate April 24, 1979:

##### DEPARTMENT OF STATE

John Prior Lewis, of New Jersey, for the rank of Minister during the tenure of his service as Chairman of the Development Assistance Committee of the Organization for Economic Cooperation and Development at Paris, France.

William Lacy Swing, of North Carolina, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of the Congo.

##### INTERNATIONAL MONETARY FUND

Donald Eugene Syvrud, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years.

##### ACTION AGENCY

Richard Frank Celeste, of Ohio, to be Director of the Peace Corps.

Richard Frank Celeste, of Ohio, to be an Associate Director of the ACTION Agency.

The above nominations were approved subject to the nominee's commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

##### THE JUDICIARY

Robert M. Parker, of Texas, to be U.S. district judge for the eastern district of Texas.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Martin F. Loughlin, of New Hampshire, to be U.S. district judge for the district of New Hampshire.

David O. Belew, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Mary Lou Robinson, of Texas, to be U.S. district judge for the northern district of Texas.

##### FOREIGN SERVICE

Foreign Service nominations beginning Philip W. Arnold, to be a Foreign Service information officer of class 1, and ending Marianne Craven, to be a Foreign Service information officer of class 7, which nominations were received by the Senate on March 23, 1979, and appeared in the CONGRESSIONAL RECORD of March 26, 1979.

## EXTENSIONS OF REMARKS

### AID TO THE MIDDLE EAST

#### HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CORMAN. Mr. Speaker, President Carter's unprecedented quest for peace united two courageous nations in the search for stability in the Middle East. Sixteen long, and at times bitter, months of negotiations resulted in the signing of a Middle East peace accord on March 26,

1979. Prime Minister Begin and President Sadat ended 30 years of a state of war, frequently resulting in bloodshed between Israel and Egypt, and President Carter fulfilled the dream of every American President since Harry Truman recognized the state of Israel in 1948. The historic treaty signing symbolized the determination of Israel, Egypt and the United States to secure a just and lasting peace and stability throughout the Middle East.

The treaty implements the mandate of United Nations Security Council Resolution 242—Israel's withdrawal from ter-

ritory occupied since the 1967 war, Egypt's recognition of Israel's sovereignty, territorial integrity, and right to live in peace within secure borders, and opens negotiations for Palestinian self-rule. The governments of Israel and Egypt have ratified the treaty, and within the next month the first phase of Israeli withdrawal from the Sinai and discussions on Palestinian autonomy will begin. This bold initiative by Israel and Egypt may one day make it possible for Israel to live securely and in harmony with all her Arab neighbors.

To insure the U.S. commitment to se-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

curity and stability of Egypt and Israel, and to protect our own security interests in the Middle East, the administration proposes a \$4.8 billion supplemental aid package. Its passage would mean that Israel would receive:

An \$800 million grant to construct two new airbases in the Negev Desert, replacing those presently in the Sinai peninsula. The Army Corps of Engineers would provide managerial and technical assistance in relocating the bases.

A \$2.2 billion long-term loan for arms purchases.

Expedite delivery of 75 F-16 fighters.

A 15-year guarantee of U.S. oil.

This last provision must be clearly understood by the American people, particularly in light of the severity of our own energy needs. Israel would turn to the United States for oil, only if she were unable to make independent arrangements. The United States would first help with the procurement of oil from abroad, and only turn to our own production as a last resort. Should Israel need to consume our oil, she would pay for it at world market prices, and reimburse the United States for any costs incurred for procuring the oil.

Israel consumes at the very most 1 percent of U.S. daily oil needs, or 165,000 barrels per day compared with 19 million barrels per day now used by the United States. It is also important to note that Israel has maintained a similar agreement with the United States since 1975, and has never called on our commitment.

For Egypt the aid package provides:

A \$300 million economic development loan, badly needed to help restore her faltering economy.

A \$1.5 billion long-term loan for arms purchases. This would be the first time in history that the United States has loaned money to Egypt for military weapons.

While the package totals nearly \$5 billion in loans and grants, the actual out of pocket expense to the United States would be just over \$1.1 billion over a 3-year period. This includes the \$800 million grant and \$300 million special economic assistance for Israel and Egypt, respectively, and a 10-percent guarantee of the total amount of the arms sales loans. Without question, the total aid package is the most massive U.S. aid program since the Marshall plan was authorized in 1947 to restore economic health to Europe at the cost of \$12 billion. Thus, there is an historic precedent that peace, like war, has a price tag. Yet, the price of peace is far less than that of war.

Let us look for a moment at the cost of war. In the first 19 years of Israel's existence, the United States provided \$1.5 billion in foreign aid. By comparison, the October war of 1973 alone cost the United States \$2.2 billion to replace Israeli military equipment and \$5 billion in additional aid.

Another startling realization is that the United States incurred at least \$150 billion in military expenses in the Vietnam war. It is estimated that the ultimate cost of that war, including long-term veterans benefits could total \$350 billion. In comparison, the total cost of

the supplemental aid package for the Middle East will be less than the cost of 2 months of war at the height of our involvement in Vietnam.

These costs are only the monetary figures attached to years of bloodshed. There is, however, another element of war which remains priceless—the loss of human life. Since 1948, over 115,000 Arabs and 40,000 Israeli military personnel have lost their lives in search of peace. Yet, these figures do not reflect the continuing casualties of terrorism and retaliatory military actions. While the battlefields remain calm, innocent people throughout the Middle East, and the world, continue to fall victim to the conflict plaguing the Middle East. How then, can the price tag of Middle East peace be seen as too great an expense?

Israel and Egypt share the commitment to implement the treaty and work together to achieve a comprehensive plan by which all the nations consumed by 30 years of war can live in permanent peace. Israel and Egypt sacrificed and compromised to reach a settlement. They both have taken great risks to achieve peace for their people. Israel has agreed to trust Egypt's promises of recognition of sovereignty and an end to war. She must bear the financial burden of peace—withdrawal from the Sinai—and face an uncertain future with her other Arab neighbors.

Egypt too faces grave dangers as a price for peace. She must counter economic boycotts and isolation sanctioned by her sister Arab states. She must undertake the difficult and timely task of building a strong economy, which for 30 years has been sacrificed at the expense of war. And finally, Egypt must ward off the threats of radical, Arab violence, a result of President Sadat's courage to lay down arms against Israel and live in peace with his neighbor.

Hostile resistance to a comprehensive Middle East peace remains. Yet, the torch of peace is now lit in two of the wartorn nations. Their efforts and the full participation of the United States must continue. The United States must remain a full partner in implementing the treaty and must provide the financial assistance necessary to accomplish the goals of peace and stability in the Middle East. The United States must help the people of Israel and Egypt build confidence so that they can deal effectively with outside threats designed to dissolve the peace accord, and meet the economic burdens created by a commitment to be free from war. I urge my colleagues to fully support the supplemental aid package for the Middle East.

This is the brightest moment for peace in three decades, and we must not allow it to needlessly perish. ●

#### EDUCATION ACHIEVEMENTS OF MR. JOSEPH L. McCOURT

#### HON. FERNAND J. ST GERMAIN OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES  
Tuesday, April 24, 1979

● Mr. ST GERMAIN. Mr. Speaker, in Cumberland, R.I., within my First Congressional District, there is a man, Mr.

Joseph L. McCourt, who has devoted his life to teaching in the Cumberland school system, and on the occasion of his retirement I would like to pay tribute to him by calling attention to his many achievements in the field of education.

From his first appointment as a teacher in 1941 to the present time, Joe McCourt has initiated so many fine educational programs in his community, represented Rhode Island so actively in the National Association of Secondary School Principals, and served the children of Cumberland so outstandingly as a principal in several schools that he has deservedly earned the respect and love that is felt for him by Cumberland's citizens of all ages.

Perhaps the best testimony to Joe McCourt's contribution to the education of Rhode Islanders is the wonderful fact that of his seven children three are already teachers either in the Cumberland school system or in the area. Throughout his long career he has touched many lives, and after retirement he will be able to look back with warm satisfaction to all those students whom he has prepared, and in whom he has instilled a desire for higher education.

It is a pleasure for me to use this means of congratulating Mr. McCourt and to wish him well in all of the pursuits of life which lie ahead for him. ●

#### A CALL FOR JUSTICE

#### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LaFALCE. Mr. Speaker, the Federal Republic of Germany has the opportunity this year to demonstrate its full commitment to international justice. The existing statute of limitations in the Federal Republic would prevent the prosecution and punishment of Nazi-era war criminals after December 31, 1979.

Those responsible for the Holocaust which consumed 6 million Jews and the related slaughters which resulted in the deaths of millions of Poles, Russians, Gypsies, and countless others cannot be allowed to go on unpunished, because of a statute of limitations. Recently, there have been increasing signs of a new determination in this country and in other lands to ferret out war criminals and return them to the location of the atrocities for trials, which could be severely discouraged, if the Federal Republic refused to prosecute war criminals. Similarly, the new interest in the location of the SS officer who has been called the "Butcher of Lyons" and the infamous doctor of Auschwitz, Josef Mengele, might not result in their arrest.

There is considerable support within the Federal Republic for either an extension or an abolition of the statute of limitations. Twice before, in 1965 and in 1969, the statute was extended. The recent showing of the program, "The Holocaust," on German television sparked increased interest in the prosecution of Nazi-era war criminals. The distinguished Chancellor of the Federal Re-

public, Herr Helmut Schmidt, and the respected President of the Federal Republic, Herr Walter Scheel, have both strongly endorsed an extension of the statute.

Ironically, the principal sources of opposition to an extension or abolition include elements of the West German population, which are often considered the most pro-American, conservative anti-Communists. A clear and resounding signal from the United States for either an abolition or a lengthy extension of the statute could convince many of those in opposition to rethink their positions. My distinguished colleagues from New York (Representatives HOLTZMAN and FISH), in an act which should be highly commended, have taken the initiative and introduced House Resolution 106, of which I am proud to be a cosponsor. The adoption of this resolution would forcefully indicate to the Federal Republic of Germany that the House of Representatives and the American people strongly favor an abolition or, at the very least, another lengthy extension of the German statute of limitations for the prosecution of war criminals.

Today, we are solemnly observing the Day of Holocaust and Remembrance; and as part of that observance, I urge the Committee on Foreign Affairs to report out the resolution as soon as possible, so that we can send this message to the German legislature in Bonn.

A copy of House Resolution 106 follows:

#### H. RES. 106

Resolution urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust

Whereas the present statute of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979, of those people who committed war crimes prior to May 8, 1945, against whom proceedings have not already been initiated;

Whereas the identification and the prosecution of Nazi war criminals serve to remind the world of the enormity of their crimes and of the need to prevent any repetition of such crimes;

Whereas worldwide efforts to locate and bring to justice those who participated in the holocaust have recently been intensified;

Whereas the Government of the United States is now moving aggressively against people living in this country suspected of war crimes and has enacted legislation to exclude and deport war criminals and has established a special litigation unit within the Department of Justice to direct investigations and prosecutions;

Whereas these intensified worldwide efforts will undoubtedly lead to the discovery of new and important evidence against many suspected war criminals;

Whereas the Government of the Federal Republic of Germany has an inescapable obligation to ensure that these worldwide efforts are not diminished or nullified and that all war criminals are brought to justice, and that Government recognized this obligation in 1965 and in 1969 by amending the statute of limitations to permit the prosecution of those who participated in the holocaust; and

Whereas no statute of limitations should preclude the trial of those who participated

in the holocaust: Now, therefore, be it Resolved, That the House of Representatives—

(1) strongly urges the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust; and

(2) directs the Clerk of the House of Representatives to send a copy of this resolution to the Ambassador of the Federal Republic of Germany to the United States for transmittal to his Government.●

#### LIFE IS ENERGY

#### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, every month, my day is brightened when I receive Notes From FEE, the newsletter published by the Foundation for Economic Education in Irvington-on-Hudson, N.Y., and edited by the foundation's founder and president, Leonard E. Read.

The most recent issue contains some sage thoughts indeed on energy, that we might all profitably contemplate.

The newsletter follows:

#### LIFE IS ENERGY

For sixty known centuries, this planet that we call Earth has been inhabited by human beings not much different from ourselves. Their desire to live has been as strong as ours. They have had at least as much physical strength as the average person of today, and among them have been men and women of great intelligence.

But down through the ages, most human beings have gone hungry; and many have always starved.

The ancient Assyrians, Persians, Egyptians, and Greeks were intelligent people; but in spite of their intelligence and their fertile lands, they were never able to get enough to eat. They often killed their babies because they could not feed them.

The Roman Empire collapsed in famine. The French were dying of hunger when Thomas Jefferson was President of the United States. As late as 1846, the Irish were starving to death; and no one was particularly surprised—because famines were the rule rather than the exception. It is only within the last century that Western Europeans have had enough to keep them alive—soup and bread in France, fish in Scandinavia, beef in England.

Hunger has always been normal. Even to this day, famines kill multitudes in China, India, Africa; and in the 1930s, thousands upon thousands starved to death on the richest farm lands of the Soviet Union.

Down through the ages, countless millions, struggling unsuccessfully to keep bare life in wretched bodies, have died young in misery and squalor.

Then suddenly—in one spot on this planet—people eat so abundantly that the pangs of hunger are forgotten.

Why did men walk and carry goods on their straining backs for 6,000 years—then suddenly, on only a small part of the Earth's surface, the forces of nature are harnessed to do the bidding of the humblest citizen?

Why did families live for 6,000 years in caves and floorless hovels, without windows or chimneys—then within a few generations,

we in the United States take floors, rugs, chairs, tables, windows, and chimneys for granted and regard electric lights, refrigerators, running water, porcelain baths, and toilets as common necessities?

What has been responsible for this unprecedented burst of progress, which has so quickly transformed a hostile wilderness into the most prosperous and advanced country that the world has ever known?

The United States certainly has no monopoly on natural resources. And in most countries the people work much harder, on the average, than we do. We are not a superior people. Our ancestors in the Old World, started right along with everyone else.

There is just one answer. There can be no other. We in the United States of America have made more effective use of human energy than any other people on the face of the globe—anywhere or at any time.

This entire planet is made up of energy. The atoms of air surrounding it are energy. The Sun pours energy upon this air and upon this Earth. Life depends on energy; in fact, life is energy.

Every living thing must struggle for existence, and human beings are no exception. Men and women survive on this Earth only because their energies constantly convert other forms of energy to satisfy human needs, and constantly attack the nonhuman energies that are dangerous to human existence.

But—only an individual human being can generate human energy.

And—only an individual human being can control the energy he generates.

The failure to understand these two simple and basic truths has, for over 6,000 years, stagnated human progress and kept the vast majority of people underfed, poorly clothed, embroiled in wars, and dying from famine and pestilence.

Human energy is intelligence in action.

Intelligence is brought into action by the Will.

An individual free will is the natural heritage of each living person.

No one knows who first made this discovery—that men are free.

It was not when all men were pagans. It would never have been discovered by a pagan.

The pagans were fatalists—everything was foreordained by the gods.

If this were so, then the individual could not be held responsible for anything. That was the way the pagans wanted it to be.

But Abraham denied the existence of all the pagan gods. He insisted that there is only one God—the God of all things, who not only creates but judges. He taught his increasing family that God is Rightness, Reality, and Truth; that man is free and self-controlling and responsible for his own acts; that each person is free to do good or evil, as he may choose; but that any wrong act will result in punishment for the evildoer.

This was the first and only real revolution which has ever occurred. It was the revolution against pagan fatalism—the revolution of human freedom.

The American Revolution is only important because it resulted in the Constitution of the United States of America. In the Revolution for Human Freedom, it is the only thing which is really new.

It made the government the servant of the people.

In the Land We Live In, we have the greatest opportunity for self-improvement and personal advancement which has ever existed on the face of the Earth. It is up to the individual to take advantage of it; it cannot be otherwise. There are no substitutes for self-faith, self-reliance, self-development, individual effort and personal responsibility.●

## DR. PETR BECKMANN ON NUCLEAR POWER

## HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, energy expert Dr. Petr Beckmann was interviewed last week by John Rees in the Review of the News.

Dr. Beckmann, professor at the University of Colorado, was born and educated in Prague. He worked at a research institute of the Czechoslovak Academy of Sciences until 1963, when he had the chance to lecture at the University of Colorado. He never returned to Eastern Europe, which has been a great gain for the United States.

Dr. Beckmann has written more than 60 scientific papers, as well as eight books, and he publishes and edits Access to Energy, a monthly newsletter on nuclear power.

In the post-Three Mile Island hysteria, Dr. Beckmann's voice has remained calm and scientific. His interview contains much information of value, and I would like to call it to my colleagues' attention:

## QUESTIONS AND ANSWERS

Q. Professor Beckmann, we have all heard arguments from the opponents of nuclear energy that nuclear power plants are ripe targets for sabotage and for terrorists who would seize nuclear waste or even plutonium and threaten to disperse it, say by throwing it out of an airplane. Does this make sense?

A. Not really. It would be much easier, and cause vastly great damage, for terrorists to throw hand-grenades, or set off high explosives, at a dam above a city than for them to break into a nuclear power plant. They would have to assemble a team of schizophrenics who on the one hand would be geniuses or experts in a large number of varied disciplines, and yet on the other hand be too stupid to realize that there are far easier methods of inflicting grievous injury on the population at large.

Plutonium is of course toxic, and if you breathe plutonium dust you can get lung cancer. But you will not get that cancer for 15 to 40 years, if at all. Only a very inept terrorist would use a weapon that takes years and years to kill. Better to use toxic substances like arsenic and other chemical and biological toxins that are difficult to trace. Radioactive material can be detected in ludicrously minute quantities, after all, and so defensive measures can be taken against it. For terrorists, a pocket knife would be a more effective weapon than radioactive materials.

You can bet that any attack against a nuclear power plant is for the purpose of trying to discredit nuclear power and for that reason alone.

Q. Could a nuclear reactor at a power plant explode so that one morning we might see a mushroom cloud looming over the debris of a devastated power plant?

A. The uranium used in the powerplant reactors is not sufficiently enriched for an explosion to occur. The danger at the Three Mile Island reactor in Pennsylvania was from hydrogen gas that formed because of heat after the water level fell and exposed part of the reactor. And actually it now turns out that hydrogen did explode and the containment building withstood its force without problem.

Q. Professor Beckmann, the mass media treatment of the accident at Three Mile Is-

land has been quite sensational. What did we learn from what happened there?

A. The accident at the Three Mile Island plant is unquestionably the most serious in the 22-year history of nuclear power. But the most significant aspect of that accident was not merely that it produced no deaths, no injured, no casualties, no illness, no hospitalization; but that the zero casualty figure was not due to "good luck." The accident produced a gigantic test of the principle of nuclear safety; namely the concept of the "defense in depth," in which there are many layers of complementary and supplementary safety measures. Another very important point is that it demonstrated the slowness with which a nuclear-plant accident happens, allowing plenty of time to select countermeasures.

Q. What was the malfunction; that is, how did the accident occur?

A. All the details have not yet been published, and the Nuclear Regulatory Commission and other agencies are still compiling their reports. But, from the available information, what happened at Three Mile Island was a chain of four gigantic failures, two mechanical and two human. A pump circulating coolant water to the core of the reactor failed. Immediately and automatically the Emergency Core Cooling System (E.C.C.S.) went into action as it was supposed to do. Also immediately the control rods dropped down to shut-off the reactor, just as they were designed to do. However the human errors now came into play. Valves in the E.C.C.S. system had been manually shut by a workman, and so water did not immediately go into the core. On at least two occasions human beings working in the plant turned off the E.C.C.S., allowing the core of the reactor to be left uncovered by coolant water.

Nonetheless, the built-in safeguards withstood this improbable chain of events, and there were still at least two more levels of safety before a meltdown was likely. Furthermore, even if a meltdown had occurred, most probably there would have been no casualties because the containment building would have held the radioactive gases. It proved how strong it was by withstanding a hydrogen explosion, and it could easily have withstood steam explosions and radioactive gases.

That Emergency Core Cooling System, which has been a particular target of the anti-nuclear critics who claimed it could never work, performed well under the most severe conditions.

The incident at Three Mile Island has provided a severe field test which has shown that the E.C.C.S. will perform under the most adverse and unforeseen conditions; that the containment building can contain radioactive gases and even a hydrogen explosion; and, that the filters in the auxiliary building to which radioactive water was pumped are so effective that only infinitesimally small quantities of inert radioactive gases and iodine escaped into the atmosphere.

Q. Where did the hydrogen gas come from?

A. Among the events that happened automatically was that the reactor was turned off. However, you cannot prevent the nuclear fission products in the fuel rods from continuing to be hot. When part of the core became uncovered as the level of cooling water dropped, the temperature rose and the heat broke down some of the water into its components, hydrogen and oxygen. The reactor core was damaged presumably by the overheating, which may have caused melting or warping of the fuel rods that are surrounded by a light-weight metal cladding.

Q. What about that so-called "leaking" of radioactivity outside the plant?

A. Radioactive gas escaped from the reactor area into the containment building

which surrounds the reactor. And the containment building, which is enormously strong and built to withstand even a jet plane crashing into it, held the radioactivity just as it should. That is what it was built to do.

But then it appears that another human error was made by pumping water from the containment building to the auxiliary building, which held the radioactivity better than it was expected to do. It has elaborate filters which removed everything radioactive except for the noble gases such as xenon, argon, and krypton. These are not retained by the body.

Q. Then you view the Three Mile Island incident as proving the safety of nuclear power?

A. Yes indeed. What we have seen in this case is a sequence of events that took place over many hours, and by that I mean not only the malfunctions but also the human errors. And yet there was plenty of time to make tests, discuss and decide what the best options were and are, and to take countermeasures. By comparison, how much time and what sort of countermeasures are available when an oil tanker explodes?

Any energy facility, by its very nature, contains a lot of pent-up energy. If that energy is released suddenly, it can be destructive; and, as long as man is fallible, it can happen. In a ship or tank or liquefied natural gas, a dam, an oil tanker or refinery—the release of energy is sudden and disastrous. There is only one exception and that is the case of a nuclear plant. There, even if the energy gets loose and does what it is not supposed to do, such as a meltdown, it melts down into the earth for many hours and ends up in a big glass marble of fused earth. Meanwhile you have many possible countermeasures, up to and including evacuating people from the area.

Q. How dangerous is a "meltdown" of the sort first feared at Three Mile Island?

A. Let's first look at the process. Should there be a loss-of-coolant accident in a light-water reactor—that is, a reactor that uses ordinary water, under pressure or not, to cool the core—the temperature of the fuel rods may rise to the point where they melt their light metal cladding. The heat comes from the accumulation of radioactive fission products in the fuel rods.

In the worst possible case, this material would form a red-hot goo on the floor of the thick steel pressure vessel that would slowly melt through the steel and through the floor of the containment building into the earth to a depth of some 25 feet or so where it would dissipate its heat. Very probably the cooled goo now encased in a glass marble of fused earth could be removed, even salvaged, without major complications. Unless it ran into an underground stream and managed to vent steam into a blowhole outside, all radioactive gases would still be contained inside the containment building of concrete and steel above the melt site.

A widely respected nuclear scientist, Dr. R. P. Hammond, who has had considerable experience in cleaning up after nuclear accidents in Canada, has said he couldn't think of a better place for meltdown material to be than far underground, shielded by overlying rock and earth, enclosed in a pocket of fused earth.

Q. How do the exposures to radioactivity at the Three Mile Island plant compare to our normal exposure to background radiation?

A. A radiological health expert from the Nuclear Regulatory Commission, Frank Congel, has stated that the cumulative dose of radioactivity for a person living in the closest house to the plant who had remained out of doors for five consecutive days continuously, 24 hours-a-day starting at the time of the accident, could have received as

much as 85 millirems of radioactivity. By comparison, a complete body X-ray in a hospital gives you this much radiation.

As I pointed out in my book, *The Health Hazards Of NOT Going Nuclear*, the natural background radiation varies depending on where you live. In New York City, you naturally get 93 millirems a year; in Dallas only 53; in Carlisle, Pennsylvania, not many miles from Three Mile Island, you get 87.

And the average exposure for a Colorado resident is about 150 millirems; but in Boulder, where I live, we naturally and quite safely get 220 millirems. This is because of the natural radioactivity in the granite rocks, the altitude which gives us more cosmic rays, and similar factors. So the people living closest to the Pennsylvania plant got about the same radiation as if they had been visiting with me for four and a half months here in beautiful Colorado.

Q. And so the earth, sky, and buildings around us are constantly radiating us in small but measurable amounts?

A. More than that, whenever you take a coast-to-coast airplane trip you receive five extra millirems of radiation from outer space during that trip. Your color television set gives you one extra millirem. Even human beings are measurably radioactive because the food we eat gives us about 25 millirems of radiation. Such radiation is hardly frightening.

I have to laugh because every time the anti-nuclear fanatics hold a meeting they receive more radiation from each other than they would living near a nuclear power plant. A power plant may emit only 10 millirems as measured on its property line; and, actually, if the Nuclear Regulatory Commission measures even five millirems they start making complaints to the utility. It was Dr. Edward Teller who said, "In sleeping with a woman, one gets just slightly less radioactivity than from a nuclear reactor; but to sleep with two women is very, very dangerous." Perhaps this bit of information will make the anti-nuclear fanatics more moral. Though I doubt even they will contend that our former Vice President died of radiation!

Q. Some radioactive iodine also was released from the Three Mile plant, and that does get into the food and into the thyroid gland, doesn't it?

A. Yes, and great care is taken so that no substantial amounts are released. Dr. Harold Denton, the head of the N.R.C. safety division, has announced that in the milk samples from 22 dairy farms in an 18-mile radius around the Three Mile Island plant, the level of radioactive iodine (iodine-131) was between 10 and 20 picocuries per liter. The N.R.C. does not move to block the consumption of milk as unhealthy until it contains 12,000 picocuries of radioactive iodine per liter.

According to the mass media, the governor said he would require the milk to be monitored until no iodine-131 was present. Well, a level of 2 to 5 picocuries is normal in milk. And when the fallout from the Red Chinese atom bomb came down in the rain over the Northeastern states, the milk registered iodine-131 levels of 150 to 300 picocuries per liter; yet there was no public outcry over that. Besides, milk is normally radioactive, having about 1,400 picocuries of radioactivity (not just iodine) per liter. Whiskey averages 1,200 picocuries per liter, and salad oil a whopping 4,900. A mere 20 picocuries is hardly a cause for concern.

Q. At what level does radiation make you ill?

A. The media have been screaming about the worker at the plant who went in to get a sample of the coolant water and received 3 rems—3,000 millirems—of radiation. They did not tell the public that even

under our stringent safety regulations a worker in a nuclear facility is permitted to receive up to 5 rems in any year with a maximum of 3 rems in any quarter. At 600 rems, you will probably die of radiation sickness.

Q. What are the mechanics of a nuclear power plant and how does it differ from a coal-fired electric-power plant?

A. Except in a hydroelectric plant, in large-scale power plants electricity is generated by steam which turns a turbine. The only difference is in what you use to produce the heat that makes the steam that drives the turbine.

In a nuclear-fueled electrical generating plant, the heat comes from a slow chain reaction in fuel rods that release heat that raises the temperature of the water in the reactor core. Then, that steam or pressurized hot water goes into a heat exchanger where it heats a second separate circuit to produce the steam that drives the turbines.

There is a third type of reactor not being used very much in this country though it is superior to both the boiling water and the pressurized water reactor, and that is the high-temperature gas reactor. It is more efficient because it can reach higher temperatures. It is also safer, because should the gas used as a coolant leak out, air would leak in to replace it and so a meltdown is virtually impossible.

Q. Dr. Beckmann, why should this country want to build nuclear-powered electrical generating plants, rather than use coal or oil-powered plants?

A. There are several reasons. First, it is safer by large factors. Secondly, nuclear energy for these plants can be produced domestically. This means a great saving in not having to buy foreign oil; it is beneficial to the balance of payments; and, it obviously means that the United States does not have to be dependent upon the whims of unstable dictators. Thirdly, nuclear power is much more economical than coal or oil; and this is so despite the large costs added on by the lawyers for the environmentalists, who fight tooth and nail in court against the nuclear plants, and the government regulations which cost millions and millions of additional dollars. With all this it is still cheaper than coal, let alone oil.

There is a further reason why we should go nuclear. If we use breeder reactors and reprocess the wastes in spent fuel instead of merely burning up our 100 years' supply of uranium, we get plutonium. And plutonium can serve as a fuel for several thousand years. Beyond that we could go on and breed thorium, but that is further in the future than anyone now alive can see. Certainly our coal, let alone gas and oil, can last no more than a few centuries. But nuclear power can last for thousands of years.

Q. Nuclear power plants have been opposed from their inception by critics who have equated them with nuclear bombs. What is the nuclear power safety record?

A. First, let me correct you. These environmentalists have not always opposed nuclear power. Back in the early 1960s, thinking nuclear power impractical, they were very opposed to coal mining and recommended nuclear power as being more healthful because it is more clean. Of course that was not the real motivation of many of these fanatics. They were just using nuclear power to harass coal. They always call for the development of that form of energy which they think is not available. Solar power is their idol now. What they really want is a no-growth society in which they are the ones with the power, upward mobility is stopped, and we do what we are told by their beloved regulators.

As for the atom-bomb comparison, let's get this over with once and for all. The fuel

in a nuclear power plant can not explode. This is because of the laws of physics. In natural uranium ore, 99.3 percent of the uranium is uranium-238 which is not fissionable. A mere 0.7 percent of the ore is uranium-235 which is fissionable. To make a uranium bomb, you must purify or enrich the material so that more than 90 percent of it is uranium-235. Even then an explosive chain reaction cannot occur unless a certain amount is forced together against the energy of the chain reaction.

But the fuel in a power-plant reactor is merely 3.5 percent uranium-235. Thus it is impossible by the laws of physics for it to undergo an explosive nuclear chain reaction.

Q. Your point is that nuclear power is safe?

A. Nothing involving energy can be 100 percent safe. The question is whether using nuclear power to generate electricity is safer than any other method. If that is the question, the answer is yes.

Let's look at coal. Report 1554-D, released by the Energy Research and Development Administration early in 1977, has been kept very quiet and virtually suppressed by the federal government. It said that the coal-burning power plants east of the Mississippi were annually responsible for 18,000 premature deaths from lung diseases and cancer.

This does not even begin to get into the additional areas of more than 200 fatal accidents each year in coal mines. The average was 246 deaths for the period 1965 to 1969, but there were only eight deaths of uranium miners in accidents in that period. Of course, we need to mine far less uranium than coal. The really significant measurement is in the number of deaths in relation to the amount of energy produced.

Q. And what is that?

A. For every billion megawatts of electricity consumed, we lose 189 lives in coal mining for coal-powered plants, but only two in uranium mining for nuclear plants. Per million megawatts of electric energy consumed, injuries cost 1,545 disability days for coal miners and 157 disability days for uranium miners. And look at the industrial diseases coal causes. Each year there are 4,000 deaths among coal miners attributed to Black Lung disease. And each year the federal government—which means the American taxpayer—is paying nearly a billion dollars in health benefits to disabled Black Lung victims.

What about the environmental impact? This country's annual consumption of electricity is close to 2 billion megawatts. Compare the volume of coal that must be mined to produce that (a massive chunk 200 feet by 200 feet by 100 miles) with the volume of uranium ore needed to produce the same energy (200 feet by 200 feet by 100 feet). The point is that going nuclear could reduce disruption of the earth by a factor of 5,000. Also coal ash is highly toxic, and enormous areas must be given over to its storage. The emissions from burning coal—sulfur dioxide, nitrous oxide, known carcinogens like benzopyrene—are known to be harmful.

I don't want to just knock coal. But each year we delay in building a nuclear plant to replace 1,000 megawatts of coal-fired power, we condemn between 20 and 100 Americans to death.

Q. You noted earlier that oil and natural-gas storage are also dangerous.

A. Certainly, because so much has to be stored. An oil-fired generating plant of 1,000 megawatts capacity burns 40,000 barrels of oil a day. It is customary for them to keep on hand a six weeks' supply of 2 million barrels. Oil storage facilities sometimes explode and burn. In 1973, 1976, and again very recently, oil storage tanks in the greater New York area have burned. And there

are more and more cities with vulnerable L.N.G. tanks. In a temperature inversion situation, thousands could die by asphyxiation and exacerbated lung conditions and asthma from such a fire.

In 1973, the maximum permissible dose of radiation at the property line of a nuclear plant was reduced from 170 millirems per year to 10 millirems. Statistically, doing this reduced the annual 300,000 cancer cases in this country by three. The cost was \$800 million for each of the three statistically saved lives. Parenthetically, you know neither the U.S. Capitol nor Grand Central Station could be licensed as a nuclear reactor because just the rock—marble, sandstone, and granite—of which those buildings are made emit more than 10 millirems of radioactivity.

Q. About a year ago some American nuclear engineers were given a tour of several Soviet nuclear reactors and power plants. Are you familiar with what they found?

A. Yes, I read their report. The Soviet Union is trying feverishly to go nuclear, but is having the failures a centrally planned society always has. Significantly, the Soviets do not worry much about safety and it is only recently that they began to construct containment buildings around their reactors. The power-plant reactor they exported to Finland is called "Eastinghouse" by nuclear engineers in the West because all of its safety equipment such as the Emergency Core Cooling System, containment, and so forth was supplied by Western companies.

The U.S.S.R. is aware that nuclear energy is the energy of the future. But the Comrades have a forked-tongue. Soviet neutrons are called "progressive," but capitalist neutrons are "dangerous." Klaus Fuchs, the notorious atom spy who now heads the East German atomic-energy program, has said the reason we need so many safety programs is because of the poor quality of the training and education of our people. They thus claim that in a Communist society safety is unnecessary.

Q. And they also are behind some of the anti-nuclear hysteria here and in Europe, and have tried to link nuclear power to disarmament issues.

A. Yes, on the one hand they mock the Western middle-class as being decadent and afraid of technology and spread the rumor that opposition to nuclear power in the West is artificially inspired by the oil companies who want to attain greater profits. But, on the other hand, they are themselves quite evidently fanning the anti-nuclear hysteria in the West.

Q. Then do you see the question of nuclear power now as a political issue?

A. It has been taken outside the area of technical expertise. If logic and science were the only factors, we could be much further advanced on the road to nuclear power.

Long before Ralph Nader's crusades to attack American business, and certainly before his Critical Mass rallies began to resemble the Nuremberg *Partietags* of the Third Reich, the so-called environmentalist movement developed heavily political overtones.

These environmentalists tended to be against economic growth, for population control, against helping South Vietnam, for making deals with the Communists, as well as for greater permissiveness in legal and ethical issues; they tended to be college educated and affluent, heavily involved in the information industries, the media and the universities. But they should never be called liberals because they are diametrically opposed to the true liberalism of Adam Smith, Mill, or von Hayek. While paying lip service to civil liberties, they strongly favor government interference and coercive legislation. In fact, the urge to use coercion against all who do not agree with them, and the arrogant premise that people do not know what

is good for them, are the two chief characteristics shared by this otherwise heterogeneous elite.

Q. Then the claims of extreme risk in nuclear power of the sort made by best-sellers like *We Almost Lost Detroit* are gross distortions?

A. John Fuller's vile book is based, like most of the anti-nuclear propaganda, on providing only carefully selected information. It's like saying "Governor X has been sober for three days now," or that "Senator Y's wife has not been seen at any motels with young men this week." The one may be a teetotaler and the other completely faithful, but they have no defense against the slander.

The Fermi I reactor attacked in that book could not have hurt a fly in Detroit. The reactor had not been in operation long enough for sufficient fission products to accumulate to cause a full meltdown. Two rods in the reactor melted. The problem was fixed and the reactor went back into service. The reviewers who praised that book displayed their technological ignorance and unmitigated stupidity.

The other favorite so-called "nuclear accident" that radicals harp on was the 1975 fire at the Browns Ferry power plant in Alabama. It had nothing to do with radioactivity. The fire was started by an inept electrician who decided to use a candle to check for an air leak and managed to set the electrical insulation on fire. There was no danger to the reactor, or from the reactor, because of the many layers of safety measures engineered into the plant.

Q. Once more, what is the lesson of Three Mile Island?

A. This has been a gigantic field test, a test in battle under the most adverse conditions, of the very heart of the concept of nuclear safety—the multiple layer "defenses in depth." And the second important point is the demonstration of the slowness with which nuclear reactor accidents develop. We have proven that there is plenty of time to work out whatever additional measures are needed to assure safety. ●

#### THE HOLOCAUST—NEVER AGAIN

### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Delaware. Mr. Speaker, the Jewish community in our country and around the world carries in their collective memory the terrible tragedy of the Holocaust Jews suffered at the hands of the Nazis.

During World War II over 6 million Jews were annihilated during one of the darkest hours in the history of the Jewish people and the whole world.

As a country dedicated to the sanctity of each individual's life and liberty, we pause today and remember the suffering of the Jews to confirm our dedication to the ideals of freedom.

The Holocaust was one of the most horrendous exercises of tyrannical power ever on a captive minority. It graphically illustrates the potential destructiveness of unchecked bigotry and ignorance; two things we must always strive to abolish from our society.

The concern of the Nation as a whole over the outrages of the Holocaust was reflected in the unanimous support of

Congress in setting aside this day of remembrance. I join all Americans in pledging support to the Jewish people as we remember those innocent victims. We do this to insure the Holocaust is never forgotten, and to make sure it never happens again. ●

#### NUCLEAR SAFETY AND THE MEDIA

### HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BADHAM. Mr. Speaker, out of the hysteria of Three Mile Island in Pennsylvania a bright ray of hope for the future of nuclear energy has emerged.

Currently, nuclear plants produce between 12 and 13 percent of the country's electrical needs with 72 operating plants. There are another 90 plants under construction and 34 additional in various design stages. This means that within the foreseeable future as much as 35 to 40 percent of our energy needs could be produced by nuclear power.

But what about the accident at Three Mile Island? At Three Mile Island everything went wrong. The emergency systems worked properly, but were ineptly or inadvertently shut off by human error. However, in spite of the foul-ups nuclear power's safety record remains intact—not one life has been lost due to radiation caused by an accident at a nuclear powerplant since the first one came on line 23 years ago.

A Los Angeles Times article of April 23 cuts through the haze of misinformation surrounding Three Mile Island and brings to light some interesting facts about the accident and its after effects. I commend the article to my colleagues attention and insert it at this point in the RECORD.

**MEDIA BLAMED FOR FUELED NUCLEAR FEARS—UCI SAFETY OFFICER SAYS PUBLIC MISINFORMED ON REACTOR MISHAP**

IRVINE.—The public has an unreasoning fear of nuclear accidents—fear that was aggravated by uninformed reporting by the news media during the incident at Three Mile Island power station.

So said William Wadman, UC Irvine campus radiation safety officer, in a talk this week titled "Radiation Plus Media Equals Science Fiction."

Wadman said the recent accident in Pennsylvania was a case in point.

The nature of the accident—radioactive contamination kept investigators away—made factual information difficult to obtain he said. Newsmen filled in with impressions, opinions and speculations from persons of dubious expertise, Wadman claimed.

He said the public had to be confused, because he as a professional could not sort out the truth.

He does know that information he received through technical channels was not available to newsmen until one to three days later, he said.

Wadman said the Nuclear Regulatory Commission, the electric company and Pennsylvania state officials did "a rotten public relations job" and treated the news media poorly.

Reporters, for their part, did not want to wait for information, he said.

Wadman told of watching a television

newsman say he was picking up radiation on a detecting device. Wadman said he could see why the needle was moving—the detector was set to the most sensitive scale, and picking up everyday atmospheric radiation.

Wadman said the Three Mile Island accident should be put in perspective.

"No one was killed, no one was injured, no one was exposed to radiation beyond the permissible limit, there was no long term life threat (from radiation).

"Was there a danger it could have been worse? No one has convinced me that the (hydrogen) bubble was ever on the way to being out of control," he continued.

"My reaction is a little biased. If this is the worst we can expect, then I don't think we should simply shut off our ability to build another nuclear power plant."

He said as a safety officer he favors strict standards for use of radioactive materials and that he believes in maximum response to any threat of danger, including evacuation but "overscare is another thing."

Wadman said that at UC Irvine three years ago, a girlfriend of a biology student spilled a solution containing radioactive isotopes. The amount of radioactive material was one thousandth of what is found in a wrist-watch, but when Wadman arrived at the building he found eight fire engines, two ambulances and four police cars.

He said the bubble-shaped nuclear power generating plant at San Onofre is built of concrete thick enough to withstand the impact of a vertical dive by a Boeing 747 fully loaded with cargo.

He would like to see public concern for safety focused on some other industries, noting that 84 persons now have died from derailment of railroad tank cars carrying chlorine gas.

Wadman said that cow milk tested near the Three Mile Island accident had a radioactivity count of 41 picocuries per liter, whereas fallout from Chinese bomb testing on the other side of the world produced counts of 300 picocuries in the United States. The level at which milk is deemed unsafe to drink is 12,000 picocuries, he observed.

He said the secret development and initial use of atomic power in World War II made a powerful first impression on the public consciousness. Subsequent concern over radioactive fallout—something that could not be felt, smelled, tasted or seen—heightened fears. And science fiction did its part by exploiting the theme of unusual genetic effects, he said.

Three Mile Island will be a setback and it will take time before people overcome their fears and realize that nuclear energy is a "good interim power source until wind and solar energy can be harnessed", Wadman said.

Wadman's job on the Irvine campus is to license and train people to use radioactive materials, check on labs and reactor facilities, and monitor for radiation leakage.

The medical school and biology departments make extensive use of radioactive isotopes. The chemistry department has a small nuclear fission reactor and the physics department is the fourth largest fusion research facility in California. ●

WINDFALL PROFITS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, the administration's so-called windfall profits tax

would be a windfall for bureaucrats, but unprofitable for the American people.

Any extra profits generated as a result of price decontrol should go to increased exploration and development of energy for our country's future, not to bigger Government.

The last thing our country needs is more taxes; in fact, we need to cut taxes—and spending—drastically.

The moral justification for Mr. Carter's proposed tax is that these profits will be "unearned." I would like to bring to my colleagues' attention a short letter to the editor that appeared recently in the New York Times. The writer, Mr. Jack Roberts, shows an excellent understanding of economic principles.

A QUERY FOR CARTER

To the Editor: Although I generally support President Carter's new energy policy, I am puzzled by some of his rhetoric. For example:

Suppose John and Mary are digging in their backyard and discover oil. At the time they discover it, the Government had a law prohibiting them from selling their oil for whatever a willing buyer would pay. Later, however, this law is repealed, and they sell their oil at the market price.

