

EXTENSIONS OF REMARKS

MILTON FRIEDMAN ON THE
MARKET AND HUMAN FREEDOM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, I do not always agree with Milton Friedman and his Chicago school of economics, but he and I do agree on the subject of socialized medicine. We agree that socialized medicine increases the cost of medicine and lowers the quality of the care delivered to the patient. Professor Friedman's recent article on this subject appeared in *Private Practice* magazine for July 1981. Mr. Friedman's article traces the failure of socialized medicine in Great Britain and points out how our limited socialized medicine—medicare and medicaid—have produced bad results in the United States. I commend it to the attention of any of my colleagues who may still feel that Government medicine has any merit. The article follows:

THE MARKET AND HUMAN FREEDOM

(By Milton Friedman)

I am delighted to be here with you because you are part of a small band of people around the world who are trying to preserve the basic elements of a truly free and open society—a task which has for many years seemed almost hopeless but which I believe has recently taken on a new hue of hope. It looks as if there may be a change in the tide, as if that trend—that I am sure all of us bemoan—toward a greater and greater role for government in controlling men's lives may be stopping and reversing.

With respect to the field of medicine, one of the most extraordinary feats of imagination that I know of is a passage in a book by Aleksandr Solzhenitsyn, the novel "Cancer Ward," in which * * * the protagonist of the novel visits an elderly man, a physician, who dates back before the revolution and who is able to talk about the nature of private practice in medicine.

Here was a man (Solzhenitsyn) who had lived in the country, in a communist country, all his life at the time he wrote this. This was long before he was expelled from the Soviet Union and, yet, out of his imagination he was able to construct a true picture of the merits of private practice as opposed to state practice. And this in a country which has gone farther than almost any other in converting the practice of medicine from a noble and honorable profession into an ignoble and dishonorable one—where physicians are required, essentially, to use their art to incarcerate people in prison, to declare them sick when all they are is free spirits, where in the only country in the western world—if you can call Russia the western world—I believe the average age at death is going down rather than up.

And yet, despite the virtues of the private practice of medicine, the trend throughout

the world has been in the opposite direction. It has been in the direction of the elimination of private practice; it has been in the direction of giving government more and more control over the practice of medicine.

What has been happening in medicine has been part of a general trend for the past 80 to 90 years around the world—toward a greater and greater control of individuals by governmental officials, toward a turning over of more and more power to the government—the growth of government spending, the growth of government regulation, the growth of government intervention in every area.

The growth of government financing of medical care is no different than the nationalization of steel industries in the United States. It's no different than the extension of control over prices or over wages. What you have been a broad movement ever since the end of the 19th century away from a society in which government serves primarily as an umpire, as a policeman, and toward a society in which government serves as the all-powerful—supposedly and hopefully—all-benevolent father. The trend away from free medicine is part of a general trend not only in the sense that the same kind of greater involvement in government has occurred in area after area, but also in a very different sense, in the sense that it reflects to a considerable extent a kind of schizophrenia among businessmen and among physician professions. Every businessman knows that he's in favor of free trade and free markets except when it comes to himself and he's a special case. He needs a tariff or he needs a special tax arrangement. Physicians have been no different. The medical profession, the healing professions in general, are in favor of private practice but only up to certain limits.

A few years ago I spent a week or so on the island of Kos, a Greek island in the Aegean. I was on the island because it was the home of Hippocrates, the father of modern medicine. I wanted to bring Hippocrates in as an introduction to the episode of "Free to Choose," a PBS 10-part series hosted by the author or the part, of our program which dealt with the problems of labor unions and labor relations.

I wanted to use Hippocrates and the Hippocratic oath as an introduction to why you had a development of trade unions and the consequences which they have. Hippocrates himself gave his name to the Hippocratic oath, but he had nothing to do with it. What happened is, as most of you probably know, when he died, the island was full of physicians and of patients who had been attracted by Hippocrates' fame. But when he died, the fame was not there any more and the attraction was not so great, so you had an oversupply of physicians. Of course, physicians didn't like that so they organized themselves into a group and they drafted the Hippocratic oath.