Jimmy and Billy, on the other hand, grow peanuts in their backyard. Unfortunately, no one is willing to pay as much for the peanuts as Jimmy and Billy would like. Therefore the Government forces their neighbors to make up the difference between what the buyers are willing to pay for the peanuts and the price Jimmy and Billy would like to charge.

My question to President Carter is: In which of these cases is someone receiving "unearned" profits?

JACK ROBERTS. ●

THE NUCLEAR OPTION

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LEE. Mr. Speaker, today I would like to share with my colleagues here the text of a message which I delivered to my constituents of the 33d Congressional District of New York concerning the recent occurrences at Three Mile Island's nuclear power facility.

Following is the message:

THE NUCLEAR OPTION

Nothing so excites our fears as those things which are new to us, the ones so complex that even Walter Cronkite can't summarize them in 30 seconds. The Three-Mile Island nuclear reactor problem is like that.

I don't share the same fears as those in the headlines. My fear is not from the radiation or fallout, but from the shock wave that has kept America at the edge of its seat since the first sign of trouble there. The incident is seriously distorting our national perspective of our needs for, problems with and benefits from the entire nuclear power industry.

The Harrisburg story is the first time this nation has encountered, publicly, a serious accident with a nuclear reactor in a major metropolitan center—a state capital at that.

Certainly, the threat was very real in the Harrisburg area. Any time a machine as complex as a nuclear reactor approaches an out-

of-control situation, it poses grave danger to those around it.

But the incident at Three-Mile Island should not be a blanket indictment of the nuclear power industry, any more than the crash of a single airliner should end all commercial air traffic. It's easy to broad-brush the term "nuclear reactor" with new and catchy terms in our language like "melt-down, critical point, and core temperature."

Ours is a history littered with crises catch-words. Today, we may be allowing "Remember the Maine" to become "China Syndrome." It is much more difficult to be precise, to say that something or someone caused the problem near Harrisburg. It is downright dull, in a nation where extremes and superlatives are in daily conversational use, to sit back and resolve to study the problem before taking steps to avert a recurrence.

It's my wish that the fervor of the moment can be translated into a new national commitment—to find answers to the questions of nuclear power before another Harrisburg incident. During every crisis, in our personal or our national lives, we promise to do something when we get the time, when our heads are above water. The longer we put it off, the less enthused we are to act.

Today, we have very few ideas of how to permanently dispose of nuclear waste products, nor do we know where we'll put it when its ready to store away. The technology which would allow totally safe transportation of those wastes is yet to be perfected.

We are developing a nuclear reactor (the breeder) which will create more fuel than it uses—the only device known to man which can accomplish such a thing.

We are running short of affordable petroleum fuel; and we face severe environmental threats from unsophisticated use of coal as the generator of electricity. To clean coal and the air after it's burned, we have gradually built machines just as complicated as the nuclear reactor.

One point cannot be ignored: America needs the energy produced by nuclear reactors. It needs all the energy that can be produced by all the methods now available—and will need more with the years to come. We simply cannot afford to shut down all of the Three-Mile Island sisters in America, or to avoid building new ones.

This is no time to play political demagogue as many of my colleagues have seen opportunity to do. Their grand statements promising to end the radiation peril or to close the reactors down or even to hold hearings will not solve the problem.

Only the most careful investigation of mechanical and human factors at Harrisburg will give us answers even remotely useful tomorrow. I will support all of those fact-finding missions.

There is little likelihood, given the environmental restraints we face today, that nuclear power can be ruled out of America's future, no matter where we individually want the situation to go. Let's keep our perspective. ●

GOING METRIC

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MAZZOLI. Mr. Speaker, I never thought I would live long enough for the Washington Post to admit second thoughts on the wisdom of America's "going metric."

But, it has. And, its admission is well worth reading.

The article follows:

[From the Washington Post, Apr. 17, 1979]

WHEN TO BE REACTIONARY

OPEC, it develops, threatens to accelerate the conversion of the United States to the metric system. That isn't OPEC's intention, of course, but American gasoline pumps can be adjusted to prices only up to 99.9 cents a gallon. The U.S. Metric Board calculates that it would be a lot cheaper and easier to shift them to liters than to add another decimal place in the mechanism that computes prices. The Metric Board is holding public hearings on the question next May 2 and 3.

For us who begin to have second thoughts about going metric—and to feel a certain sentimental reluctance to abandon gallons, pounds and inches—gasoline by the liter is not a reassuring prospect. The wine and liquor industry went metric a couple of years ago, and there were complaints that some of the shippers had taken the occasion to adjust prices sharply upward. The same thing happened on a large scale when Britain went to the metric system. Has Alfred Kahn considered the inflationary implications of unfamiliar weights and measures?

Four years ago Congress passed legislation establishing metric conversion as national policy. But it set no deadlines, and said that the process is to be voluntary. So far the changes have been most notable in big companies that do business across national boundaries—for example, the automobile industry, in which the transition to the metric system is far advanced. Soft drinks are now metric. Computers and chemicals are making rapid progress, and steel is coming along. Science and technology have always used metric units, and it is rational for manufacturing to join them.

But a country can afford to be rational only up to a point. Why not continue a dual system, with traditional units for people who have no particular reason to change them? There's no particular virtue in converting signs to say that it's 64 kilometers to Baltimore, instead of 40 miles. Only a zealot would insist on changing the national speed limit to 88.5 kilometers an hour. As for temperatures, the Fahrenheit scale is no more arbitrary than Celsius, and Fahrenheit has the considerable advantage of being far more familiar. In a world where much changes ineluctably and is unfamiliar, there's a sound case for taking a firmly reactionary stand on those happy occasions where the choice is harmless. ●

COMMITTEE FOR THE SURVIVAL OF A FREE CONGRESS REPORTS DEEP OPPOSITION TO MANY CARTER POSITIONS ON SALT, DEFENSE, AND FOREIGN POLICY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, the Committee for the Survival of a Free Congress recently conducted a mailing testing sentiment toward SALT II, plus certain strategic and foreign policy issues. The results are based upon a sampling of 1,100 ballots, representing about 5 percent of those received. The

results show how overwhelmingly unpopular President Carter's decisions have been among the group receiving this poll. The results follow:

	[In percent]		
	Favor	Oppose	Undecided
1. President Carter's decision to scrap the B-1 bomber without getting a single concession from the tough Soviet negotiators at the SALT II talks.....	0.82	98.0	1.2
2. President Carter's decision to halt production of the neutron weapons system in spite of opposition from many defense experts who believe this strategic weapon is vital to American security.....	1.8	96.8	1.4
3. Unilateral disarmament (this is where the U.S. disarms, but the Soviets are not required to).....	.4	98.4	1.1
4. Cutting billions of dollars from the defense budget while the Soviets are increasing their stockpile of war materials and nuclear weapons.....	.7	97.4	1.8
5. President Carter's decision to "normalize" relations with Moscow's satellite in the Caribbean—Cuba.....	3.0	94.3	2.7
6. President Carter's decision to throw American support behind Communist-led guerrillas attempting to overthrow the Governments of Rhodesia and South Africa.....	.4	97.2	2.4
7. Do you believe the United States should suspend all negotiations with the Soviet Union until they stop financing worldwide war and revolution?.....	88.9	6.8	4.3

Question No.	For	Against	Undecided
1.....	9	1,078	13
2.....	20	1,065	15
3.....	5	1,083	12
4.....	8	1,072	20
5.....	33	1,037	30
6.....	4	1,069	27
7.....	978	75	47

WORKING TOWARD A FLATBUSH RENAISSANCE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SOLARZ. Mr. Speaker, to many Americans, the name "Flatbush" calls to mind images as distant and unreal as those evoked by the names of the Dutch communities from which Flatbush's founders came 300 years ago. But Flatbush is more than just a word which conjures up quintessential Brooklyn, U.S.A.; it is a real neighborhood facing problems and change.

Only 4 years ago, there was an article in the Village Voice which read:

Today the place called Flatbush—by which we mean the geographical area bounded on the south by Avenue J, the north by Empire Boulevard, the west by Coney Island Avenue, and the east by New York Avenue—is shambling into decay and collapse. While the politicians are running from meeting to agitated meeting, serving as valets for bankers, shuddering under the assaults of Ford and Simon, or drawing lists of cops and firemen who will be fired, the city itself is

sliding away. And Flatbush is a key to the slide area. New York depends on places like Flatbush; they are the human concrete of the city. It is no hyperbole to say that as Flatbush goes, so goes the city. And Flatbush is going.

That was 4 years ago. I had just recently entered Congress. The problems that faced Flatbush and the city seemed insurmountable. We seemed to live in a city near death. Many thought we were at the brink.

But both New York City and Flatbush have refused to succumb to either their particular problems or to the pessimism that feeds them.

When a person is ill and refuses to die, we talk of an undefinable spirit—a will to live. It is much the same way with a community. We see it in spontaneous activism, neighborhood groups, families and friends getting together to discuss mutual problems and possibilities. In a man who refuses to die you see a spark of life. In a community which refuses to die you see a flash of civic brilliance and the emergence of groups like the Flatbush Development Corp.

Flatbush refused to die. Much of that new infusion of life can be attributed to the Flatbush Development Corp.

This group of dedicated civil leaders has creatively and constructively contributed to the well-being of Flatbush, the borough of Brooklyn, and the city of New York. They played a key role in the planning and execution of the Newkirk Plaza rehabilitation which revitalized an important commercial center. They helped conceive and organize the Flatbush Avenue task force, which is helping to restore Flatbush Avenue to its status as the borough's main thoroughfare. Their efforts have led to refurbished housing, improved shopping conditions, and an impressive overall improvement in the quality of life in Flatbush.

Their activities, their energy, and the intelligence with which they went about the task before them, have distinguished this group of dedicated civic leaders as one of the prime reasons that Flatbush and the city have turned around. They are a symbol of the reasons that neither city, nor borough, nor community has succumbed. They are one of the reasons that the New York renaissance has begun.

Clearly, many problems remain. Crime, pollution, the difficulties faced by many of our senior citizens and by the poor are all issues that confront us still. But hopefully, with the active efforts of groups like the Flatbush Development Corp., we will soon make progress in these areas as well.

Flatbush has produced a disproportionate share of America's athletic, artistic and intellectual leaders. The Brooklyn Dodgers made their home there as did Woody Allen, Bernard Malamud, Barbra Streisand and Bobby Fischer. In fact, one Flatbush high school, Erasmus Hall, produced in addition to Streisand, Malamud and Fischer, Sid Luckman, Eleanor Holm, Dorothy Kilgallen, Eli

Wallach, Jeff Chandler, Susan Hayward, and David Levine. It is largely through the efforts of the Flatbush Development Corp. and groups like it that we can rest assured that Flatbush will not only return to its status as a thriving community, but that it will remain an important national resource as well. ●

THE MYTH OF DIESEL FUEL

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. OBERSTAR. Mr. Speaker, the rush to diesel-engine cars may, in fact, worsen rather than improve America's energy picture. That is the message of a thoughtful article in the Sunday, April 22 Duluth News-Tribune.

Many Americans have bought diesel-engine automobiles with increasing frequency, particularly in recent months, in the belief that they were contributing to energy conservation by driving a more fuel-efficient automobile. They believed they were saving money and getting better mileage for their own personal needs in the bargain.

However, a thought-provoking piece by reporter C. D. Schmidt of the Duluth News-Tribune staff makes the point that to travel the same distance, a diesel engine requires more crude oil than does a gasoline engine of the same size.

The figures cited in this article indicate the irony that energy and cost savings for the individual consumer would be very costly to the Nation in terms of total energy requirements. In other words, conversion of a major portion of our national automotive fleet to diesel engines may result in consumption of more rather than less oil in the years to come. These startling findings further complicate efforts to cope with the energy problem.

I invite my colleagues' attention to the following Duluth News-Tribune story:

DIESEL AS WORLD ENERGY SAVER IS A MYTH  
(By C. D. Schmidt)

Many American motorists—under government pressure to conserve energy and economic pressure to save money—are buying diesel-engine cars.

But despite better fuel efficiency, the diesel engine creates a heavier drain on the world oil supply than a gasoline engine of the same size.

That fact apparently hasn't been considered by the U.S. Department of Energy, the source of most conservation pressure.

"That's an argument that deserves some real examination," said James Bishop, director of public information, who responded for Secretary James Schlesinger.

"Frankly, I've never heard that theory before and we may have to study it. We've been looking at diesel cars from the environmental side," he said.

Here's the problem:

The Oldsmobile 350-V8 diesel requires all the diesel fuel that can be refined from 43.7 barrels—or more—of crude oil to travel 10,000 miles.

The gasoline-engine version, however, requires all the gas that can be extracted from 27.1 barrels—or more—of crude oil to go the same distance.

EXTENSIONS OF REMARKS

Not that all available crude would ever be refined to the maximum yield of either gas or diesel fuel. That would cause critical shortages of either home heating fuel or gasoline, according to the American Petroleum Institute, Washington, D.C.

One 42-gallon barrel of crude oil can be refined into about 18.2 gallons of gasoline and about 8.4 gallons of diesel fuel for highway use, said Ray Young, an institute refining associate.

Those yields are the most recent national averages reported by refineries to the U.S. Bureau of Mines of the energy department, Young said.

Based on those averages, the diesel Olds would require refinement of 56.7 barrels of crude oil, and the gasoline Olds would require 34.3 barrels to travel 10,000 miles.

Refineries can alter the yields to meet seasonal demands for home heating oil—basically the same as diesel—but the maximum diesel fuel available from a barrel, with current technology, is about 10.9 gallons, Young said.

And that would cut gasoline production to about 16.8 gallons per barrel, creating serious national gasoline shortages, he said.

The current national average figures indicate diesel-engine cars only create the illusion of energy conservation.

Here's an example of that illusion:

The Volkswagen Rabbit diesel gets 40 miles per gallon compared to 25 for the gasoline version, according to Environmental Protection Agency estimates.

But the Rabbit diesel can travel only about 336 miles on the refinement of one barrel of crude oil, compared to about 455 miles for the gasoline version.

For the diesel, that's 40 miles per gallon times the 8.4 gallons available from one barrel of crude. For the gasoline Rabbit, it's 25 miles per gallon times the 18.2 gallons available for refinement from the same barrel.

In the winter, the miles traveled would be reduced to about 112 miles for the diesel, which must burn No. 1 diesel to avoid jelling of the fuel in cold weather. One barrel of crude yields only about 2.8 gallons of No. 1 diesel fuel.

Another example: the Oldsmobile 350-V8 diesel travels about 176 miles on a barrel of crude compared to 291 for the gasoline version. In the winter, the diesel drops to only 59 miles.

Oldsmobile's 260-V8 diesel travels about 202 miles on a barrel compared to about 346 for the gasoline version. Winter miles slip to only 67 for the diesel.

This shows a short-sighted economy for diesel engines, which burn fewer gallons of fuel than gasoline engines, but require the refinement of more barrels of crude oil to travel the same distance.

Compared to gasoline equivalents, the diesel cars are depleting a greater share of the world's fossil fuel reserves.

Department of Energy officials said they hadn't considered the diesel car's appetite for crude oil.

Bishop said increased sales of diesel cars in America is a major contributing factor to a current critical shortage of diesel fuel.

In Duluth, the demand for diesels run about three times the supply and in California dealers are selling Rabbit diesels at \$2,500 over the sticker price, according to Bruce Rapp, president of Lakehead Auto Imports, the Duluth Volkswagen dealer.

Meanwhile, diesel fuel stock is at the lowest level in four years, with only 115 million barrels available—and "the nation needs a 240 million barrel stock by October for the country to get through next winter with enough heating oil," Bishop said.

Demand for diesel fuel is running about 200,000 barrels a day higher than last year at this time, he said.

"And that's a hell of a lot of oil," Bishop said. "With the stocks so low and continuing to diminish, the situation is a matter of great concern. We will ask refiners to start tilting more toward distillates (diesel fuels) to get ready for next winter."

However, increasing diesel fuel output now will decrease gasoline output, he said, adding that gasoline supplies are also critically low.

The current gasoline stock is 230 million barrels and Bishop said the country needs a minimum of 205 million to keep running.

Refineries are caught in the middle with a high demand for diesel fuels and gasoline simultaneously, he said. ●

ILL TREATMENT OF SOVIET JEWS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SENSENBRENNER. Mr. Speaker, Prof. Naum Meiman holds a doctorate in physical and mathematical sciences. From 1955 to 1975, Dr. Meiman worked as a senior scientist in the Institute of Theoretical and Experimental Physics in Moscow. His research was deemed important enough to be published in scientific journals. Dr. Meiman was a scientist who was respected by both his government and fellow citizens.

But, in 1974, Dr. Meiman decided that he wished to join his married daughter who resides in Israel. Upon submitting an application to emigrate to Israel, Meiman was forced to retire from his position at the institute. The doctor was told that he had been in the "possession of state secrets," and thus could not be allowed to leave the Soviet Union. Yet, Dr. Meiman's work had been published in open scientific journals. He had engaged in no secret work. In fact, the real objection the Soviets had to the Meiman application was that, through the institute, Dr. Meiman had worked for foreign scientists on the Committee for Peaceful Use of Atomic Energy. The Soviet Government did not like this behavior and decided to punish Dr. Meiman for it by refusing him permission to join his daughter in Israel. At this time, Dr. Meiman is still attempting to emigrate from the U.S.S.R.

The harassment of Dr. Meiman is just one example of the ill treatment of Soviet Jews. The most basic human rights are being denied to members of the Jewish faith seeking to leave Russia. It is my hope that continued pressure upon the Soviet authorities will result in a redress of injustices for Naum Meiman and the thousands of others like him in the Soviet Union today. ●

THE ECONOMIC OUTLOOK

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, in the February 1978 issue of Private Practice,

the eminent economist, Dr. Hans Sennholz points out how we may be on the very brink of economic disaster, unless our Federal budget is balanced and steps are taken immediately to restore the integrity of the dollar. Actually, public opinion appears to be swinging in that direction. Professor Sennholz traces the roots of today's economic evils to the abandonment of the gold standard in 1933, which heretofore had kept a lid on the amount of money that could be printed. With that cap gone, the sky became the limit as the presses rolled. His sober and realistic view of our economy should be read by all who are sincerely concerned about the well-being of the United States. The article follows:

**THE ECONOMIC OUTLOOK**

**WORLD TRADE AND COMMERCE ARE HELD TOGETHER BY A THIN DOLLAR WRAPPER THAT MAY TEAR AT ANY TIME**

In its first year the Carter administration conducted policies that, in our judgment, have planted the seeds for a serious recession. In a sweeping series of labor-law revisions and reforms, it raised labor costs significantly. It boosted minimum wages from \$2.30 to \$2.65 an hour and imposed new Social Security taxes. It proposed a multibillion dollar crude oil equalization tax as part of a package on energy. It submitted an expensive welfare reform program and is seeking a comprehensive national health scheme, the costs of which may surpass all others. It is holding on to tight controls over the energy industry which is fundamental to all economic activity. Its own spending is accelerating at frightening rates, consuming scarce capital resources and precipitating anemia in capital markets. For these reasons alone we must anticipate a drastic deterioration in economic conditions.

No adversity should make us despair of better days. But the immediate future of our economy looks rather dark.

We expect the American economy soon to turn down and slide into the worst recession yet. And inflation once again will soar to double digit rates.

Until a few years ago the establishment economists would have summarily rejected such an outlook. One excludes the other, they used to say. A recession, according to them, is caused by lack of money and credit, and by businessmen's unwillingness to spend it. Prices tend to decline, which makes business unprofitable and therefore leads to unemployment of resources and labor. Inflation, on the other hand, was said to be the result of too much spending. Inflation "stimulates" economic activity, which was their favorite notion for resorting to frequent inflation injections.

The establishment economists unfortunately failed to learn the important lessons of the Great Depression. During the 1930s, at first the Hoover administration and then the Roosevelt New Deal tried repeatedly and strenuously to "reinflate" the economy. They resorted to every conceivable device of inflation and credit expansion. They depreciated the U.S. dollar and finally devalued it by 41 percent. They intentionally incurred huge budget deficits, which in several fiscal years were larger than government revenues. In other words, government spending was more than double the revenue. And yet, the American economy remained depressed. Unemployment never dropped below the seven million mark.

It is true that contemporary recessions differ from the Great Depression in one important respect. During the 1930s consumer prices occasionally dropped whenever activity seemed to grind to a halt (in 1930-1931, 1934, 1937, and 1938). Today government spending

and printing are so potent and pervasive, and the American economy is so anemic from many years of capital consumption, that consumer prices cannot be expected to fall. They are bound to rise continually even at the bottom of a deep depression.

There is an important similarity between the Great Depression and the coming dilemma, indeed a frightening similarity that has come to the fore only in recent years. The banking situation resembles that of the early thirties although the institutional setting of the banking industry has changed dramatically.

Until 1933 gold was money and the U.S. dollar was a certain weight of gold. Banking obligations were payable in gold. Even the central bank, the Federal Reserve System, was legally obliged to pay in gold, which circumscribed precisely the volume of credit it could extend and the inflation it could conduct. But in 1933, the Federal government seized the people's gold and replaced it with its own paper money. The government thus removed any natural limitation to the quantity of money it could print and the inflation it could practice. And the commercial banks were relieved of the onerous task of maintaining gold reserves against their payment obligations. Their task, to make paper payments and safeguard their access to the Federal Reserve for more paper, was so much simpler.

And yet, in recent years many commercial banks, especially the biggest among them, managed to overextend themselves to such an extent that their ability to make mere paper payments has come into doubt. Flush with easy money and credit they made billion dollar loans to foreign governments that may default at any time. They made reckless loans to countries that either lack the economic productivity ever to repay, or suffer from political and social turmoil, or even toy with the thought of defaulting and then joining the communist camp, which invariably repudiates all previous obligations. A default by any one of a dozen debtor governments, such as those of Italy, Turkey, Peru, Panama, Nigeria, Kenya, and Zaire, would create serious difficulties in New York and other loan markets.

In the past the U.S. government through the Federal Deposit Insurance Corporation and the Federal Reserve System undertook to underwrite virtually all domestic banking obligations. Is it prepared now to guarantee and make good the massive obligations of other governments all over the world? Of course, "to make good" would mean a massive emission of U.S. paper money which would probably destroy it.

Indeed, our economic situation is very precarious. World trade and commerce, which are important pillars of the working and living conditions of all peoples, are held together by a thin dollar wrapper that may tear at any time. If it should burst because it is getting thinner with every turn of the U.S. printing presses, the world may fall into an abyss of a depression, deeper and longer than the Great Depression. And the U.S. dollar would suffer losses in purchasing power at unprecedented rates.

Many economists are convinced that the international paper dollar standard is destined to lead to world-wide hyperinflation and economic disintegration. The coming year may bring us one year closer to the catastrophe.

There are other, more cheerful scenarios. The American people may learn anew that for moral, political, and economic reasons we must live within our means. Government budgets must be balanced and the integrity of the U.S. dollar must be safeguarded. We must refrain from demanding more benefits from government, and from using it as a transfer agent. If Americans were to renew their faith in individual freedom and self-

reliance, in morality rather than politics, we could look forward with unbounded hope. Let us begin to be today what we hope to be tomorrow. ●

**FUNDS NEEDED TO ADDRESS HAZARDOUS WASTE PROBLEMS**

**HON. JOHN J. LaFALCE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LaFALCE. Mr. Speaker, today I testified before the House Appropriations Subcommittee on HUD-independent agencies to express my deep concern that the Federal Government is at present unable to respond quickly, efficiently, and effectively to environmental and health emergencies caused by discharge of toxic materials.

As you know, the Love Canal, the first of many abandoned hazardous waste sites to garner national attention in the press and on network television is in my congressional district. The U.S. Environmental Protection Agency has identified approximately 1,000 sites across the country which pose as imminent a threat to the health and welfare of the public as well as to the environment as the Love Canal. Yet, even though the EPA has identified numerous sites in what they admit was a cursory review of the situation, there is still no comprehensive national program for dealing with the problems which are associated with hazardous wastes.

In my testimony today, I called upon the Appropriations Subcommittee to fund adequately legislation which is already on the books such as sections 201, 208, 311, and 504 of the Clean Water Act. I also urged the subcommittee to encourage EPA to be flexible in its interpretation of these sections of the law so that it could play a larger and more productive role in dealing with new problems as they become apparent.

I also called upon the subcommittee to appropriate \$2 million for the conduct of a study by the Council on Environmental Quality to consider the issues surrounding the compensation of persons injured or damaged by exposure to toxic substances.

In addition I pointed out the critical need to appropriate additional funds for EPA's enforcement budget so that the Agency can create a strike force unit. The strike force is needed by the Agency so that it can have the capabilities of to vigorously pursue complaints that are filed with the Agency that charge that a company is not in compliance with the laws and thus polluting the environment. I requested \$5 to \$6 million for this purpose.

Mr. Speaker, I also discussed with the subcommittee the need for new legislation so that we can offer a comprehensive Federal response to the abandoned hazardous waste problem. I have introduced two bills so far in this session, the Hazardous Waste Control Act and the Toxic Tort Act. These two bills provide a program for the identification, main-

tenance, and reclamation of abandoned hazardous waste sites; a program for determining the location of new sites and the compensation of victims who have been exposed to toxic substances. I will be introducing in the near future another bill which combines the concepts of the two bills I have already introduced with the idea known as the "superfund" mechanism for funding a program as comprehensive as the ones I have offered. I am hopeful that my colleagues will give my new legislation their full consideration.

Mr. Speaker, I would now like to submit the full text of my testimony so that I can share my views with my colleagues.

The text of the testimony follows:

#### TESTIMONY

Mr. Chairman, Thank you for the opportunity to address your Subcommittee on a subject that concerns me deeply—the ability of the federal government to respond quickly, efficiently, and effectively to environmental and health emergencies caused by discharges of toxic materials.

#### INTRODUCTION

My remarks today focus upon one important source of such discharges, abandoned hazardous waste dumpsites. I am very familiar with abandoned waste dumpsites because one of the first to be identified, the Love Canal, is in my Congressional District. From my experience with the Love Canal, I came to appreciate the potential for human and environmental damage that these sites possess. Further, in my attempts to remedy the Love Canal problems, I became well acquainted with the very limited capacity of the federal government to address this particularly egregious group of environmental problems.

Mr. Chairman, I believe it inevitable that Congress will be asked—with increasing frequency—to address the most serious and difficult problems that stem from abandoned hazardous waste sites. While the Love Canal may have been the first of these "ticking time bombs" to explode, it will not be the last. In fact, EPA has recently estimated that approximately 1,000 similar sites with major potential for human and environmental harm may exist across the country.

Few would argue with the proposition that the cleanup of abandoned hazardous waste sites represents one of the most difficult and costly environmental challenges that our society has had to face.

Mr. Chairman, you and your subcommittee will play a major role in determining the fate of these 1,000 potentially most serious abandoned waste sites and, in particular, controlling the pace at which the cleanup measures can be undertaken. This presents, too, the opportunity for you and your subcommittee to remedy one of the key difficulties now existing in the federal government's response to the abandoned waste problem—insufficient funding of existing and potentially relevant environmental legislation. And I would also hope to enlist your support in eliminating another problem—inflexible interpretation by the Administration of these same laws.

Drawing from my own experience with the Love Canal problem, I would like to discuss with you existing laws which offer potential mechanisms for addressing these type of environmental difficulties. I will try to document the many reasons why these remain potential and not applied mechanisms. Finally, my statement today will conclude with recommendations for new legislation needed to address some of the gaps in existing law.

#### EXISTING LEGISLATION

There are programs in at least five existing federal laws which, if properly funded and creatively implemented, could greatly expand our abilities to deal with Love Canal-style emergencies in both the long and short terms. These include:

1. The Clean Water Act.
2. The Resource Conservation and Recovery Act.
3. The Clean Air Act.
4. The Safe Drinking Water Act.
5. The Toxic Substances Control Act.

#### Clean Water Act

The Clean Water Act probably offers the most potential for constructive responses to these environmental emergencies. Particularly relevant are Sections 504, 208, 201 and 311.

Section 504 authorizes a source of funds to abate just such an environmental emergency as presented by an abandoned waste site. It authorizes EPA to provide emergency assistance when pollutants or other contaminants are released into the environment. Although authorized at a level of \$10 million in 1977, the Office of Management and Budget has refused to recommend funding for this purpose and nothing has yet been appropriated. Mr. Chairman and members of this Subcommittee, I believe that this matter is important enough that Congress should take the initiative and appropriate funds regardless of OMB's position.

Sections 208 and 201 provide other potential avenues with great promise for funding the longer term clean-up of abandoned hazardous waste sites. As you know, Section 208 provides money for planning integrated state and area-wide water pollution control programs; and Section 201 is EPA's basic construction grant program for building sewage systems and wastewater treatment plants.

I am very hopeful that both of these programs will be funded next year at the levels requested in the President's budget. Used imaginatively, each of them could have been very useful in our effort to plan for and carry out remedial actions in the Love Canal emergency. And there will no doubt be other situations, similar to what happened at the Love Canal, where they could also be used.

Initially, no one knew exactly how to attack the problems of cleaning up the toxic wastes leaching from the Love Canal landfill. It seemed to me that funds for planning the management of wastewater would have been appropriate to help develop the best way to proceed in eliminating this most serious problem.

The final plan for dealing with the emergency, it turned out, involved the creation of a drainage system which channeled the wastes from the landfill to a central point where a small pretreatment process would be provided. Then the wastes would be sent on for final treatment in the City of Niagara Falls' main sewage treatment plant. I considered this to be part of the city's overall wastewater treatment system, and therefore, to be eligible for assistance under section 201. Regrettably, the EPA found itself unable—or unwilling—to agree with this position, saying it was not a "conventional" sewer system. We weren't dealing with a conventional problem, of course. I would, therefore, appreciate any help you can provide me in helping convince EPA and the Administration that flexible and imaginative interpretation of federal programs would enable the federal government to play a larger and more productive role in dealing with problems of this kind.

Section 311 of the Clean Water Act also has potential for addressing the abandoned hazardous waste site problem.

Section 311 provides for a National Contingency Plan to limit the discharges of oil and other hazardous substances into navigable waters. It also requires EPA to designate hazardous substances which, if released, would endanger public health.

Although it took EPA some five years to issue regulations for hazardous substances under 311, the limited authorization for this program threatens to render it relatively ineffective as a mechanism to counter the effects of abandoned hazardous waste sites. Although originally authorized at \$35 million, less than half of this remains in the fund. Mr. Chairman, I am hopeful that your Subcommittee will appropriate the sums necessary to bring this emergency response fund up to its full authorized strength.

As I see it, the key function of Section 311 in the hazardous waste problem is to provide a federal mechanism for immediate responses when emergency situations occur. Section 311 is essential to provide stop-gap interim funding for immediate abatement of health emergencies and for early planning which precedes longer term action applied through existing programs.

#### Resource Conservation and Recovery Act

The Resource Conservation and Recovery Act could be the cornerstone of a federal response capability for hazardous waste emergencies. In fact, Section 8001(a) of RCRA provided a means for federal participation in the present rehabilitative activity underway at the Love Canal in Niagara Falls. We tapped 8001(a) because it provides for, among other things, demonstration programs to limit the adverse health effects of the release of hazardous waste materials from sources such as existing waste sites.

Mr. Chairman, it was your Subcommittee, last August, which agreed to appropriate the \$4 million under Section 8001(a) for a demonstration project at the Love Canal—the first time this program received any funds at all. I want to again express my deep and sincere appreciation to you for that support. That \$4 million constitutes approximately two-thirds of the entire federal contribution to the Love Canal to date.

Nevertheless, given the wide-ranging scope of the abandoned waste site problem across the country, Section 8001(a) offers only a very limited potential for federal response because of its low funding authorization of \$8 million. I believe that the Committee reauthorizing RCRA this year may recommend a substantial increase in funding for this section. If that occurs, Mr. Chairman, I would again ask your strong support for a larger appropriation as well.

Three other laws offer potentially smaller contributions to solving this particular environmental dilemma: the Clean Air Act, the Toxic Substances Control Act, and the Safe Drinking Water Act. But if they are creatively implemented and adequately funded, they could significantly improve the Federal government's ability to detect and respond to environmental emergencies caused by abandoned waste sites.

#### Clean Air Act

Section 112 of the Clean Air Act, if flexibly interpreted, offers a structure for a national demonstration program to study the health and environmental effects of hazardous pollutants in specific areas of the country. Armed with this data, health authorities would be in a far better position to correlate disease and illness rates with the environment's load of toxic chemicals. Such information would also greatly facilitate identification of potential environmental trouble spots caused by, for example, abandoned waste dumps, before they develop into major crises. Indeed, I have proposed such a demonstration project to EPA and now await their response to my request.

*Safe Drinking Water Act*

The Safe Drinking Water Act sets standards for contaminants, including toxic chemicals, in drinking water. To do this, it gives EPA a strong mandate to study health effects of such environmental contaminants.

In its 1980 budget, EPA has requested \$5 million and an increase of nine professionals to beef up agency research into health criteria and their relationship to drinking water quality. Again Mr. Chairman, I would request your strong support of these most important proposals.

*Toxic Substances Control Act*

EPA's proposed research efforts are directly complementary to a recent initiative on my part aimed at accelerating our government's research into problems surrounding human exposure to toxic substances, especially how to compensate victims of such exposure.

Just last month I proposed an amendment to the Toxic Substances Control Act during its reauthorization hearings before the Consumer Protection and Finance Subcommittee of the House Commerce Committee. This amendment directs the Council on Environmental Quality to conduct a comprehensive study of the scope of the toxic substance exposure problem in our country and of the mechanisms available to compensate such victims. The Consumer Protection Subcommittee authorized this study at a funding level of \$2 million.

Congress will face a number of questions regarding compensation of injured victims of toxic exposure this year and in the near future. This study is designed to provide basic and solid data regarding the compensation problem and possible solutions to it. Results of the study should be invaluable to decision-making in the Congress and elsewhere if it is adequately funded. Your support will carry us a long way toward that goal.

I realize that my amendment is not yet law. And yet, because I believe that this problem is so serious and that action on it so crucial, I would urge you to give serious consideration to providing the \$2 million it will authorize in CEQ's appropriation for FY '80. Then, if it does become law, there will be no delay in implementing it. And in any event, I wanted to mention this as something which may be brought to you in future requests for supplemental appropriations once it is enacted.

If funding this study through a major increase in the CEQ budget proves, for some reason, unworkable, another possibility might be to use Environmental Protection Agency funding under the direction of CEQ supervision.

This could be accomplished through appropriate language in your Committee report. Furthermore, it may make especially good sense this year since EPA has requested a major increase of some 19 million dollars for its FY 1980 toxic substances research and development program. Given the difficulties which EPA has experienced in utilizing its present \$14.8 million appropriation effectively, we must ask whether the agency is capable of doing a better job with over two times as much. My guess is that \$2 million of this increase might be used far more effectively by CEQ, and I commend this approach to you.

Mr. Chairman, up to now my testimony has focused entirely upon existing legislation that offers potential for substantially improving the federal government's response to a severe national problem—the cleanup of abandoned hazardous waste sites.

With additional funding and more creative and flexible interpretation by executive agencies, existing legislation could have much greater impact upon solving this tragic environmental problem. The Clean Water Act may have the most potential for such an

improved response. However, each of the other laws mentioned could also contribute to a more rapid and effective solution to eliminating the human health and environmental hazards posed by abandoned hazardous waste sites.

## EPA STRIKE FORCE

There is one more item in EPA's budget which I would like to mention before I discuss the need for additional legislation to cope with the problems created by hazardous wastes. That is EPA's enforcement budget.

As a result of my experiences with the Love Canal and other pollution problems in Western New York, it has become apparent that EPA has no strike force capabilities to vigorously pursue complaints that are filed with the Agency that charge that a company is not in compliance with the laws and thus polluting the environment.

I propose that this Subcommittee provide approximately 5 to 6 million additional dollars in EPA's appropriation for FY '80 to fund an EPA Strike Force unit. The authority for such a unit stems from Sections 311 and 504 of the Clean Water Act and Section 7003 of the Resource Conservation and Recovery Act.

This unit would be charged with the following duties:

1. Discovering hazardous waste landfills;
2. Determining the parameters of pollution leaching from such sites;
3. Assisting program personnel in determining the best ways of cleaning up the sites; and most importantly;
4. Collecting and collating the evidentiary materials which would be used by the Justice Department to bring negligent polluters into court.

The Strike Force could be a team composed of lawyers and technicians who would be trained in information-gathering for purposes such as I have described. I believe that the annual cost incurred by the federal government would be minimal in comparison to the costs incurred by the public when polluters are allowed to go undetected and without fear of penalty.

## PROPOSED LEGISLATIVE INITIATIVES

*The Hazardous Waste Control Act*

There are, however, two glaring omissions in the present legislative framework that must be filled before we can begin to offer a comprehensive federal response to the abandoned hazardous waste site problem. First, no existing legislation directly focuses upon the design of a national program to manage abandoned hazardous waste sites. To resolve this problem, I have introduced H.R. 1048, the Hazardous Waste Control Act, which would amend the Resource Conservation and Recovery Act. H.R. 1048 would establish a program to identify, reclaim (where feasible), and monitor abandoned hazardous waste sites. It would also provide an emergency source of funds that would be available to pay for immediate measures required to remove a potential or actual public health hazard.

One of the more unique features of this bill is its three-way funding mechanism. It draws upon the federal and state governments, as well as the hazardous waste disposal industry, to provide revenues needed to run the program.

The approach fixes responsibility on all three for solving the hazardous waste site problem, and it provides essential incentives for the industry to minimize the amounts of such wastes in the future, clearly something we all would want to accomplish.

My bill also would give the Federal government the authority to sue those responsible for each abandoned waste site problem for recovery of clean-up costs.

Finally, this bill establishes a procedure for selecting sites for new and environmentally safe hazardous waste disposal facilities. It is becoming increasingly diffi-

cult for responsible state and local authorities to locate such new facilities. In part, this is due to the widespread and often justified public opposition to such sites that has grown across the nation. Indeed, there is little question that hazardous wastes have been mishandled in our country.

Unfortunately, however, new and environmentally sound sites must be found for hazardous waste facilities in order to ensure adequate treatment of newly generated waste materials as well as proper disposal of the contents of the many abandoned sites across the country that must be cleaned up.

H.R. 1048 provides for a rigorous governmental, public, and scientific review procedure during the site selection process in order to assure that all information, issues, and points of view are incorporated into siting decisions. Further, it fixes authority for final site selection decisions with the Administrator of EPA.

*The Toxic Tort Act*

My second legislative initiative, the Toxic Tort Act is designed to fill another existing and very great gap in the present framework of laws dealing with the abandoned waste site problem. This bill, H.R. 1049, would provide a mechanism for compensating victims of exposure to toxic substances. Specifically, it would:

1. Create a federal cause of action for victims of toxic exposure, permitting them to seek redress against negligent manufacturers;
2. Establish an independent agency within the Environmental Protection Agency to compensate victims of pollution-related injuries regardless of fault. This agency would function, in principle, like a workers' compensation system.
3. Require the Environmental Protection Agency to study the relationships between exposure to toxic substances and human disease and authorize EPA to make a "requisite nexus" finding. This would overcome the problem of proving causation with traditional proof requirements.
4. Modify the proof and limitations requirements which claimants must meet in state workers' compensation proceedings and in court actions, permitting the use of the presumption based on EPA's "requisite nexus" findings.
5. Subrogate EPA to the rights of the injured party, thus enabling the Agency to seek reimbursement from negligent parties.

At the present time, the lack of scientific and medical knowledge relating exposure to toxic substances with human illness combines with the traditional proof requirements of our judicial system to nearly preclude compensation for persons injured by exposure to toxic substances. My bill seeks to remedy this serious problem by ensuring that those who suffer physical injuries through such exposure have effective means of obtaining compensation for their losses.

## THE "SUPERFUND" CONCEPT

The two bills I have just described constituted what I considered to be the most pressing needs for federal action. Since I first introduced them last year, however, I have continued to work with EPA, interested committees and subcommittees in Congress, and with a number of outside groups. And one result of that work has been my conclusion that the ideas in my bills should be merged with another idea that was initially proposed last year. That is the concept known as the "superfund."

Accordingly, I will shortly introduce new legislation combining my ideas with the more effective financing mechanism found in the "superfund" bill that was passed by the Senate last year but which, unfortunately, died in conference at the end of the session.

I believe this approach will combine the best of all the major suggestions about how to deal with hazardous substances. It will

maintain the effective financing mechanism provided from the "superfund" without sacrificing the incentives for minimizing dangers found in my earlier bills.

The "superfund" is a very attractive concept because it provides the capacity to deal with a wide range of environmental calamities in an effective manner. It has the potential for raising substantial sums of money quickly and at relatively low administrative cost. Further, its financing mechanism easily accepts the addition of incentives which could work, for example, to limit the total amount of wastes generated and promote the recycling of such substances.

The Administration supports the "superfund" concept. Indeed, EPA representatives have testified at Congressional hearings in favor of it. The Administration as yet, however, has not proposed concrete legislation that would spell out the details of how it views the operation of the "superfund."

The "superfund" which I envision would derive its funds from a fee on refiners of oil and producers of natural gas. This is an appropriate source, I believe, because oil and natural gas, in addition to being hazardous substances themselves, constitute feedstock substances for the manufacture of many chemicals and other potentially dangerous materials.

But a fee imposed on natural resources alone would not achieve other goals that a funding mechanism can achieve, including:

1. Conservation, and the resultant reduction of wastes;
2. Recycling of hazardous wastes into other manufacturing processes and thus, reducing the total quantity of wastes requiring management;
3. Reducing the toxicity of the wastes that cannot be eliminated.

At the appropriate time, Mr. Chairman, I would hope your Subcommittee will be receptive to initial funding of the "superfund" concept.

#### CONCLUSION

Mr. Chairman, may I thank you once again for the opportunity to appear before your Subcommittee to comment upon the existing federal response mechanism for cleaning up abandoned hazardous waste disposal sites and to present to you several new legislative initiatives needed to fill gaps in present law.

Few would argue that we should substantially improve the federal government's ability to deal effectively and efficiently with emergencies caused by abandoned hazardous waste sites. The difficult question that remains, however, is how to do this. I have presented to you a variety of approaches to this problem.

First, and most relevant to your Subcommittee's activities today, is the need to adequately fund existing programs which offer potential for dealing with abandoned hazardous waste sites. Along with this funding, however, should go the clear Congressional direction that existing legislation ought to be, when possible, interpreted with creativity and flexibility to allow its application to hazardous waste problems.

Second, I fear that existing legislation may not be up to the measure of all the existing problems surrounding abandoned hazardous waste sites. Legislation such as the Hazardous Waste Control Act and the Toxic Tort Act is absolutely crucial to fill existing gaps in our environmental legislation dealing with abandoned waste sites. When these or other bills do become law, I hope you will be receptive to the need for funds to carry them out.

In closing, Mr. Chairman, I would like to make just one additional point. This year Congress is wrestling with the pervasive problem of inflation, and one of the most important things we can and must do to help control inflation is to keep down the costs of the federal government. I realize

that the burdens of the fight against inflation fall heavily on the members of the Appropriations Committee.

Yet an integral part of whittling down the federal budget is the need to set national priorities. I applaud these efforts and concur with the need to hold down spending as much as possible. However, there can be no higher priorities than the preservation of a clean and healthy environment which will be safe for succeeding generations—and the health and welfare of our citizens and their just compensation for injuries and damages which they have suffered unwittingly.

I can think of no better way to fight inflation than to appropriate monies now to fight environmental problems we face now so that they do not continue to mushroom and overtake us. In a recent speech EPA Administrator Douglas Costle said:

"So far, New York State has spent \$23 million on cleaning up the Love Canal. That expense includes evacuating 239 families, purchasing their homes, performing medical tests on the former residents, installing drainage pipes, personal costs for State Task Force employees. Claims against the chemical company are reported to exceed \$2 billion. Even these dollar sums exclude costs which we have no way of measuring: the lifelong agony, for example, of one girl born with a cleft-palate, an extra row of teeth, and slight mental retardation.

"Perhaps the most appalling fact of all is this: had the proper government regulation been in force at the time, it would have cost Hooker Chemical a maximum of \$4 million—that is in current 1979 dollars—to find, construct and seal a secure hazardous waste facility. Instead the public has spent already \$23 million . . . and the ultimate cost to former Love Canal residents and to the company is beyond comprehension."

Clearly, it is to everyone's advantage to do a job right the first time around. We must all do all we can to ensure the health, safety and welfare of our citizenry and the preservation of our environment. I stand ready to work with you to achieve these goals.

Thank you for allowing me to testify this morning. If you have any questions, I would be happy to answer them as best I can. ●

#### MUSHROOM WEEK IN DELAWARE

### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Delaware. Mr. Speaker, the week of April 27 through May 3, 1979, is being declared "Mushroom Week in Delaware" in recognition of the significant contribution Delaware mushroom growers and processors have made to the State's economy.

Mushrooms are Delaware's fourth largest cash crop. Delaware growers are primarily located in the Hockessin area of New Castle County and produce approximately 6.5 million pounds of mushrooms per year with an annual dollar value of \$4.3 million.

I think my colleagues will agree with me that Delaware mushrooms are one of the most delicious natural foods produced anywhere in the world, and I am hopeful that many Americans will have an opportunity to enjoy this delicious product. We in Delaware are proud of this vital industry and I hope that you will join me in recognizing its importance to the State of Delaware. ●

#### REVOLUTIONARY TERRORISM IN NICARAGUA

### HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, after an Easter week of bitter fighting, terrorists from the Marxist revolutionary Sandinist National Liberation Front (FSLN) have been driven out of the city of Esteli by Nicaraguan National Guard troops. Esteli, a city of some 40,000 people, has been severely damaged.

The Easter week offensive of the FSLN was the culmination of a campaign of escalating terrorism that started in mid-March after reunification of the FSLN's three warring factions under a "Joint National Directorate." The members of the FSLN leadership according to Havana, their sponsor and backer, are Ballardo Arce, Tomas Borges, Luis Carrion, Carlos Nunez, Daniel Ortega, Humberto Ortega, Henry Ruiz (alias Comandante Modesto), Victor Tirado and Jaime Wheelock.

Although the media carelessly applies the word "guerrilla" to the FSLN, they are not guerrillas but terrorists. In the 3 years since I offered the following definition of terrorism, no member of the academic community or governmental official has disagreed with its essence.

Terrorism: A violent attack on a non-combatant segment of the community, for the purpose of intimidation to achieve a political or military objective.

Unconventional or guerrilla warfare targeted exclusively against military targets is a legitimate part of modern warfare. The FSLN has always devoted a major part of its energies to attacks on Nicaraguan civilian targets, and continues to do so. The mere fact that with massive support from Cuba, the Soviet Union and revolutionaries in Panama, Venezuela, Costa Rica and other countries, the FSLN has been able to mount raids on National Guard targets does not remove them from the terrorist category.

For example, looking at FSLN actions starting in mid-March, there were many armed robberies by FSLN squads—in addition to holdups by Nicaraguan criminals taking advantage of the social disruption. FSLN "requisition" squads robbed three Managua supermarkets, two hospitals, and in the attempted robbery of a savings bank in Leon held 10 civilians hostage for 3 days. The placement of a powerful bomb in a culvert under a road near the house of Liberal Party Leader Luis Pallais Debayle, doubtless intending to detonate it as his car crossed over, was terrorism, not guerrilla warfare. The robbery of \$15,000 in scholarship funds from Central American University.

Since when does the firebombing of the house of a civilian because he is a supporter of the legal government in Nicaragua qualify as anything but terrorism? And then on April 12, the FSLN's clandestine "Radio Sandino" boasted that "our comrades" had reported they had "executed" 20 Nicaraguan citizens in Esteli because they were suspected of

opposing the revolutionaries. On April 7, three civilians accused by the FSLN of "collaborating" with the government were murdered.

Finally, there was the murder in Managua of a teenaged boy named Jorge Mercado. He was brutally killed by an FSLN revenge squad because he had wounded a FSLN terrorist during a hold-up of his father's store several weeks earlier. Thus there can be no question that the FSLN is a terrorist gang, not a "guerrilla" organization.

The lack of a firm U.S. commitment to preventing the spread of Communist aggression by subversion and terrorism in Latin America is the key cause of the escalation of FSLN activities against the Government of Nicaragua which has long been a close ally of our country. The White House's lack of support, if not scarcely concealed hostility, toward Nicaragua's Government has encouraged other leftist governments and those hostile toward Nicaragua in Panama, Costa Rica, and Venezuela to join with Cuba and the Soviet bloc in backing the FSLN revolutionaries.

Foreign revolutionaries from Panama, Costa Rica, Mexico, and Honduras have been killed while fighting in the ranks of the FSLN in Nicaragua. Costa Rica is being used as a safety zone and land base for the FSLN units, despite the statements of the Costa Rican Government that there is no FSLN activity on its territory. And the smuggling of a wide range of weapons, including some from the Soviet bloc, into Nicaragua for use by the FSLN. A cache found at a farm near Esteli just before the start of the Easter attack included two Czech rifles along with the more usual rifles, carbines, and ammunition. In several houses in Chinandega last week, National Guard officers investigating the activities of several FSLN members killed in clashes found several caches of arms and military supplies.

Arms seized included boxes containing several FAL and Enfield rifles, .30-caliber M-1 carbines, 22-caliber rifles, shotguns, and a .30-caliber M-1 Garand rifle taken from a National Guardsman killed several days earlier. In addition to large amounts of ammunition, military-type uniforms, walkie-talkies, binoculars, and other equipment was found. Also found were several denim jackets with patches displaying the profile of Lenin on the back. Those patches had been distributed a week earlier among FSLN members in the Costa Rican city of Liberia, 60 miles south of the border with Nicaragua.

The escalation of terrorist activities by the FSLN, with the backing of Cuba and the Soviet Union, is a direct result of the U.S. lack of a strong policy against the spread of Communist aggression, by both subversion and terrorism, in Latin America. The victims of our Government's indifference to what is going on in Nicaragua are the innocent civilians of that country who are being shot and robbed; whose stores, farms, and businesses are being burned; and who are being terrorized because of a gang of Marxist revolutionaries who completely reject the electoral process and constitutional methods in their reliance on ter-

rorist "armed struggle" to seize total power.

I would like to ask my colleagues to join with me in urging the White House to carry out its humanitarian responsibilities by offering whatever assistance may be necessary to aid the Nicaraguan Government in wiping out the terrorists and in rebuilding areas such as Esteli that have been seriously damaged as the result of terrorist attacks. ●

#### THE CATCH IN GOVERNMENT DEREGULATION

### HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. RAHALL. Mr. Speaker, I submit this editorial from a paper in my district so that my fellow colleagues can sense the dilemma facing the American people concerning our increasing drive to deregulate American industry.

#### THE CATCH IN GOVERNMENT DEREGULATION

(By Walter Massey)

Grover Smith and his wife Gladys were busy one spring day operating their family business, Smith's Independent Drycleaners, when Harry Heartfelt, their congressman, dropped by.

"Sure is a warm one, Grover," said Heartfelt, running his linen handkerchief around his ample neck at the collar of his tailored shirt.

"Sure is, Harry. The Missus and I were just saying what a warm one it is. Wish we could afford to air-condition this place. We're used to it after 30 years of working in the steam, but I hate for my customers to be uncomfortable, you know." Smith's forehead was beaded with perspiration and moist spots were visible on his rumpled white cotton shirt. The points of his wilted collar curled up like a Leprechaun's shoes. "What brings you by, Harry, anyway—election time is a long way off. . . ."

"Pshaw, Grover! You make it sound like I never come around except to get votes. Fact is, I'm visiting my constituents like yourself to see what's on your mind. Have to feel the public's pulse every now and then . . . can't get out of touch with the common, er, that is fine citizens of my district. Now can I?" Heartfelt's booming laugh shook his large belly. "Now what can I do for you, Grover?"

"There is a thing or two, Harry. This fella was by from OSHA. He says I have to install another toilet because there's just one, and there has to be one for men and another for women. Gladys and I are the only ones who work here, and we've been using the same toilet for 30 years. Heck, we use the same toilet at home. It just don't make sense to have to put in another toilet. I can't afford it, anyhow. We barely make a living out of the business as it is.

"And that ain't all. This young jerk from OSHA says my suit press ain't safe. He thinks I ought to bolt shields all over it so nobody can get their hands caught in it. But if I bolt shields all over it, how am I going to get to the press to put a suit in it? I asked him, and he said he didn't care.

"Besides that, I've got all these forms to fill out. Seems like every day some government agency is sending me another survey I have to fill out. Sometimes I fill out one of these surveys for one agency and then a few days later I get another survey from another agency wanting the same information. We don't close til six o'clock and some nights I

don't get out of here until midnight just filling out all the forms from the government.

"And then there's taxes and bookkeeping and all kind of red tape from the IRS. What I need is a fulltime office worker to keep up with all the government paperwork, but like I said, Gladys and I are hardly making a living out of the business like it is.

"Now what can you do to help me, Harry?"

Harry Heartfelt quickly manipulated his countenance to one of grave concern. "Yes, Grover, I understand the problems of the small businessman. Why my grandfather ran a country store and my father was a merchant throughout his working life. Well do I remember working on Saturdays and during the summers stocking the shelves and helping to take inventory. I can say quite earnestly that I come from a small business background and I know exactly what the small businessman has to go through. . . ."

"But Harry, that was years ago. Everything has changed. All you had to worry about then was keeping a few essential records. You didn't have bureaucrats coming around every month threatening to put you out of business. You didn't have all this regulation. . . ."

"Regulation! Yes, regulation. Much of my mail these days concerns regulation. But you have to remember that we live in a much more complex world. These matters require extensive study. By the way, we deregulated Wall Street, Grover, and we deregulated the airlines and, by golly, we're going to deregulate the trucking industry."

"But Wall Street didn't want to be deregulated. The airlines didn't want to be deregulated. The truckers don't want to be deregulated. I want to be deregulated. Why don't you deregulate me?"

The Congressman's look of benign concern evaporated. His jaw became set in a determined and indignant way.

"Deregulate you! Grover, you don't know what you're asking. If we deregulated you we would have to deregulate all the small businesses in the country. Then the big businesses would want to be deregulated. We can't deregulate businesses just because they want to be deregulated."

"But you're deregulating the industries that don't want to be deregulated. Do you mean you have to want to keep the regulations before Congress will consider deregulating you?"

"Well, obviously, Grover, if a business wants to be deregulated, the leaders of the consumers movement don't trust it, and if a business wants to keep regulation, then there must be something fishy going on. We have to consider the consumers movement; lots of voters there, you know."

"Well, I'm a consumer, too. I'm a businessman and a consumer. What if I were to tell you as a consumer that I should be deregulated and as a businessman that I want to hang onto every regulation in the books? Would that convince you that I should be deregulated?"

Heartfelt smiled a superior smile. "Sorry, Grover. You have absolutely no standing as a consumer. Either you are a businessman or a consumer. As a consumer, you are in conflict of interest with your proprietorship of this business concern. I'm sorry, Grover, but you don't count."

"I don't count! But I scraped up \$25 and contributed it to your last campaign. I counted then, didn't I?"

"Certainly, Grover. You still count as an individual contributor to my campaign, but as you well know that was a personal contribution and did not come from your business. It's illegal for a business to make a political contribution."

"All right, as an individual contributor to your campaign, I'm asking you to deregulate my business. I can't stand it any more.

Doesn't my contribution mean anything to you?"

"Certainly, Grover. That's why I'm here to find out how I can help you. I just wish our conversation could have been more constructive. How do you feel about cutting down on foreign aid...?"

THE SUNSET ACT OF 1979

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. WOLFF. Mr. Speaker, the Subcommittee on the Legislative Process, under the dynamic leadership of the Honorable GILLIS LONG, has begun hearings on one of the most important pieces of legislation this Congress will consider. The Sunset Act of 1979 establishes a workable process for reviewing and reauthorizing all Federal spending programs. I have long supported sunset legislation in the past and I have joined the over 180 cosponsors of H.R. 2 which has been introduced into the 96th Congress. I would like to take this opportunity to share with my colleagues my statement which was presented to the subcommittee in support of H.R. 2:

STATEMENT OF LESTER L. WOLFF, REPRESENTATIVE OF NEW YORK

Mr. Chairman and members of the Subcommittee on the Legislative Process. I am very appreciative of the opportunity to present this short statement in support of H.R. 2, the Sunset Act of 1979.

I would also like to take this opportunity to acknowledge the extremely hard work of the authors of the legislation, Mr. Blanchard of Michigan, Mr. Mineta of California and Mr. Gephardt of Missouri. Their efforts to pass this legislation have spanned a number of years. Through their perseverance and hard work, the legislation which the subcommittee is considering has gained the support of over 180 Members of the House of Representatives. I am very proud to have joined the effort to pass a sunset bill by cosponsoring this legislation.

The time has come for the Congress of the United States to take a bold but necessary step. The time has come for this body to assume the responsibility for developing a process whereby we can comprehensively review and evaluate all of the federal spending programs. This is of critical importance when inflation and government spending is first and foremost on the minds of the American people. A noted author once stated, "The nearest thing to immortality in this world is a government bureau." Not only have the bureaus themselves become immortal, but a number of programs administered by the bureaus seem to have an aura of immortality about them. Congress must tackle the responsibility of changing this perceived attitude by implementing a workable process that would allow wasteful and ineffective programs to terminate.

The legislation being discussed would provide the Congress with the much needed tools to comprehensively review federal spending programs by developing an evaluation process. Central to the process is a ten (10) year cycle for which all federal spending programs must be renewed and reviewed. Within each cycle of review, federal programs will be evaluated in terms of cost, efficiency, effectiveness and duplication. The bill would also terminate funding for any program which is not reauthorized. The

legislation also puts into place, a number of other mechanisms that would greatly enhance congressional oversight responsibility over the federal programs. For example, a Citizens Commission on the Organization and Operation of Government would be established that would study the efficiency and effectiveness of government programs.

During my fourteen (14) years in the Congress, I have seen an enormous growth in the amount of federal spending and in the number of federal regulations. Both occurrences have caused me much dismay. H.R. 2 would address these issues in a number of ways. First, by comprehensively reviewing federal spending programs, a decrease in government expenditures could result due to either the termination or revision of duplicate and ineffective programs. Second, there are provisions in the legislation that require the President to submit to Congress a report outlining all of the programs scheduled for reauthorization in hopes of identifying conflicting regulations. H.R. 2 would also require the President to submit a legislative reform plan for each of the sixteen (16) regulatory agencies. I feel these particular provisions get to the heart of two of our biggest governmental problems—federal spending and overregulation.

Examples of overlapping and wasteful programs are commonplace throughout the government. These duplicative programs, if they were consolidated or abolished, could save the government and the taxpayers millions of dollars. Tax dollars could be saved, for example, if there was a consolidation of the three disaster assistance programs administered separately by the Farmers Home Administration, the Small Business Administration, and the Federal Disaster Assistance Administration. There needs to be some type of comprehensive review of the community development programs also. The General Accounting Office found that out of the 196 programs targeted entirely or in part for community development, only 19 were administered by the executive agency most responsible for community development—the Department of Housing and Urban Development. These are just two of the many reasons why sunset is needed.

Mr. Chairman, in reality many of our federal programs have become for the most part "immortal." Over 70% of the federal dollars go to programs with indefinite authorizations. We in this Congress must carry the burden of actively and judiciously examining the existing federal programs, in particular those programs which for some reason have escaped our periodic review. The American people deserve to know that a mechanism for evaluating programs does exist within the Congress of the United States. The American people must be assured that duplicate and wasteful programs are not immortal but can be terminated. The days ahead for the subcommittee will be difficult ones as you begin to deal with this complicated and mammoth task. I am confident and hopeful, however, that the subcommittee will develop a logical and workable piece of sunset legislation based on the provisions in H.R. 2.

Again, thank you for the opportunity to present my views on this important issue.●

AWAKEN AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. McDONALD. Mr. Speaker, on February 17, 1979, former Gov. Meldrim

Thomson of New Hampshire, delivered a ringing call to action while speaking in St. Augustine, Fla. His speech was a stirring reminder of the need for all Americans to fight to keep our form of government, with all its liberties. He stressed that, even with our marvelous Constitution, our country would become a dictatorship if our people are not constantly alert and fighting for the principles contained in that document. And, as the Governor pointed out, we have to do more than just complain about the bad actions of our Government, we have to insist upon their correction. The speech follows:

AWAKEN AMERICA

(By Meldrim Thomson, Jr.)

What a dangerous and false sense of security we Americans possess.

We seem to believe that this home of the free will last through all time and that the troubles of today—inflation, high taxes, poor schooling, moral decadency, bureaucratic intrusion into our lives, and the gathering international storms on the horizon will all go away in time.

We do not like these irritants of life. We growl at them. Occasionally we strike out in anger as if to kill the buzzing problems; but unfortunately our inherent sense of optimism makes us blind to the facts of history that teach sooner or later disaster has overtaken all nations of the world.

As a nation we are like the legendary Rip Van Winkle who while on a hunting trip in the Catskill Mountains came upon some Dutchmen playing nine pins, accepted their heady drink and promptly fell into a twenty-year sleep.

When ol' Rip awoke his wife was dead, his children had grown and left the home, and his friends and old landmarks had scattered and vanished.

In the case of our nation for almost two times twenty years we have dozed in the comfortable feeling that basically we are a strong, virile and good people upon whom fortune frequently smiles and seldom frowns.

Friends, a rude awakening awaits us. Let us bestir ourselves at once lest the slothful ways of recent decades make our awakening a tragic one.

We know, in a casual manner, that our Founding Fathers gave us a constitutional government fashioned to insure us a maximum of freedom within a minimum of government intrusion into our lives. We also know deep down inside of each of us that something has gone haywire in the working of that Constitution.

When ol' Ben Franklin was leaving Independence Hall in Philadelphia after the work on the Constitution had been completed, he was approached by an anxious lady who asked:

"Mr. Franklin, what kind of a government will we have?"

"A Republic, Madam," the octogenarian delegate replied, "If we can keep it such."

I suspect that one of our great troubles is that we fail to appreciate that the blessings of liberty and good government are like a fire upon the hearth. Without constant attention and refueling the fire dies.

This idea was eloquently expressed in a speech by John Philpot Curran, the great Irish advocate and statesman, who said in 1790:

"It is the common fate of the indolent to see their rights become a prey to the active. The condition upon which God hath given liberty to man is eternal vigilance; which condition if he break, servitude is at once the consequence of his crime and the punishment of his guilt."

There we have two great thoughts; first, that liberty is a gift of God; and second, that to keep liberty requires eternal vigilance.

Curran might have added a third vital ingredient for liberty; namely, the vigilance of a few patriotic persons is not alone enough. All of the people must be vigilant at all times if we are to avoid servitude and maintain from one generation to another the incalculable blessings of liberty.

As frequently as we talk with God and seek His guidance we need to work for liberty. In fact, we are told in the New Testament that the two are inseparable.

In II Corinthians 3:17 it is written that "where the Spirit of the Lord is, there is liberty."

We have been warned by many throughout the short history of our nation that only if we work diligently at the preservation of our liberties may we remain a nation of free people.

There was old Ben Franklin telling the lady that we had a Republic, if we could keep it.

The great French philosopher Alexander de Tocqueville, wrote that democracies could endure only until their voters learned how to vote themselves largess from the public treasury. Soon thereafter would follow fiscal suicide and the arrival of some form of dictatorship.

That warning certainly carries for us an ominous sound today.

George Washington, shortly after taking office in 1789, said our nation would endure so long as we remained "united and faithful to ourselves."

He also indicated that the Constitution as a document was no guarantee of the permanency of our government; rather this depended upon the will and the character of those entrusted with its execution. Washington said:

"Should, hereafter, those who are intrusted with the management of this government, incited by the lust of power and prompted by the supineness or venality of their constituents, overleap the known barriers of this Constitution and violate the unalienable rights of humanity; it will only serve to show, that no compact among men (however provident in its construction and sacred in its ratification) can be pronounced everlasting and inviolable, and . . . that no wall of words, that no mound of parchment, can be so formed as to stand against the sweeping torrent of boundless ambition on the one side, aided by the sapping current of corrupted morals on the other."

Friends, there we have the prescription for the destruction of our Constitution and with it the rights and freedoms it was intended to confirm and preserve.

Notice the two poisonous ingredients whose corrosive effect Washington warns against: lust for power officeholders, and the venality of their constituents.

What perceptive understanding George Washington had of the frailty of human nature.

Lust for power is as old as organized government. And so too is the greed of the people.

Obviously, Washington, who served as chairman of the Constitutional Convention, believed that in that document, he and the delegates who served with him had found a means to curb two of the most destructive forces against good government.

Pick up a newspaper any day of the week and somewhere in its columns you will find some item dealing with power grabbers and greed gobblers.

Today everyone wants to cut taxes, but no one is willing to give up the governmental goodies passed out by the government. This explains why 72 million Americans receive checks from the government. And the tragedy is that only 71 million Americans are working to provide the taxes that make the giveaway checks possible.

There is an old saying that the more things seem to change the less they do.

How familiar today seems the charge, "He has erected a multitude of new offices, and sent hither swarms of officers, to harass our people, and eat out their substance."

Yet this charge is as old as the Declaration of Independence, for it was hurled at King George III by the signers of that great instrument.

Try inserting in that ancient charge, "OSHA, HUD, and IRS" then substitute "Congress" for "He" and you have an updated complaint that tears at the hearts of liberty-loving Americans today.

The updated version of the ancient charge would now read, "Congress has erected a multitude of new offices, and sent hither swarms of officers from OSHA, HUD and IRS and other agencies, to harass our people, and eat out their substance."

However, there would be one important difference between the old and new versions. Those old Founding Fathers were ripping mad. They did not just whine and gripe. They did something about it. They risked their lives and fortunes to change the system; and did change it.

Almost fifty years after Washington had warned his countrymen that the Constitution was not immutable and could be destroyed by the lust for power and the greed of the voters, a young man by the name of Abraham Lincoln, then 23 years of age, told the Young Man's Lyceum of Springfield, Illinois that—

"All the armies of Europe, Asia and Africa combined, with all the treasure of the earth (our own excepted) in their military chest; with a Bonaparte for a commander, could not by force take a drink from the Ohio, or make a track on the Blue Ridge, in a trial of a thousand years.

"If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time, or die by suicide."

And therein, friends, lies the future of this great nation.

"Either as a nation of freemen, we must live through all time, or die by suicide."

Other great leaders of America have expressed the same sentiment from George Washington to Douglas MacArthur.

Our problem is that we have thus far refused to heed the sage advice and timely warnings of our true patriots. Like Rip Van Winkle we doze while our world rushes madly on about us.

In 1973, Anthony Sutton wrote an outstanding book called "National Suicide." He carefully documented how our government leaders and big corporations had contributed mightily to the buildup of the Soviets' great military power. Interestingly, Sutton concluded his book by urging a peoples tax revolt as the only way to curb a runaway Congress and an irresponsible administration.

Sutton said, "The essential problem for the man in the street, who pays the tax bills and gets killed in the resulting wars, is that policymaking is in the hands of a self-perpetuating circle which rejects reason and accepts altruism in lieu of national self-interest. Whether the explanation of our suicidal national policy be pragmatism, accident, mysticism, incompetence, or conspiracy is not fully known: it may be a blend of all these elements. But the result is plainly horrific: lost lives, a mounting burden of taxes, and a rapid decline in constitutional guarantees.

"Let's face it, Congress has done nothing to clean out the paper-shuffling, policy-waffling bureaucrats. The way to get rid of pro-Communists and suicidal mystics in government is to abolish government jobs and it will take a major taxpayers' revolt to achieve that goal. We can't even get rid of five teatasters."

We have recited the warnings of only a few of our great patriots and wisemen of the past and present—warnings couched in such strong terms that every man should be able to see the great dangers that threaten him and his family.

While many are concerned few are moved to action: Perhaps because it is difficult for us to recognize the dangerous degree of an approaching disaster that comes upon us by imperceptible steps.

#### Taxes and inflation

Consider, for example, taxes, public debt and inflation.

On January 22, 1979, Jimmy Carter presented to the Congress his proposed national budget for fiscal year 1980. He called it "lean and austere."

It called for expenditures of \$532 billion, the highest budget in the history of the Nation. It is an increase of \$39 billion over the current year; it will be in deficit over \$30 billion.

Did the President's new budget startle you? Did you hear a loud chorus of angry outcries against the budget?

No! There was scarcely a word of protest. So accustomed have we all become to the rising tide of deficit financing by the Federal Government.

Yet deficit financing—the printing or more and more and cheaper and cheaper dollars—is the primary cause for our galloping inflation.

If Jimmy Carter really wanted to end inflation in our times he could have done it by balancing the proposed 1980 budget—a trick that has not been turned in many years!

Today a billion, meaning one thousand million means little to us. To appreciate the size of a billion remember that a billion minutes ago Christ was still on earth. Or to put it another way, if we spent \$1,000 a day it would take us more than 2,700 years to get rid of a billion dollars.

The first budget of the United States back in 1789 when we had a population of four million and consisted of 13 states that had just emerged from a long and costly war, was only \$630,000. That amounted to 23 cents per capita to finance the entire cost of the Federal Government.

Now, 190 years later, the proposed national budget is \$532 billion. That means an average for every man, woman and child in the country of \$2,500 to finance the operations of the federal government for fiscal 1980.

Did you realize that the total cost of running the federal government for our first 140 years; that is, from 1789 to 1929 was \$100 billion.

Just 33 years later, in 1962, the federal budget for one year was \$100 billion.

Think of it, we ran this country with all of our wars to World War II, all of our depressions, all of our expansion from 13 to 48 states, for a total of \$100 billion. And then just 33 years later it required \$100 billion to operate the federal government for merely one year.

But that is not all. Nine years later our annual national budget rose to \$200 billion. Four years later it rose to \$300 billion and then only two years later, in 1977, the budget has exploded to \$400 billion.

Now after two more years, the self-styled economy president, Jimmy Carter, proposed a budget of \$532 billion. That is more than a half trillion dollars for one year to run the federal government.

Thus, the taxpayers of the nation will have to raise for every day of fiscal 1980 almost \$1.5 billion. It is difficult to realize that just 50 years ago the last annual budget of President Herbert Hoover was \$5 billion. It would thus take only four days of next year's anticipated annual expenditures to raise the total national budget of 50 years ago.

The real tragedy of Carter's 1980 budget is not its gargantuan size. Rather it is the surrender it represents to the pressure groups—those who in almost every walk of our society want to cut their taxes but at the same time they want to retain the special goodies they receive from the Federal Government.

In these dangerous times of national se-

curity, with Russia rapidly out-stripping America in every military activity, and with most of the world plunging headlong toward communism, you would think that the largest single increase in the budget would be for military defense. Not so. The \$138 billion proposed for national defense would take 24 cents out of every federal tax dollar collected in 1980.

By far the largest expenditure in the budget will be the direct benefit payments for individuals, which will require approximately half of the proposed budget. It will take 39 cents out of every federal tax dollar to pay for all of the benefits to be distributed to more than a fourth of our people.

What has this kind of spending done to our public debt?

Our public debt now stands at about \$900 billion. At our present rate of deficit spending the public debt will reach \$1 trillion by fiscal 1982.

Time was when our leaders viewed with deep concern any escalation in the public debt.

In 1789 George Washington advised the Congress, "no pecuniary consideration is more urgent than the regular redemption and discharge of the public debt."

Can you recall when, if ever, our government attempted to reduce its public debt?

More than fifty years ago, when Andrew Mellon was secretary of the treasury, we made our last substantial effort to reduce the public debt.

In his famous farewell address to his countrymen in 1796, George Washington spoke on this important subject.

"As a very important source of strength and security," he said, "cherish public credit. One method of preserving it is to use it as sparingly as possible."

Washington also cautioned that we should not ungenerously throw our posterity those burdens "which we ourselves ought to bear."

But look at what we have done to our posterity in less than two decades. We have more than doubled the public debt. We have placed upon every person in the nation a debt of more than \$4,270.

No wonder we have severe inflation that by the end of the year very likely will reach double digit proportions.

No wonder a dollar today is only worth 50 cents of the dollar of just twelve years ago.

Small wonder that our young people feel cheated when they cannot go out and buy a home for themselves as their parents were able to do a few years ago.

And what of our elderly citizens who saved that their golden years might be pleasant ones, only to find that the exorbitant spending policies of both major political parties have robbed them of half or more of the real value of their savings.

Friends, Jimmy Carter and all of our presidents of recent decades could have taken the strong and statesmanlike stand on government spending had they possessed the political courage to do so. Instead, for a mess of political votes they traded the birthright of our posterity and the right of our elderly to a sound national economy.

We would have a sound dollar today and the prospects for a booming economy if President Carter had balanced his 1980 budget. Or better still, if he had had the courage to cut out the excessive \$100 billion which studies have indicated could be eliminated from government spending.

Friends, we have learned little about the danger of tinkering with the economy since the days of the Roman Empire.

Will Durant in his great work on the history of civilization tells us that in the days of the emperor Diocletian, about 1600 years ago, food was distributed to the poor at half the market price or free, just as we do with our food stamps today.

"Butchers, bakers, masons, builders, glass

blowers, iron workers, engravers were ruled by detailed governmental regulations," Durant said.

"In every large town the state became a powerful employer, standing head and shoulders above the private industrialists, who were in any case crushed by taxation.

"To support the bureaucracy, the court, the army, the building programs, and the dole, taxation rose to unprecedented peaks of ubiquitous continuity."

How familiar sound the troubles of ancient Rome.

Are we too, about to commit suicide as did Rome by so weakening our economy that we will be unable to stand against a barbarous adversary?

How much longer will we accept the false leadership of our two major parties? Already we have put up with far more than those venerated founding fathers who risked their fortunes and lives that they might be free.

Why do we tolerate a leadership that gives succor and aid (in the form of our tax dollars) to advance the cause of communism throughout the world?

Where went the courage of our leaders in Congress when they agreed to give away our vital Panama Canal?

Why do our businessmen scramble to obtain trade preferences with the murderous regime of Red China when they know that the equally bad communist countries of the Warsaw Pact owe them and our government more than \$55 billion?

Why do our labor leaders and businessmen submit to the so-called voluntary wage, hour and price controls of Jimmy Carter when they know his non-too subtle enforcement schemes lack any foundation in law?

When will the Carter Administration quit fooling the public about our energy crisis and instead proceed with all possible dispatch to explore for oil and gas on our continental shelves, encourage the building of nuclear plants and breeder reactors, and thus make America energy independent.

Finally, and most important of all, where will we find men and women in public office who will rise above the lust for power and stand for what is best and right for this nation, regardless of the political consequences?

In the past half century the two major political parties have failed to provide America with a government that is best for Americans, first, last and always.

The time for a great tax revolt is at hand! If we are to save America we must drive from the seats of power the venal, the ambitious, the spineless and the cowardly.

This we can do—this we must do by a revolution of the voters at the polls all over this country next year.

Let us share the hope of Arnold J. Toynbee, the great English historian who on contemplating the future of western civilization said,

"The divine spark of creative power is still alive in us, and, if we have the grace to kindle it into flame, then the stars in their courses cannot defeat our efforts to obtain the goal of human endeavor."

Let us now be up and doing. As of old let us carry the alarm to every middlesex, village and farm. Let us with Patrick Henry, care not what others may do, but cry out only for liberty or death. ●

TRIBUTE TO GILLIS LONG

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 5, 1979

● Mr. BEDELL. Mr. Speaker, I would like to join with those expressing tribute to our colleague, GILLIS LONG, upon his de-

cision to forsake the race for Governor of Louisiana and remain with us here in the House.

In the time that I have served with GILLIS in the House, I have come to know and respect his leadership abilities. People with his wisdom and legislative skills are indeed a rarity today. In the House, he is known as an individual of integrity and conviction, and his departure would have been a real loss to the Congress and the Nation.

It must have been a most difficult decision for him to make. In politics success often brings with it a sort of natural upward momentum, propelling the candidate from one office to the next highest. I for one am grateful that GILLIS understood the pressures to run for the governorship to stay here in Congress.

His abilities will continue to be put to use for the good of all, and I look forward to working with him in the future. ●

ENERGY: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BEREUTER. Mr. Speaker, I am sure that many of my colleagues who returned to their congressional districts for the district work period discovered, as I did, that energy is an issue very much on the minds of the people.

Certainly, President Carter's recent message once again brought into focus the serious problems facing our country because of our dependence on foreign oil. His message, together with actions we in the Congress must consider in the coming weeks, have produced great concern among the public.

For that reason, I would like to bring to the attention of my colleagues an editorial that appeared in the Omaha World Herald, the largest newspaper in my State. One particular paragraph stands out:

We Americans tend to act, and sometimes to over-react, quickly to emergency crises. We don't do so well on preparing for problems of the future and for staying power once the first shocks of a crisis have subsided.

Those of us who represent the people cannot allow that situation to develop. We must devise a coherent energy policy that reduces our dependence on foreign supplies of oil while assuring our energy future by successful development of domestic resources.

I commend the editorial to the attention of my colleagues:

[From the Omaha World Herald, Apr. 7, 1979]

SUPPORT CARTER ENERGY PLAN

The sooner this nation faces squarely up to the long-term energy situation, the less drastic will be the actions yet to come.

Let's hope that the steps President Carter took Thursday and his speech, coming on the heels of the oil shortage caused by the Iranian turmoil, will help get the country off high center.

We Americans tend to act, and sometimes

to over-react, quickly to emergency crises. We don't do so well on preparing for problems of the future and for staying power once the first shocks of a crisis have subsided.

In 1977, when heating oil was short and when lines formed at gas stations, our nation and Carter became aroused. But with a temporary easing of these shortages, the president, Congress and citizens relaxed their efforts.

Because what the president said Thursday night was mainly what had been expected, we hope it will not lack impact. These simple sentences convey a truth:

"There is no single answer. We must conserve more. We must produce more."

Carter took a much-delayed, but highly-important action in announcing the gradual removal of controls on domestic oil. This should encourage production within the country and the higher prices for gasoline and oil should discourage less essential consumption.

The immediate sacrifices the president called upon the public to make certainly are not genuine hardships. The problem will be in convincing everyone to share in the efforts.

Who of most of us couldn't find a way to trim 10 to 20 miles a week from our automobile driving?

Who couldn't comply with the 55 mph speed limit, which already is the law and has the added bonus of saving lives?

Who, excepting the elderly and ill, can not get along with thermostats turned down in the winter and up in the summer?

Much more, of course, needs to be done. Clear leadership is needed from the administration and Congress on alternate sources of energy. But meantime, we as citizens, should do our part voluntarily. We also should less-selfishly support other actions to meet the energy crisis head on.

These words of the president are worth keeping in mind:

"Our national strength is dangerously dependent on a thin line of oil tankers stretching halfway around the earth."●

#### AMTRAK

### HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. STUMP. Mr. Speaker, I recently received from the League of Arizona Cities and Towns a unanimous resolution urging opposition to any reduction in Amtrak service to Arizona.

As you know, Secretary of Transportation, Brock Adams, submitted to Congress a proposal which among other things would change the route of Amtrak's Southwest Limited line by eliminating service to Flagstaff, Seligman, Kingman, and Winslow, Ariz.

This resolution is additional evidence of strong public support for Amtrak. I concur with the Arizona League of Cities and Towns' resolution and include it below:

#### A RESOLUTION

A resolution of the Executive Committee of the League of Arizona Cities and Towns urging opposition to any reduction in Amtrak service to Arizona.

Whereas, Amtrak service is important in providing a total transportation system; and

Whereas, reductions in Amtrak service will have an adverse effect on Arizona's economy and tourism industry; and

Whereas, in these days of petroleum shortages, alternative transportation modes should be expanded not-reduced;

Now, therefore be it resolved by the Executive Committee of the League of Arizona Cities and Towns:

1. That we urge the President and Congress to prevent implementation of any plan to reduce Amtrak passenger railroad service.

2. That the Executive Director transmit copies of this resolution to the Arizona Congressional Delegation, the President and the Secretary of the Department of Transportation.

RAUL G. NAVARRETE, President.●

#### OIL EXCHANGES MAKE SENSE

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BROWN of California. Mr. Speaker, our oil situation is in many ways simple, and in many ways confused. We know we import about half our daily oil consumption. We know that the Alaskan pipeline leads to a seaport, and not to the refineries and industries that need more oil. We know that the west coast of the United States is suffering an oil glut. We know that it costs more to bring oil from Alaska to the Eastern half of the United States than it does to bring oil from South America, Africa, or the Mideast. Finally, we know that a west-to-east oil pipeline is not going to be available soon.

We also know that Japan is closer to Alaska than the east coast of the United States is. We know that we can arrange oil exchanges with Japan where the cost to all parties would be less. And we know that the simple solution is often the most difficult solution.

Mr. Speaker, notwithstanding political difficulties, I believe we should reverse our previous stand against any and all oil exports when an oil exchange can be worked out, and recognize the unique situation in Alaska. As a nation we import far too much oil to quibble about whose soil a given barrel of oil is extracted from. The oil exchanges contemplated would be barrel for barrel, with no net change in our imports. We would merely be recognizing that the United States is located on a round planet, with some parts of our Nation closer to some oil fields than other parts are.

At this time I would like to place a recent editorial on this subject in the RECORD.

The editorial follows:

[From the Los Angeles Times, Apr. 17, 1979]

#### OIL FOR OIL: A GOOD DEAL

It's all very confusing. There is talk of a "surplus" and a "glut" of oil on the West Coast, even as motorists wait in line at service stations to pay higher and higher prices for gasoline. There is talk of a "surplus," yet gasoline retailers are getting only about 90% of the supplies that they were getting a year ago. Meanwhile, tankers full of oil from Alaska bypass West Coast ports to make a long and costly journey through the Panama Canal, daily delivering 400,000 or more barrels of oil to Gulf Coast ports. What, exactly, is going on.

The first thing to do is forget about those

words "surplus" and "glut." The second thing is to remember that there is a national market for oil, with available supplies allocated according to complex formulas. Nationally, there is no oversupply of oil or gasoline. On the contrary: Some petroleum products are in short supply, and limits imposed on output by foreign producers on whom the country relies for nearly half of the oil that it consumes probably will keep supplies tight. Those supplies have to be apportioned among the states.

The problem of "glut" in the Western states is not that there is an excess supply of oil, but that there is a shortage in the capacity for handling that oil—for refining it into the various products, particularly gasoline, for which demand is high. From Alaska, from California's own oil fields, from Indonesia, the source of most of the low-sulfur crude oil needed to keep state air quality from deteriorating further, come about 3 million barrels of oil a day. But the capacity of Western states to refine that oil totals only about 2.6 million barrels a day. Hence the excess, the "glut" of available supply, not over demand but over the capacity to handle it.

It is this shortage of refining capacity in the West that is sending all that Alaskan oil on its long tanker journey to the Gulf Coast. It is an expensive and wasteful trip. Added transportation costs come to at least \$600,000 a day. That is lost profit. About 60% of that money could be going to federal and state governments for royalty and tax payments; most of the remainder represents lost investment capital. But the terminal-pipeline complex that Standard Oil of Ohio wanted to build in Long Beach to avoid the Panama Canal trip now seems a dead issue. So transport by tanker remains the only possibility. Unless . . .

Unless the simple expedient is taken of trading oil from Alaska for oil produced elsewhere. If Alaskan oil in excess of what can be processed in the Western states were sent to Japan, in exchange for oil that Japan buys in Mexico and, possibly, in the Persian Gulf, then transportation costs could be cut drastically, meaning higher taxes for the government and more profit for the oil's owners. In terms of supply, there would be no winners or losers; the oil would be swapped on a barrel-for-barrel basis. In terms of economics, there would be gainers all around.

Congress, under law, would have to approve any swap arrangement. We believe that it should, on condition that the deal would immediately be suspended if there were any interruption in the supply of oil that Japan had to swap, so that the full output of Alaskan oil would once again flow entirely to U.S. markets. That requirement would assure the security of the U.S. oil supply. The arrangement itself would benefit consumers—because of lower transportation costs—and government and the Alaskan oil's owners, because of higher taxes and profits.

It would be a good arrangement, for the United States and for Japan, and Congress should act quickly to make it possible.●

#### DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

### HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LUKEN. Mr. Speaker, today the Congress and the Nation will pause for a moment to remember the victims, millions of victims, who died in Nazi concentration camps. Less than half a century ago men, women, and children were being systematically slaughtered because

of their religion, political beliefs or their heritage.

As we remember the innocent who died, we should also rededicate ourselves to the prevention of history repeating itself. At home, we must continue to see we are a Nation of laws and that our Constitution continues to be a living document. In our dealings with other nations, we must strive to see that freedom that we take for granted are enjoyed throughout the world. As the leading nation in the world, we have a special obligation to see that the world does not forget why millions died.