The Hippocratic oath, which all of you probably took when you entered practice but didn't read very carefully, contains many fine and noble sentiments and statements. But if you examine it more carefully, you will see it is essentially a trade union agreement. There is a phrase in it in which

the physician says he will take as students only his own children and the children of other physicians. There is another portion that is an attempt to restrict entry into medicine in an attempt to keep down the numbers.

There is another phrase in there which has to do with jurisdiction. It's a phrase, if you will remember, in which the surgeon says he will not interfere with the medical physician. The medical physician will not interfere with the surgeon. They shall each leave the other to pursue his specialty.

And that is, of course, what has happened to medicine over the course of the centuries that followed. Almost everywhere medical practitioners have formed themselves into organizations that have generally, with the assistance of the state, restricted entry into medicine—all, of course, for good purposes. Nobody ever does undesirable things for bad reasons; all for the good purpose of raising standards of medical practice.

I have examined the story in this area in the United States, in particular with the American Medical Association during the course of the 1920's and 1930's. It's an extreme example of a very powerful trade union which succeeded in keeping down the number of physicians and in the process raising costs, which succeeded in retarding the development of efficient group medical practice and in the process reduced the quality. I mention this not to attack the American Medical Association or the members of it. They are noble, able people who wanted good things, but were misled. But only to suggest again a sense in which the developments in medicine are not special to medicine.

INPUT UP, OUTPUT DOWN

Now, from the point of view of the providers of medical care, the initial effect of government involvement often seems beneficial. After all, here's a new source of funds, here's a new set of finances which will make possible things that were not possible before. And that is indeed true for a time. It is true that in the initial stages when government enters into the financing of medicine, physicians and other providers of medical care do benefit. In the United States the emergence of medicare and medicaid has roughly doubled the fraction of the national income spent on medicine and it has greatly benefited many physicians. Indeed, its effect on the incomes of physicians has been far more noticeable than its effect on the quality of care received by patients. A major effect has simply been that the government pays for some things that before the medical professional provided without payment. In that stage there is no doubt that government involvement is beneficial.

However, that is only the entry wedge in the beginning of it. As government control spreads and gets wider and wider, the advantages decline and the disadvantages emerge. And eventually there is a reversal and even from the purely financial point of view, from the amount of resources devoted to medicine, government control tends to reduce it.

The most dramatic example of that is in the United Kingdom, which introduced socialized medicine in 1948 right after the war,

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

so you have a long period. What happens is in the beginning the government spends more because that is part of the process of getting approval for its socialization of medicine. But then, when the thing is done—when the whole thing has been taken over—then there are always fiscal pressures. People will voluntarily pay their own money to go see a particular physician, but nobody likes to pay taxes for someone else to see a physician. Consequently, the complaints emerge that this is a very expensive process and that you have the cost running away and you have to hold down expenditures.

British physician Max Gammon developed a rather interesting theory—which he called a theory of bureaucratic displacement—in which he said in all bureaucratic enterprises where bureaucracies take over, input goes up and output goes down. A particular application of Parkinson's law, which is the growth of bureaucracy tends to take the place of useful output or useless output tends to take the place of useful. And he gave some evidence on that. In the eight years from 1965 to 1973 in Britain, the number of people on hospital staffs went up 28 percent and, I might note, that the people on clerical and administrative staffs went up 41 percent. On the other hand, the average number of beds occupied per day went down 11 percent and that wasn't because there weren't people there to occupy them. There was a waiting list of some 600,000 people at all times during that period.

The end result of this is twofold. On the one hand, as all of you know, there has been a virtual flight of physicians from Britain. The number of physicians emigrating from Britain has been something like a third to a half of the number graduating from medical school. But the other side of it is that there emerges a pressure from private medicine. And so one of the most rapidly growing developments in Britain has been the institution of voluntary health insurance with, as I was mentioning before, private hospitals being built.