This is a solemn occasion for us all and I join with my colleagues in these days of remembrance. These days mark the anniversary of when American troops liberated Dachau and saved the survivors. It is my hope that we never see such callous disregard for human life, such slaughter, again. ●

MINNESOTA'S "LITTLE BACON-DAVIS" ACT SURVIVES RIGHT-WINGERS' ONSLAUGHTS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. VENTO. Mr. Speaker, America's social and economic achievements, won during nearly a half century's struggle to win a greater measure of dignity, democracy, and security for the individual, are under furious attack by conservatives who are not even now reconciled to the basic reforms of the New Deal.

Under the guise of eliminating "wasteful Government interference" reactionary groups in our country are fighting to repeal statutes and regulations which protect workers' health, safety, and living standards. On the national level the Davis-Bacon law which established wage and hour requirements for federally financed construction projects is the target for right-wing groups in their drive to destroy unions.

But the States are not being overlooked in the radical right's attacks on worker protection laws. Gordon Spielman, editor of the Union Advocate, the voice of labor in St. Paul, has written an outstanding series of articles tracing the genesis of the campaign against Minnesota's "Little Bacon-Davis" act, the legislative attempts to repeal the law, and finally the dismal failure in the Minnesota House of Representatives of the repealer.

I think Mr. Spielman's fascinating and informative account deserves the wider audience of the CONGRESSIONAL RECORD. The story of failure of the right-wingers' onslaught needs to be told.

The articles follow:

[From the Union Advocate, Feb. 5, 1979]

ATTACKS ARE LEVELED AT LABOR LAWS

(By Gordon Spielman)

Although organized labor is pressing for improvement of various state laws protecting working people both on the job and as con-

sumers, the new composition of state government and of the Legislature appears to have unleashed a massive attack on workers' programs on all fronts.

Not only are Workers Compensation benefits and the state Occupational Safety and Health programs under fire, but a well-financed offensive has been mounted against the state's "Little Davis-Bacon" law which requires contractors to pay area prevailing wages on public contracts, and the state's yet-to-be-enforced building code is in danger of repeal or at least amended to remove the safety and quality standards.

Even the new "Buy American" Act, patterned after a similar federal law, and which merely encourages the purchase of American-made products where possible by public agencies, is in danger of being gutted.

While some of these attacks were expected assaults by business interests, flushed with the election victories of last November, some like the attack on Little Davis-Bacon have the appearance of being part of the well-financed drive by right-wing open shoppers connected with the so-called "Right-to-Work" forces that have been attempting to destroy union organization in a number of states.

The current legislative session was not a week old when Rep. Kenneth J. McDonald (R, Carver-rural Hennepin counties) distributed a 42-page booklet produced in his name that attacks prevailing wages "in government construction projects" as the "grossly wasteful misallocating of scarce public resources and adds to the inflationary spiral. . . ."

While the booklet is aimed at Minnesota's prevailing wage law, much of the material consists of attacks on the federal Davis-Bacon Act, which has been defended not only by U.S. Labor Secretary Ray Marshall, but by President Carter.

Ironically, the original Davis-Bacon Act was not some New Deal or Fair Deal bit of legislation intended to aid trade unions, but was signed into law on March 3, 1931, by President Herbert Hoover, and the act named after Senator James Davis of Pennsylvania and Rep. Robert Bacon of New York, was intended to correct low-wage scales paid to traveling out-of-town workers and to protect local construction workers against forced dips in established wage scales, on government projects.

The original intent is just as true today. While in metropolitan areas the prevailing wage may be union wages, and the state, federal and local laws protect against intrusions of outside contractors bidding on the basis of lower wages, the laws also protect workers in non-union areas against having their wages further cut through competition with outside contractors paying even lower scales.

In Minnesota the Department of Labor and Industry sets separate wage scales for each of the 87 counties, based on the history of previous public contracts in that county.

Reports around the state Capitol claim that Rep. McDonald's booklet was financed by the anti-union ABC contractors who are seeking to gain a foothold in Minnesota.

On another front, a massive drive is being made to either repeal the state building code or so modify it that it would not apply to a large section of the state.

The law was passed originally both as a safety and a quality control measure to assure minimum standards of construction. Safety standards of older buildings in the Twin Cities area (and many not so old) have been bad enough, but in outstate communities where no building codes existed the problems have been horrendous particularly from a fire safety point of view.

The statewide code was adopted by the Legislature some years back, but actually has never gone into effect. Each time it was due to become effective, rural counties and

smaller cities pleaded that they were "not yet ready" to begin enforcement and delays were granted.

Now there are about a dozen bills in both houses that would gut the measure, before anyone has had a chance to see it work.

In Workers Compensation, a study commission was charged by the legislature to study and report on how rates for Comp insurance are set, and to compare Minnesota premiums with those in other states, as well as how other states provide insurance, and administer their laws.

This was changed into an attack on some of the benefits received by injured workers by a coalition of business interests, some employers and the insurance companies. As a result, the commission overstepped its charge and is proposing benefit reductions in some areas, although the commission's recommendations do include an increase in basic benefits.

At best, injured workers receive only two-thirds of their weekly pay up to a maximum of \$209. No provision is made for fringes such as medical or hospital insurance for either the worker or family (except for the injury), or even for pension fund payments. The injured worker must make such payments out of the already reduced income if it is to continue.

Coupled with Workers Compensation are the attacks on the state Occupational Safety and Health Agency (OSHA). Few people outside of the labor movement are willing to link an effective safety and health program with keeping compensation costs down, so OSHA is attacked as an intrusion on the rights of management and Workers Comp is attacked as expensive.

Minnesota's Buy American Act that encourages state and local government agencies to buy American-made products is another law being assaulted. Led by the Minneapolis newspapers, the attacks use some strange "logic" that runs something like this:

The state law is an "embarrassment" to the federal government in negotiating trade agreements with foreign countries. Of course, there is a federal Buy American Act on which the state law was based so that the U.S. government is bound by law to require purchase of domestic goods by federal agencies. And, in fact, a majority of the states have similar Buy American restrictions.

So, "A new governor and new Legislature would do well to revoke" Minnesota's law, says the Minneapolis Tribune.

The loss of jobs of Minnesota steel and iron workers and Minnesota auto workers when the state government purchases foreign trucks and foreign steel is of no consequence to the Minneapolis papers.

Finally, an effort to raise state minimum wages to the new federal levels will be in for a battle. The fast food chains are mustering their forces to "prove" how any such action will deprive the young, the old and the handicapped of jobs and a chance to earn a "living."

What they are neglecting to mention is the fact that the young, the old, and perhaps the handicapped are in effect subsidizing giant corporations such as General Mills, Pillsbury, Ralston-Purina, McDonalds, and other chainowners when the workers are paid the minimums.

In these modern days, no one would dream of reinstating the conditions of 100 years ago when children were condemned to a life of long hours in mines or mills.

But, the arguments of the mine and mill owners of those days sound remarkably like those who oppose raising the minimum wages today.

The mine and mill operators of a century ago spoke of the "opportunities" they were giving the child laborers, of how they were

"keeping them out of trouble," and how the work was "educational."

Nothing was said then or now of how corporate profits were wrung out of the hides of those they exploited.

[From the Union Advocate, Feb. 26, 1979]  
DAVIS-BACON ATTACKS ARE THE ONLY FRAUD  
(By Gordon Spielman)

Back in 1978, just about this time of year a conference of state legislators was held in California. One of the topics discussed at that conference was "How to Lie Truthfully."

While there may not be any direct connection between that conference and the current "investigation" into how the Minnesota Department of Labor and Industry determines prevailing wage rates in various parts of the state, the subject of "How to Lie Truthfully" seems to apply to the attacks being made on the Minnesota Little Davis-Bacon Law.

Point men of the attack on the prevailing wage law are conservative Republican state Representatives Kenneth McDonald (Watertown), and Tom Rees (Elko).

McDonald in particular has led the charge with circulation of a 42-page booklet calling for repeal of Minnesota's "Little Bacon-Davis" Law which requires contractors on state construction jobs to pay prevailing wages and fringes for the area in which the work is being done.

The "How to Lie Truthfully" technique exists in the fact, that the law makers reshaped old charges loud enough to get the FBI to agree to look into them since federal funds are used at least in part on most highway contracts.

Then feeding the information to a reporter for the St. Paul Pioneer Press-Dispatch, those newspapers were then to blow the "investigation" into a page one story with a banner headline "FBI probes state wage fraud" in a type size usually reserved for a declaration of war.

Yet the "expose" contained no information that was new and which had not been reported before many times in those and other publications including the Union Advocate which carried a story back last December in which it was reported that the Prevailing Wage Division "Had their files impounded" in an investigation of the manner in which rates are set.

That Union Advocate story noted that the "non-union ABC and the so-called Christian Labor Association (CLA) were looking for reasons to challenge the pay rates."

The new attack has all the same earmarks as the election campaign "scandal" in which the same St. Paul Pioneer Press and Dispatch made headlines that reported a million dollars "missing" from funds of the Upper Great Lakes Regional Commission.

In those stories, the names of former Governor Wendell Anderson and a number of his top aides were bandied about as "suspects" and allegations were made that the "missing" money wound up in political campaign war chests.

By the time the smoke cleared, Anderson had been defeated in the election, but it was found that not a "million" but less than \$70,000 was unaccounted for and that this had wound up in the personal pockets of a single contractor who was convicted and sent to federal prison.

Just what is the Little Davis-Bacon Law and how is it administered?

The state law follows a federal law going back to 1931 which was signed by President Herbert Hoover, says that state contractors must pay at least prevailing wages and fringes determined for the county in which the job is done.

This protects both the workers against substandard pay, and the contractors who must be able to calculate labor costs in order to bid competitively.

As indicated, this has been part of the federal bidding process going back to the days of Herbert Hoover, who was not exactly known as a wild-eyed liberal.

The Minnesota Department of Labor and Industry is assigned the task of determining those rates.

In the metropolitan area where most work is done under union contracts, the department's job is fairly simple. It takes the union rates as the prevailing wages rates.

But, even here the job is not as simple as it seems. There are some 252 different job classifications to be determined. And when these rates must be calculated separately for each of the 87 Counties in each of the 252 classifications the job becomes exceedingly difficult.

This is particularly true since the department has exactly two field investigators to get the required information, and they, plus Leo Young, the division director, and the department's commissioner himself, to compile the collected information.

Time and again, the then Commissioner of Labor and Industry E. I. "Bud" Malone appeared at legislative hearings pointing to the almost impossible job that his department was asked to do.

Malone was successful in that in 1976, the legislature authorized the two field investigators where there had been only one before.

The investigators are supposed to interview contractors in each of the 87 counties and get from their records the wages paid. This serves both to make sure that the contractors on state jobs have lived up to existing prevailing wage requirements and also to set new rates for the following year.

While in the metropolitan counties, most of the 252 classifications of prevailing wages are readily available or at least can be calculated from the union scales, in a great many rural counties, not only is the information not so easily obtained, but projects within the county in any particular year, might employ workers in only a few of the classifications.

Still rates for each of the 252 classifications must be compiled under the law since workers might be employed in future contracts in classifications other than those in the past.

In such cases, the Department of Labor and Industry with its two field investigators, the director, and the commissioner are required to calculate rates for such counties based on what the rates are in adjoining counties.

It is these calculations that the non-union Associated Contractors and the CLA have been challenging as inaccurate, and which are the basis for McDonald's and Rees charges.

And this is the basis for the Pioneer Press-Dispatch scare headlines screaming fraud.

While it is entirely possible that there are a number of errors to calculations considering the areas covered, the number of classifications and the lack of personnel and time to do the field work and the paper work involved, it hardly can be called "fraud" under any circumstances, and the FBI involvement is no different than that of any police agency that is required to investigate complaints.

Interestingly enough, the ABC and CLA attacks are largely that the calculations are supposedly based on insufficient data in the non-union rural areas, while the real motive for the attacks is to get all the rates thrown out and have the Little Davis-Bacon Law repealed itself.

"We have a hearing process that can be requested, using state hearing examiners, Malone told the Union Advocate, "But, there

was not a single request in any county for hearings."

"The ABC and CLA challenged the prevailing wage rates only after they had been set," he added.

"They were nowhere to be seen or heard from when year after year, I went before the Legislature pleading, begging for funds for more personnel in the division to do a better job," Malone stated with a trace of bitterness.

In fact, it was Malone's repeated demand for more people for not only the Prevailing Wage Division, but for Workers Compensation, and Occupational Safety and Health in the face of Governor Quie's demands to hold the line, that are reported to have influenced Quie to refuse to reappoint Malone who had served under both Republican and DFL governors.

There is irony also in that Malone received a letter shortly before leaving his post, the Associated General Contractors (AGC), the organization of both union and non-union contractors, commending the department for doing "a pretty good job" on setting the prevailing wage rates.

[From the Union Advocate, Mar. 19, 1979]  
RIGHT WING ARM REACHES STATE  
LAWMAKERS  
(By Gordon Spielman)

The so-called American Legislative Exchange Council (ALEC), the ultra right-wing organization that conducted a conference in Carmel, California supposedly on "Welfare Reform," that actually was "nothing more than a campaign school for far right political candidates" according to a participant, is not just a California phenomenon.

ALEC is part of a nationwide radical right network with links to a number of better-known right wing organizations. And it has its Minnesota connection.

According to Group Research, Inc., a Washington-based group that keeps tabs on the radical Right, ALEC was formed in 1973 "to help right-wing members of state and national legislative bodies."

And, according to a lengthy plug in the newsletter of The Heritage Foundation, a right-wing "think tank" started by Joseph Coors, the virulently anti-union Colorado brewer, ALEC "has easy access" to such groups as the American Enterprise Institute and the American Conservative Union (ACU).

The Heritage Foundation, in turn, which has Coors on its board of directors, has been a prime sponsor and source of finances for ALEC which it has sponsored, while ALEC and ACU share neighboring offices in Washington.

Among those who have served on ALEC's board of directors have been Thomas S. Winter, editor of the ultra-right Human Events, and Edwin J. Fuelner, president of Heritage Foundation. Heritage Foundation also has links with the National Right-to-Work Committee with Heritage Foundation's public relations director Hugh Newton, coming from the Right-to-Work group.

ALEC also distributes Heritage Foundation's Background papers as ALEC worksheets.

There are connections also between ALEC and the National Conservative Political Action Committee which in turn is linked to Richard A. Viguerie, the premier fundraiser for the "new right." ALEC has scheduled some of its board meetings to coincide with that of the Conservative Political Action Conference.

Speakers at ALEC conference have included such darlings of the extreme right as Phyllis Schlafly, arch enemy of the Equal Rights Amendment; M. Stanton Evans, then chairman of the ACU; Meldrim Thomson,

the arch-conservative governor of New Hampshire; and Howard Phillips, director of the Conservative Caucus (another right-wing front).

President chairman of ALEC is Donna J. Carlson, a member of the Arizona House of Representatives, and of the American Opinion Speakers Bureau, a front for the John Birch Society.

Immediate past chairman is Louis E. (Woody) Jenkins, a member of the Louisiana House, and secretary of the Conservative Caucus's "shadow cabinet" that supposedly watches what President Carter's real Cabinet is doing.

More about "Woody" Jenkins later.

Since ALEC is organized as a tax-exempt organization, and tax exempt organizations are not permitted by Internal Revenue Service regulations to promote or lobby for legislation, much of ALEC's literature contains a disclaimer that neither ALEC "nor its Committee on suggested State Legislation seeks to influence the enactment of either state or federal legislation."

Among the "suggested state legislation" pushed by ALEC is a "Free Enterprise Education Act," a "Tax Limitation-State Constitutional Amendment," a "Student Proficiency Act," a "Work Opportunity Act," a "Judicial Sentencing Disclosure Act," a "Public Debt Limitation Act," a "Teacher Proficiency Act," a "Federal Grant Review Act," and a "Zero Government Growth Act."

And in an attempt to form local coalitions with lawmakers who may in no way be sympathetic to the ultra-conservative right wing, but who feel strongly on single issues, ALEC includes in its "suggested state legislation" such items as an "Abortion Funding Prohibition Act," and a "Welfare Fraud Act."

Among the things that ALEC is against is the Washington, D.C. Voting Rights Amendment, and ALEC prepared an expensive "briefing book" on why the D.C. amendment is "bad."

Interestingly enough, ALEC's stand against the D.C. amendment says that "amending our Constitution is an awesome function, not to be embarked upon in impulsive fashion." This does not stop ALEC supporters from backing measures calling for a Constitutional Convention to pass a balanced budget amendment and other measures dear to the right wing.

ALEC is also virulently anti-labor.

Not only is Joseph Coors connected through the Heritage Foundation, but an ALEC conference held in Denver was kicked off with a tour of the nearby Coors brewery at Golden, and the conference included a welcoming reception from Coors.

More revealing as to the purposes of ALEC is a recruiting letter on the U.S. Senate stationery of arch conservative Senator Orrin G. Hatch (R-Utah) that claims that "Union bosses are seeking even more power as they push to wipe out our Right-to-Work Laws and try to legislate the compulsory unionization of all government employees on the national, state and local levels."

Senator Hatch's letter reads like similar letters sent out by the National Right-to-Work Committee promoting the open shop where workers have the "right to work for less pay" than in union shop states.

Enclosed with the letter is "A Personal Questionnaire," asking such questions as "Would you support a State Constitutional Amendment to limit the total amount of taxes that your state government can take from you each year?", "Do you support state Right-to-Work Laws?", and would the lawmaker support a law prohibiting "unionizing public employees, such as teachers, police and firemen?"

Author of a similar bill in the Minnesota Legislature to repeal the state's "Little Davis-Bacon Law" is Rep. Kenneth J. McDonald (IR-Watertown). McDonald is also a prime

promoter of ALEC's suggested State Constitutional Amendment on Tax Limitation.

McDonald has circulated to each of the 134 House and 67 Senate members printed booklets on both subjects that were apparently costly to produce.

Asked whether he could tell this writer about ALEC, McDonald stated that he was not a member and knew absolutely nothing about the American Legislative Exchange Council "except what I read in the Union Advocate."

But, when Representatives Janet Clark (DFL-Mpls), John Clawson (DFL-Center City), Jim Swanson (DFL-Richfield) and then Rep. Don Samuelson (DFL-Brainerd) attended the Carmel, California conference last year (thinking it was on welfare reform), they were asked by ALEC chairman Jenkins if they knew "Ken McDonald, our man in Minnesota."

Told of this, McDonald acknowledged that he had met "Woody Jenkins at a meeting of the Tax Limitation Council in St. Louis, Missouri in July 1978." McDonald repeated that he was not a member of ALEC, but that Jenkins may have said that he was "our man in Minnesota," because McDonald had agreed to sponsor the tax limitation amendment in the state legislature.

McDonald was then told that Jenkins claimed that he had met with McDonald in Minnesota.

The Minnesota lawmaker then recalled that he may have met with Jenkins at a meeting of the Minnesota Taxpayers Union last year in St. Paul.

The Minnesota Taxpayers Union (not to be confused with the respected, if conservative Minnesota Taxpayers Association, a business-sponsored organization) is an affiliate of the National Taxpayers Union, a right-wing group organized in Washington in 1969, according to Group Research, Inc.

Organizer of the St. Louis conference is a newer organization with direct links to the John Birch Society, the National Tax Limitation Committee, whose president is Lewis K. Uhler, who operates out of Sacramento, Calif.

Uhler was an early member of the John Birch society, an assistant to Birch Congressman John Rousselot (R-Cal), and Governor Ronald Reagan's head of the state Office of Economic Opportunity.

McDonald also conferred with Congressman Hagedorn when the latter appeared at the Legislature during a brief recess in Congress.

Whether or not McDonald is a member of ALEC, there is at least one other Minnesota legislator with close ALEC connections.

On January 22, a thick, expensive binder packed with material attacking the Washington, D.C. voting rights amendment appeared on the desks of all Minnesota lawmakers. The volume bore the imprint of ALEC, and was distributed by Rep. Adolph L. Kvam (IR-Itchfield).

Just what it cost ALEC to produce the volume can only be estimated, but at even \$10 a copy, distributed to all 201 Senate and House members that comes to at least \$2,010.

Under the rules of the Minnesota Legislature, an organization that distributes material to influence legislation within the Capitol complex must be registered as a lobbyist.

Rep. Ray Farley (DFL-St. Paul) arose and challenged the distribution. Kvam offered little in the way of explanation of ALEC. A check with the Ethical Practices Commission, of course, showed that ALEC is not registered in Minnesota, and Farley made a call to ALEC in Washington and was told over the phone that the organization did not consider itself to be lobbying for or against legislation.

The St. Paul lawmaker has sent a letter of protest to ALEC chairman Carlson.

Farley, who is chairman of the House Judiciary Committee, has indicated that he is also sending an inquiry to the U.S. Internal Revenue Service asking how an organization lobbying for legislation can maintain a tax exempt status.

Rep. Kvam readily admits his ALEC membership and says that the organization is "nonpartisan and educational and drafts model legislation."

Kvam said that it was ALEC that asked him "as a member to distribute the D.C. amendment book to fellow legislators." He denied that ALEC is a lobbying group that advocates certain legislation.

Asked how this can be squared with a resolution in the book clearly stating that ALEC is opposed to the D.C. amendment, and whether it might not be a violation of the IRS code for tax-exempt organizations, the reply was "I suppose that it might be considered" a violation.

Finally, asked about ALEC's connections with other radical right organizations, the Litchfield lawmaker said that he had "no knowledge of any connection with organizations such as the Heritage Foundation and the American Conservative Union."

[From the Union Advocate, Mar. 26, 1979]

STATEWIDE LABOR OPPOSES DAVIS-BACON REPEAL

(By Gordon Spielman)

More than 25 union leaders from all over the state counterattacked against a two-pronged drive by anti-union Associated Builders and Contractors (ABC) and radical right-wing legislators on the Little Davis-Bacon, prevailing wage law for state government construction projects.

Led by Richard Radman, Jr., St. Paul, secretary of the local and state Building and Construction Trades Council, the labor leaders representing every trade and every section of Minnesota one after the other voiced strong opposition before a House Subcommittee to attempts by the ABC and by Reps. Kenneth McDonald (IR-Watertown) and Tom Rees (IR-Elko) to repeal the state law which is patterned after the federal Davis-Bacon Law which has been in force since 1931.

Radman answered allegations made in stories in the St. Paul Dispatch that the wage rates were set by use of "false documents" or that "state officials may have wasted millions of tax dollars by circumventing" the 1973 state law in favor of union labor.

Radman pointed out that the Legislature only appropriated funds for three persons, the division director and two field investigators to check on and compile scales for 252 different job classifications in each of the 87 counties.

He pointed out that there are procedures for challenging incorrect scales, and that both the contractors and the unions have been successful in getting incorrect wage scales adjusted.

Without mentioning the Dispatch, Radman took issue with the paper's claim that "fraudulent" payment forms were found in the Department of Labor and Industry's files for a number of counties.

Noting that former Commissioner E. I. "Bud" Malone had ordered that the questionable forms not be used for the compilations, and that one of the proponent's complaints was that the forms were kept on file, Radman asked, "Of what would the Department be now accused, had they destroyed or tampered with those files?"

He accused the ABC "of self-interest, making claims about documents that were not used. All public correspondence must be preserved. They are public records. Appreciation should be given to Leo Young (division

head) and to Bud Malone for doing a good job with a limited staff."

A representative of the state Administration Department told the House committee that his department had made a study of the situation in the Prevailing Wage Division to gather facts, but that it had drawn no conclusions or made any recommendations, because the entire matter is to be investigated by the Legislative Audit Commission, a joint House-Senate body chaired by Rep. Don Moe (DFL-St. Paul).

This directly contradicted allegations made in a Dispatch story by Les Layton that the report said that the "Labor and Industry Department has catered to organized labor" by "delaying publication of prevailing wage data for construction projects until new union contracts were reached."

As a matter of fact, since the wages that are set must prevail for the entire following year, the rates must include the latest settlements to be accurate.

While Layton is listed as one of the St. Paul papers government news correspondents, he is not a regular member of those papers' Capitol Bureau whose reporters are experienced in state government.

Members of two dozen unions ranging from the Carpenters, Pipe Trades, Teamsters, Sheet Metal Workers, Laborers and Building Trades council from all corners of the state appeared against the McDonald measure, as did a good representation of contractors from various parts of the state who pointed out that their ability to pay decent wages required preservation of the Little Davis-Bacon Law.

This included representatives of associations such as the National Electrical Contractors Association (NECA) which gave unqualified support to keep the law.

"Not only wages are involved, but the quality of the work depends on the experience and the apprenticeship training acquired by union crafts persons," the lawmakers were told.

George Sundstrom, Sheet Metal Workers Union, Duluth, compared repeal of Davis-Bacon with a situation where legislators instead of receiving their \$16,500 salary and per diem, would run for election "based on the lowest rate somebody would take it for."

"What if somebody would run for your job and say, 'I'll take it for \$10,000,' while somebody else would do it for \$9,000," he asked.

Ron Scott, director of the Labor Education and Advancement Program (LEAP) of the St. Paul Urban League, testified that Davis-Bacon repeal would wipe out advances that minorities have made in entering the skilled trades in cooperation with the labor unions.

It was noted that St. Paul and Minneapolis have consistently ranked first and second in the nation in minority recruitment and there is progress in recruiting women.

Not only were the Building Trades unions represented but representatives of unions that are not directly affected such as the United Transportation Union, the State, County and Municipal Employees, Railway and Airline Clerks opposed repeal.

As a Steelworker put it, "Repeal Bacon-Davis and they'll be coming to undermine our wage gains next."

So unusual was the attack on Davis-Bacon, that it led to the appearance of Rep. James Rice (DFL-Mpls.), chairman of the full Labor-Management Committee, to protest the repeal attempt. Rice called for tighter enforcement of the law, not repeal.

Although Wednesday's session of the subcommittee was supposed to have been devoted to opponents of repeal, McDonald was allowed to introduce Prof. A. J. Thieblot, of the University of Pennsylvania, an opponent of both federal and state prevailing wage laws who maintained that they "upset nor-

mal workings of the market place," and compared them with minimum wage laws which he also opposes.

Thieblot admitted that not only were his expenses in coming to Minnesota paid for by the ABC contractors, but that he expected "a fee" from ABC for his appearance as well.

Thieblot's data which has been used in attacks on Davis-Bacon-type laws all over the country, was itself attacked by U.S. Secretary of Labor Ray Marshall as "inconclusive" and that "The General Accounting Office itself expressed the same conclusion."

Inspired by conservative and right-wing elements, many of the bills introduced in state legislatures thus far include attempts at out-right repeal of prevailing wage laws in Illinois, Indiana, Minnesota, Texas, Utah and Wyoming.

Bills to reduce coverage include proposals to exclude projects in Massachusetts, Arkansas, Missouri, and New Mexico. A Washington State bill would limit application of the law to laborers.

Other attempts to lower standards or weaken administration have been proposed in Massachusetts, Montana, West Virginia and Missouri where a bill seeks to remove state labor department jurisdiction over the law.

On the plus side, bills in Hawaii and Massachusetts would expand coverage to include public utility construction. A bill in the New York legislature would authorize administrative assessment of civil penalties for wage underpayments.

Also, a New Jersey bill calls for collection from violators of administrative expenses incurred in recovery of underpayments, and administrative enforcement powers would be strengthened by a bill in the Montana legislature.

[From the Union Advocate, Apr. 2, 1979]  
STATE DAVIS-BACON REPEAL BILL IS KILLED  
(By Gordon Spielman)

"If you want to be the champion of right-wing America that's your privilege, but don't try to destroy my reputation, or that of a lot of good people in the department," former Labor and Industry Commissioner E. I. "Bud" Malone told state Rep. Kenneth McDonald (IR-Watertown) in an eyeball to eyeball confrontation immediately following a meeting of a House Labor-Management Subcommittee which voted down 9-1 repeal of the state's Little Davis-Bacon prevailing wage law.

The former commissioner was the last of a number of witnesses called before the subcommittee by Rep. Mary Murphy (DFL-Hermantown) to explain the workings of the Department, and particularly of the Prevailing Wage Division which has been under attack by McDonald, who has been linked to radical right wing political groups.

New Commissioner Harry Petersen led off the testimony explaining the structure of the Labor-Industry Department which administers worker protection laws including Minimum Wage, Child Labor, Pension Protection, Fee Employment Agencies Apprenticeship, Occupational Safety and Health (OSHA), and the Prevailing Wage Law.

The commissioner said that he had only been on the job for four weeks and has much to learn about the department operations and staffing.

Questioned about the budget, Peterson said that Governor Al Quie and he were studying the matter of the staffing of the Prevailing Wage Division whose compilations have been under attack by McDonald and the Associated Builders and Contractors (ABC), and in the St. Paul newspapers.

He pointed out that the division had a total of four people, the division head, two field investigators and a clerk, to compile the pre-

vailing wages annually in each of the 87 counties.

Division Director Leo Young testified that it is "physically impossible" for the two field persons "to accomplish this."

In response to a question from the committee, Young said that he estimated that it would take an additional "6 or 7 more people" to do the job without errors.

The fireworks came when Malone was called to the stand.

He bluntly told the lawmakers that they were responsible for putting on the department administration of more and more "good laws" without giving the department the personnel to carry out those responsibilities.

Malone, who is now director of industrial relations for Northern States Power Company, said that "if any commissioner made a more aggressive plea for adequate staffing, I'd like to know who it is."

He stated that in the 1971-72 session, he asked for 71 more employees, then Gov. Harold LeVander recommended 40. "I got 15," he said.

In the 1973-74 session when the state OSHA was instituted, he asked for 77 people, the governor recommended 54, and he got 19 funded by the legislature. In 1975-76, Malone said he asked for 70, and got 17. In 1977-78, the commissioner said he needed 44 more employees and wound up getting 9.

"This year, I said that we needed 57 people, and you notice I don't work here any more," said Malone, "My option was not picked up" referring to the fact that Governor Quie had replaced him with Peterson, in spite of the opposition by labor.

He defended Young as "an honest and honorable guy, who has been kicked from pillar to post." Malone called attention to a 1975 memorandum which directed the division to ignore so-called "proof of evidence" forms submitted to the department in compiling the wage rates. It is these forms that have come under attack from McDonald and the ABC.

As to why the forms are still in department files, Malone replied, "You don't take public documents and throw them away." He pointed out to the legislators that they often receive letters from constituents making complaints. "Even if there are some mistakes or inaccuracies in their letters, you still keep them on hand for reference and follow up."

Then turning to McDonald who was seated at the committee table, although not a member, he thundered, "How many times did you come to me and ask any questions about the department?"

McDonald replied, "never."

Then Malone asked, "Have you ever even been with the Department of Labor and Industry?" And again the reply was "never."

The former commissioner concluded by saying that he had been in state government for 11 years "and even my worst critic never challenged my honesty."

He gave the committee a copy of a letter from the manager of the ABC in which the admitted foe of the Little Davis-Bacon Law said that the Department "did the best with what we had."

Praising Malone, Rep. Lynn Carlson (DFL-Brooklyn Center) moved that McDonald's bill be tabled.

After McDonald made a futile effort to have the bill kept alive by sending it to the Government Operation Committee, the Labor subcommittee voted 9-1 to table.

Voting to table were Republicans Biersdorf, James Evans (Detroit Lakes), Jim Heap (Robbinsdale), and Robert Reif (White Bear Lake), and DFLers Carlson, Arlene Lehto (Duluth), James Metzen (S. St. Paul), Donald Moe (St. Paul), and chairman Murphy.

One vote against killing the bill was from Republican Joseph Niehaus, (Sauk Centre). ●

A BILL FOR THE RELIEF OF  
CHARLES J. MANGAN

**HON. HERBERT E. HARRIS II**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HARRIS. Mr. Speaker, today I have introduced a private bill for the relief of Charles J. Mangan to remove the burden of certain penalties which were imposed on him under section 6672 of the Internal Revenue Code of 1954.

In 1976, Mr. Mangan brought a refund suit in the U.S. District Court for the Eastern District of Virginia to recover "responsible officer" penalties assessed against him and partially collected in connection with his association with two corporations, Amtco, Inc., and Autogen Machine Products, Inc. The district judge rendered verdicts in the cases, one in Mr. Mangan's favor, one in favor of the United States. As a result, Mr. Mangan has been ordered to pay the U.S. Government an amount in excess of \$25,000.

Such liability was incurred because Amtco, Inc., did not pay certain withholding taxes and social security taxes for the period January 1, 1970, through June 30, 1970, while Charles Mangan was president and a shareholder of the corporation.

Both the taxpayer and the United States noted appeals in the cases but both were subsequently withdrawn as both sides believed that a reversal in either case would be unlikely. The time for appealing the district judgement has since expired, and Mr. Mangan has no further legal remedies available to him.

This case is not a complicated tax matter. When cash flow problems make it impossible for employers to withhold social security and income taxes from the wages of its employees, the Internal Revenue Service is authorized to collect a penalty equal to 100 percent of these taxes from the responsible person. This person must not only be responsible, but his conduct in not paying the taxes must demonstrate both deliberate and willful avoidance. Mr. Mangan did not display deliberate or willful avoidance. On the contrary, he made every effort to fulfill his obligations.

During his first 5 years as Amtco's chief executive officer, Mr. Mangan faithfully fulfilled the company's withholding tax obligations. However, in December 1969, the corporation suffered a sudden financial reversal. It only had the money to meet the net payroll and did not have the money to set aside the employee income taxes and social security taxes. Therefore, for the first time in Amtco's history, it failed to make a timely deposit to the Federal Reserve bank of its withheld taxes for the month of December 1969. However, as a result of the concern and the efforts of Mr. Mangan, the corporation during his remaining association before July 28, 1970, paid these taxes for December.

On July 28, 1970, Mr. Mangan resigned as president of Amtco, Inc. Until the time of his resignation, Mr. Mangan made deliberate, conscientious, and in-

tentional efforts to do all that was humanly possible under the circumstances to keep the payroll taxes of the corporation current. He was in constant negotiations with the corporation for a plan which would provide the corporation with the funds to pay these taxes and bring its other obligations current.

In January 1971, Mr. Mangan after having been unemployed for 6 months, liquidated his only remaining personal asset—\$32,000 worth of stock in a restaurant. He contributed the proceeds of this sale to the corporation in return for stock and an agreement signed by the corporation's director and other stockholders that these funds would be paid to the Internal Revenue Service to satisfy the corporation's tax liability.

The financial condition of the company improved in January after Mr. Mangan and others purchased \$64,000 of preferred stock from the corporation to give it funds, but the directing head of the corporation used these funds to pay and increase salaries and secure management consultant service, rather than for the payment of the withheld taxes per the agreement with Mr. Mangan. Further the Internal Revenue Service representative assigned to collect these taxes was aware, on and after September of 1970, of the financial condition of the corporation. The representative voluntarily allowed the corporation to use its funds to maintain the organization for another year and a half to pay other inferior creditors. The Internal Revenue Service could have collected taxes but failed to do so.

Mr. Mangan made a sincere effort to help Amtco satisfy its obligation to the Internal Revenue Service for the employment taxes withheld from the employees during his effective control of the corporation. I urge the favorable consideration of this bill.●

A TORRANCE, CALIF., SALUTE TO  
ITS SCHOOL EMPLOYEES

**HON. ROBERT K. DORNAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday April 24, 1979

● Mr. DORNAN. Mr. Speaker, I have the distinguished honor of paying tribute to the retiring employees of the Torrance, Calif., Unified School District. Each individual will be recognized for outstanding service during the seventh annual employees recognition banquet to be attended by 300 citizens on May 4.

These employees have proven themselves dedicated contributors to the educational needs of the children of Torrance and they will long be remembered for their excellent service.

Mr. Speaker, I call attention to my colleagues in the House of Representatives a fine group of citizens who are appreciated by the residents of the south bay.

To be honored on May 4 are:

LIST OF TORRANCE, CALIF., SCHOOL RETIREES  
Mr. Pete Dodos, Maintenance and Repairman.  
Miss Doris Avis, Elementary Teacher.

Mr. Clifford Graybel, Elementary Counselor.

Mr. Victor Kilburn, Elementary Principal.

Mrs. Lyda Sikkema.

Mrs. Doris Bagwell.

Mrs. Julia Barck, Clerk Typist.

Mrs. Gertrude Chapin, Manager.

Mrs. Jeanne Clayton, Elementary School Secretary.

Mr. Charles Conze, General Maintenance Foreman.

Mrs. Mary A. Eliason.

Mrs. Edna Goodrow, Senior Stenographer.

Mr. Joseph Gorgoglione, Custodian.

Mr. Willard Jackson, Custodian.

Mrs. Bessie Kidner, Cook.

Mr. Bernard Mignl, Maintenance Planner.

Mr. Mack Monroe, Maintenance Mechanic.

Mr. George Reinert, Buyer/Purchaser.

Mr. Heber Themm, Maintenance Mechanic.

Mrs. Betty Jean Tuzzolino, Elementary School Secretary.

Mr. Joe DeBry, Carpenter.

Miss Marjorie Carey, Teacher.

Mrs. Odessa DeBerry, Teacher.

Mrs. Dorothy Fraser, Elementary Counselor.

Mrs. June Linnemeyer, Staff Assistant.

Mrs. Frances Murphy, Teacher.

Mr. Lehr Mushrush, Teacher.

Mr. Edward Nupoll, Teacher.

Mrs. Genevieve Ramirez, Advanced Ed. Teacher.

Mrs. Wanda Reynolds, Teacher.

Ms. Dortha Simmons, Teacher.

Mr. Roland Smith, Teacher.

Mrs. Jeannette Muth, Teacher.

Mrs. Martha Sumner, Teacher.

Mrs. Deanne Hillendahl, Elementary Teacher.

Mr. Bobby Webber, High School Counselor.

Mrs. Ruth Barr, High School Counselor.

Mrs. Virginia Figueredo, Teacher.

Mr. James Hamilton, Teacher.

Mrs. Ruth Westerholm, Teacher.

Mrs. Thelma Delameter.

Mrs. Adele Betts, Account Clerk.

Mrs. Evelyn Sexton, High School Stenographer.

Mrs. Elodie Pearson, Elementary Teacher.

Mr. James Callender, Head Custodian.

Mrs. Florence Datile.●

DAYS OF REMEMBRANCE OF THE  
VICTIMS OF THE HOLOCAUST

**HON. NORMAN F. LENT**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LENT. Mr. Speaker, we observe this day as International Holocaust Commemoration Day. As part of the observance we have had a most solemn and moving ceremony in the rotunda of our Capitol. And on April 28 and 29 by Presidential proclamation, the entire United States will observe Days of Remembrance of the Victims of the Holocaust.

In such commemorations we join in solemn tribute to the victims of one of the most terrible crimes recorded in human history: the holocaust, in which 6 million Jews were murdered by the evil regime of Adolf Hitler and his Nazi followers. The Nazi program of extermination was revealed in horrifying detail near the end of World War II as allied armies liberated the concentration camps where the campaign of genocide reached its peak. The names of those infamous camps—Dachau, Auschwitz, Buchenwald Treblinka—are etched forever in the memories of those of us who experi-

enced the numbing days when the emaciated survivors in the camps bore witness to the awful deaths of their brothers and sisters, fathers and mothers, wives and husbands, relatives and friends.

The grim sights and sounds we saw and heard 34 years ago this month can never be erased from our memories. We can never forget the terrible human tragedy encompassed by the holocaust in Nazi Germany and Nazi-occupied territory.

In these days of commemoration we bear a special responsibility to make certain that those who have no direct recollection of the holocaust fully appreciate the extent of the human savagery that it loosed upon a hapless people. We bear a special responsibility to make certain that they fully appreciate the tremendous courage, perseverance, and will to endure with which millions of Jews met the awful tribulations of those years of terror.

Mr. Speaker, nothing should be permitted to erase from our conscience the burden of the inhuman cruelty that was inflicted upon so many millions of persons simply because they were Jews. Future generations must recall as vividly as we those tragic circumstances so that such a terrible crime against humanity can never again be perpetrated.

Let us adopt as our guide the famed epitaph at Yad Vashem, the Israel memorial to the victims of the holocaust. The epitaph says:

Keep not silent. Forget not the deeds of tyranny, cry out at the disaster of a people, recount it unto your children, and they unto theirs from generation unto generation, that hordes swept in, ran wild and savage.

Yes, Mr. Speaker, we must recount unto our children, and they unto theirs the awful record of the holocaust. And we have a further responsibility. It is our responsibility—and the responsibility of those who follow us—to challenge tyranny and oppression; to oppose bigotry and hatred.

It is our responsibility—and the responsibility of those who follow us—to maintain those great principles of freedom, equality, and justice upon which our great Nation was founded. In those principles lie our safeguard against another holocaust.

Mr. Speaker, we pray that the tragic circumstances we commemorate today never return. We pray that the memory of the 6 million who died in the holocaust will keep alive our determination to prevent any recurrence of such a monstrous crime.

Let us carry this inscription in our hearts: "Never again."●

THE 50TH ANNIVERSARY OF VENTURA COUNTY CHAPTER OF AHEPA

**HON. ROBERT J. LAGOMARSINO**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to take this opportunity to

inform my colleagues of the upcoming 50-year anniversary celebration of the Ventura County Chapter of Ahepa (American Hellenic Educational and Progressive Association). The celebration, to be held on April 29 at the Pierpont Inn in Ventura, Calif., will honor the following senior members of the chapter and respected members of the constituency: Gus Booth, Frank Corey, Harry Kam, Nick Melonas, Georgeoulos, and John Simitzi.●

TRIBUTE TO AIR FORCE COL. DONALD K. WINSTON

**HON. ELWOOD HILLIS**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HILLIS. Mr. Speaker, I would like to call to the attention of the House the outstanding record of Air Force Col. Donald K. Winston who, for the past 19 months, has served as Commander of the 305th Air Refueling Wing of the Strategic Air Command located at Grissom Air Force Base in Indiana.

On April 6 I had the honor of taking part in a change of command ceremony at Grissom which marked an end to Colonel Winston's tour of duty at that base. In the few short years of his assignment there Colonel Winston, by his job performance and his good relations with the adjacent communities, did much to enhance the image of both the Air Force and the military. It is appropriate, I feel, to note a few of his achievements.

Having recently been on base, I can personally attest to the excellent physical condition of the buildings, grounds, and facilities at Grissom. Colonel Winston has, with diligence and good management, left Grissom Air Force Base in probably the best shape it has been in since World War II.

Furthermore, both the officers core and the enlisted personnel under his command have proven to be efficient and professional. Their high motivation, and the performance record of the 305th Air Refueling Wing, speaks well of Colonel Winston as an officer who understands and utilizes the tools of personal leadership.

Perhaps the best example of his leadership, however, came in January of this year when Colonel Winston was appointed Tanker Task Force Commander for a special mission which was designed to quickly deploy 12 F-15 fighters from the United States to Saudi Arabia. This operation depended on the ability of the tanker planes under Colonel Winston's command to refuel the fighters in flight, thereby extending their range. The success of this mission clearly demonstrated not only Don Winston's expertise in the essential field of air-to-air refueling, but it also proved the readiness, skill and stamina of the men and equipment under his command.

Colonel Winston symbolizes the finest tradition of today's military officer. I am confident that he will serve ably and well in his new assignment as Director of Assignments at the Strategic Air Command Headquarters in Omaha, Nebr. He will be missed at Grissom Air Force Base and in the central Indiana communities surrounding it. I wish Colonel Winston the very best luck and good fortune as he continues his excellent career in the Air Force.●

1978-79 SEVENTH DISTRICT CONGRESSIONAL YOUTH ADVISORY COMMITTEE

**HON. CLARENCE J. BROWN**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. BROWN of Ohio. Mr. Speaker, I want to take this opportunity to advise my colleagues that the 1978-79 Seventh District Congressional Youth Advisory Council members have completed their work and have reported to me on the four legislative issues selected for study during the current school year.

I am pleased to place these reports in the RECORD for the benefit of my colleagues.

This is the eighth year that I have sponsored the Seventh District Congressional Youth Advisory Council, which consists of upperclassmen from approximately 40 high schools and joint vocational schools throughout my district.

The council is organized each autumn, at which time each of four committees selects a legislative topic to study during the year. Following the organizational meeting, each of the students receives a packet of information from me, compiled with the assistance of the Library of Congress and through the cooperation of the congressional committees with jurisdiction over each topic. The packets contain a broad range of viewpoints concerning each legislative topic and give the students a representative background of the issues upon which to build their opinions as they study the legislation.

In November and December of last year, each of the committees conducted a 1-day hearing with expert witnesses representing the broadest possible spectrum of viewpoints on each topic. Following the hearings, the committees began drafting their final reports and recommendations on their selected topics. On March 30, all of the council members met at Urbana College to present, discuss and vote on the issues.

Before I detail their findings, I want to again compliment the student participants. These students took many hours of their own time to study the issues, debate the topics among themselves in committee meetings, attend the 1-day hearing and then prepare the reports for my consideration.

I also want to thank the faculty advisors from the high schools who assisted the students during the year, as well as the witnesses who took time to travel to the seventh district to appear before the committee hearings. These two groups' participation, I am certain, contributed greatly to the successful conclusion of the council members' work.

This year the four committees studied and reported on four topics: Champaign-Logan Counties Committee, Modification of the Delaney Clause; Clark County Committee, No-Fault Auto Insurance; Greene County Mad River Township Committee, Federal Spending Limitation; and Marion-Union Counties Committee, Universal Service.●

#### THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit this article from the April 1979 issue of *Sea Power* to the *RECORD* on the need for a new nuclear carrier. J. William Middendorf II, former Secretary of the Navy, and Adm. Thomas H. Moorer, USN (retired), Chairman of the Joint Chiefs of Staff from 1970 to 1974, present some important arguments for the need for a nuclear carrier as opposed to a conventional carrier. The President in his veto message of last year's defense authorization bill promised that he would include funds in his 1980 budget request for a new carrier, though he did not specify which kind. I ask my colleagues to take all factors into consideration regarding the new carrier and to read the following article which explains why the nuclear is far superior and more cost-effective than the conventional model.

#### THE UNITED STATES NEEDS ANOTHER NUCLEAR CARRIER—NOW

(By J. William Middendorf II and Admiral Thomas H. Moorer)

On the 26th of March, Israel's Prime Minister Menachem Begin and Egypt's Anwar Sadat, with U.S. President Jimmy Carter acting as witness, signed the peace treaty between their two nations which history may later record as the first step toward a permanent and lasting peace between all nations in the Mideast.

That it was, however, only the first step of many which must still be taken was dramatically emphasized the very next day when OPEC (the Organization of Petroleum Exporting Countries) announced it would increase the basic price of oil by 9 percent—to \$14.54 a barrel—and also permit each member country of OPEC to impose additional surcharges of as-yet-undetermined amounts.

The new OPEC increase (the first of several retaliatory measures taken) was the seventh since 1 January 1973, when the price was only \$2.59 per barrel, and has caused serious apprehension among Western nations already concerned about the recent change of government in Iran and the increasingly dangerous military threat against Saudi

Arabia and other countries in the Persian Gulf/Arabian Sea area.

Because of that threat, the Defense Department is now reportedly considering organization of a new U.S. naval force—which would be called the Fifth Fleet—to patrol those areas of the Indian Ocean considered essential to the interests of the United States and its allies around the world.

But those naval forces—which means, for most practical purposes, the Navy's carrier task forces—are already stretched very, very thin, and they are constantly overworked.

One reason they are overworked, of course, is that in one crisis situation after another successive commanders-in-chief have realized that the carriers are often the only immediate deployable instrument of national military power available to them. The most recent crisis sorties were those made by the U.S.S. *Constellation*, ordered by President Carter twice within a matter of weeks to the Indian Ocean.

It is worth noting that the *Constellation* was accompanied by two tankers. The tankers slowed her down, but without them she could not have continued operations.

Besides being overworked, our carriers are also overaged. Before another carrier of any type could be operational, only four of the 13 carriers now in the fleet would be less than 25 years old. The operational life of some of the larger deck carriers is being stretched out, at a cost of hundreds of millions of dollars, through what is called a "service life extension program," or SLEP, but if experience with similar makeshift programs in the past teaches us anything it is what we almost always wind up with less capability than needed or anticipated, and at much higher cost than originally projected.

All of the foregoing argues compellingly, in our opinion, for construction of at least one more nuclear carrier (or CVN) of the Nimitz class for the U.S. Navy.

As most informed Americans are aware, one of the major issues to be decided by Congress in its consideration of the Defense Department's budget for the new fiscal year (FY 1980) starting on 1 October is whether the aircraft carrier requested in the budget submitted by the President should be nuclear-powered.

There is no debate over whether the Navy needs another carrier. The President, the Secretary of Defense, Navy officials both civilian and uniformed, and the cognizant committees of Congress all are in unanimous agreement that the Navy does need at least one more aircraft carrier.

There are many—and we include ourselves in this category—who believe several more carriers are needed if the Navy is to be able to responsibly carry out all the worldwide missions which have been assigned to it.

The most important of those missions—except for conduct of full-scale combat operations—is crisis response, as President Carter recognized in his use of the *Constellation*.

"Calling out the carriers," of course, is nothing new. Former Secretary of State Henry Kissinger, in a speech at the Naval War College in Newport, R.I., said "In the crises in which I was involved, the use of naval power, particularly the carrier, turned out to be almost invariably the crucial element."

In that same connection, it may also be recalled that on 15 April 1970 the late General Earle G. Wheeler, then serving as Chairman of the Joint Chiefs of Staff (following an earlier tour as Army Chief of Staff) testified that, even after the Vietnam War would

be over, the Navy would need 16 carriers—"not on the basis of a peacetime situation, but on the basis of a possible future war. . . ."

"We must recognize," General Wheeler told a Joint House-Senate Armed Services Subcommittee, "that if we have a war in which the Soviet Union is involved the war is not going to be confined to the Atlantic Ocean or to the Atlantic region. The Soviet Union is a two-ocean country as well as the United States, and therefore we will have a requirement for a carrier force to be deployed in the Pacific area."

"In addition to that," he continued, "we are going to have to have something for contingencies. After going over a great number of mixes of carriers needed under varying realistic contingencies, I came down on the number of 16 as being within a prudent level of risk."

In the nine years that have passed since General Wheeler's testimony, of course, the United States has suffered the loss of access to most of her important overseas bases and, with its allies, has grown much more heavily dependent on Persian Gulf Oil.

During the same time frame the Soviet naval threat has increased—in both quality and numbers—at a much more rapid pace than earlier expected. It used to be asked, by those who opposed the U.S. Navy's carrier construction programs, why the Soviet Union doesn't build aircraft carriers, if they're such an essential part of a strong navy.

That question is no longer asked. The USSR has two small carriers operational—the *Kiev* and the *Minsk* (both of which were on fleet exercises in the Mediterranean last month)—and are building one more, possibly two. Some analysts also believe a large new surface ship now under construction in the Soviet Union might be the USSR's first nuclear carrier.

Despite the increased Soviet naval threat, despite the increased dependence of the United States and its allies on overseas sources of oil and many other raw materials, and despite the loss of several more overseas bases formerly available to U.S. land-based aircraft, it has been decided—largely because of what is referred to as "cost considerations"—that the U.S. Navy now only needs 12 aircraft carriers.

It also has been decided by the present administration—again, because of cost considerations—that the carrier requested in the FY 1980 budget should be conventionally-powered rather than nuclear-powered.

To further reduce initial acquisition costs of the FY 1980 carrier—which according to present Defense Department plans is the last one the Navy will ever be permitted to buy—the administration decided at the same time it should be a ship of a completely new "CVV" design and, at 62,500 tons, much smaller in size—and considerably less capable—than either the 94,000-ton Nimitz-class CVNs or the 81,000-ton (conventionally-powered) John F. Kennedy CVs, which are now the mainstays of the Navy's carrier force.

Last year, it will be remembered, the President vetoed the defense authorization bill because Congress had included in it funds for a nuclear carrier, CVN, which the President had not requested and which he said at the time would be: (1) too expensive; and (2) not needed. (He also said the same money could be better used on procurement of several smaller ships; to date, those ships have not been requested—in fact, the President has further reduced the Navy's five-year shipbuilding plan.)

For a number of reasons, not all of which were directly related to the comparative merits of a nuclear carrier vs. a conventional carrier, Congress failed to override the President's veto. A substitute bill virtually identi-

cal to the vetoed bill, but minus the carrier authorization, was then passed and signed into law.

The President had said in his veto message he would include funds for a new carrier in his 1980 budget request. He did not, however, specify what type of a carrier.

There are many knowledgeable defense analysts—in the Navy, in Congress, in the academic world, and in the media—who vehemently disagree with the President's veto decision. They believed, and still do, that the overwhelming body of evidence and empirical data accumulated over the past quarter-century of nuclear-ship operations conclusively proves that another CVN would be not only significantly more combat-capable than either a CV or CVV, but also considerably more cost-effective than either of the latter ships—and perhaps even less expensive in absolute terms.

But that is irrelevant, for all practical purposes. It is not necessary to rehash last year's budget debate to suggest that, *this year*, the economic, political, and national security milieu in which defense budget decisions must necessarily be made have changed so much, and so recently, that the assumptions upon which the President's budget request is based are no longer valid.

Preparation of the annual Defense Department budget request is a long and complex process, which starts more than a full year before the approved request is submitted to Congress (at the beginning of the congressional session). Congress itself then conducts, through its Armed Services and Appropriations Committees, months of hearings—during which literally thousands of pages of testimony are developed—before shifting to floor debate six to nine months later and finally enacting authorization and appropriations legislation for the President's signature. (The authorization bill tells the Defense Department and the Services what they can and cannot do and what programs may or may not be funded; the appropriations bill contains the legal authority to spend money for the programs authorized. A program can be authorized but not funded; it cannot be funded without first being authorized.)

The bills which eventually reach the President's desk *always* differ in numerous respects from those originally introduced—sometimes because of changes requested by the administration itself; sometimes because Congress differs from the administration in its perception of the nation's defense needs; and sometimes simply because outside events dictate changes not possible to anticipate.

That is what has happened this year. Within the past several months the United States has lost the right to use bases and facilities in Iran which were an integral part of the U.S./NATO defense structure in that important area of the world. The United States has also, within the same time frame and for reasons which may long be debated, broken formal relations with Taiwan—thus incurring the risk of permanently losing the excellent port and air facilities on that island which for the past 25 years served this country, in effect, as a "fixed site aircraft carrier" strategically positioned off the east coast of the Asian mainland.

Whatever the political merits of the President's decision to recognize the People's Republic of China, the fact remains that part of the price paid is the possible (many would say probable) non-availability, for the foreseeable future, of an important overseas land base.

The loss of overseas bases is not an isolated phenomenon, unfortunately. The country's operational overseas base structure has been reduced from the 105 that existed 10 years ago to fewer than 40 today. (Among the more harmful recent losses are those of Cam Ranh Bay and other bases in Vietnam now being

used by the Russians—just as they are also using former Wheelus Air Force Base in Libya. The United States is a double loser in such instances.)

Whether we stay or leave, overseas land bases cost money—much more money in the long run than do aircraft carriers. It is worth recalling that it cost the United States over \$525 million just to build the massive complex of air bases used in Southeast Asia during the Vietnam War. Additional hundreds of millions of dollars were spent building logistics support facilities, petroleum and ammunition storage dumps, and defense installations.

Those assigned to defend our land bases in Vietnam, let there be no doubt about it, did their job well. Despite their best—and often heroic—efforts, however, over 400 allied aircraft were lost from ground attack alone, and more than 4,000 more aircraft were damaged.

In contrast, during the whole Vietnam War not one sea-based aircraft was lost or damaged on board any U.S. carrier as a result of enemy action.

Nevertheless, our overseas base structure is still immensely important to our overall defense program, and the loss of such previously available bases and facilities in Iran and Taiwan, and the annually less viable tenure of U.S. base rights in many other countries, puts an added burden on the Navy's already overworked aircraft carriers and makes it mandatory that those carriers be, if at all possible, increased in number. It also makes it imperative that the high quality of the carriers now in the fleet not be diminished in any way by the addition of ships of lesser capability, lesser endurance, and more limited in range, speed, payload, and safety—it has been repeatedly demonstrated that smaller and less capable carriers suffer much higher accident rates, in both peace and war.

There are other unanticipated changes which have also dramatically altered the fiscal year 1980 defense planning assumptions.

One such change is the still precarious peace agreement between Egypt and Israel; another is the volatile situation on the Persian Gulf threatening the pro-Western regime in Saudi Arabia and her smaller neighbors. Lacking land bases in the immediate area, the only way the United States can contribute to continued stability in the region is through use of sea power.

And sea power in this instance, as almost everywhere else in the world, means aircraft carriers.

Aircraft carriers are over the horizon and out of sight. They do not violate national sovereignty or offend local political sensibilities. They are immune to insurgents, revolutionaries, and guerrillas—and to changes in government which are so often followed by changes in national policy which say in effect, "Yankee Go Home!"

But carriers are far from invisible to those who threaten the peace. They are a message to friend and foe alike that the United States Navy is offshore, a short jet-flight away, ready to carry out its defense commitments and to protect American interests in the area and the interests of America's allies.

Carriers are quickly deployable. The same carrier which today is enjoying a port visit to Naples could be in the Eastern Mediterranean tomorrow ready to provide powerful assistance to Egypt or Israel if either of those countries is attacked. And a carrier brings with it all of the airplane fuel, supplies, ordnance, spare parts, and repair and support facilities needed by the 90-plus aircraft it carries.

But why a nuclear carrier? Why not the CVV which the President has requested—or the "compromise" option, another conventionally-powered Kennedy-class CV?

The answer can be stated briefly: A CVN is faster, safer, more combat-capable, and more quickly deployable—and has infinitely more

range—than either a CVV or CV; it is also much cheaper to operate.

Surprising, another CVN may, in addition, actually cost less to construct than a CVV—it is certainly more *cost-effective* than either the CVV or the CV. It could be delivered to the Navy at least a full year earlier than the as-yet-undesigned CVV could be delivered, and probably almost as soon as another CV could be operational.

Those statements require and deserve amplification.

Insofar as military characteristics are concerned:

The CVN carries 90-95 aircraft; the CVV 50-64.

The CVN has twice the propulsion power and carries 2.5 times as much aircraft fuel, and 1.5 times as much aircraft ammunition, as the CVV could carry.

The CVN has four aircraft elevators, four catapults, and four propeller shafts; the CVV would have two of each. (The Navy has not within the past 40 years built a carrier with only two shafts.)

The CVN has a higher maximum speed (classified, but officially conceded to be "about five knots faster" than any conventional carrier). The CVN can, in fact, with one shaft down, continue operations at a speed almost equal to the CVV's maximum speed.

The most important CVN advantages, however, are those which flow from nuclear propulsion. The CVN can literally steam around the world at maximum speed without ever having to refuel. The CVN (or the CV, for that matter) is limited by the fuel it could carry—and also by the availability of the slow-speed refueling ships which have to accompany conventionally-powered ships or rendezvous with them along the way.

There are also a number of intangibles which favor the CVN—intangibles which in a crisis could mean the difference between mission failure and "mission accomplished." The CVN has greater seakeeping qualities, for example. That translates into a more stable platform, which means fewer aircraft accidents, fewer lives lost, lower repair and replacement costs, and the ability to sortie more aircraft more often regardless of foul weather conditions. (Because of its freedom from fuel constraints the CVN can often avoid storm areas entirely by following a more circuitous transit; the more limited conventional carriers seldom have the same option.)

The more heavily armored CVN is also much more survivable in combat; its high speed makes it a tougher target both to find and to hit, and its heavy armor and high degree of compartmentation combine to ensure that, even if it is hit (by anything less than a nuclear weapon), it probably would not even have to cease regular operations.

The myth of "carrier vulnerability," by the way, is just that: a myth. A heavily armored high-speed ship at sea presents a rapidly moving, and maneuvering, target extremely difficult to find, much less to hit and to hurt. It is infinitely easier to target and destroy our fixed-site shore-based ammunition dumps, fuel depots, and air fields. The punishment a modern nuclear carrier can take was—unfortunately and unintentionally—demonstrated in 1969 when nine 500-pound bombs (the equivalent of six Soviet cruise missiles) exploded on the flight deck of the USS Enterprise, the Navy's first nuclear carrier (and the only non-Nimitz CVN). Despite the damage done, the Enterprise could have resumed flight operations within a matter of hours. Today's carriers, with a higher degree of compartmentation, better sprinkling systems, and generally improved fire-fighting and damage control techniques, are even tougher and more survivable.

Now, the matter of cost:

According to the administration's budget presentations, the acquisition cost of the

CVV would be about \$1.6 billion; another CVN would cost an estimated \$2.4 billion.

However, consider the following:

Incredibly, the cost of fuel is not included in that cost comparison. The CVN's reactor will permit it to steam for 13 years prior to re-coring. It is impossible to estimate the delivered cost of the fuel (literally millions of barrels) a CVV would use in a similar 13-year period of operation. The delivered cost—which includes refining, processing, and storage costs as well as the very high costs of the tankers (convoys and protected by other oil-burning ships) needed to carry and transfer the fuel to the carriers, can be three or four times the per-barrel cost at the wellhead.

At last year's prices, according to several independent cost studies, the cumulative cost of CVV fuel and other expenses not calculated in the administration's analysis would have been sufficient to virtually wipe out the CVN/CVV differential. At today's new and higher OPEC prices, which almost certainly will be substantially increased several more times in the next 13 years, the combined ship-plus-fuel cost calculations should now favor the CVN by a large margin.

Among the "other expenses" not included in the administration's cost analysis, incidentally, were such line items as: the acquisition, operating, and personnel costs for the surface combatants needed to escort the tankers during a conflict situation; the extra base facilities therefore needed in the United States and overseas; the very high cost of the aircraft more likely to be lost from a CVV or CV than from a CVN; and the incalculable cost of the extra lives also more likely to be lost.

Just as incalculable, of course, are the horrendous costs which might be incurred by not having enough combat aircraft available when and where they are needed in time of crisis.

Or by having them available in sufficient numbers—but either too far away to do any good, or unable to get to the combat zone until three or four days after they are most needed.

In today's high-speed world of supersonic jets and instantaneous around-the-world communications, that three or four days might mean a new cost differential which would have to be counted in terms of battles, perhaps even wars, won or lost.

All of the arguments which, in our shared opinion, make the CVN such a logical choice over the CVV apply with almost equal validity in a comparison between the CVN and the CV. (The CV would cost an estimated \$143 million more than the CVV to build, and proportionately more to operate over a 13-year period. It would be just as dependent on logistics support. It would carry not quite as many aircraft as the CVN, and it would carry only half as much aviation fuel and two thirds as much aircraft ammunition as would a CVN.)

There is a final point of almost overwhelming importance which should be considered: Those who advocate construction of a CVV, or even a "compromise" CV, take it for granted that the oil needed by those oil-burning ships will be available anytime and anywhere it is needed. That is a most dangerous assumption to make in building a ship which might have to be deployed on short or no notice anywhere in the world—including: (1) Constellation-like sorties to the vast reaches of the Indian Ocean where the United States has one small refueling base, at Diego Garcia (the nearest alternative is Subic Bay in the Philippines, 4,000 miles away); or even (2) at a time of another oil crisis, to the more narrow confines of the

Eastern Mediterranean to help preserve the new peace between Egypt and Israel.

Persuaded by the logic of the above cost considerations, and even more by the overwhelmingly greater combat capabilities of the CVN, there are already many members of both the House and Senate, Republicans and Democrats alike, who are committed to authorizing another Nimitz-class CVN in the FY 1980 defense budget approved by Congress.

Such action, they recognize, would risk another confrontation with the President. Too many confrontations of that type are not good for the country. And they are not good for our overall national defense program.

Another such confrontation should therefore be avoided if at all possible. And it could be avoided. The President himself could dramatically demonstrate his own continuing dedication to defense, as well as to preservation of the peace agreement in the Middle East which he helped engineer, by informing Congress that, in view of the many changes in the world situation which have occurred since this year's defense budget was prepared, he now supports construction of another nuclear carrier.

We most urgently recommend that he do so forthwith. ●

## VOLUNTARY MILITARY FORCE

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. PAUL. Mr. Speaker, Dr. Milton Friedman, Nobel Prize winning economist, has long been an eloquent proponent of voluntary service, and a strong opponent of the draft.

Recently, he wrote about the volunteer military force and how it is working.

I would like to call his cogent remarks to my colleagues' attention, since so much prodraft sentiment seems to be building on the Hill.

The article follows:

[From the Newsweek magazine, Apr. 16, 1979]

DON'T DRAFT GI JOE

(By Milton Friedman)

A new campaign has been launched to restore the draft. The initial sally has been a spate of articles reporting the failure of the armed services to meet their recruiting goals in the final three months of 1978: they enlisted only 90 percent as many recruits as their plans called for.

Headlines about the "failure of the volunteer armed force" blossomed. High military officers and ranking members of the Senate and House armed services committees viewed with alarm the prospective decline of U.S. military power unless conscription was promptly restored.

The public-relations bubble grew and grew—until it was pricked by Rep. Les Aspin of Wisconsin, who pointed out that the number of people in uniform—which is after all the true measure of existing military power—was 2,000 greater at the end of the year than the number the military services had budgeted for. The shortage in recruits had been more than made up by an excess of re-enlistments.

OF THE SAME OPINION STILL

The knowledgeable people who trumpeted one quarter's shortfall of recruits as a major

failure of the whole concept of a volunteer armed force had access to the same data as Representative Aspin. Why did they proclaim success as failure?

The answer, I believe, is simple. The upper echelon of the military has never been fully reconciled to the end of conscription, to the need to attract volunteers by offering conditions of employment competitive with private industry. How much easier to press a button and command a Selective Service Administration to round up a specified number of bodies, willing or not.

The military do not take this attitude for ignoble reasons. They are sincere patriots deeply concerned about the ability of the United States to defend itself against any threats to its security. However, they have spent their lives in a system that is based on command. That is what they have been trained for. It is asking a good deal to expect them to understand, let alone be enthusiastic about, a wholly different approach in recruiting personnel.

As a member of the President's Commission on an All-Volunteer Armed Force (chaired by Thomas Gates, former Secretary of Defense), I was repeatedly impressed with this attitude on the part of the high military officers with whom we met. They finally accepted a volunteer armed force only with great reluctance and only under extreme pressure from President Richard Nixon and Secretary of Defense Melvin Laird, both strong supporters of a volunteer force. The military, and their allies on the Hill, have been chafing at the bit ever since. They have taken every opportunity to renew the battle for conscription, and no doubt they shall continue to do so.

The fact is that the volunteer force is working extremely well. The average score of recruits on mental-aptitude tests is far higher today than it was under the draft. Quality has risen and every service has been able to meet its over-all quotas.

There are some difficult areas, particularly in the medical services and in the reserve forces.

In the medical area, the problem is of the military's own making. It results from their insistence that uniformed personnel provide medical services to both enlisted personnel and their families wherever they are stationed.

SOLVING THE PHYSICIAN PROBLEM

The Gates report recommended that wherever possible, enlisted personnel and their families should use civilian medical facilities. Like private employers, the services could provide medical insurance as a fringe benefit, but is there any reason why they should furnish medical services in kind to personnel and their families living in the U.S. or Germany, for example?

We cited as evidence of the need for such a reform the fact that in 1969, uniformed physicians delivered 146,000 babies. Since our report was published, the military has stopped reporting that figure—but it surely remains far from negligible.

The problem of reserve forces is more difficult but hardly insoluble. In any event, despite the difficulties, the reserves now in existence are in far better condition to contribute quickly and effectively to our military effort than the reserves were under the draft, when they were manned primarily by men seeking to avoid the draft.

We need a strong military. We are endangered throughout the world by the decline in our military strength relative to that of Russia. But strength depends on spirit and not merely numbers. Our military will be far stronger if we recruit it by methods consistent with the basic values of a free society than if we resort to the methods of a totalitarian society. ●

WELCOME HOME TO THE BOSTON  
SYMPHONY ORCHESTRA

**HON. SILVIO O. CONTE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CONTE. Mr. Speaker, although it will be several months before western Massachusetts welcomes the Boston Symphony Orchestra back to the Berkshires and its summer home at Tanglewood in Lenox, I would like to take this time today to welcome the BSO back to the United States after its triumphant tour of the People's Republic of China.

The Boston Symphony Orchestra, under the guidance of its Music Director Seiji Ozawa, spent from March 12 to 20 in mainland China. In so doing, the BSO became the first U.S. orchestra to travel to China after President Carter announced the opening of full diplomatic relations with that country.

During their enthusiastically received tour, the 103 members of the orchestra proved, once again, that, as Longfellow wrote, "music is the universal language of mankind," and that they have brilliantly mastered that diplomatic tongue.

In 1977, I was privileged to travel to the People's Republic of China as a member of an official congressional delegation. While in the city of Shanghai, we were treated to a recital by the Shanghai Conservatory. It was a stirring experience. I can only imagine, therefore, the delight on the part of the musicians and the audiences alike as Chinese and American musicians met, performed together, and shared the secrets of their art.

That the traveling did not at all diminish its performing ability was amply demonstrated 2 weeks ago by the Boston Symphony Orchestra at a concert at the J. F. Kennedy Center for the Performing Arts here in Washington. I was pleased to be among the appreciative audience providing the BSO a warm "welcome back to the States."

A very vivid picture of the China tour of the BSO was painted for those of us who followed the visit through the pages of the *Pittsfield, Mass., Berkshire Eagle*, by that paper's music critic, Andrew L. Pincus, who filed continuous dispatches from the People's Republic. Upon the conclusion of the visit, Reporter Pincus wrote an excellent summary story on the trip. I would like to insert that article in the *RECORD* now and formally congratulate the Boston Symphony Orchestra for its contributions to better understanding between the people of the United States and the People's Republic of China at this important point in the relationship between our Nations:

HANDS ACROSS THE CHINA C'S  
(By Andrew L. Pincus)

For three days the friendship had grown between the two American women violinists and their Chinese counterpart. They had exchanged gifts—Boston postcards for the Chinese woman, Chinese silks and a scroll for the Americans—and they had visited and rehearsed together.

Then, at the Boston Symphony Orchestra's farewell banquet in Peking for the

Peking Central Philharmonic, the three musicians were dining together. Also at their table was the Chinese women's cadre, or Communist Party leader, from the orchestra—himself a violinist.

The women, enjoying their last day together, became somewhat uproarious. During the speeches by American and Chinese officials, the American women asked their friend, who spoke some English, what the Chinese really think of Americans.

"We know you're barbarians," she jokingly replied. "We know to expect funny and unusual things."

The group burst out in laughter, only for a chill to descend. A top cadre from the Philharmonic walked up, put a hand on the Chinese woman's shoulder and warned her to be quiet. She became suddenly angry and withdrawn. Only when her own cadre accepted responsibility for the incident did she become friendly again, going shopping with her friends and giving them her rationing coupon for cotton goods so they could buy Chinese clothes.

The story had both a happy and a sad ending, according to Marylou Speaker, the BSO's principal second violinist, who, along with second violinist Sheila Fiekowsky, befriended the 27-year-old Chinese player. At the airport the next morning, when the entire Peking Philharmonic turned out to wish their opposite numbers in the BSO goodbye, there was another exchange of gifts—a battery-powered metronome for the Chinese violinist, which she accepted for her orchestra, and vases from her to her American partners. But there were also tears and promises to write upon parting, perhaps for many years.

The encounter between violinists tells, like a snapshot, the story of the BSO's larger encounter with China; the reaching out, the friendships and the faint touch of fear that new-won freedoms might be taken away.

None of the Americans in the BSO party—not the musicians nor the China scholars nor the press—could say this trip was fun. There were too many 18-hour days, too much teaching and performing and sightseeing in too short a week, too little sleep, and too many shocks to the stomach and nerves. But, with virtual unanimity, the weary, slightly punch-drunk players on their homeward-bound Pan Am 747 could say this was an irreplaceable, rewarding experience, establishing lasting friendships between musicians and nations.

Music director Seiji Ozawa, the China-born Japanese whom the Chinese took to their hearts, put it perhaps most succinctly during a visit to his boyhood home in Peking on the last day of the trip. Surveying the small gray-brown house, where four families and 35 people now live, he recalled the previous night's joint concert by the BSO and the Peking Philharmonic and said in his fractured English:

"When two orchestras play together, I didn't see Western guy and Oriental guy. On musical level I think they were really together. The Chinese musicians got a lot. They need to see how Western orchestra play. But we got something very pure. We are so busy sometimes—concerts, records—we forget pure importance of music. Chinese people, because of their situation—life is so simple—music is simple and pure, too."

Or, as double bass player Lawrence Wolfe, recalling the BSO's 2½ week tour of Japan just a year before, said during the 18-hour flight home:

"I'll tell you. When we were in Japan last year, people were friendly, but it was never like this. That was all sort of on the surface. But these people really meant it, and you felt something really overflowed from deep inside. I'm glad I'm going home, but I feel just wonderful about what we've done."

The BSO's China tour came at a key moment in history. The orchestra was not only the first American performing arts group to visit China since the reopening of diplomatic relations on Jan. 1. It was also the first major foreign troupe to perform since the otherthrow last year of the Cultural Revolution, the 10-year attempt to purge Chinese arts and education of foreign influences and instill them with ideological purity.

China wants America's friendship. Perhaps more basically, China wants America's know-how. The situation could change—that chilling tap on the shoulder again—but Chinese today, from Vice Premier Deng Xiaoping on down, make it clear that China's hopes for modernization rest on the cultural and technological lessons the United States and other foreign nations can teach. Friendship is the party line, but friendship is also a genuine human response, as heartfelt as the enthusiasm 18,000 Chinese displayed when the two orchestras joined to play "The Stars and Stripes Forever."

In one sense, then, the BSO's trip was political. Nor were the orchestra's motives purely altruistic. Ozawa planned the trip partly to show off his orchestra in the land of his birth, just as the Japanese tour showed it off in the land of his upbringing. Then, for publicity's sake, management speeded up the timing to get the BSO into China ahead of the Berlin Philharmonic and a string of other American musicians, who plan Chinese tours later this year. Similarly, the media blitz—an eight-man CBS-TV crew plus representatives of the major national newspapers and magazines—was partly engineered to bring maximum publicity to the BSO in a time of mounting deficits.

The trip, nevertheless, was a political and musical triumph. Its success can be gauged by a comparison to the Philadelphia Orchestra's China tour in 1973 under the auspices of the Nixon administration, which was opening the first postwar American window on China.

Unlike the Philadelphia, which traveled with State Department funding, the BSO had to raise the expenses of \$650,000 from private industry. Yet the Philadelphia, playing to audiences made up largely of military and party officials, got only a lukewarm reception, while the BSO's wildly cheering audiences included musicians and workers as well as dignitaries like Deng. Furthermore, the Philadelphia did no teaching. The BSO, in both Shanghai and Peking, held master classes for eager swarms of Chinese music students from the cities and surrounding provinces—500 youth and adults in concertmaster Joseph Silverstein's Shanghai violin class alone.

There were no joint concerts by the Philadelphia and Chinese musicians; indeed, Chinese musicians then were not even allowed to play Western pieces. And while there were some meetings among musicians, there were no personal contacts as there were with the Bostonians. Many Philadelphians, in fact, complained that the Chinese were out to impress the Americans with their culture rather than to listen to and learn about the best that America could offer.

Arthur M. Rosen, president of the National Committee on U.S.-Chinese Relations, who accompanied the BSO on the trip and assisted in planning it, points to the changed political conditions under Deng as the most obvious reason for the different receptions.

"The seal of approval has been given by the highest authorities," Rosen says, "and there is a reservoir of good feeling for the United States. Don't forget, many Chinese, both musicians and others, have connections in the United States through relatives or study. Something entirely new is releasing feelings that have existed for many years. This is the first time in history we have established one-on-one—Chinese and Amer-

ican musicians playing Western music together."

Liu Shihkun, one of those Chinese musicians, concurs. Liu is the pianist who played Liszt's First Concerto with the BSO in Peking and then in Boston. He himself was one of the victims of the Cultural Revolution. He was jailed seven years and beaten, his arm broken, for the crime of having played Western music. Then, in a showcase gesture, he was released for the Philadelphia's visit.

"The last time," he says of that visit, "the Cultural Revolution was still taking place, under the control of Chiang Ching (Mao Tse-tung's widow). At that time people like us in the cultural field were oppressed and persecuted. Now the atmosphere is very different. Now we want to strengthen our ties culturally. For instance, the last time the only piano music that was played was the 'Yellow River Concerto' (a Chinese revolutionary work). The Liszt that I was playing was not permitted for Chinese players."

Over and over, the BSO encountered the crippling effects of the Cultural Revolution on artists like Liu and these artists' eagerness, almost like that of beginners, to learn or relearn what they have missed during 30 years of isolation, beginning with the Communist takeover of 1949.

There was Li Tehlun, permanent conductor of the Peking Philharmonic, chastized by Chiang Ching for having given Eugene Ormandy, director of the Philadelphia Orchestra, a piece of Chinese music that she considered too despondent for a revolutionary country. There was Han Chungjei, the Peking's interim conductor, attempting to rebuild his orchestra's repertoire to include more than the 10 programs it has been able to learn in the past year. Ironically, there was the street demonstration outside the tour's opening concert in Shanghai, at which a group of runaways from a state farm used their new freedoms to demand jobs from the city.

All of this has left its imprint on Western music in China, which has coexisted with traditional Chinese music for at least half a century. BSO players, while impressed with the spirit and technical ability of Chinese students and professionals, were appalled at the quality of their instruments—sometimes Russian-made hand-me-downs but more often poor Chinese copies. And the playing, BSO members agreed, suffered from unfamiliarity with current Western practices—again, except for Russian models, learned during the years of friendship with Russia, and now aped.

Ozawa, for example, noted a tendency by the Peking orchestra to play too lightly and rush phrases. Silverstein, who played a concerto with the Peking besides sitting in with it, commented on the orchestra's basic sensitivity yet its lack of experience with symphonic style as practiced by leading Western orchestras.

But everywhere there was a sense of determination and accomplishment in spite of the odds. At the Shanghai Conservatory, which reopened only last year after its closing in the Cultural Revolution, principal horn player Charles Kavalovski listened to a boy play a horn sonata and said: "What I find surprising is how natural they are about standing up and making music—like brushing their teeth." First bassoonist Sherman Walt, clutching a packet of Yangtze River cane his Chinese students had given him for making reeds, said of one of his better charges: "The boy is as capable as any good student of his age in an American conservatory."

String players, led by Silverstein and first cellist Jules Eskin, examined stringed instruments being made in the school's workshop and pronounced the design excellent, despite the use of scratchy Chinese nylon

strings. To remedy such needs, the BSO left gifts of American strings, mouthpieces, music, records, music paper and other supplies, and even BSO T-shirts and Frisbees.

Individual players, on discovering their counterparts' needs, promised to send other supplies by mail. Kavalovski, for example, will send a horn mute, a common device which no one at the conservatory had seen before, but which the school now will be able to copy. In exchange, the BSO took home a valuable set of Chinese drums and cymbals, as well as personal mementos from players to players.

Everything was not work in China. The BSO toured such sights as the Forbidden City, the Ming tombs and the Great Wall (wind players got as winded as everyone else in scaling its reconstructed ramparts). It stocked up on Chinese silks, ivory, jade, and even traditional Chinese instruments in the Friendship Stores run for foreign visitors.

It saw workers doing Tai chi exercises to music from loudspeakers in the streets and it smoked—and coughed over—China's Peony cigarettes. It guzzled Chinese beer and feasted on Peking duck. It met cockroaches in hotel rooms. It took so many photographs that Boston's camera shops will spend the next 40 days and 40 nights in developing the film.

And, even with all that, it saw only two cities, with only glimpses of the teeming side streets and countryside where travel is by bicycle or pony cart and workers still dig foundations and till the fields by hand.

But, for a \$650,000 investment, the BSO brought priceless goodwill for its country, gave inspiration to Chinese musicians, reached millions of other Chinese who watched or heard the concerts on television and radio, and—who knows?—possibly improved chances for world peace. Ambassador Leonard Woodcock's boast that the visit advanced American-Chinese relations by 20 years might have been partly rhetoric. But it will probably be a good bit fewer than 20 years until Chinese musicians are seen in the streets of Boston, in line with Silverstein's banquet toast "to the day when the Boston Symphony can entertain the Peking Philharmonic on the first day of its American tour." Already there is talk of a longer return visit by the BSO to China in 1981.

As for the cities the BSO saw, Shanghai is run-down and picturesque, like an old movie set, with its remnants of French influence. Peking, with its monolithic public buildings and square, its miles of gray-brown hovels and its unyielding haze of dust and coal fumes, must be one of the world's ugliest and most depressing cities.

Americans in China are still so rare that they draw curious stares in the streets as soon as they venture away from the two or three hotels catering to foreign visitors. Yet an American never feels hostility in those stares or in the streams of people dodging the endlessly honking buses and trucks, whose only rule of the road seems to be that the pedestrian never has the right of way. Friendliness toward America, the visitor feels, is awakening from a long sleep, even though China remains regimented under an authoritarian government.

And, if all this was especially noticeable in music, it should become equally true in other fields as exchanges between the two countries grow.

Unless, of course, there comes that warning tap on the shoulder, multiplied by 800 million people. But that, the China watchers and Chinese musicians on the BSO trip said, seems unlikely in the present climate and under the present leadership—the more so now because of the momentum established by the BSO and its tired but happy members. ●

## THE THREAT OF THE BACKFIRE BOMBER TO THE UNITED STATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, the Soviet Union has their new bomber, the Tu-26/30 Backfire bomber in serial production. The current rate is 2.5 to 3.5 aircraft per month. At the current rate of production, more than 400 of these aircraft will be deployed by 1985, the year the SALT agreement is scheduled to expire. Although the SALT agreement is intended to include all Soviet and American systems with an unrefueled capability to strike targets at a range of 5,500 kilometers, the Backfire which has this capability, has been excluded from inclusion in the new SALT agreement. This means that the Soviet Union will be able to deploy a system of intercontinental capability as explicitly defined in the SALT agreement that will not be included in the coverage of the agreement, while the United States is obliged to include all of its delivery systems with a capability for unrefueled delivery of 5,500 kilometers.

The recent evidence in the press suggesting that the Soviet Union may be testing a cruise missile for the Backfire bomber exacerbates this problem. Regrettably, the administration has shown no willingness to revise its negotiating posture at SALT to insure that the Soviet's intercontinental bombers—all of them including Backfire will be included in their SALT ceiling.

A recent article in New York magazine, March 12, 1979, by Tad Szulc has ably demonstrated the significance of the failure to include Backfire in SALT. The weakness in the joint United States-Canadian distant early warning (DEW) radar system in operation in Northern Canada cannot provide adequate warning of a low-altitude Backfire bomber flight beneath the effective minimum altitude coverage of the DEW system. Although most attention has been focused on the consequences of Soviet ICBM developments, the points raised by Mr. Szulc points out the grave danger to the American public from the failure of SALT to place limitations on Backfire. The failure to limit Backfire will probably require the United States to spend \$6 to \$10 billion on a new air defense system—an expenditure that would not have to be made had our SALT negotiating posture been focused on reaching an agreement that fully protects American security interests rather than simply seeking to reach an agreement to avoid a ratification debate during the 1980 elections. I include the text of Mr. Szulc's article in the RECORD at the conclusion of my remarks:

WHAT THE DEW LINE DOES NOT DO

(By Tad Szulc)

Two months ago, Washington officials received a frightening intelligence report with vast implications for United States foreign policy.

The Soviet Union, the information went, had started test-firing its nuclear-armed Backfire jet bombers—something it had never done before. While this action was considered significant by itself, it has thrown a scare into many Pentagon officials for perhaps a more serious reason. The Backfire bombers seem entirely capable of penetrating the DEW (Distant Early Warning) Line, the weakest link in the United States defense system, and knocking our nuclear silos out of commission.

Complicating the matter further is the fact that under the terms of the current draft of the SALT II agreement, the Backfire will not be subject to limitation, so all of North America could be vulnerable to a Russian attack—until a massive modernization of the DEW Line, now in the planning stages, can be completed. Indeed, the deterioration of the DEW Line and its rapidly diminishing value as a defense system serve to demonstrate just how faulty American strategic thinking and planning have been in recent years.

Becoming operational in 1957, the DEW Line was built principally as a barrier against Soviet bombers. Its 31 radar emplacements (10 of them operated by Americans, the rest by the Canadian military), strung over 3,300 miles along the Seventieth Parallel in northern Canada, were designed to provide 40,000-foot high-altitude and 500-foot low-altitude surveillance to the North American Air Defense Command (NORAD). Operated jointly by the United States and Canada under an agreement signed in 1958 and renewed most recently in 1975, NORAD maintains its Combat Operations Center inside Cheyenne Mountain in Colorado Springs. NORAD's military purpose was to activate interceptor air defenses against approaching enemy bombers detected by the DEW Line, and, if ordered by the president, trigger nuclear retaliation by the United States.