The setting in which medicine has been practiced during the thousands of years has been one in which the patient has been the client and the employer of the physician. Today the state, in one manifestation or the other, claims to be the employer and thus the one to prescribe the conditions under which the physician has to carry out his work. These conditions may not, and eventually will not, be restricted to working hours, salaries and certified drugs. They may invade the whole territory of the patient/physician relationship. If the battle of today is not fought and not won, there will be no battle to fight tomorrow.

What is the appropriate role of government in medicine? Given the extent to which government has been taking over, what is appropriate? What should government be doing? In my opinion, if we put to one side the field of public health, which is not what we are really talking about, we're really talking about physician/patient relationships. The fields of communicable diseases, public health and sanitation—there is an important role for government in that area. But in the area of private medicine, I do not believe there is any special role whatsoever for government other than its role in every other area of our lives.

What is that role in other areas of our lives? Well, an important role of government is to enforce laws against fraud and deception. If a person professing to be a physician hangs out a shingle saying, "I

have been graduated from the University of Excalibur," and it turns out he never went to such a university or there is no such university, then he ought to be prosecuted for fraud and deception. But that's the same in every field and ought to be done for the butcher, the baker, and the shoemaker and the candlestick maker. A second function that governments have assumed and is appropriate for governments to assume is to help people who are in dire distress. We do have a situation in which individual citizens get into a situation, often through no fault of their own, in which they are in dire difficulty and one of those possible situations may be subject to very high medical expenses, but there is nothing special about that. Another reason for dire distress may be a flood that destroys a town or it may be an earthquake or it may be anything else. And in that sense there can be a role for government in assisting people and the terms ought to be the same, in my opinion, regardless of what is the cause.

I do not believe there is any case whatsoever for government's financing ordinary medical care of a private patient. The cost of financing ordinary medical care is well within the means of ordinary families in most of our countries. Certainly so far as the more expensive, unusual forms of medical care the appropriate method of financing those is insurance just as that is the appropriate mechanism for financing other large risks.

In the United States the development of private health insurance has gone very far indeed. So that today something like 80 percent of all hospital bills are covered by insurance, most of which is private voluntary health insurance, some of which is Medicare government insurance for the elderly and some of which is other government programs, but most of which is private.

NO GOVERNMENT AID

You hear all the time the argument that medical care is so expensive that you cannot expect the ordinary person to finance it. Well, there are two things wrong with that. First of all, who finances it if government finances it? It's the ordinary people. Government doesn't have any money with which to finance anything. All government has is a monopoly on force. And, therefore, the power to take money out of some people's pockets and use it for purposes that are determined by government. So, *** if ordinary people, if the average people of the country cannot afford to pay for their own medical care, neither can the government afford to pay for it.

But the second thing that is wrong with it is that it misrepresents the magnitude of the expenditures on medical care. The total expenditures in the United States on medical care—and I may say those expenditures have been going up very rapidly thanks to government involvement *** have gone from something like 4 or 5 percent of the national income to 9 or 10 percent. But yet those total expenditures on medical care today are less than two-thirds of the amount people spend on their houses. It's less than three-fourths of the amount they spend on their automobiles.

In my opinion, government involvement in medicine has been the problem and not the solution. And the right ultimate course *** and this is a position that will go much beyond what most of you in this room would go to I believe, *** should be no government involvement, no government regulation, no government subsidization and to add the point where I will lose all of you

*** no government licensure of physicians. (Applause.) You are a most unusual audience. I have argued against the licensure of physicians before the board of directors of the American Medical Association and had one of the most vituperative, the most argumentative evenings I have ever had. But, your endorsement of that is fascinating because I think physicians everywhere and people everywhere are coming to realize the truth of that old saying that if you're going to sup with the devil you better have a very long spoon. And licensure is not a long enough spoon. It has been a major source of the problem.