This original conception was entirely sound at the time because bombers were the only Soviet long-distance nuclear-delivery vehicles. But by 1974 the strategic situation had changed radically. Now heavy Soviet missiles—notably the SS-18—not planes, were perceived as the main danger to America. The assumption was that in the event of war the Soviet land-based ICBM's would be fired across the "top of the world" on a north-south trajectory. As the United States prepared to sign the new NORAD accord with Canada, the Pentagon noted that it had to take into account "significant changes in the characters of strategic weapons and the threat they pose to North America." Furthermore, with the 1972 SALT treaty limiting the deployment of antiballistic missiles (ABM's) by both sides, the United States was forced to put surveillance satellites in space over the northern tier to be assured of early warning signals of a Soviet missile onslaught. As a result of this new emphasis, the conventional DEW Line defense was downgraded.

In 1974, then Defense Secretary James R. Schlesinger testified before the Senate Armed Services Committee that "without an effective anti-missile defense, [now] precluded to both the U.S. and the USSR . . . a defense against Soviet bombers is of little practical value." The conventional wisdom in 1974 and afterward was the Backfire bomber, being subsonic and having a relatively limited range, should not be considered a strategic weapon in the same sense as the missiles.

Schlesinger, in fact, was so persuasive in downgrading the need for defenses against Soviet bombers that a debate arose in Canada over whether, under the circumstances, it was warranted to go on spending millions of dollars on the DEW Line and NORAD. Some Canadian leaders proposed scuttling the DEW Line altogether. Still, the Ottawa government prevailed in its view that NORAD should be kept alive—if only for its symbolic

defense value. In 1975, the new NORAD agreement was signed. The United States earmarked an unspecified number of interceptors and airborne early-warning aircraft for these missions and went on manning its DEW Line radar sites.

But it soon became clear how wrong Schlesinger had been. By 1977, even if American SALT negotiators continued to doubt the real strategic importance of the Backfire bomber, the air force was taking it with utter seriousness. And once the Soviet bomber threat reappeared, the DEW Line again had to be regarded as crucial to continental defense.

At this point, the Pentagon itself had to admit that NORAD was ill-equipped to carry out its bomber-warning and air-defense responsibilities. In testimony before a Senate panel in 1977, air-force officials said that "it is important to note that current U.S. defenses have a very limited capability to detect and engage a bomber attack against any part of the United States or Canada" and that "our surveillance system has serious deficiencies, especially radar detection at low altitude, and our interceptor force is limited in size and performance to counter the increasing threat."

Even more to the point, the air force claimed that, because of "gaps" in low-altitude radar coverage and improvements in Soviet bomber performance, "the possibility exists that they could penetrate the DEW Line gaps at low levels, cruise through central Canada at high altitude, and make the target penetration at low level or launch a cruise missile." The air force added that Soviet bombers had the capability "to end run the DEW Line as it currently exists without great penalty in flight time." Meanwhile, the condition of the U.S. interceptor force attached to NORAD was described as "block obsolescence," with most of the aircraft being twenty years old. The Russians, unsurprisingly, have insisted that the Backfire not be included in the SALT II ceilings on strategic weapons. Because of Moscow's assurances that the Backfire would not be used as a strategic intercontinental weapon, American negotiators were prepared to accept the Soviet position in 1977 and 1978. The U.S. negotiators seemed to be insufficiently aware of the Achilles' heel that the DEW Line represents.

In light of all these considerations, the Joint Chiefs of Staff decided in 1977—belatedly—that something had to be done about the continent's northern defenses, which Schlesinger had so cavalierly downgraded only two years earlier.

The modernization program for our northern defense system, which is barely under way in 1979, provides for a new American-Canadian civil and military radar network known as the Joint Surveillance System; the modification by the United States and Canada of the fighter-interceptor-aircraft system; the earmarking for NORAD for the first time of an unspecified number of up-to-date Airborne Warning and Control System aircraft; the development, also for the first time, of over-the-horizon backscatter radar designed to provide air-defense surveillance of the East and West coasts of North America as protection against end runs of the DEW Line; and, in general, the "enhancement," as the chiefs put it, of the DEW Line as a whole.

In addition, the Canadians have agreed to modernize their interceptor force by purchasing between 120 and 150 aircraft for a total of about \$2.4-billion. But despite a year's search for an appropriate plane, Canada has still to decide between the F-16 and the F-18-A, having discarded all other possibilities. The choice may be delayed for several more months—and it might well be years before the aircraft can be delivered.

Notwithstanding the new sense of urgency concerning the DEW Line, the United States

effort to upgrade the northern defenses is moving slowly—Defense Secretary Harold Brown said in his annual report for fiscal year 1980 that the Joint Surveillance System will be activated in Canada in 1981 and in Alaska in 1983. Technical testing of the backscatter radar, he said, will be completed by the end of 1980, and "we will then decide if system deployment would help satisfy our bomber-warning needs along the coastal air approaches to the United States." Brown also disclosed that, as a "long-term goal," the United States is studying the possibility of detecting bombers from space. This would involve sending up a new satellite surveillance system; Brown has called it the "TEAL RUBY Experiment."

The question remains just how adequate the new system will be. An unpublished congressional study says that the objective in modernizing NORAD "is not to create a force capable of turning back a determined bomber attack on North America"; rather, the goal is "to restore the Command's ability to deny enemy bombers a 'free ride,' i.e., an uncontested attack on the continent." In the meantime, the administration must decide fast what to do about the Backfire in terms of the SALT II agreement—because the realization of the weakness of the DEW Line has coincided with new, highly disturbing Soviet tests of the Backfire.

Intelligence data reaching Washington late in January showed that in recent months the Soviet Union had begun testing cruise-missile firings covering a 750-mile range from the nuclear-armed Backfire, a matter of vast concern to the United States.

At present, the tentative agreement is still to exclude the Backfire—as many as 300 of these bombers are believed to be operational for 1979—from SALT II limitations through acceptance of the argument that it does not constitute a strategic weapon. In return, Moscow is not demanding that our FB-111 fighter bombers stationed in Western Europe be included under treaty ceilings, although they clearly have a nuclear potential against targets in the Soviet Union. But, as previously mentioned, the Russians have a good reason for this tradeoff.

In the draft of the SALT II treaty, a medium bomber which has a cruise missile with a range of over 375 miles is a strategic weapon and therefore comes under the ceiling. But, as a senior Pentagon official privately remarked not long ago, the Backfire can launch a cruise missile against U.S. missile emplacements in North Dakota from a range of under 375 miles. All the Backfire has to do is penetrate the DEW Line at low level, pick up altitude to cross Canada, and then come down low again to fire the cruise missile "even from 100 miles."

Now that we know of this new Soviet capability—and realize the startling inadequacies of the DEW Line—the time may have come to rethink the Backfire problem in this context. And even if the terms of the treaty are changed, the United States, in practice, still remains immensely vulnerable to such attack. Thus the question: Why didn't anyone in authority think about this danger four years ago when the DEW Line was about to be given up as obsolete? ●

#### WELCOME TO NEWLY NATURALIZED AMERICANS

#### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 38 residents of Maryland's

Second Congressional District who have chosen to become American citizens, with all of the responsibilities as well as freedoms that citizenship entails. Please join me in welcoming these newly naturalized Americans and extending to them our very best wishes for a happy and prosperous life in their new homeland:

Mrs. Nora A. Stephenson, Mr. Chong Cho, Mrs. Hee Cho, Mrs. May Mar, Mr. Soon Chang, Mr. Perry Black, Mr. John Feng, Mr. Hui Choe, Mrs. Yong Choe, Mrs. Gloria Dank, Mr. Rolando B. D. Cruz, Mr. Abdul Kashim, Mr. Suk Jin Cho, Mr. Min Ho Cho, Mr. Angel A. Ruiz, Mrs. Pauline Fogarty Smith, Mrs. Grace Lu-Chi Yin, and Mrs. Bok Yo Chung.

Mr. Victor Tenorio, Mrs. Helena Sarikas, Mr. Marcello Legaluppi, Mrs. Luciana Legaluppi, Mrs. Filomena Da Conceicao Bream, Mr. Ba Yin Oung, Mr. Mohammad Manocheh, Mrs. Linda Laferman, Mrs. Ann Kung, Miss Kimberly Susan Jones, Ashley Lillian Murphy, Mrs. Anna Jaeger, Mrs. Jacqueline L. Redmond, Mrs. Shanta Agarwal, Mrs. Yu-Mei Wu, Mrs. Elizabeth Jones, Mrs. Hyun Soo Pak, Mrs. Soon Suck Hahn, Mr. Loreto Asegurado Abella, and Mr. Ranulfo Duarte Alvarez.●

**HOLOCAUST COMMEMORATION WEEK**

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ANDERSON of California. Mr. Speaker, April 22-28 has been declared a national week of holocaust commemoration in accordance with Public Law 95-371. It marks a tragic episode in the history of mankind and should serve to remind us that even an advanced and civilized society such as ours is capable of such unimaginable and inhuman conduct.

It has been more than 30 years since the madness of Nazi Germany. Certainly, we must now reflect on how we as a nation, as strong believers in tolerance and freedom, can assure that such an occurrence will never be repeated.

In my view, one way to do this is to make certain that criminal actions of past years are brought to justice. For this reason, I have joined in cosponsoring a measure proposed by Representative ELIZABETH HOLTZMAN urging the repeal or extension of the deadline for prosecuting Nazi-era atrocities. Unless changed, West Germany's statute of limitations for the prosecution of Nazi war criminals will expire on December 31, 1979. I urge our colleagues who have not already done so, to take the time during this holocaust commemoration week to join in this effort with their support.

Yesterday, in observance of this week, the Yeshiva University of Los Angeles dedicated the Simon Wiesenthal Center for Holocaust Studies. I would like to share with you an article from the Los Angeles Times which was written by the center's director, Efraim Zuroff. It offers some important thoughts for this occasion and indicates that the new Wiesen-

thal Center will have much to contribute to our understanding of the dark side of ourselves, and how this dark side, placed in the wrong set of circumstances, can result in tragedy almost beyond comprehension. This understanding is our best assurance that the people of the world will never again witness genocide, or be the victim of such a holocaust.

The article follows:

**HOLOCAUST COMMEMORATION WEEK: THE MOST FITTING MEMORIAL IS UNDERSTANDING**  
(By Efraim Zuroff)

President Carter has declared April 22-28 a national week of Holocaust commemoration. He will make a major statement on human rights, and a memorial service will be held in the National Cathedral.

I assume that many people will wonder at the sudden preoccupation with things that happened more than 30 years ago to people with little or no ostensible connection to this country. Therefore, the time is opportune to clarify the history of the Holocaust and its lessons.

The Holocaust was a unique Jewish tragedy, but it holds implications for all segments of American—indeed, Western—society. Among the Nazis' victims were millions of non-Jewish civilians: Gypsies, Serbs, Poles, Jehovah's Witnesses, homosexuals, the mentally ill. These people were not singled out for systematic total annihilation, as were the Jews, but their plight comes into the purview of the implications and lessons of those tragic events.

The Holocaust put our entire society on trial, and it is on that basis that the decision to establish an American memorial to its victims is best understood. The events in question were not a freak accident or quirk of history. They were the culmination of a historical process, the sum total of concrete political, economic and sociological factors. Thus it is within reason to suggest that, had certain elements in the scenario been different, the Holocaust might not have occurred. Our study of history is based on the assumption that man does have freedom of choice. By implication, we can learn from our past triumphs and failures.

What would have happened if effective measures had been taken against Hitler when he began to rearm Germany in violation of the Versailles Treaty? When he introduced conscription in 1935? When German troops marched into the demilitarized Rhineland in 1936? What would have happened had Czechoslovakia not been abandoned by its allies at Munich? If severe sanctions had been taken against Nazi Germany when the first concentration camps were opened in 1933? None of these measures had any connection with the "Jewish problem," yet all ultimately formed links in the chain of events that led to World War II and the deaths of millions.

The same hypothesis can be projected regarding the persecution and destruction of European Jewry. While there are a few references to the murder of Jews in "Mein Kampf" and in Hitler's speeches, there was no operative plan for systematic annihilation before the winter of 1940-41. Perhaps the Holocaust would never have taken place if the world had responded firmly and unequivocally to the 1933 boycott of Jewish shops and laws enacted that year to exclude Jews from the civil service and the Bar and limit the number of Jewish children allowed to attend German public schools, or to the 1935 Nuremberg laws or the Kristallnacht pogrom of 1938.

Within a year after the Nazis embarked on their plan to systematically murder the Jews of Europe, news of the Final Solution reached the West. Despite corroboration from

various sources, no serious attempt was made to rescue or aid the victims until January, 1944.

Late in the war, Jewish leaders begged the Allies to bomb the death camp at Auschwitz and/or the railway lines from Hungary to the camp. The response of John J. McCloy, assistant secretary of war, was that Auschwitz was not a military target, nor was the bombing technically feasible. It has been revealed, however, that Allied bombers were flying over the camp daily in order to bomb factories in the immediate vicinity.

In the fall of 1944, Heinrich Himmler, the SS head, halted the exterminations by gas at Auschwitz in the hope that such a step would lead to rapprochement between the Western allies and the Germans. The action was based on Himmler's belief that the Jews in the United States controlled American foreign policy and were responsible for America's entry into the war. While his views were obviously groundless, they do indicate the Nazis' sensitivity to public opinion, a factor that reinforces the hypothetical questions posited above.

The events of the Holocaust were a test of Western civilization. In each country, leaders were forced to make crucial decisions and individuals were forced to confront painful dilemmas. In occupied Europe, the question was collaboration, apathy or resistance—both on a national level and vis-a-vis the persecution of the Jews. Though perhaps not as pressing, the questions were quite similar in Allied countries. Should we go to war to defeat a totalitarian state whose avowed goal is the destruction of democracy? How should we respond to the persecution and murder of thousands of innocent civilians? Should we take measures to save the Jews of Europe being singled out for extermination by the Nazis?

Examining issues such as these should be the focal point of a commemorative week for the American public. Limiting observance to remembering the dead would be to miss the point.

Of course, the Holocaust also has dimensions that are best perceived and dealt with by Jews. It destroyed, for example, the demographic center of world Jewry (to date, the Jews are the only people who still have not recouped the population losses of World War II) and the center of Jewish learning, education and politics; 1.5 million children were killed, and irreplaceable cultural treasures lost.

While the American memorial to the Holocaust will undoubtedly relate to these specific losses, they are best mourned and commemorated through traditional Jewish rites. While non-Jews can commiserate with the tragedy of European Jewry, they should not be expected to identify with the destruction of Talmudic academies, synagogues, communal and educational institutions and cultural resources. Attempts by an American institution to deal with the Holocaust on that level are bound to be misunderstood by the American public, which might misconstrue the establishment of an American memorial as a political gesture by the President to enhance his standing with American Jewry and with Israeli Prime Minister Menachem Begin. It is therefore imperative that the Holocaust be dealt with as a watershed event for Western civilization, rather than as a one-time tragedy.

What must ultimately be understood as the universal lesson of the Holocaust period is that responsibility is the cornerstone of democracy.

Millions of lives were lost for the lack of that understanding. Our learning those lessons would mean that the martyrs' deaths were not entirely in vain. That, undoubtedly, would be the most fitting memorial.●

FOREIGN OIL TAX CREDIT SHOULD  
BE ELIMINATED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. CONYERS. Mr. Speaker, since 1961 foreign oil tax credits have enabled the major multinational oil companies to profit substantially from the purchase of imported oil. Cumulatively, from 1961 to the present, the foreign tax credits have cost the U.S. taxpayers in excess of \$10 billion. The tax credit represents a powerful incentive for these companies to import oil rather than to develop the domestic production of oil. Since the cost of imported oil is the major factor today behind inflation and poses a very serious threat to national security, the President recently indicated that the foreign oil tax credit ought to be eliminated. The following letter to the President, sent by the majority members of the House Subcommittee on Commerce, Consumer, and Monetary Affairs, spells out the way the foreign oil tax credit is working completely contrary to our national interest of bringing oil prices down and creating energy independence.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
COMMERCE, CONSUMER, AND  
MONETARY AFFAIRS SUBCOMMITTEE  
OF THE COMMITTEE ON GOVERNMENT  
OPERATIONS,

Washington, D.C., March 30, 1979.

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

DEAR MR. PRESIDENT: Our dependence on imported oil continues to push the American economy toward greater double-digit inflation and recession. If there is a single lesson in the developing oil situation, it is that the United States must find a way—one which is politically and administratively feasible—to limit oil imports, particularly those from OPEC nations. The need was urgent five years ago. It is even more so today.

On March 21, 1979, the Treasury Department released its report on the national security effects of oil imports. The report concludes that oil imports are entering the United States in such quantities and under such circumstances as to threaten to impair the national security. As a result the Secretary of the Treasury recommended to you that action be taken to increase domestic production of oil and gas by providing appropriate incentives and eliminating programs and regulations that inhibit the achievement of these goals. It is in this context that this letter is written and directed to you.

The Subcommittee on Commerce, Consumer and Monetary Affairs of the House Government Operations Committee has been studying the administration by the Department of Treasury and Internal Revenue Service of tax laws relating to foreign tax credits claimed by U.S. petroleum companies operating abroad as well as the subject of energy tax policy. Subcommittee hearings have been held on these subjects and a committee report has been issued which is entitled, "Foreign Tax Credits Claimed by U.S. Petroleum Companies". At the most recent hearings on March 13, 1979, it was proven that tax policies and tax administration greatly impact U.S. energy policy but we were disturbed to learn that national energy policy goals and oil tax policy analysis receive little or no consideration in the formulation and implementation of oil tax policy.

BACKGROUND

The key substantive issue is whether a foreign income tax is, in fact, a royalty or an income tax in the context of U.S. tax law. All domestic and Canadian petroleum producers pay such a royalty to the mineral landowner or excise taxes to local governments as a normal business expense which is deductible from its gross income; but under Sections 901-907 of the Tax Code, a company is given a direct credit against U.S. taxes for any "income tax" payment made to a foreign government. If a payment to a foreign government is deemed to be an "income tax" instead of a royalty, the tax benefits are considerably more valuable to the company, notwithstanding certain quantitative limitations placed on a petroleum company's use of foreign tax credits as a result of recent tax legislation.

OPEC-U.S. PETROLEUM COMPANIES AND THE TAX CREDITS

The OPEC cartel has never set the volume of oil to be produced among its member states. This is still left to each individual country. In some OPEC nations the decision is usually made in conjunction with the major oil companies who physically either take the oil out of the earth and/or out of the exporting country. The OPEC member state, as a seller, must reach agreement as to the volume of oil with the purchasing nations and the multinational oil companies who control distribution and marketing. Thus the companies still have considerable leverage in determining how much oil each OPEC member will produce.

The manner in which OPEC has succeeded in controlling world oil prices in turn is related to the "credibility" of foreign oil taxes claimed by U.S. companies. The individual OPEC member, seeking to maximize its revenues, works with the purchasing oil companies in structuring an appropriate formula to minimize the taxes which the companies have to pay to the U.S. Treasury and to the governments of other consuming countries. The higher the price of oil where tax credits are involved will also increase the tax credit and diminish the U.S. companies' U.S. tax payment. The credits allow the U.S. oil company to pay a minimum U.S. tax, generate and accumulate cash and is one of the major reasons why the U.S. international oil companies, in turn, become dependent on OPEC oil rather than domestic oil.

HOW IT OCCURRED

The current tax credit treatment originated in the early 1950's with rulings involving Saudi Arabia and Venezuela. At that time Saudi Arabia desired more revenue. The U.S. oil companies which owned and managed Arabian American Oil Co. (Aramco), originally, had so structured their accounting procedures that Aramco showed no profit, because the transfer price of crude oil from Aramco to the oil companies' refining and marketing subsidiaries was kept artificially low.

After consultation with U.S. oil and tax experts, Saudi Arabia, which did not possess an income tax system, decided to levy an "income tax" on Aramco (the sole producer in Saudi Arabia) in lieu of increasing its royalty for oil extraction. As a result the Government of Saudi Arabia decided to set the "posted" price of crude oil, regardless of what crude prices might be in the consumer markets. Accordingly the tax on Aramco would be based upon "posted" prices, artificially set at a level at which Aramco would make a profit and thereby have taxable income for the Government of Saudi Arabia. The Aramco response was to work with the Saudis to structure the arrangement so that the real impact of the Saudi tax would be borne by the consuming country's treasury and its consuming public rather than by company profits. The effect would be to shift the company's tax liability dollar-for-dollar

from the United States Treasury to Saudi Arabia's Treasury. Accordingly, Aramco requested a ruling from IRS that the payments made to Saudi Arabia would be in fact a creditable income tax.

The Secretary of the Treasury's office wrote four major memoranda from 1951 to 1954 emphatically opposing a favorable ruling on the ground that the payment was in fact an increased royalty exacted in the guise of an income tax. Treasury complained that the Saudi tax scheme was a "sham", the sole purpose of which was to increase Saudi revenues at the expense of the U.S. Treasury with no effect on the taxpaying oil company. In 1954 and 1955 the State Department and National Security Council intervened and, for foreign policy reasons, requested that a favorable ruling be issued so that the Saudi Government could receive additional revenues. Consequently, a favorable retroactive ruling was issued in 1955 with a resultant loss to the U.S. Treasury of approximately \$50 million for the 1950 tax year alone.

The device was the "posted" price and the foreign tax credit—created through a U.S. Treasury-IRS ruling that the involved companies would not have to pay income tax twice to different governments on the same income. Thus, any taxes paid by Aramco to Saudi Arabia became "creditable" against the U.S. tax liabilities of the oil companies. Other oil producing countries acting in concert with the U.S. international petroleum companies quickly followed the Saudi lead with increasing losses to the U.S. Treasury.

From that time on, the differential between market prices and posted prices increased. Until 1972, an over-abundance of oil supplies kept market prices relatively low, while posted prices were forced upward by the Saudi desire for more tax revenues. Oil company payments to producing countries became increasingly based on the posted price, artificially set without regard to market forces—actual profit or loss on the sale of a barrel of oil. As the producing country received a higher tax based on these artificial posted prices set by OPEC, the oil companies received increasing tax credits to wipe out their tax liabilities on other operations, primarily in the United States. In 1975, therefore, for all U.S. oil companies operating overseas, the foreign tax credit came to almost \$15 billion, reducing their taxes from almost \$18 billion to less than \$2.5 billion.

WHAT HAS OCCURRED

Prior to 1977, Treasury did not compile data on oil companies' foreign tax credits. When IRS did monitor prices it failed to take action and follow through on the information. Numerous field auditors raised technical questions with the IRS national office regarding the propriety of permitting continued foreign oil tax credit claims by U.S. oil companies. Yet for years there was little or no movement.

In fact, in 1976 and thereafter the State Department continued to press Treasury and IRS to refrain from enforcing the tax laws as they pertain to U.S. oil companies operating abroad. In 1976, for example, the Secretary of State wrote to the Secretary of Treasury requesting that he consider State's foreign policy goal of furthering production in OPEC countries and block issuance of a new ruling disallowing the foreign tax credits claimed by U.S. petroleum companies operating in Indonesia. On the surface this was not complied with. The ruling was made that the earlier Indonesian oil tax credit ruling was erroneous but the Secretary of Treasury ordered the effects of the ruling be made prospective and delayed. The Tax Reform Act of 1976 granted another one-year delay prior to the effective date of the Indonesian ruling. On May 9, 1978 a new IRS ruling was announced which allows tax credits for the U.S. oil companies operating in Indonesia.

In the 1976 Indonesian ruling, the IRS ruled that "taxes" paid in connection with

production sharing contracts were ineligible for a foreign tax credit unless they met the tests set forth in the ruling. The May 1978 ruling is significant for its conclusions about arm's-length bargaining. The IRS had ruled earlier that payments to a foreign government would not qualify as creditable foreign taxes unless the tax is imposed on income determined on the basis of arm's-length amounts actually realized in a manner consistent with U.S. income taxation principles. The contract that was considered in the new ruling and that was held to satisfy this test however, continues to give the Indonesian Government de facto control over price by permitting it "to reserve the right to ensure that amounts reported as gross income by contractors do in fact reflect the market value of production sold by them." Because OPEC sets price there is no independent market value for the oil and the new system is virtually identical to posted pricing. To the extent the Indonesian Government's revenues are reduced by substituting market values for posted prices, the companies will make up the difference through an additional royalty. The result focuses on form rather than substance.

It is fundamental that IRS will not recognize "tax avoidance schemes" which are attempts to place form over substance for the purpose of evading taxes. Taxpayers with lesser political clout would not be permitted to engage in such a sham arrangement. Nevertheless, we find it incredulous that Treasury and IRS have failed to effectively administer Section 901 of the Tax Code. Since 1961, the cumulative loss to the U.S. Treasury by permitting foreign oil taxes to be credited in lieu of deductions has been over \$10 billion; losses for 1974 through 1976 alone were \$6 billion; and the current rate of loss far exceeds \$1 billion per year. It is disturbing that Treasury and IRS have not demanded the 19 affected petroleum companies pay their statutorily required share of taxes. Although these companies were aware that their credits may not be justified under the tax laws, they have built up astronomical amounts of illegitimate credits without building adequate reserves in case of disallowance. It would be intolerable if Treasury options are forestalled because it fears disrupting an oil industry which intentionally created its own dilemma.

The subcommittee has also received testimony that intermediate domestic subsidiaries of U.S. petroleum companies "lose" money, and the profits through transfer pricing are moved out of the United States into subsidiaries—refineries and shipping companies—in foreign tax havens. The tax credits accumulated through operations in OPEC nations are then applied directly to profits of the tax haven subsidiary. As a result of the offset, the profits can then be repatriated to the United States with an effective tax rate of zero.

Further, Treasury has sanctified the British Petroleum Revenue Tax as a creditable foreign oil tax through the means of the United Kingdom Tax Treaty even though Treasury admits that the British tax is not an income tax and could not qualify under a tax ruling for credit. It is estimated that this action will cost the Treasury as much as \$600 million a year by 1983.

ENERGY POLICY FACTORS

We would like to point out that the current policy is in sharp contrast to the economic and energy goals as enunciated by your administration. Allowing tax credits for foreign royalty payments labeled as an income tax provides added income and incentive to explore and produce abroad at the expense of domestic production. Multinational petroleum companies have naturally invested their

limited capital in those areas where they achieve the highest rate of after-tax return. To the extent that foreign tax credits in lieu of royalty deductions benefit these companies, the government is providing an incentive to invest in OPEC countries which is not provided for domestic operations. Without these credits, companies will make their production and exploration decisions on the basis of which areas have the greatest economic and productive possibilities—influenced less by the economic distortions of tax advantages.

Furthermore, these credits place solely domestic producers who are not internationally integrated at a competitive disadvantage vis-a-vis multinationals. The latter are granted credits for what are really normal business expenses which are not available to domestic producers.

Even with the decontrol of U.S. produced oil, if the current tax credit treatment is retained, the incentive to import from OPEC rather than develop domestically produced oil will continue. Domestic crude oil will cost refiners the same as imports. Therefore, there will be no cost advantage to purchase domestic crude. For multinational firms, the after-tax cost of imported crude will effectively be less than domestic because the will enjoy greater after-tax profits on imports. It then would be natural for them to allow their domestic production to decline and import more. Currently, approximately 150,000 production and maintenance jobs are lost in the domestic oil industry due to oil imports—a number which will certainly increase if tax credits continue. Meanwhile, it is doubtful whether Treasury or the Department of Energy could have taken these factors into account in drafting the energy tax provisions since neither had data on the after-tax profits from the foreign operations of U.S. petroleum companies.

The multinational petroleum companies have predicted dire consequences from the elimination of tax credits but, on examination, their fears are unfounded. There would be three possible economic effects from elimination of these credits: first, the petroleum companies would enjoy lower after-tax profits from foreign operations, which would lead to greater domestic activity or renegotiation of contractual arrangements with OPEC countries; secondly, the companies could pass on their loss of a U.S. Treasury tax subsidy, resulting in slightly lower net revenues received by OPEC countries; and, third, a slightly higher cost for imported crude, which would further conserve and lower reliance on imported oil. It is likely the result will be a combination of all three.

We hope that your administration will seriously review the present policy regarding these tax credits and act in accord with the overwhelming weight of evidence presented to the subcommittee and revoke the improper tax credits claimed by U.S. petroleum companies.

Sincerely,

BENJAMIN S. ROSENTHAL,  
ROBERT T. MATSUI,  
EUGENE V. ATKINSON,  
FERNAND J. ST GERMAIN,  
ELLIOTT H. LEVITAS,  
JOHN CONYERS,  
ANTHONY T. MOFFETT. ●

THE DECRIMINALIZATION OF GIVING

HON. JAMES G. MARTIN

OF NORTH CAROLINA  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MARTIN. Mr. Speaker, since 1942, the Federal gift tax exclusion has been \$3,000 per year. That is the amount one

person can give another without running into estate or gift tax implications. As we know, dodging taxes is a crime.

Back when the exclusion was set at \$3,000, that was quite a bit of money. It would buy a luxury car, a year's total expenses at the most prestigious college, a trip around the world. To put it in another perspective, at that time a constituent bought an acre of land in Westchester County, New York—across the road from the Rockefeller Estate—for a third of that amount.

It is pretty clear that the \$3,000 exclusion is woefully out of date. I am today introducing legislation to raise the exclusion to \$5,000. That restores it to the amount at which it was set in 1932 before the wartime tax increases. In no way does a 40-percent increase in the exclusion compensate for inflation since 1942, but it is a start and it will allow exclusion of normal gifts such as cars for nephews and college costs for granddaughters. There is no public virtue at all in making such gifts or their equivalent value subject to tax and criminal implications. ●

BEN DAVIS COMMUNITY CENTENNIAL

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. EVANS of Indiana. Mr. Speaker, I would like to call to the attention of my colleagues the approaching celebration of the Ben Davis Centennial. Located about 6 miles west of Indianapolis, Ben Davis was founded in much the same manner as other Midwest communities.

Many of us have our roots in these small towns which were once just a fork in the road, a bend in the river, or in the case of Ben Davis, a railroad station. It was in these communities we learned the values that made our society strong and healthy and continue to give meaning to our lives today. Towns where family, church, and a close spirit of community were the major influences in our lives. We often lose a sense of that close-knit caring atmosphere in this era where efficiency is sometimes valued beyond human warmth.

I know my colleagues will enjoy this fine article about the Ben Davis community and experience a sense of nostalgia for those villages that were once our home.

BEN DAVIS TO MARK 100TH ANNIVERSARY OF RAILROAD STATION OPENING  
(By Rob Schneider)

Ben Davis.

Its Methodist Church had two Catholic ladies in the choir, the state police tried to catch John Dillinger there and a committee once tried to change its name because some people thought Ben Davis sounded too much like an apple.

Ben Davis, which was never incorporated, jumped into existence in the late 1800s at a time when the railroad was king and the main occupation of those living there was farming.

Ben Davis, located six miles west of Indianapolis, will celebrate the 100th anniversary of the opening of its railroad station July 19-22.

The early history of Ben Davis is similar to that of other towns that sprang up around the country throughout the 19th century.

As the story goes, a little community that included a sawmill, general store and blacksmith shop, grew up along the Vandalla Railroad. Businessmen and farmers who were tired of making the six-mile drive to Indianapolis with their goods, decided to petition the railroad to make a stop in their community.

A committee, headed by Charlie Minnemeier, the sawmill operator, went to Indianapolis to talk to Benjamin Davis, a superintendent of the railroad.

Davis suggested the committee build a loading platform in the middle of town, which the committee quickly did. And then the question arose: What name should be listed in the Vandalla Railroad schedule to indicate the stop.

A meeting was called to choose a name and as one popular story has it, someone stood up and shouted, "Oh, let's call it Ben Davis," and the name stuck. Two years later, the railroad authorized the community to build a station which was completed in July of 1879.

The station, which at one time included a general store and post office, was the center of community life until it was abandoned in 1906. The station was closed after the railroad lost its customers to the Indianapolis-Terre Haute traction line which offered more frequent service to Indianapolis.

After the station was abandoned, a committee headed by C. C. Pike, an Indianapolis photographer, tried to get the name of Ben Davis changed to Inola.

The group believe many persons associated the name of Ben Davis with the apple mentioned by Kin Hubbard's Abe Martin. The group managed to get the name of Inola placed on the interurban schedule but the oldtimers protested and the name of Ben Davis finally won out.

Unlike other communities that lost their spirit along with their railroad station, Ben Davis has remained a community whose boundaries are often extended enough to allow Westside Indianapolis residents to claim, "I'm from Ben Davis."

It was a community made up of "just good, hard working people," Gordon E. Harker, a member of the centennial celebration committee said. "They were God-fearing people and we learned from them."

In place of the non-existent town government, energies of the residents were absorbed by the local Methodist Church and the Wayne Township schools.

Once in the 1920s, a parent-teacher group united to save the high school from losing its accreditation over minor violations.

As the story goes, regulations required that each classroom be equipped with a minimum number of teaching materials, including pictures on the walls, but because of financial problems, the school was short.

On the appointed day for the inspection, a group of parents showed up at the school and as the inspector moved from classroom to classroom, parents would take pictures off the walls of classroom the inspector had visited and race ahead to a classroom yet to be seen by the inspector.

The school passed the examination but as the inspector left the building he was heard to remark that he had "never seen a school with so many of the same pictures."

The growth of Indianapolis has long since wiped out any borders between it and Ben Davis but in 1907, the year Mary McClelland, a former teacher and principal in Wayne Township schools was born, things were much different.

As her mother had been before her, she was born in a house at High School Road and Morris Street. Her father operated a 120-acre

farm. When her father couldn't be in the fields, he hauled gravel in a horse-drawn wagon.

At that time, Washington Street was a corduroy road—dirt and gravel poured over closely packed logs. The gravel was used to repair holes in the street.

A trip to Indianapolis in a horse and buggy was an all day affair. "It was really something to go downtown," Miss McClelland recalled.

One of the first sights a traveler would see was "old Jake Mickley's store," which was located at Mickleyville Toll Gate (Washington and Morris Streets.) A traveler could count on being able to buy hay and getting fresh water there.

In 1910, a tornado destroyed many of the businesses of Ben Davis and Miss McClelland has memories of surveying the damage from the back of a wagon with "grandfather Scudder."

One favorite story to emerge from the storm was that a washtub belonging to a Ben Davis family was later found in Greenfield.

School was held in a 4-room building built in 1892. It was not uncommon to have 40 to 50 children in a class, Miss McClelland said. Two of the rooms were used for elementary grades while the others were used for high school pupils.

Her grandfather, who served as township trustee, caused a controversy in Ben Davis in 1915 when he had the new high school built in the middle of the township instead of closer to Clermont, which was then an up and coming little town.

As the schools brought students and parents together during the week, the Mount Olive Methodist Church, 1449 South High School Road, served as a community church and meeting place.

The church has had several different names over the years and has had its ups and downs since it was organized in 1870 and built in 1871. It burned down in 1898 but was quickly rebuilt. However, the 1910 tornado "blew it away." Chester Corwin, a member of the centennial committee and church historian, said.

A new church was built in 1912 and remodeled in 1949. Another fire destroyed the church in 1952 and it was eventually rebuilt by the end of the 1950s.

At one time it was the only church of any denomination between Warman Avenue and the town of Bridgeport, Corwin said. During the depression in the 1930s when 75 percent of men of the church were out of work, people brought garden goods to the church to provide food for needy families.

One of Corwin's early memories of Ben Davis includes the attempted capture of Indiana's most famous bank robber, John Dillinger.

Corwin was standing in a driveway of a friend's home off of High School Road when he and his friends heard something like "fireworks." Suddenly, "a Franklin sedan passed within 30 feet of us as hard as it could go." The car was being chased by an armored Studebaker filled with state police.

Corwin later learned a U.S. deputy marshal had been standing nearby on High School Road and had fired at the sedan with a .45-caliber pistol as it passed Corwin and his friends.

"Ben Davis no longer exists as I knew it," Harker, who also was a teacher and principal said. He recalled the days when as a 12-year-old newspaper carrier, he would sit on a plank fence and watch the trains rumble by. "I didn't take as much interest in the president as an engineer on the railroad," Harker said.

The changes that have occurred are most apparent "when you go to the airport," he said. "Sixty-five years ago, High School Road

was nothing more than a dirt road . . . and yet here I am today boarding a plane that can take me around the world in 48 hours."

Norris Archer, public relations director for the airport, and president of the centennial committee, said there are more than 40 supporting organizations backing the celebration. The idea for celebrating the centennial emerged after Archer and Daniel C. Orcutt, executive director of the airport, investigated the possibility of erecting a memorial to Benjamin Davis. ●

## THE SAD STATE OF URBAN MASS TRANSPORTATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DORNAN. Mr. Speaker, during the recent oversight hearings on ground transportation modes research and development before the Subcommittee on Transportation, Aviation and Communications, on which I serve, received a rather remarkable statement from the representative of Boeing Aerospace Co., Mr. John B. Crosetto, director of Automated Transportation Systems Division.

To my mind, Mr. Crosetto's statement contains the most straightforward description of the deplorable condition of urban mass transportation in the United States. Transportation accounts for almost 70 percent of our oil requirements. If we consider the rapidly growing need for alternatives to the automobile, lessening the burden on our consumers, the issue is brought into stark relief. We currently suffer from a relatively low level of urban transportation planning and development. In fact, the need, for research and development program was not even mentioned in the "Transportation Policy For a Changing America" a report published by the Department of Transportation in February of this year. Once again, the short-sightedness of official policy aggravates the fuel consumption pressures that burden our economy with higher prices and increased hardships for the American consumer. I fear that our cities will be thrown headlong into a major crisis as fuel costs and shortages increase.

I hope that my colleagues will find Mr. Crosetto's views as thought-provoking as have the members of our Subcommittee. I would ask my colleagues to give them their attention:

### A STATEMENT ON RESEARCH AND DEVELOPMENT IN U.S. URBAN TRANSIT

(Figures referred to not printed in the RECORD)

Mr. Chairman and members of the Committee:

My name is John Crosetto, Director of Automated Transportation Systems for the Boeing Aerospace Company. It is a privilege to appear before this committee to discuss with you the subject of research and development in U.S. urban transit and related matters of policy.

With me today are Clare Adriance, Product Development Manager, and David Osmer, Transit Technology Manager in my organization. These gentlemen have assisted me in the

preparation of data for the record of these hearings.

#### HISTORICAL SUMMARY OF UMTA SPENDING

I will present a brief historical summary of UMTA spending from which some aspects of policy are evident. I will also offer my opinion regarding policy issues that underlie major U.S. transit industry problems. Finally, I will cite a current example of the anemia from which UMTA R&D suffers, illustrate the potential impact of this neglect on our transit community, and offer specific suggestions for improving the situation.

My comments pertain to the aspects of urban transportation exclusive of the private automobile; that is, the bus, rail, and automated guideway transit (AGT) systems that constitute a small but critical sector of our urban transit society.

Beyond question, the private automobile dominates urban transportation in the United States. I have no argument with the opening remarks of the chairman or those of DOT Secretary Adams on March 20, 1979, recognizing the dominant role of the automobile in our country and the need to reexamine Federal policy in regard to the automobile: to get DOT more involved in the development of automotive improvements. Although DOT has a long way to go to approach the level of investment for R&D that our private auto industry makes each year, I believe they can and should help.

However, improvements in the automobile alone are not enough. Even with a 100% efficient engine, the energy efficiency of the automobile cannot exceed 100% so long as we insist on transporting one 200-pound person in a machine that weighs 2,000 to 4,000 pounds.

Some of our freeways and most of our cities cannot accommodate a 2,000-to-4,000-pound automobile for each person with a need to travel. The nondrivers in our society cannot be ignored. This is the area in urban transit that I will address.

The data in my presentation will support the conclusion that UMTA R&D is not adequate to meet national needs and, furthermore, that UMTA policy has been, and is today, clearly ineffectual in coping with issues confronting U.S. urban transit. We are suffering from a massive cancer that is the result of our addiction to the automobile and its insatiable appetite for petroleum, and UMTA policy has said, in effect, "Take two aspirin and call me in the morning."

May I say, at the outset that I am not here to criticize any individual or group of individuals within DOT. I am criticizing the policies and practices that relate to UMTA R&D. I am criticizing Congress in general and the members of the Committee on Science and Technology in particular, since you are among the champions of science. In the final analysis, I am also criticizing myself, as a citizen, for my complacency and my reluctance to get more involved in the democratic process.

As a basis for my conclusion, figure 1 summarizes spending for capital grants, operations and maintenance (O&M), and R&D from 1968, the year UMTA was formed, to the present, including monies planned through fiscal year 1980. Presidents, DOT secretaries, and UMTA administrators in office during this period are identified across the bottom.

In the past 5 years we've been spending lots of money for new construction, new equipment, and O&M subsidies but relatively little money for research and development. Actual and projected spending for R&D from 1975 through 1980 is less than 3% of the total, a smaller percentage for R&D than any other comparable agency in U.S. Government. The trend in UMTA R&D spending in terms of real dollars is actually negative, since the rate of increase is less than the rate of inflation in recent years. If you expect to re-

verse the trend in O&M spending within 10 years, one of your better choices is to reverse the trend in R&D spending now.

The dramatic rise in capital and O&M spending has been justified, in part, to attract people from their automobiles and into public transit. Figure 2, derived from data published by the American Public Transit Association, shows that while transit operating costs have gone up 70% over the last 5 years, ridership has increased only 8% during the same period. What is not evident, however, is that notwithstanding the small increases in absolute numbers of transit riders, the percentage of urban travelers using transit continues to decline.

Clearly, pouring more money into the development of conventional systems and into operating subsidies (the sugar-coated pill) is not solving the problem. Our policies and practices are not working. Whatever magic is required to get people out of their cars and into mass transit hasn't been found. Cheap transit fares and high gas prices aren't enough. The trends portend disaster, and the Surface Transportation Assistance Act of 1978 (Public Law 95-599) offers no hope for improvement. Although I endorse several philosophical changes within PL 95-599, the Act is basically nonresponsive to the long-term needs of our society. The tabular data in figure 3 (estimates of the American Public Transit Association) reflect Congressional approval of more money for O&M subsidies and less money for R&D. These data are the basis for my reference to the "two aspirin" approach toward the cancer in U.S. urban transit. PL 95-599 is short-term medicine. With the obvious lid on R&D, there is no hope for a cure.

#### DECLINING STATUS OF U.S. URBAN TRANSIT

More and better R&D can open the door to a way out. President Carter has been quoted on several occasions expressing his concern that the United States is falling to do the research to maintain technological leadership among nations. This is especially true in urban transit. In comparison with Japan and most of Western Europe, we're a second-rate nation in urban transit, not only in service to transit riders but also in our ability to manufacture. The strong and powerful industrial base that has symbolized America is simply not there in urban transit. Except for the auto industry, the U.S. transit industry is not the dynamic, competitive, efficient industry we envision in U.S. ideology. With the recent decision by Pullman to stop making rail passenger cars, the U.S. rail transit industry has dwindled to one manufacturer, Budd, now owned by the German steel manufacturer Thyssen AG. The last seven rail procurements in U.S. urban transit have gone to foreign-controlled interests.

The most recent bid request for new transit cars (Baltimore/Miami for 208 cars) got but a single bid—from the German-owned Budd-Thyssen AG.

The U.S. bus industry is down to two principal contenders: General Motors and Grumman Flexible. This is not a viable competitive situation. Flexible sales in 1978 were less than one-tenth of 1% of GM sales. According to Business Week, March 26, 1979, Grumman Flexible will decline to bid on the Transbus program because it's a "risky venture." And no one builds trolley cars in the U.S. any more. The U.S. in general builds automobiles and trucks; GM in particular builds buses. That, in a nutshell, is the U.S. urban transit equipment industry.

This situation is particularly ironic in view of statements like "the private sector should bear primary responsibility for meeting the nation's transportation needs . . ." an excerpt from page 1 of "A Statement of National Transportation Policy" issued by then Secretary Coleman on September 17, 1975. On page 3, "A dynamic, competitive, and efficient private sector should meet the

Nation's transportation needs to the maximum extent feasible."

If there are some here who are thinking "If the market is there, industry will be there," may I point out that Government policy creates and dominates the U.S. transit market. The business is there only so long as the 80-20 matching funds are there. Clearly, Uncle Sam is the buyer and his policies to date have been demotivating to private industry. No U.S. manufacturer outside the auto-bus industry has been able to make a sustaining profit in this business for more than a decade.

#### TRANSIT SYSTEM PROCUREMENT PRACTICES

Transit system procurement practices are a large part of this problem. They have been described as a fixed-price, low-ball system under the pretext that "low bidder wins" serves the best interests of the buyer. The day the contract is awarded, the buyer and seller are forced into an adversarial relationship. The seller is motivated to spend as little as possible to meet the contract; he's been forced to cut corners to win. The buyer is motivated to hold the contractor's feet to the fire no matter what. This system may work well when you're buying door knobs or large quantities of other high-production hardware, but it does not work well when newly developed equipment or when you're buying "systems" rather than hardware.

The procurement process should have the capacity and the flexibility to recognize and be responsive to the subtleties of complex systems. In the long run we need procurement policy that causes the supplier, the customer, the user, and Uncle Sam to work for the same objective, namely, a system that meets the needs of the customer and the user at a reasonable cost to own and operate.

Can you imagine what our NASA program of the 1960's might have been if President Kennedy had added—after his inspirational commitment to put a U.S. astronaut on the Moon—"By the way, we expect all this hardware to be bought under fixed-price ground rules, and private industry will be held responsible for every aspect of performance no matter what happens."

Industry and the local transit properties aren't going to find a way out of this dilemma. Both are looking to UMTA and the Federal Government for a way out. We hear words that recognize the problem, but we see no leadership and no action to solve the problem. It's time that changed.

As a representative of industry, I realize that several people in this audience may question the objectivity of my thoughts on procurement policy; consequently, I won't continue on this subject. I will say, flatly, that procurement policy has an extremely powerful impact on industry as well as on the entire transit community. If you want to re-create a viable transit equipment industry in the United States, put "Change procurement policy and practices" high on your list of things to do.

#### SUMMARIZING THE U.S. TRANSIT PROBLEM

In summary, gentleman, for more than a decade we've been trying to cope with the gradual deterioration of our urban transit world, and we are losing the battle. Our transit industry is decimated; transit ridership is going nowhere; the tax burden exceeds \$2 billion a year and is rising; we're running out of gasoline; and worst of all the Federal Government, as evidenced by PL 95-599, is not willing to pay the price to do the work, through R&D, to develop the alternatives we need so desperately. The most recent statement of policy from DOT, Transportation Policy for a Changing America, released in February 1978, makes no mention whatsoever of research and development.

My comments so far have been critical of the general policies and practices that have

evolved through DOT and UMTA as these agencies have matured. In my judgment this record is not the result of policy but rather of an absence of policy, at least for the long term. We are confronted with a compelling need to change. Our appetite for petroleum is undiminished, but the feast is over. We need alternatives, but we don't have them. We need motivations to find alternatives, but we don't have them. We need a national commitment to urban transit that transcends the 4-year election cycle. We need a commitment to press forward, through R&D, that can survive the buffering of real-world pressures year after year after year. ●

#### COMMUNICATIONS WEEK AT CAL STATE—FULLERTON

### HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DANNEMEYER. Mr. Speaker, in order to discuss a holistic approach of communications systems for the coming decade, the students and faculty of the California State University of Fullerton will hold Communications Week, beginning the last day of April.

The week's activities will focus on bringing the various disciplines of communications—advertising, public relations, television, radio and film, and journalism—together so that these groups can witness the accomplishments of their collective force.

Despite cutbacks following the passage of proposition 13 which have forced many schools to eliminate programs of this nature, students and faculty have volunteered their time and effort to plan, research, follow through, and evaluate this week devoted to communications.

Financial assistance has been provided through various local businesses, and professional communications organizations have volunteered their help.

Communications Week is cosponsored by the Communications Department of the California State University, Fullerton, which is the fourth largest America; Sigma Delta Chi/Society of Professional Journalists; Women in Orange County Advertising Federation; International Industrial Television Association; Orange County Press Club; California Press Women, Inc.; and other professional organizations.

To help students recognize some of the problems and needs of the 1980's, professionals from the various fields of communications will attend to interact with students. They will also make observations on the communication process.

Two featured speakers will be Ben Bagdikian, a nationally noted media critic and author, and winner of the Pulitzer Prize and the Peabody Award; and Roy Neal, a national correspondent for the NBC Nightly News.

Also present will be Jean Otto, national president-elect of Sigma Delta Chi/the Society of Professional Journalists; Bob Bennyhoff, regional executive for the United Press International; and Irma Kalish, past producer of "Carter

Country" and "Good Times," who is currently the special projects director for Paramount Pictures.

Other professionals include Roger Fidler, director of graphic design for the Knight-Ridder newspaper group; George Ramos, staff writer for the Los Angeles Times; and Dave Rosenberger, technical representative for Canon.

Dick Lynels, an investigative reporter for the Riverside Press Enterprise, and a member of the Arizona Project Investigative Reporters and Editors Team; Pat Jackson, the national president-elect of the Public Relations Society of America, and Jim Carlson and Terry McDonal, story editors of "Battlestar Galactica" will also be available to talk with students and faculty.

Chuck Bore and Don Richman, partners and owners of Chuck Blore & Don Richman, Inc., a creative agency which has worked with many major advertisers will also be present, along with Allen Center, public relations professor at San Diego State University, and co-author of the books *Effective Public Relations and Public Relations Practices*.

"Television and Film in Business, Industry and Education" will be the topic for discussion by Alma Lewis, producer/director of General Telephone and Electric, and John Dyas and Ron Underwood of Barr films of Pasadena.

Douglas Ann Newsom, professor of Journalism at Texas Christian University, and author of the book *This is PR*; and Barbara Riegle, Orange County bureau chief of KFVB Radio, will also be present.

Panel discussions will include an International Association of Business Communicators panel consisting of Don McGullough, manager of Corporate Communications for Hughes Aircraft, Inc.; Jerry Hardy, a professional graphics designer for Lacacchiapo Advertising and art director of *New Worlds Magazine*, published by the Irvine Co., and Greg Nieman, communications manager of the Pacific Region for the United Parcel Service.

Local business organizations that are involved in Communications Week include the Fluor Corp., which will host an awards dinner at the conclusion of Communications Week, the Hughes Corp. which is responsible for invitations, Pacific Mutual who has donated funds for program printing, Hunt-Wesson Foods who will sponsor a hospitality room, and Carl Karcher Enterprises who will host a reception for local community college and high school students.

Warner Brothers is donating a film preview and support has also been received from such firms as Century 21, Anthony Schools, Allstate Insurance, and Cochran & Chase Co. who have provided funds for awards for excellence.

The Irvine Co. has also provided funding for a student-edited/produced magazine for 3,000 students and professionals.

Other local businesses and individuals have contributed to Communications Week, although on a smaller scale.

Because of the high caliber of this event, I would therefore like to recognize and express support for those involved

in Communications Week and the California State University of Fullerton. ●

#### THE RHODESIAN ELECTIONS

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ASHBROOK. Mr. Speaker, there is a new Government in Rhodesia, but, incredibly, the United States is not leading the free nations of the world in welcoming this pro-West democracy. After years of calling for majority rule in Rhodesia, we now have a democratically elected government in one of the most free and open elections ever held on the continent of Africa. Yet the White House has remained silent on even recognizing that an election took place. A recent editorial in the Washington Post outlines the blatant hypocrisy of the White House position, or nonposition on this important matter:

#### SANCTIMONY AND RHODESIA

Saturday the voting ended in Rhodesia. Sunday the talk was all about how free and fair—or unfree and unfair—the balloting had been. But it will be several days, anyway, before both the local and international results are in. So this seems as good a moment as any to pause for a few reflections on the way the international community has behaved in relation to the elections. Two words come immediately to mind. One is hypocrisy. The other is arrogance.

On the hypocrisy front the only question is where to begin. One place would be with those African, Third World, Soviet-connected and other states whose fastidious concern for democracy in Rhodesia tends to mask the fact that they wouldn't know a free election if the fell over one—and aren't, in any case, in much danger of falling over one, since they wouldn't let free elections go forward anywhere near their own political turf. Another place to begin would be in the Byzantine inner reaches of Anglo-American policy. It is the worst-kept secret in Washington that ambiguity, at best, marks the official U.S. attitude toward these elections. For there is within the administration a powerful strain of feeling that the fairer and more representative these particular Rhodesian elections may be shown to have been, the more politically inconvenient and even destructive they will be to U.S.-British efforts to make a deal with the Rhodesian guerrillas who refused to participate.

Even when policy-makers still entertained some flimsy hope that the Patriotic-Front guerrilla forces of Joshua Nkomo and Robert Mugabe would participate in broader internationally sanctioned elections, they were acknowledging that such elections would be a kind of sham, since they conceded that if the guerrillas lost they would not accept the results. Then what has the U.S. government been doing making such a big deal of its concern for the democratic process in Rhodesia? For one thing, establishing a record.

It also happens that under the provisions of a 1978 foreign-aid law, the president, in order to decide whether or not to lift sanctions against Rhodesia, is obliged to decide whether "A government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers." And it is in part this provision

which brought the flock of international poll-watchers to Rhodesia.

Reading the accounts of their preliminary findings and impressions in yesterday's papers, we felt we were in the presence of some grotesque, unintended comedy. There was the fine weighing of whether the more than 60 percent of the predominantly black electorate that did participate (against previous predictions) were pushed or forced or deceived or bought or told what to do or . . . well, you know the rest. You know the rest, of course, from intimate familiarity with it at home. A little over a decade ago, when this country had just succeeded, with much conflict, in passing legislation to help black Americans exercise the right to vote and when Richard Daley was still running Chicago and the Watergate election-money-laundry and dirty-campaign-tricks business had yet to get going—way back then observers were sent to South Vietnam to judge whether the wartime elections in that country which had not had a democratic tradition were—well—pure enough for us. This week we are trying to take the same kind of soundings in Rhodesia.

It is possible to understand, if not necessarily to love, the American government's perception of political necessity and U.S. interest in Rhodesia. And it is even possible to see how a black internal-forces voting success in a relatively fair election could work against the best outcome for U.S. policy. But there remains something wholly unattractive in this spectacle of people playing at a concern for free elections. And this is especially true when it is inconceivable that the United States would expect the Patriotic Front, if it won the war, to hold elections of any kind. By any international standard of democratic practice you care to invoke, the Rhodesians did pretty well. But that wasn't really what the argument over who shall rule Rhodesia has been about. The quality of the elections was a fake issue, and democratic values ultimately have to suffer when even their best friends treat them lightly. ●

#### THE CONSTITUTIONALITY OF THE PANAMA CANAL IMPLEMENTING LEGISLATION

**HON. ROBERT K. DORNAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. DORNAN. Mr. Speaker, during the Senate debates on the Panama Canal Treaty of 1977, Prof. Raoul Berger of Harvard University Law School testified before the Senate Committee on the Separation of Powers concerning the constitutionality of the Senate transfer by treaty of properties belonging to the United States without the permission of the House of Representatives. The thrust of Professor Berger's testimony was that under the Constitution, article IV, section 3, only both Houses of the Congress have the legal power to dispose of U.S. territory or property, including the Panama Canal.

Though the Senate chose to ignore the rights of the House of Representatives, many Members of the Congress have belatedly come to recognize the gravity of that constitutional issue. The wisdom of Professor Berger's position has been enhanced by the growing awareness of Members of the Congress that there is more involved in the treaty debate than

the question of tolls, the good or bad behavior of the successors of General Torrijos, the competence of Panamanian administrators, and so forth. The weight of Professor Berger's original testimony was even greater because, among other things, he favored the passage of the Panama Canal Treaty of 1977.

Mr. Speaker, I imagine that the debate on the implementing legislation which is to come before this House in a few weeks will touch upon innumerable issues including the cost of the transfer of the canal to the American people, the contribution of the treaty to the maintenance of our commercial relations, its contribution to our relations with our Latin American neighbors and the impact of the agreement on our national security and our geopolitical position.

I know that these matters will tax the time and, I daresay, the patience of Members of this House. But through it all, I fear that like an oppressive humidity on a summer day, we will assume that the matter is largely out of our hands; that the President and the Senate, rightfully or wrongfully, has, by constitutional authority, assigned the House of Representatives an unfortunate set of circumstances with which we will have to live. We will be asked, from time to time, to make the best of a bad situation.

Mr. Speaker, my problem with those who ask us to follow this advice is that they generally have no conception how bad our situation really is. I confess that I was unaware of how bad it is until I, and other members of the Panama Canal Subcommittee, received testimony from Dr. Charles Breecher, a former State Department officer and a prominent member of the American Society of International Law. Dr. Breecher contends that certain provisions of the Panama Canal Treaty are clearly unconstitutional. When he presented his testimony before the Panama Canal Subcommittee, he was not effectively challenged on the conclusions of his argument by either members or staff.

Mr. Speaker, the constitutional issues Dr. Breecher has raised will not go away. I think it is important that all of the Members of the House familiarize themselves with these issues. As with the testimony of Prof. Raoul Berger before the Senate Subcommittee on the Separation of Powers, we are confronted with grave constitutional objections to the Panama Canal Treaty which may render the very best of our efforts to implement such a treaty null and void.

In the interest of bringing the substance and the impressive scholarship of Dr. Breecher to the attention of my colleagues, I submit for the RECORD today a portion of his March 7, 1979 testimony before the Panama Canal Subcommittee:

#### STATEMENT ON PANAMA CANAL TREATY IMPLEMENTING LEGISLATION

Mr. Chairman, I greatly appreciate this opportunity and privilege to testify before this Committee. My testimony concerns one point only, but a point of fundamental importance: that the proposed legislation, which attempts to set up the Panama Canal Commission, a United States Government Agency, in accordance with the provisions of the Panama Canal Treaty of 1977, is in con-

flict with the provisions of the U.S. Constitution. The legislation introduced by the Executive Branch is unconstitutional beyond any reasonable doubt.

Unconstitutional beyond any reasonable doubt is a very strong and most unusual statement. To show that these are not the rantings of some ultra-right crackpot indulging in legal fantasies. I would ask the Committee's consent that my bio-data be made part of the record. Briefly, I am a former Government official, very familiar with Treaty negotiations from my long service with the Department of State, hold various degrees in law and economics, and am a long-term member of the American Society of International Law. While I do not wish to conceal that I have criticized the Panama Canal Treaty on various financial and military aspects also, these are not relevant to my testimony. The Panama Canal is not an emotional issue with me. But the U.S. Constitution is, the same as with the vast majority of Americans.

Mr. Chairman, showing that the setting up of the Panama Canal Commission as ordained in the Treaty is unconstitutional is not one of those difficult and controversial legal matters on which scholars, lawyers and Supreme Court Justices might disagree. I have yet to hear one respectable legal argument in rebuttal, after many months of discussions and correspondence with knowledgeable jurists. It is a simple, straightforward issue, even though hitherto not fully debated.

The Panama Canal Commission is a United States Government Agency. Accordingly, all its nine members including the four Panamanian nationals, are civil officers of the United States. But does the U.S. Constitution alone of all Constitutions on earth, permit non-resident foreign nationals to become civil officers of the United States? Does the U.S. Constitution allow the Congress to create certain offices under the United States and then exclude all 220 million American citizens from these offices? Does our Constitution allow a foreign Government to have control over the appointment and removal of U.S. civil officers? The answer which I believe the average citizen would give without hesitation, must be no on all points. I will now show in detail that the U.S. Constitution, as interpreted by Supreme Court decisions, precludes these unprecedented provisions of the Panama Canal Treaty of 1977 to be implemented by U.S. legislation.

Here, for convenience, is the text of Art. III, par. 3 of the Panama Canal Treaty of 1977:

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the Laws of the United States of America.

a) The Panama Canal Commission shall be supervised by a Board composed of nine members, five of whom shall be nationals of the United States of America, and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such a request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position in a timely manner. In case of removal of a Panamanian member of the Board at the initiative of the United States of America, both Parties will consult

in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

Enacted into law, these provisions would give a foreign Government de facto control over an important U.S. Government Agency. If they can be enacted by the Congress under the U.S. Constitution, this would mean that the President and the Congress, backed up by a two-thirds vote in the Senate, have the power to place the American people under foreign domination, with all non-elected executive and judicial officers of the U.S. Government being non-resident aliens owing loyalty to their Governments rather than to the United States. This is a startling and indeed preposterous thesis of the extent of Presidential and Congressional power which has never been seriously advocated even by those who believe in One-World Government. It makes no difference in law that of course the President and the Congress would never use this pernicious power, even if the Constitution should grant it. The Constitution does not grant it!

To make even clearer the principle involved, it might as well be stipulated in SALT III that one half of the U.S. Assistant Secretaries of Defense, say all those having any jurisdiction over U.S. overseas bases and troops, shall be Soviet Nationals, proposed and removed by the Soviet Union at its discretion, with the U.S. President obliged by law to accede to such Soviet requests. From a U.S. constitutional point of view, that's exactly the same principle as expressed in the proposed make-up of the Panama Canal Commission.

And here is the language of the implementing legislation consistent with the Treaty (Sec. 205, draft legislation dated 3 March 1978): "a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of Article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office".

If the foregoing provisions of the Panama Canal Treaty of 1977 are enacted as U.S. law, this would purport to do the following:

1. Limit the President's appointive power to a ministerial function, giving him no choice whatever but to appoint nominees of the Panamanian Government in a timely manner, and
2. Limit the President's power of removal to a ministerial function, where he must remove at the request of the Panamanian Government and may not remove without the consent of that Government, and
3. Eliminate the right of the Senate to give advice and consent to Presidential appointments of other than "inferior officers", and
4. Enable non-resident aliens, who appear ipso facto immune from impeachment proceedings, to become civil officers of the United States, and
5. Exclude persons subject to the jurisdiction of the United States from appointment as civil officers of the United States because they are not Panamanian citizens, but either U.S. citizens or U.S. residents not owing allegiance to countries other than the U.S.●

## WATER PROJECTS AND STUDIES IN SOUTH DAKOTA

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ABDNOR. Mr. Speaker, following is the text of my written statement to the House Appropriations Committee on fiscal year 1980 funding for water projects and studies in my State.

The remarks I presented verbally in my appearance before the Subcommittee on Energy and Water Development focused on the two items which are not in the administration's budget; namely, stabilization of the White Swan erosion area and study of the WEB domestic water system:

### REMARKS BY JAMES ABDNOR

Chairman Bevil, Congressman Myers, and members of the Subcommittee, I appreciate the opportunity to appear before you with respect to the fiscal year 1980 appropriations for water projects and studies in South Dakota.

Despite the apparent attitude of the Administration to the contrary, water resource development remains a vital and proper function of the Federal Government. Your efforts to ensure that it receives the budgetary priority it deserves are to be commended. Sound water resource planning and development are as important to the future of our nation, if not as obviously pressing as the need to deal forthrightly with our energy difficulties. It is reassuring to know that the members of the Subcommittee recognize both needs.

### STREAMBANK STABILIZATION

With only a couple of exceptions, the water projects and studies with which I am concerned are included in the President's Budget request; but one project in particular which is not in the Budget is of great importance and urgency. That project is the White Swan streambank erosion site (left bank river mile 870.2 to 868.2) along the Missouri River in my Congressional district.

Stabilization of the White Swan area will require approximately \$627,000 under the Streambank Erosion Control and Demonstration Program (Section 32 of the Water Resources Development Act of 1974). In view of the impending threat to the farmstead of Mr. William C. Hyde of Wagner, South Dakota, the necessary work should be undertaken on an expedited basis. I earnestly request that the Subcommittee recommend that the funding be provided.

The White Swan area was not considered for inclusion in the Budget because a local sponsor was only recently obtained, but I know of no site which is deserving of a higher priority for immediate action. There is no question about the threat to Mr. Hyde's property, nor is there any doubt that operation of the Corps of Engineers' Fort Randall Dam has aggravated the problem. Indeed, that's why the local people have maintained achieving a solution is rightly a Federal responsibility and should not require a local sponsor. Due to the urgency of the need for corrective action, however, the Charles Mix Conservation District has agreed to act as a local sponsor, rather than argue the point further while Mr. Hyde's farmstead falls into the river.

It is my understanding that \$18.4 million of the Corps' \$50 million authorization limit for the Section 32 program remains avail-

able. I strongly urge that \$627,000 be provided to forestall tragedy for Mr. Hyde.

Your colleague on the Subcommittee, Congresswoman Smith of Nebraska (and I have coordinated our efforts and worked closely with Mr. Earl Rowland of the Missouri River Bank Stabilization Association in seeking funding for the priority stabilization sites along the Missouri River where it borders our states. Again this year we present a unified front in supporting funding to complete construction on the Cedar County Park, Nebraska, (\$318,000) and Elk Point, South Dakota, (\$833,000) sites, which have been initiated and are in the President's budget request, and to undertake construction at the White Swan site.

### DEERFIELD DAM

The only other project for which we are in a position to request construction funding is the Bureau of Reclamation's Rapid Valley Project. \$700,000 has been included in the Budget to complete modification of the spillway and outlet works for safety reasons at Deerfield Dam. I urge that these funds be provided.

### POLLOCK-HERREID UNIT

Requested by the President for advance planning has been \$200,000 on the Pollock-Herreid Unit of the Pick-Sloan Missouri Basin Program. It is my understanding these funds will be used to complete the Definite Plan Report and Environmental Impact Statement and to negotiate the repayment contract in fiscal year 1980.

This relatively small project has run into some controversy in the past year, but it remains a very good project. The controversy has arisen due to (a) the proximity of the project to the Lake Pocasse Wildlife Preserve, which is deemed to be critical habitat for the whooping crane, (b) the desire of the local people for the canals and laterals to be placed in pipe, and (c) the dropping of 4,000 acres from the 15,000 to be irrigated, due to potential drainage problems.

It remains to be seen if these difficulties can be resolved, but I am hopeful they will be worked out. The Bureau is coordinating with the Fish and Wildlife Service on the wildlife mitigation plan, and it appears potential adverse impacts can be addressed. In addition, the Bureau is working to explain the economics of a pipeline delivery system and endeavoring to be responsive to the wishes of the local people. Finally, some of the lost acreage may be regained through annexation of alternate lands, where interest exists.

I support the President's request for advance planning funds and sincerely hope it will be possible to ask for construction funding next year. The Pollock-Herreid Unit is a small-scale project on the very banks of Lake Oahe. The sacrifice made by the people of Pollock, who had to move their entire town to make way for the reservoir, epitomizes the loss to the economy of the state as a whole when we relinquished in excess of 500,000 acres for Pick-Sloan Missouri Basin Program facilities.

I believe the people of Pollock and Herreid as well as the citizens of the state as a whole deserve the utmost consideration with respect to water project development assistance to mitigate the economic consequences we have endured to permit implementation of a comprehensive river basin development plan. The Pick-Sloan Plan has proven its worth in regional and national terms; but, until such time as its irrigation features are realized, my state has paid a high price for the benefit of others.

### OAHE UNIT

The 195,000-acre Oahe Unit, Initial Stage, was to have been the first major project undertaken in my state in fulfillment of the

commitment in the Flood Control Act of 1944, which authorized the ultimate development of nearly 600,000 acres of irrigation in South Dakota.

Due to the President's actions, including his "hit list," and problems of local support, construction has been terminated and the project is generally believed to be dead. At the request of the Department of the Interior, funds recently were reprogrammed to initiate a study of termination of the project, and an approximation of \$180,000 was requested in the Budget to provide "security-type surveillance of existing partially constructed facilities" in fiscal year 1980.

There are those, even in my own state, who advocate immediate and unconditional deauthorization of the Oahe Unit, but it is my solemn judgment that view does not represent the best interests of South Dakota. The Oahe Unit authorization is the sole substantial remaining statutory acknowledgment we have of the commitment made to us in the Flood Control Act of 1944. It has been easy enough for the Federal Government to ignore that commitment for the past 35 years, and I am not about to condone making it easier for the policy makers to do so in the future.

There are numerous other potential water development projects in my state, some of which currently have strong and active local constituencies. Under present circumstances with regard to project authorization and funding, however, it is evident that few if any of these projects have a realistic chance of obtaining Federal assistance unless the leverage afforded by the Oahe Unit authorization can be successfully applied. (The Pollock-Herred and 3,500-acre Grassrope units are small but notable exceptions.)

It has been suggested that the Oahe authorization be traded off for another water development project or projects which enjoy more adequate local support. This suggestion has some appeal to those of us who have experienced years of frustration and face more of the same in terms of the Oahe Unit itself. Such a trade-off is at best premature, though and to deauthorize Oahe now would be to cut off our nose to spite our face. A far wiser course is to maintain the authorization while other potential projects are thoroughly investigated. When the time for a trade-off comes, if ever, it should be accomplished in recognition of the fact we will be giving up an authorization which provides for 195,000 acres of irrigation and about a half billion dollars in investment cost. Furthermore, it represents an original commitment of 600,000 acres of irrigation development.

In the context of the Department's termination study, I urge the committee to direct that all potential uses of existing Oahe Unit facilities be fully examined. The question of local support for such potential uses is a political issue to be resolved in South Dakota at the appropriate time and not an excuse to deny an exhaustive technical investigation into the best and most efficient means of employing or disposing of these facilities. Such a denial would be tantamount to denial of the freedom of inquiry which is among the most cherished of precepts upon which our political system is based. To fail to investigate fully potential uses of invested Federal capital would be irresponsible upon the part of policy makers.

#### LOWER JAMES—FT. RANDALL PROJECT

One such potential use of Oahe Unit facilities is the Lower James-Ft. Randall water diversion project. A feasibility study has been authorized by Congress. \$150,000 was provided last year to initiate this study; and the President has requested \$300,000 to continue it in fiscal year 1980, with completion projected in fiscal year 1982.

The Lower James Conservancy Sub-District

has submitted a statement for the hearing record endorsing the President's request, and I endorse their position without reservation.

#### EASTERN SOUTH DAKOTA M&I STUDY

Another feasibility grade investigation underway in my state is the Eastern South Dakota Municipal and Industrial Water Facilities study (formerly Oahe Unit M&I study), which received \$150,000 last year and is projected for completion in fiscal year 1983. This investigation was originated under the auspices of the Oahe Unit authorization but has since been altered to reflect current circumstances and potential sources of water supply for the communities involved. The President has requested \$100,000 to continue these studies in fiscal year 1980. I support his request and encourage the Bureau of Reclamation to consult closely with the affected communities in conducting their investigations.

#### APPRAISAL INVESTIGATIONS

The President's Budget contains funding for two appraisal level studies in South Dakota, pertaining to Oahe Riverside Irrigation and the Kaspapi Unit on the Lower Brule Sioux Reservation. I support his requests of \$150,000 and \$75,000 respectively.

The Oahe Riverside study was initiated with \$50,000 last year and is projected for completion in fiscal year 1982. The Oahe Conservancy Sub-District requested this study to supply evidence to support its contention that up to 600,000 irrigable acres lie in proximity to the Missouri River reservoirs and could be served without the lengthy delivery system required by the Oahe Unit. I understand the Sub-District is not pleased with the way the study is being conducted, however, and may have some recommendations in that regard. I urge the Subcommittee's attention to the Sub-District's views and hope this study can be accomplished in a fashion which is most productive to all concerned.

The funds in the Budget for the Kaspapi Unit study will allow initiation of an appraisal investigation of this potential irrigation project, with completion of this study projected for 1981. I have repeatedly and forcefully questioned the President's commitment to Indian water development projects, based upon the Administration's failure to move to facilitate development of the Grassrope Unit, which is located on the Lower Brule Reservation as well. Grassrope is an excellent project, and I have requested a write-in under the Bureau of Indian Affairs budget to initiate construction. That is the quickest way to get construction underway, but I still intend to seek authorization as a Reclamation project and may subsequently be requesting funding through this Subcommittee in future years. Kaspapi is of more marginal feasibility, due particularly to its higher pump lift; but it certainly merits investigation. If the President's request for funding is indicative of a more active follow-through on his commitment to expedite Indian water development, I commend him for it.

#### WEB DOMESTIC WATER PIPELINE

Another potential project which is not in the Budget but in which Interior Department Assistant Secretary Guy Martin has shown considerable interest is the WEB water system. WEB would serve towns and rural areas in north-east-central South Dakota where critical domestic water problems exist. The entire South Dakota Congressional delegation has requested funding of the necessary studies, and Governor Janklow's letter is on its way to Secretary Andrus. I understand the Department will request a reprogramming of funds to permit initiation of this study very soon, but it oc-

curs to me that additional funding may be required in fiscal year 1980. If so, I urge that it be provided.

#### CORPS WATER SUPPLY STUDIES

Last year the Subcommittee gave favorable consideration to my request that \$600,000 be written in for two unbudgeted Corps of Engineer water supply studies in eastern and western South Dakota. This year the President has acknowledged the wisdom of these studies by requesting funding to continue them in fiscal year 1980. For the Western Dakota water supply study he has requested \$225,000; and for Eastern Dakota study, which has been combined with the Upper Big Sioux study, the Budget contains \$243,000. I endorse these levels of funding, and my concerns remain the same as those I expressed last year in initiating these studies—that they be used to coordinate other study activities, that local views play a large role in the selection of study issues and methodology, and that water supply development be materially advanced. A critical issue in the latter regard was and still is how to finance needed water supply developments.

#### GARRISON UNIT

As is apparent in the foregoing remarks, in South Dakota we have a plethora of studies and little development, which is to say a lot of talk and no action. In the Garrison Unit our sister state to the north has a substantial project which remains viable in the development stage. There is uncertainty in my state, however, and some understandable concern as to the impacts of the final plan of development on the James River. While it is my current understanding that even the worst case scenario would not seem to justify undue alarm, I do want to ensure that the interests of South Dakotans are protected and perhaps even enhanced.

Accordingly, I support resumption of construction on the Garrison Unit and urge that the Department be directed to consult with the State of South Dakota insofar as impacts on the quality and quantity of water in the James are concerned. It is my hope Garrison will demonstrate the success of large-scale irrigation in the Dakotas and thereby clear the way for a fulfillment of the commitment in the 1944 Act in South Dakota as well.

I know that the members of the Subcommittee do not need to be reminded, but once more for the record let me reiterate:

"South Dakota relinquished more than 500,000 acres and the two Dakotas more than 1 million acres for Pick-Sloan Missouri River Basin Program facilities. The flood control, navigation, and hydropower benefits—largely or wholly enjoyed outside the Dakotas—have justified the Program in regional and national terms; but the Dakotas are left holding an empty bag of promises with respect to the irrigation development which was to offset our economic sacrifices. South Dakota alone was to have received nearly 600,000 acres of irrigation, but to date we have received Federal assistance for not one acre. North Dakota has estimated its losses at more than \$90 million in gross business activity and about \$34 million in personal income lost annually. South Dakota's losses would be similar."

Mr. Chairman and members of the Subcommittee, perhaps you can understand my zeal for water development in South Dakota—not so much because of what we've lost as because of what we stand to gain. There is enough water stored in the great reservoirs on the Missouri to cover my entire state to a depth of 6 inches. We want to put some of it to use and are looking desperately for ways to do so. Your consideration and your assistance will be deeply appreciated.

Thank you very much. ●

**COLUMNIST LOUIS RUKEYSER ON  
INFLATION: "STOP INFLATING  
THE MONEY SUPPLY"**

**HON. JACK F. KEMP**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, as I recently observed in this body, the White House anti-inflation program is based on the mistaken rationale that inflation is caused by workers working, business doing business, consumers consuming, and producers producing.

Such reasoning, of course, is simply erroneous. The factory workers who reside and work in my Buffalo area congressional district are not deceived when they are told their wages should be regulated according to an artificial, Federal wage ceiling. The fact is they have not had a "real" increase in takehome pay since 1967 because inflation devalues their currency and just pushes them into higher and higher tax brackets. So if anybody is doing too much, it is the Federal Government by its adherence to an obsolete tax system which punishes all Americans for striving to improve the quality of their own lives and the quality of our national life.

As some of us know, the way to stop inflation is to stop inflating the money supply compared to the supply of goods.

An articulate financial columnist who understands this about as well as anybody is Louis Rukeyser who, in a recent column, succinctly described inflation as "a money disease."

At this point, Mr. Speaker, I insert Mr. Rukeyser's column from the March 19 edition of the Philadelphia Bulletin to my remarks:

**INFLATION-KILLING SAFARI GETS LOST IN  
POTOMAC BUSH**

(By Louis Rukeyser)

NEW YORK.—One reason our geniuses along the Potomac are proving so perennially inept at killing inflation is that they don't seem to have the faintest idea which animal they're shooting at.

Thus Energy Secretary James R. Schlesinger tells us, on national television, that he favors price decontrol on oil and gas but hesitates to implement this sensible step because the results would be inconsistent with the anti-inflation campaign.

Thus, Treasury Secretary W. Michael Blumenthal advises us that the causes of inflation include "wage settlements that substantially exceed the productivity and growth of the economy, [and] price increases that bring unjustified excess profits."

And, thus their boss President Carter, sternly pointing his gun in precisely the wrong direction, opines that success or failure in stopping inflation "will largely be determined by the actions of the private sector."

Wrong, wrong, wrong.

Rising wages and prices no more "cause" inflation than a baby gives birth to its parents. Higher prices may be the way the average person finally perceives inflation, but they are merely its pernicious symptoms. Inflation is a money disease.

The cost of the things we buy is relevant to a serious discussion of inflation only to the extent that the excessive printing of paper

money is the cause of the higher price tags. Look at it this way: Even in terms of a constant dollar, changing forces of supply and demand will quite naturally raise some prices and lower others.

Two recent examples causing price increases unrelated to the fundamentals of inflation were the shutoff in production of Iranian oil and the shortage of beef cattle coming to market. These events did indeed send higher the prices for oil and beef; but, dear Washington children, that was not, repeat not, inflation.

Inflation occurs only when the government, whether overreacting to events like these out of general political profligacy, prints more money than the country has earned through the production of goods and services. And we've been doing it virtually nonstop—ballooning the U.S. money supply by 1,500 percent in less than 40 years. The theory is that the public is stupid: If it is made to confront the costs of runaway governmental expansion, it will rebel; but if the costs can be hidden through a surreptitious cheapening of the currency, it will just be confused.

And confused the public certainly is. Indeed the typical citizen is usually easy prey for economic demagogues, because he concludes that the economists themselves can't agree on the causes—while the supermarket down the street is clearly, villainously raising the price of hamburger.

We know, for example, that burdensome energy prices and rising wages are not truly "inflationary" unless we crank up the printing presses to pay for them. (Japan and West Germany didn't; we did. Their inflation rate declined; ours soared.)

Even enormous, continuing budget deficits would not by themselves have created inflation—if the government had been willing to finance them directly, through current borrowing, rather than trying to hide them, through reckless expansion of the money supply.

Inflation is made at the Federal Reserve Board, under pressure from the White House and Congress. Further proof: Fortune magazine just tried to figure out how close the correlation was between each year's inflation rate and the previous five years' growth rate of the money supply. The answer, over a full quarter-century: Nearly perfect (0.9 out of a possible 1.0).

The way to stop inflation is to stop inflating: stop pretending that we can create more money than we have earned without cheating everyone who deals in dollars. All the rest is a smokescreen, convenient for diverting wrath and inciting class war, but hopeless for containing inflation. It's time to blow away the smokescreen and confront the beast in his one true habitat: He lives in Washington. ●

**A RECOLLECTION OF STELLA  
COUNSELBAUM**

**HON. ABNER J. MIKVA**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MIKVA. Mr. Speaker, many of us in Chicago mourned the passing last month of a truly exceptional human being, Stella Counselbaum. Many of her closest friends were Chicagoans but her work and commitment for better human relations were known and honored throughout the United States. I recently

received a copy of a letter that was sent to a Chicago newspaper by one who knew Stella well, Louis T. Olom. The letter captures the purpose and some of the highlights of a remarkable career, one that helped to make us all understand more deeply what we share as brothers and sisters. At this time, Mr. Speaker, I would like to share Mr. Olom's letter with my colleagues:

On March 1, Chicago, the Middle West and the entire country lost a magnificent person in the death of Stella L. Counselbaum at 83.

Her entire working life, which spanned the thirties and the late sixties, was devoted to the improvement of human relations. As the Program Director for the National Conference of Christians and Jews in Chicago, she arranged and directed programs to foster closer ties among Catholics, Protestants and Jews. Subsequently, she worked with the Anti-Defamation League where she fought to eliminate or reduce prejudice and bigotry aimed at people who were black, brown, yellow, white, ethnic as well as Jews.

For her outstanding successes, she was the recipient of 45 to 50 plaques and awards from national, regional and local academic, civic, religious, fraternal institutions and organizations. She was proud of them because they signified the community's recognition of her efforts to bring together people of different color, creed, nationality and religion into an indispensable harmonious fabric that makes it possible for democratic societies to work and prosper. To buttress her aims and methods, she sought out clergymen of different faiths as well as scholars and specialists in human relations who provided moral as well as intellectual substance to the hundreds if not thousands of programs she organized. For about 40 years, Stella Counselbaum pursued her purpose by disentangling the cobwebs of human prejudice and ethnocentrism.

I can remember attending a huge assembly at the Bethune Cookman College in Daytona, Florida, in 1947 or 1948 when she received the first honorary doctorate awarded by that college to a white woman. Our presence as two whites amidst a bevy of blackness was a dramatic experience I shall never forget. And when the late and beloved Mrs. Mary Bethune kissed and embraced her on stage, bedlam broke out.

Perhaps her proudest day came when she was named Chicago's Woman of the Day, as your morgue clippings will readily verify. And when the University of Chicago recognized her efforts to tap the insights of scholars to help solve human problems and presented her with the Alumna Citizenship Award, she was especially appreciative.

Stella Counselbaum's projects had long-lasting consequences unto this very day. She pushed for the introduction of elementary anthropology and human relations courses in the public schools of Chicago and environs. She was almost single-handedly responsible for the elimination of quota systems in colleges, universities and especially in medical schools across the country. She founded the Dorothy Kahn Club For Crippled Children that was at one time housed in Michael Reese Hospital. Priests, ministers and rabbis were constant guests in her home, mixing with young and old of every color, nationality and ethnic group. Generous of spirit, endowed with limitless energy and optimistic outlook, she was the living embodiment of a world without barriers of class, color or creed.

Jane Addams, that great Chicagoan of yesteryear, was an inspiring model for Stella. I hope that today's young women and men of Chicago will seek and derive inspiration from the work of both, for the battles they waged are never ended, never finally resolved.

It has been said that the city of Chicago

weathered the storms of racial and religious conflicts and tensions more successfully than any other metropolitan center in the U.S. If this is true, then credit four decades of Stella's work in the vineyards of man, cultivating more agreeable and harmonious interpersonal relations, as one not-insignificant factor that helped make this possible. In so doing, she helped Chicago remain one of the world's finest cities. For she was a great lady for a great city.

Stella L. Counselbaum Day in Chicago, set aside years ago by a grateful city to honor her publicly, is recalled again as we mourn her death and express thanks for her having been with us. Not having had any children of her own, she adopted literally dozens of young people and helped steer them safely and intelligently through life's perilous shoals. I had the great fortune of having been one of them. ●

### ILLUSIONS AND DELUSIONS OF SALT II

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. ASHBROOK. Mr. Speaker, in the last few weeks the American taxpayer has financed an administration road show that has tried to sell SALT II to the American public. Thankfully, there is still a majority of Americans who rightfully doubt this bill of goods. I submit for my colleagues' attention a recent article from the Reader's Digest that outlines some of the problems that any new arms agreement with the Soviets will have to address:

[From the Reader's Digest, May 1979]

#### THE FATEFUL ILLUSIONS OF SALT II

(By Ralph Kinney Bennett)

For more than six years now, the Strategic Arms Limitation Talks designed to fashion the SALT II treaty between the United States and the Soviet Union have produced a thick smog of political rhetoric and mystifying mathematics. When you penetrate this mist, you encounter two grave facts:

1. SALT II would not limit the number of missiles and nuclear warheads in the Soviet arsenal. Contrary to the impression fostered by our government, it would merely limit launchers, the devices from which missiles are fired. Accordingly, nuclear-weapons limitation, the primary objective of the United States when it entered the talks, is not in the agreement.

2. Despite our satellites, radars and other electronic sensing devices, we have been unable to determine the true size of the Soviet strategic missile force. Thus, accurate, unimpeachable data, the very basis for a rational agreement of any kind, are missing from SALT II.

In the light of these facts, the American people, through their Congress, must seriously question whether an arms agreement should, or even can, be made with the pathologically secretive Soviets.

Hidden Story. Common sense dictates that the most important factors in assessing Soviet strategic strength are the number and characteristics (range, accuracy, destructive power) of their missiles and warheads. From the outset of SALT negotiations, however, it became clear the Soviets would not share any such information. And, since it has been impossible by satellites and other technical

means to gain complete, accurate knowledge, we have been forced to rely on imperfect and sometimes erroneous intelligence estimates.

A satellite camera cannot see through the roof of a missile plant. Furthermore, the Soviets often move missiles out of their factories at night, and in random batches, to frustrate estimates of their rate of production. And the four principal Soviet missile works—at Moscow, Gorki, Dnepropetrovsk and Bisk—are frequently hidden by thick cloud cover.

So, our common sense gave way to a curious kind of convenience. Since ICBM silos are extensive constructions not easily concealed, U.S. intelligence began counting launchers instead of missiles. "The primary currency of the [SALT] negotiations became limits on the number of launchers, not limits on missiles or their characteristics," says former SALT negotiator Paul Nitze. "This has proved to be the wrong currency."

Just how wrong can be judged by examining the evolution of Soviet missile forces. In recent years, 1200 Soviet ICBMs have been removed from their silos and replaced by more sophisticated models. Western intelligence sources puzzle over what happened to those 1200 "old" missiles. Satellite photographs reveal no trace of where the ICBMs were taken. (Between 200 and 300 have been fired in mass training exercises.) Some may still be nearby, in the huge factory-like buildings at each of the 26 ICBM complexes. Others may be in the extensive underground installations the Soviets are known to have been building since World War II.

The 1200 replaced missiles are only part of the hidden story. An ICBM must be periodically removed from its silo for maintenance, such as replacement of worn guidance gyroscopes (constantly spinning inside the missile). For this reason, Russian ICBM complexes keep a "maintenance float" of extra missiles. In addition, there is a "pipeline float"—missiles to replace damaged or malfunctioning ICBMs. These extras could constitute another 2000 operational ICBMs beyond the 1200 replaced missiles.

Beware a "Breakout." The possibility of such hidden missiles raises the question of what the Soviets plan to do with them. A close examination of Soviet capability and strategic doctrine provides a sobering clue.

When American ICBMs are launched, equipment in their silos is heavily damaged by takeoff blast. Skilled construction crews would need six weeks to repair a Minuteman silo to fire another missile. This is accepted because of our belief that a nuclear war would be one great, fiery "spasm" with no second round.

The Soviets have a decidedly different view: A nuclear war is to be fought and survived—no matter how destructive. The U.S.S.R. therefore emphasizes the re-use of missile launchers. The latest Soviet missiles are encased in a canister with a compressed-gas generator. The gas pops the missile out of the silo before the engines ignite to send the missile on its way, leaving the silo undamaged. With this "cold-launch" technique—an American idea once turned down by our Defense Department, then picked up by the Soviets—U.S. missile experts estimate that the Soviets could launch a second ICBM from the same silo in as little as two hours after the first.

When our negotiators brought up the reload-refire matter in the SALT II talks, the Soviets agreed not to develop, test or deploy a "rapid" reload system—but only after insisting that their launchers did not fall into this category. Nevertheless, satellite and other intelligence indicates that about half of Soviet silos have been or will be fitted with cold-launched missiles (SS-17s, SS-18s and newer ICBMs now being developed).

Many defense analysts are deeply concerned that the potential hidden storehouses of Soviet ICBMs, backed up by this refire capacity, may enable the U.S.S.R. to achieve a "breakout"—a sudden deployment of weapons that, as the Congressional special subcommittee on SALT put it, "could quickly tip the strategic advantage" in their favor.

Added Worries. Even by the conservative estimates used in SALT II, the Soviets will have at least 7000 thermonuclear warheads by 1985. Breakout could suddenly add many more. The United States stopped production of enriched uranium for nuclear weapons in 1964, hoping the Russians would follow suit. Instead, the Soviets increased production and continue it today.

And, though our atmospheric sensors give us a general idea of Soviet nuclear-weapons material production, without their cooperation we have no exact knowledge of how many warheads they are stockpiling. One highly placed intelligence source in Washington says, "Altogether there could well be twice as many warheads in the Soviet arsenal as our SALT negotiators believe will be deployed."

An added worry is the SS-16 ICBM. The Soviets have used two stages of this large missile to create a smaller, mobile one—the SS-20. Although a protocol to SALT II would prohibit deployment of a mobile ICBM system before 1981, at least 100 SS-20s have already been deployed.

The Soviets claim this is an "intermediate-range" ballistic missile, poised mainly against NATO forces in Europe, but one group of these missiles has been spotted in the center of the Soviet Union at an apparent ICBM installation. And analysts are wary of Soviet claims that the SS-20 is not of intercontinental range. Our monitoring indicates that when the Soviets tested it they loaded on 1000 pounds of ballast. If this unnecessary weight was eliminated, the missile could easily be of ICBM range.

And the SS-16 itself is a subject of concern. Many SS-16 first stages were built, but then disappeared. These first stages could be quickly mated to the two stages that make up the SS-20, thus throwing another large ICBM into the strategic balance at some critical moment. Moreover, an SS-16—in fact, all Soviet ICBMs—need not be fired from a silo. They could be launched from virtually any pre-surveyed (for guidance) site, even from inside a building with a false roof.

How many SS-16s and SS-20s are there? We don't know.

Cat-and-Mouse Game. The Soviets can precisely gauge our missile force simply by attending appropriations hearings on Capitol Hill, reading the aerospace press or looking at easily obtained maps showing the nine Air Force bases where our ICBMs are located. By contrast, trying to learn about a new Soviet missile involves imprecise, long-range detective work.

For the most part, we rely on radar tracking of test firings and the reading of intercepted telemetry—the flow of electronic information sent back to the ground by the missile itself. Experts further attempt to get a "thumbprint" of a new missile by analyzing the type of silo, cranes and service vans at a launch site. But the uncooperative Soviets play cat-and-mouse with us by disguising equipment, encoding the telemetry coming from a missile and even hiding its true flight characteristics by adding or subtracting weight.

Our detective work has recently become even more difficult. The sale of the operational manual of our KH-11 satellite to the Soviets by a CIA employee has enabled them to take steps to elude the satellite's photographic and electronic sensing equipment. And the U.S. pullout from Iran, where we operated an extensive array of radar and

sensing devices, has severely hampered eavesdropping on prime Soviet test ranges.

Intelligence analysts are proud of our surveillance technology, but they feel we may have been oversold on it by those eager to promote arms control. Some spy-satellite cameras can pick out objects the size of a pie plate. But the cameras can't penetrate darkness or clouds. And in covering the huge Soviet landmass, satellite analysts must look where they think they will find something. In the mid-1970s the Russians constructed four gigantic radar installations, possibly the largest in the world, near the Arctic Circle. It was two years before our satellites detected all of them, and then only after a tip from a defector.

Vast numbers of such Soviet military installations have been spotted by satellites, but remain shrouded in mystery. More than 150 heavily guarded, Pentagon-size structures, obviously of high military value, have been pinpointed all over the Soviet Union. But what goes on inside them?

The limitations of our surveillance systems make many experienced intelligence analysts incredulous at the smooth assurances of the State Department and the Arms Control and Disarmament Agency that we will be able to "verify" SALT II.

Raging Controversy. The Administration says SALT II is the "centerpiece" of American foreign policy, an important step in stopping the "arms race" while preserving strategic "equivalence." But SALT II critics point to the steady decline of U.S. strategic strength and the dramatic growth of Soviet power that have accompanied the protracted negotiations. They see the lack of true constraints in the treaty and the concomitant American trend of unilateral arms limitation (cancellation of the B-1 bomber, delay of the MX missile) as ensuring the Soviets, within the next half decade, the capacity to destroy our ICBM force while using less than half of their missile force.

Yet the real problem with SALT lies outside the treaty—in the great unknown concerning true Soviet ballistic-missile and warhead production. It seems almost inconceivable that the United States has allowed so many years of negotiations (and U.S. concessions) to go by without obtaining the most rudimentary information from the Soviets about their missile production. A rational revelation of their strategic inventory—and the certain means of confirming the figures—should have been the premier and absolutely non-negotiable demands of the United States. Unless that great unknown is pierced, SALT II limitations on "launchers" are meaningless, and neither an elaborate treaty nor the interest of Moscow in true "peaceful coexistence" can be counted upon. ●

#### SOLIDARITY SUNDAY

### HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HOLLENBECK. Mr. Speaker, last Sunday, after being named honorary co-chairman of Solidarity Day for Bergen County, I took part in issuing a proclamation establishing Sunday, April 29, 1979, as Solidarity Day for Bergen County, N.J.

#### PROCLAMATION FOR SOLIDARITY SUNDAY FOR SOVIET JEWRY

Whereas, the people of Bergen County, New Jersey are dedicated to the cause of Soviet Jewry and the struggles of all people to receive their freedom; and

Whereas, the plight of Soviet Jewry is best symbolized by the Soviet Jewish Prisoners of Conscience, who endure long years in labor camps because of their desire to emigrate; and

Whereas, Vladimir and Maria Slepak, Mark Dymshitz, Amner Zavurov, Ida Nudel, Leib Knokh and Isosif Mendelevich are Soviet Jewish Prisoners of Conscience whose cases are weighty indictments against the Soviet system of justice; and

Whereas, the people of Bergen County can best express their support for these Prisoners of Conscience and the three million Jews of the Soviet Union through public demonstration and massive action; and

Whereas, Solidarity Sunday for Soviet Jewry will be held on Fifth Avenue, New York City, on April 29 so that all people of good will can speak out for the Prisoners of Conscience; now therefore be it

Proclaimed, That April 29th be declared Solidarity Sunday for Soviet Jewry in Bergen County; and that Solidarity Sunday be dedicated to the freedom of all Soviet Jews and the release of the Prisoners of Conscience.

Along with Cochairman ANDREW MARGUIRE, I expressed my deep feelings upon being asked to serve as cochairman and to support Solidarity Day activities. During my first term in Congress I was proud to be a part of the activities of the Greater New York Conference on Soviet Jewry in coordination with the Bergen County Conference on Soviet Jewry and Aaron Wise, individually. A synopsis of my actions on behalf of prisoners of conscience and Soviet Jewry was published recently in "The Conscience of Congress," a document published by the Greater New York Conference on Soviet Jewry:

#### CONGRESSMAN HAROLD HOLLENBECK, ADOPTED PRISONERS OF CONSCIENCE IOSIF MENDELEVICH AND MEITA LEIKINA

Sent a telegram complimenting the GNYCSJ's "Solidarity Sunday" program. Wrote a letter to Ambassador Dobrynin concerning the case of Viktor Faermar. Sent letters to Soviet and U.S. officials on behalf of Isosif Mendelevich. Intervened on behalf of Lev Roitburd. Addressed letter of concern to Secretary of State Cyrus Vance about the well-being of Isosif Mendelevich. Maintained contact with the Mendelevich family. Wrote to the Prison Camp Commandant where Isosif Mendelevich is incarcerated. Accompanied Rivka Drori, sister of Isosif Mendelevich, to the Soviet Mission as she attempted to gain a visitor's visa to see her brother. Sent letters to Secretary General Leonid Brezhnev, Ambassador Dobrynin, Procurator General Rudenko calling for the immediate release of Meita Leikina. Corresponded with Mrs. Anna Rosovskaya, daughter of Meita Leikina. Sponsored an informal Congressional briefing session on U.S. Scientific Policy and Human Rights Violations, with Avital Shcharansky among the participants testifying. Addressed letters to Ambassador Dobrynin and Academician Gerasimov concerning human rights and science policy. Participated in the Bergen County Walk-A-Thon. Lit Freedom Vigil Torch. Communicated with Evgeny Feldman.

The personal exchange with Rivka Drori, sister of Isosif Mendelevich and Avital Shcharansky and my encounter inside the Soviet Mission on behalf of Rivka Drori, who I accompanied there, were moments I can never forget.

I urge all my colleagues and constituents to participate, even if by thought or prayer alone, in this seventh Solidarity Sunday. In this way we can aid the efforts of the 85 constituent agencies of

the Greater New York Conference on Soviet Jewry to focus international attention and concern upon the plight of Jews and Prisoners of Conscience in the Soviet Union who suffer from discrimination over their freedoms—emigration, religion, intellectual development, and free thought, to name several.

I have, toward that end, today introduced legislation calling attention to the horrifying situation which exists in the Soviet Union and expressing the sense of Congress thereon:

#### H. RES. —

To express the sense of the House of Representatives that the leaders of the Soviet Union should permit the emigration of Jews and other individuals wishing to emigrate from the Soviet Union, should remove restrictions in the Soviet Union on the practice of religion and the observation of cultural traditions, should remove restrictions surrounding individuals who undertake scientific and intellectual endeavors, and should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions.

Whereas April 29, 1979, has been designated as "Solidarity Sunday" by the Greater New York Conference on Soviet Jewry;

Whereas on April 29, 1979, Americans of all faiths will join in demonstrations and rallies to express their solidarity with the three million Jews in the Soviet Union;

Whereas Solidarity Sunday symbolizes the unity of all Americans with the Prisoners of Conscience and others suffering from the Soviet Union's restrictive policies on emigration.

Whereas Solidarity Sunday serves to remind us of the restrictions on the practice of religion and the observation of cultural traditions, the lack of freedom in regard to scientific and intellectual pursuits, and the harassment of individuals in the Soviet Union who wish to emigrate, practice their religion, or observe their cultural tradition: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) The leaders of the Soviet Union should permit the emigration of Jews and other individuals who wish to emigrate from the Soviet Union;

(2) The leaders of the Soviet Union should remove restrictions on the practice of religion or the observation of cultural traditions;

(3) The leaders of the Soviet Union should remove restrictions on individual scientific and intellectual endeavors; and

(4) The leaders of the Soviet Union should stop the official harassment of individuals who wish to emigrate, practice their religion, or observe their cultural traditions or engage in free intellectual pursuits.

I, for one, pledge to continue my efforts and to urge all those I can reach to do likewise—not only to be aware but to Act. ●

#### TAXES, INFLATION AND FAIRNESS: AN ANALYSIS BY MILLARD C. BROWNE OF THE BUFFALO EVENING NEWS

### HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. KEMP. Mr. Speaker, it has been clear for some time that many of our tax laws and monetary policies are counterproductive.

On the one hand, the Government devalues the dollar by 10 percent yearly through its monetary policy, robbing those who cannot control their incomes of real buying power. Those who succeed in maintaining their buying power before taxes are pushed into higher tax brackets paying nearly 17 percent more in taxes for each 10 percent inflation.

The small saver is limited in the dividend he can receive on savings to only half the inflation rate. This means small savers lose about 5 percent of their money before taxes simply by putting it into a savings account, and then pay high marginal tax rates on the dividend.

We tax working couples who are married simply for being married, by not permitting them to file returns at the same tax rates as the unmarried. And at a time when generosity is being taxed heavily by the state of the economy, certain proposed reforms would increase the already severe tax penalty for most Americans, for making charitable contributions.

These are all provisions of the tax laws which must be changed in the interests of fairness and the economic well-being of all Americans.

Millard C. Browne, editorialist for the Buffalo Evening News, analyzed several of these tax provisions in a recent article, and I would like to share his penetrating observations with my colleagues.

The article follows:

**CRAZY TAXES? MAYBE CRAFTY IS THE WORD**  
(By Millard C. Browne)

It may be risky to say this so soon after the tax-filing deadline, what with all those IRS auditors lurking out there somewhere. But everybody knows it anyway: Uncle Sam's tax laws are crazy.

They're crazy in a lot of ways, depending on your individual circumstances and viewpoint. Some are painful, others merely capricious. But in some ways the tax laws are also crazy like a fox—especially in the crafty way they harvest, for the greater glory of the U.S. Treasury, a bigger and bigger proportion of everybody's income with each new spin of the inflation spiral.

One area in which I think the tax laws are crazy is the way they reward people for borrowing and punish them for saving. They do this by giving no tax deductions whatever for any interest income you receive (except on tax-exempt bonds), while granting virtually total tax relief on all the interest you pay.

Some of the interest deductions seem sensible enough, as part of a social policy to encourage, say, home ownership. (Even here, though, if I were a renter, I would certainly feel that the law was crazily unfair to let my landlord deduct all the interest and taxes he paid, while it gave me no consideration at all for the rent I had to pay him to more than cover them both.)

Where the present tax policy seems to me to have no social justification whatever—and certainly no economic justification, in a year of rampant inflation when the government should be restraining credit and encouraging savings—is the topsy-turvy way it treats charge accounts vs. savings accounts.

Why should our tax laws encourage people to over-buy on the cuff by letting them tax-deduct all the interest they pay for letting charge-card payments lapse? And why, on the other hand, should they add tax-insult to inflation-injury for small savers by charging top tax dollar on every cent of interest earned—even though that interest does not

begin to make up for the real loss every savings account suffers from today's double-digit inflation?

Another area where I think the tax laws are crazy—completely and indefensibly so—is their so-called "marriage tax." Or call it Uncle Sam's living-in-sin subsidy.

The way this works, as has been pointed out in our editorial columns a number of times, is that working couples who live together *married* are stuck to pay far higher income taxes than they would if they just lived together *unmarried*.

As hard as it is to believe the figures, they work out like this (according to a table in U.S. News & World Report): if two people are married, with one spouse earning \$15,000 and the other \$10,000, they have to file a joint return and will pay about \$535 more in taxes than if they lived together unmarried and filed separately. And the higher their pay, the worse the penalty for being married. Thus on a \$30,000 and \$20,000 joint income, the extra tax for being married is \$2,439. That's not just crazy; it's unconscionable, not to mention downright immoral.

President Carter, who seems to have no quarrel with any of the inequities cited here, has other fights to pick with the tax laws: over deductible three-martini lunches and other expense-account freebies, for instance. But one of his big reform ideas—what he calls tax "simplification" through causing more and more millions of taxpayers to shift from itemized to standard-deductions—seems to me to cause more social-policy headaches than it cures.

Some 77 percent of all taxpayers now use standard deductions, and the president wants to bump this up to 84 percent. (He'd do it by sweetening the standard while eliminating some of the itemized deductions). But just look what this does, for example, to charity.

It means that all those pleaders for worthy causes, whose clincher is, "your contribution is tax deductible," are really talking to an ever-shrinking minority of all taxpayers. The rest get no deductions for contributing that they wouldn't get anyway.

But all these quaint idiosyncrasies of the tax laws fade into insignificance for me when compared with the crazy-as-a-fox way your government has of using its progressive tax rates during a time of rampant inflation to rip off a bigger proportion of your income each year.

I think the best cure for that is the one cited in this space a year ago: an "indexing" law to automatically adjust all the basic components of your tax return—personal exemptions, tax brackets and tax rates—to changes in the price index.

What I said then I can only repeat: Forcing Congress to "index" your taxes is the only way I know to make the government face the inflation issue honestly. Then if it needs new money for new programs it will have to pass a law to raise your taxes—instead of doing it, as now, by constantly cheapening the dollar. ●

### ROCKY FLATS NUCLEAR WEAPONS COMPONENT PARTS PLANT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. WIRTH. Mr. Speaker, since 1951, Jefferson County, Colo., has been the site of the Rocky Flats Plant, a nuclear weapons component parts manufacturing facility. This plant, now run by Rockwell

International under contract to the Department of Energy, is a vital part of our Nation's national security; its mission unique to any other facility in our nuclear weapons program.

For many years, Rocky Flats has been a source of concern in the community. Since 1974, when I was first elected to the Congress, I have attempted to work toward the solution of many of the problems which surround the plant. But despite all of the efforts made to increase safety and security at the Flats, one major issue still remains: should a plutonium weapons facility be located so near a major metropolitan area?

On April 9, I announced the beginning of a major review to assess the long-term future of Rocky Flats. This study is the result of a year of negotiations with Secretary of Energy James Schlesinger and other key DOE officials, and will be a key element in determining the plant's long-term prospects.

With the excellent cooperation of DOE and the people at Rockwell, this review will, I hope, clear up those uncertainties and allow a sound decision that is in the best interests of the American people.

Mr. Speaker, I would like to share with my colleagues the details of Rocky Flats and the upcoming analysis of the plant:

HOUSE OF REPRESENTATIVES,  
Washington, D.C., April, 1979.

DEAR FRIEND: Within our community the Rocky Flats facility has for many years provided a forum for some significant controversy and debate among concerned citizens, employees at the plant, public officials, and various interest groups. While the facility fulfills a critical mission within our present national defense structure, many arguments are made concerning the advisability of locating such a plant in the midst of a major metropolitan area. The uniqueness of the Rocky Flats mission, the size and location of the facility the varying assessments of its safety, and the number of people employed are factors which interact and add to the complexity of the issue.

With so many issues surrounding the Rocky Flats plant, and as the Congressman representing the District in which the plant is located, I have asked the Department of Energy to conduct a major analysis of the future of the Rocky Flats facility. I am pleased to announce that the DOE has agreed to undertake this major re-examination.

As outlined below, this is a complicated undertaking. I therefore thought that you might find it useful if I summarized the history of this new initiative, the factors to be included in the analysis, and the process to be followed.

#### HISTORY

Soon after I was first elected to the Congress in 1974, I met with Governor Richard Lamm, and we established the Lamm-Wirth Task Force on Rocky Flats. As newly-elected public officials, we wanted to know more about Rocky Flats, its new management (Rockwell), and about any new initiatives which would be warranted. We asked the Task Force to study Rocky Flats and to make any recommendations to us which they felt would be appropriate. To insure a balanced approach, we included as members of the Task Force every concerned community interest.

A number of recommendations came out of this process and these recommendations have been substantially implemented. At the federal level, these have included, among others, improved safety and security provi-

sions for the plant, development of an alternative water supply for the town of Broomfield, safer transportation patterns of hazardous materials in and out of the plant, and closer community liaison. From time to time I have issued public reports on these extensive actions.

Remaining to be implemented is Recommendation No. 3 of the Task Force Report, concerning the long term future of the Rocky Flats plant. This recommendation, as made by the citizen Task Force, reads as follows:

"The Task Force recommends that Governor Lamm and Congressman Wirth request:

Congress and the President of the United States should reassess the Rocky Flats plant as a nuclear weapons component parts manufacturing facility. In reassessing the plant as a weapons manufacturing facility, consideration should be given to a program of gradually phasing out its present operation, possibly transferring those operations to a more suitable site, and decontaminating and converting the plant's facilities to a less hazardous energy related industry, such as solar energy research and development. In evaluating these alternatives, strong consideration should be given to maintaining the economic integrity of the plant, its employees, and the surrounding communities."

Since the Task Force issued its report, I have worked to find the best method of implementing Recommendation No. 3. This recommendation concerning the long-term future of the plant, has been an especially difficult issue because so many separate factors concerning Rocky Flats have to be considered. These include:

1. **Defense Policy.**—The work performed at Rocky Flats is closely tied to the defense capability of the United States. Until such a time as the United States need no longer manufacture or refurbish nuclear weapons in order to maintain our national security, the weapons-related work performed at Rocky Flats cannot be shut down without having another facility on-line to provide this manufacturing capability. Current figures estimate that moving that capability to another location would cost \$2-3 billion and require substantial lead time (see No. 5 below).

2. **Health Hazards.**—Numerous studies have provided often conflicting evidence concerning the extent of public health danger of a plutonium facility located in proximity to residential neighborhoods. While plutonium health standards have been developed at various levels of government, they often differ in their conclusions, thereby adding to the uncertainty of those living in the area surrounding Rocky Flats. We do know that research on the health effects of nuclear materials is a relatively new science, and that much remains to be discovered concerning the possible effects of exposure to low levels of plutonium. Thus any decision concerning the future of Rocky Flats must recognize that further research may dictate that existing standards for employees within the plant and for the public in general, be modified.

3. **Employment Base.**—The Rocky Flats plant employs over 3,000 people, and is a major economic force in the Denver community. Therefore, any decision regarding the future Rocky Flats must demonstrate an understanding of the impact on plant employees and their families, and must account for their needs. The employment issue is further complicated by the need to know manpower projections and job descriptions at the plant, the demographics of the work force, and a projection for any potential retraining and relocation of employees. So that I might better understand these issues, over the past 8 months I have held extensive meetings at Rocky Flats to analyze which activities are plutonium related and which are not; what levels of employment exist and are projected in each of these areas; what the

projected work loads at the plant may be over the next decade; and what possibilities exist for changing the present mission of the plant should future removal or conversion of some of the facilities at the plant be warranted.

4. **Major Accident.**—There exists a statistical chance that a major accident could occur at Rocky Flats. With present technology, I am convinced that every precaution has been taken to make Rocky Flats safe. However, prudent policy suggests that any long-term policy must continue to examine this issue.

5. **Time Frame.**—Few understand the problem of lead-time better than the residents to the Denver area. The negotiation for construction of the Foothills Water Treatment complex, for example, consumed six years and construction is just now beginning. Rocky Flats presents an even more complex picture. An alternative plant as technologically sophisticated as Rocky Flats will take years to design and construct. And should the decision be made to build another facility, lengthy planning, consuming a period of at least 10 years for site selection, environmental assessment, design and construction would be expected.

Acknowledging the complexity of the issues outlined above, I began in April 1978 extensive and detailed discussions with the Department of Energy about the future of Rocky Flats. I have also held many sessions with the prime government contractor, Rockwell International; with the bargaining unit at Rocky Flats, the United Steelworkers of America; with the Governor's office and other public officials; with the Rocky Flats Monitoring Committee; and with numerous citizens groups. My efforts were primarily concentrated, however, with the Department of Energy, the federal government agency responsible for the development of nuclear programs and having the ultimate administrative responsibility for Rocky Flats.

I am very pleased as a result of this effort the Department of Energy has decided to re-examine the long-term future of the Rocky Flats plant, and is beginning a major analysis of Rocky Flats, which will include at least all of the elements outlined above. Such an examination is the necessary first step towards deciding whether to relocate some of the missions now carried out at Rocky Flats. Concurrently, the government will examine employment disruptions that could result and will consider alternate programs for employees and for the contractor.

The Department will keep me informed of and involved in all aspects of this examination.

I have detailed the planned examination of the future of Rocky Flats in this letter because of your interest and concern. Ahead of us is a difficult task, but its complexity will be considerably intensified if people do not understand all of the factors involved. Conversely, the task will be made much easier if we are all working together to define the best possible future course for Rocky Flats.

Please let me know if you have any questions or comments about this initiative, or if you would like copies of other background material on actions I have taken during the past four years. I look forward to hearing from you and to working with you.

With best wishes,

Sincerely yours,

TIMOTHY E. WIRTH.

HOUSE OF REPRESENTATIVES,  
Washington, D.C., March 8, 1979.

HON. JAMES SCHLESINGER,  
Secretary,  
Department of Energy,  
Washington, D.C.

DEAR MR. SECRETARY: Over the past few years I have had numerous discussions about the Rocky Flats nuclear weapons plant with officials of the Department of Energy and

its predecessor agency, the Energy Research and Development Administration. You and I have personally discussed Rocky Flats on several occasions. In the four years I have been in the Congress, my own concerns, those of other State and local officials, and the community at large have accelerated sharply. As the social and community environment surrounding Rocky Flats has changed, concurrently I believe that it is now time to re-examine the impact of this change, with particular reference to recommendation No. 3 of the Wirth-Lamm Task Force, established in 1974 to examine Rocky Flats:

"The Task Force recommends that Governor Lamm and Congressman Wirth request:

"Congress and the President of the United States should reassess the Rocky Flats plant as a nuclear weapons component parts manufacturing facility. In reassessing the plant as a weapons manufacturing facility, consideration should be given to a program of gradually phasing out its present operation, possibly transferring those operations to a more suitable site, and decontaminating and converting the plant's facilities to a less hazardous energy related industry, such as solar energy research and development. In evaluating these alternatives, strong consideration should be given to maintaining the economic integrity of the plant, its employees, and the surrounding communities."

A variety of developments are familiar to you and others at DOE. The standards for soil, water and air around the Rocky Flats plant have been made more explicit, even within the broad range of disagreement over their acceptability. HUD has imposed various restrictions on home-building in the area. DOE has helped to fund an emergency water supply for the town of Broomfield. The Federal Aviation Agency is considering more stringent flight standards over Rocky Flats. The Department of Transportation has helped in the review of programs for the transportation of dangerous materials.

At the same time, a major effort has been made to assure the operational safety and security of the plant. The General Accounting Office has conducted three audits of safety and security since 1975. The Department has instituted more stringent requirements for the transportation of hazardous materials in and out of Rocky Flats. Major upgrading initiatives have been taken with regard to building security and efficiency at the plant.

Despite these efforts and the cooperation of all the parties who have worked hard to assure safety and security, controversy continues to swirl around Rocky Flats. I think we would all agree that if the decision were to be made again, the government would not locate the plant so near a major and expanding metropolitan area.

As a result of these developments, I believe the Administration has a responsibility to develop plans for eventual relocation of some of the missions now carried out at Rocky Flats. This conclusion is based on two broad themes:

First, the increasing vigor of the controversy surrounding Rocky Flats and the transportation of material in and out of the plant raises security issues that I do not believe prudent policy should ignore. While we are involved in a strategic arms confrontation with the Soviet Union, I do not believe that we should subject this capability to risks that might compromise our defense posture.

Second, despite the best efforts of all concerned, significant fears and misgivings about the presence of Rocky Flats persist. Residents in the area continue to hear conflicting reports about the potential hazards of radiation, and the drafting of emergency response plans raises the spectre of catastro-

phe. Well publicized conflicts between agencies over acceptable standards and the disclosure of the impact of Nevada testing 20 years ago add to the climate of discomfort and unease.

Consequently, prudent public policy for all concerned suggests that DOE should undertake an analysis of the situation at Rocky Flats. This analysis should include:

Identification of alternative sites for the plutonium capabilities now resident at Rocky Flats;

Projection of the potential loss of manpower at Rocky Flats, assuming relocation of the plutonium capability and comparison of these projections to normal attrition and retirement;

Analysis of alternate uses for the plant that would insure retention of the highly skilled manpower presently associated with plutonium fabrication;

Development of a timetable for relocation of the plutonium fabrication facilities.

In closing, let me emphasize again the constructive and careful cooperation that has characterized our negotiations to date. This includes DOE officials; State, county and local officials in Colorado; the Rockwell management and the employees at the plant; and the community at large. With rare exception, a spirit of cooperation, and an understanding of the complex issues involved, have permeated the discussions of the last four years.

Most careful and analytic observers of the situation at Rocky Flats understand that we face a complex combination of issues: national security; employment and economic base; environment and safety; and community response. I believe that the parties to each of these variables understand that other perspectives exist; and I believe that no single group will view its own interests narrowly, without examining and understanding the views of others.

I am sure that the development of a careful program for the future of Rocky Flats will meet with the same kind of understanding. Thank you, and I look forward to hearing from you.

With best wishes,

Sincerely yours,

TIMOTHY E. WIRTH.

DEPARTMENT OF ENERGY,  
Washington, D.C., March 26, 1979.

HON. TIMOTHY E. WIRTH,  
House of Representatives,  
Rayburn House Office Building,  
Washington, D.C.

DEAR MR. WIRTH: Secretary Schlesinger has asked me to respond to your letter of March 8, 1979, regarding relocation of certain facilities of the Rocky Flats plant near Golden, Colorado.

Your objective review of the extensive efforts made by the Department of Energy (DOE) to insure safe and environmentally acceptable operations at the Rocky Flats plant is appreciated by the Secretary. It is my belief that in recent years the DOE and its Rocky Flats contractor, Rockwell International, have successfully demonstrated responsible management of operations at the plant and a full awareness of the need to work closely and openly with the state and local governments and the public in assuring plant and off-site safety. I believe we have established a basis for confidence that the plant operations do not impose a threat to the health or social well-being of the local populace or to the quality of the environment. It is my intent, with the support of the Congress, to continue these efforts to insure that the plant does not pose any threat to the local community. I appreciate and welcome your support of these measures.

I am, of course, aware of the recommendation made in 1975 by the Lamm-Wirth Task Force and the actions taken by this department and its predecessor to respond. In par-

ticular, I have noted the Task Force recommendation to reassess the Rocky Flats plant as a manufacturing facility for components of nuclear weapons.

The continued operation of the Rocky Flats plant does remain under public discussion, although I believe that a large part of the impetus and support for this discussion is based more on opposition to nuclear weapons in general than on any specifically identified potential hazard. Nevertheless, I do agree that the longer-range issues involving public acceptance of continued operations warrant attention at the policy-making levels in this department.

As you know, the Rocky Flats plant provides certain unique facilities which are critical to the national security of the United States. However, while an alternate (or replacement) facility capable of performing the work done at Rocky Flats might add a potentially useful redundancy to the weapons production complex, I do not believe that such an alternative facility is warranted at this time.

While I do not consider that immediate action to convert certain of the Rocky Flats facilities and to replace them elsewhere is appropriate, I do believe that it would be useful now to reassess the operations at Rocky Flats to take into account the potential for changing future requirements, for more stringent standards of worker safety (e.g., standards concerned with exposure to toxic materials or radioactivity), or for the aging of facilities which might indicate the advisability of significant modifications or additions to the plant. This reassessment should include an analysis of whether the operations involved should be continued at Rocky Flats or relocated to another site.

Because changing conditions might credibly warrant the future removal or conversion of some of the facilities now at our Rocky Flats plant, I will direct Major General J. K. Bratton, the DOE Director of Military Application, and Mr. Herman Roser, Manager of the DOE Albuquerque Operations Office, jointly to initiate an analysis to: identify the possible conditions under which a shutdown or relocation of certain or all of the current Rocky Flats operations might be indicated; identify tentative alternate sites; determine the time phasing and the cost of relocation compared to modifications at Rocky Flats; and identify employment impacts at Rocky Flats, giving particular attention to alternate positions for the affected work force. You will be kept promptly informed as the analysis generates significant planning information or results in policy or operational decisions.

I assure you that our actions in addressing the future of the plant will be developed carefully with a view toward the best interests of the citizens concerned and with the need to meet our recognized national defense requirements. I am impressed with the way you and your staff have dealt with this matter, and I look forward to continued close communication with you and your staff on aspects of policy determinations on the future of the Rocky Flats plant.

Sincerely,

DUANE C. SEWELL,  
Assistant Secretary for Defense Programs. ●

#### PROFITS IN THE UNITED STATES

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. SENSENBRENNER. Mr. Speaker, the recent upswing in business profits has met with widespread criticism

among many public officials and commentators. One dissenting voice is that of William Simon, former Secretary of the Treasury. His comments were excerpted and condensed from "The Role of Profits in the United States," by the ACU Education and Research Institute. I would like to make these comments a part of the RECORD:

The average American appears badly confused about the amount and importance of profits in the U.S. economy.

For example, a comprehensive public opinion poll conducted in 1970 by Opinion Research Corp. asked the question:

Just as a rough guess, what percent profit on each dollar of sales do you think the average manufacturer makes after taxes?

The average response was 28 cents of profit after taxes for each dollar of sales. The actual figure was 4 cents.

Most of those questioned apparently confused the percentage markup of retailers with the actual profit left after deducting operating expenses and taxes. Even the owners of stock participating in the poll, supposedly a more financially sophisticated group, gave an average estimate of 23 cents.

Public perceptions of corporate profit have become less and less accurate over the years. The estimate of profits in 1970 was seven times the actual figure. The closest given was in 1945, when respondents estimated profits at three and one-half times the actual level. The most recent study, in 1975, turned up an average estimated after-tax profit figure of 34 cents on each sales dollar, about seven and one-half times the actual figure.

For more than a decade American corporate earnings have been in the midst of a virtual depression.

This fact has been obscured by constant talk of "obscene" and "soaring" profits—and by accounting techniques which take no account of inflation. If depreciation were based on replacement rather than historical costs and if inventory figures were adjusted for inflation, real profits would have declined steadily from 1965 to 1970, both as a share of national income and as a percent of sales. By 1973 both measures were at a level approximately one-half their 1965 figure.

Adjusted earnings figures have also declined compared to the replacement value of capital assets. This rate of return on invested capital also reached a peak of 10 percent in 1965 and then declined to a level of 5.4 percent in 1970 before recovering to 6.1 percent in 1973. The sluggish economy of 1974 and early 1975 further reduced the profit figures. Profits have recovered somewhat since then, but are still well below the earlier figures.

Even more serious than the misconceptions surrounding the level of profits are those concerning the nature of profit itself. These misconceptions have made many Americans hostile to profits—and unaware of their true nature.

The essence of profit is a positive gain from economic activity after all costs are paid. This idea is applicable to an individual, a family, a business firm, a nation, or the entire international economy. Like other forms of earnings, profits are a reward for productive activity: speci-

cally, committing capital and bearing risk.

Profits are created in a variety of ways. Perhaps the most basic source of profit is the development of a new idea leading to a new product or service, an advance in design, the utilization of new materials and production processes, improved distribution and service systems, reduced costs or other innovations. In a competitive environment profits from new ideas are usually short-lived, as competitors strive to catch up or develop new initiatives of their own. In other situations a longer-lasting comparative advantage may be created by superior management, production and distribution methods, better access to raw materials, advanced research and development efforts or other unique capabilities.

By rewarding these capabilities, profits provide an incentive for more innovation and investment—the only true source of economic growth and jobs.

One can observe the importance of capital investment to productivity and economic growth by comparing the American record with those of three successful competitors: Japan, West Germany and France. Fixed investment in these countries in the years 1960-73 totaled 35.0, 25.8, and 24.5 percent of national output respectively; the corresponding figure for this country was 17.5 percent.

During the same period output per manhour grew at a rate of 10.5, 5.8, and 6.0 percent, respectively, in the three former countries, while the U.S. figure was 3.3 percent. In fact, the United States ranks last among seven leading industrial nations on both counts. And the gap is increasing. Not coincidentally, the U.S. tax structure bears more heavily on corporations than does that of almost any other industrial nation.

In short, profits lead to more capital investment, more jobs, higher wages and an increased real standard of living. The basic issue was put into proper perspective by Samuel Gompers, who served as president of the American Federation of Labor from 1886 until 1924, when he commented that:

The worst crime against working people is a company that fails to make a profit.●

#### REMEMBRANCE OF THE HOLOCAUST

### HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HUGHES. Mr. Speaker, today we commemorate the needless deaths of 6 million men, women, and children whose only crime was that of being Jewish.

Although it was not the first wholesale extermination of a people on account of their religion, it was the most complete and massive instance of genocide that has ever been perpetrated. The extent of

this wanton destruction of life is almost incomprehensible.

A generation has gone by since these terrible crimes were revealed to the world. Attitudes have changed. The deep psychic wounds of the world that were opened with the revelation of the Nazi atrocities have started to scar. The memory blurs and unpleasant things are easily put out of our minds. We cannot permit this. Some things must be remembered.

While memories of specific atrocities of the Nazis' total inhumanity to man have receded from our memory, a new and growing awareness of the innate worth of man has grown from a single fragile stalk. This stalk has grown taller with deeper roots over the years, but it is still quite fragile. We must continually cultivate that stalk, for a nation that does not, faces the ultimate danger of a loss of human rights.

We will never have the luxury of taking human rights for granted. Those who wish to destroy these rights are clever and insidious. If we sit back and ignore their efforts we could be faced with a situation that leads to the abrogation of rights for the many. Apathy is the ultimate enemy.

As we commemorate the holocaust it is fitting that we call upon God's blessings for our country. There is a Jewish prayer that is a particular favorite of mine and I would like to share it with you now:

Bless our country that it may ever be a stronghold of peace, and its advocate in the council of nations. May contentment reign within its borders, health and happiness within its homes. Strengthen the bonds of fellowship among all the inhabitants of our land. Plant virtue in every soul, and may the love of Thy name hallow every home and every heart.

This is what we are striving for. A contented people ever vigilant and ready to defend the rights of mankind and to remember the lessons of the past as we live each day and plan for the future. A remembrance such as this will help us attain that goal.●

#### IMPLEMENTING THE MIDDLE EAST POLICY

### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. MAZZOLI. Mr. Speaker, as did many of my colleagues, I attended the March 26, 1979, White House signing of the peace treaty between Egypt and Israel.

I also had the honor, with my colleagues, of welcoming President Sadat and Prime Minister Begin when they visited the House of Representatives to make personal reports on the peace treaty signed the day earlier.

Israel and Egypt have been ravaged by wars for over 30 years. Certainly, the people of these two nations are entitled

to raise their families and to live their lives in peace.

President Carter, President Sadat, and Prime Minister Begin worked tirelessly to hammer out this historic document of peace.

But, that was the easy step. Now comes the harder, more vexing, step of implementing the terms of that document.

There are formidable barriers to a complete and final peace in this troubled part of the world. New barriers crop up every day.

We must be prepared to support with our energies and our intellects—and with our prayers—the worthy efforts of our President and these two courageous and far-seeing Mideast leaders as they "wage peace" in the months and years ahead.

However, the prize is worth the efforts. For, these can—and, pray God, will—lead to a moment when all the world together will proclaim in a loud voice: Peace. Shalom. Salaam.●

#### WHALEBOAT WARFARE AT SHOAL HARBOR

### HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 24, 1979

● Mr. HOWARD. Mr. Speaker, I would like to take this opportunity to commemorate a noteworthy event in our Nation's history. Two hundred years ago, on April 28, 1779, a brave group of patriots defended the cause of American liberty in what has come to be known as Whaleboat Warfare at Shoal Harbor.

These courageous patriots were known as the whaleboatmen. Deriving their living from the sea, these hearty men could maneuver their 30-foot, oar-propelled boats through the seas swiftly and accurately. Having been trained by an anonymous patriot, the "Spy Mariner," these proficient whaleboatmen engaged the British fleet anchored in Shoal Harbor, between Sandy Hook and Staten Island, under cover of darkness, fog, and storm. Then, as they had throughout the war, the men took retaliatory measures against the British fleet for their attacks on the Monmouth County countryside. On over 79 occasions during the course of the Revolutionary War, these men attacked the British vessels, causing havoc and destruction in the sea lanes between New Jersey and New York, which later were to serve as the British retreat route.

It was the actions of these brave seamen at Shoal Harbor and other spots along the east coast that contributed to the development of the U.S. Navy. For their heroic deeds during the War of Independence, I join my constituents at the Shoal Harbor Spy House in commemorating the Bicentennial of Whaleboat Warfare at Shoal Harbor, Port Monmouth, N.J.●