Well, let me go on and ask the question, what are the prospects of turning things around? And here I think it is possible to be far more optimistic than it was some 5 or 10 years ago. Not because of any element special to medicine, not at all, but for a very different reason and that is that just as the socialization of medicine has been part of the broader movement toward socialism, so the enhancement of private medicine will—can—only occur as part of a broader movement toward an enhancement of human freedom in all areas, toward a reduction of the role of government in our society, toward a cutting of government back to scale. And the reason it is possible to be more optimistic than it was a few years ago is because it seems to me we are experiencing worldwide a movement of opinion and a movement of practice away from the trends of the past 70 or 80 years and in a very different and new direction.

These trends are worldwide and they can be observed not only in the countries most of us come from—the western countries—they can be observed in the countries behind the Iron Curtain. The success of the Russian revolution in 1917, of the communist revolution in China after World War II, were part of this worldwide movement toward greater centralization and collectivism. Just as much as the emergence of the welfare state in Great Britain, of the New Deal in the United States, and similar tendencies here in Australia. And, similarly, what is happening in Poland, the attempts in countries like Hungary to introduce greater elements of market arrangements, the attempt by Mr. Deng and others in China to introduce a greater role for the market in those countries. They may not succeed, I am not saying they will, far from it. But, they are indicative of the same kind of a worldwide move away from collectivism and centralized direction and toward a greater role of market and of human freedom.

You know, the believers in collectivism, the believers in socialism are on the defensive everywhere. Very seldom do people who have taken a very strong and firm position change their position. People pretty well are set in their ways after the age of 25, but you have new generations arising and you have a whole mess of the population that has come to the conclusion that it has been sold a bill of goods and that it has come to realize that these miracles promised by governmental control are not going to emerge.

FREEDOM PERSISTS

And as a result you have a political movement sparked very much by a resistance to high taxes—and that's probably the most important driving force—which is showing its face all over. It's by no means certain, very far from it indeed, that that movement will be successful. It is far more difficult to unwind the consequences of government

control than it is to get involved in those controls in the first instance. Every time government gets involved in any area it sets up vested interests that have a strong reason to oppose the reversal of that policy. That's why it is so difficult to turn things around.

So, I am by no means confident that we shall succeed throughout the world in turning things around, in particular in the area of medicine, of providing a greater role for freedom, but I am certain of one thing: elements of freedom will persist.

Just as the private practice of medicine lit a light that Solzhenitsyn recognized inside of closed in Russia, so private practice will persist. The real question is whether it will be able to assume as large a place and as large a role as would be in the interest of patients, or physicians, of the community at large.●

ANTHONY "SHOEY" LATTANZIO

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. YATRON. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues in the House the accomplishments of Mr. Anthony "Shoey" Lattanzio.

For 40 years, Mr. Lattanzio was actively involved in the Reading, Pa., Orioles. He served in numerous capacities and, together with his board of directors, made the Reading organization the largest Lodge and Home Association of the Orioles in the United States.

Mr. Lattanzio was indeed an indefatigable and most dedicated member of the Orioles, as he devoted almost all of his spare time to the club. He held all the offices of the local Lodge and the Home Association. In addition, he was elected to the prestigious supreme board, and served as supreme treasurer and two terms as supreme president. The importance of the position of supreme president cannot be overemphasized, as his jurisdiction included all U.S. Oriole organizations. Moreover, Mr. Lattanzio served on any committee to which he was asked, including the Orioles' Meadow Building Committee.

Mr. Lattanzio was instrumental in developing solutions to the problems which occurred at the Orioles. Under his leadership the mortgage was paid and the club improved dramatically. His managerial skill was manifest in every capacity he served and was a most important feature in the club's success.

It is certainly an honor for me to pay tribute to Mr. Lattanzio. His leadership, loyalty, wisdom, and experience were tremendous assets to the Orioles not only in Reading, but all over the country. His many achievements and contributions will always be remembered. Mr. Lattanzio is truly an outstanding American citizen.●

CHANGES IN THE FEDERAL GOVERNMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, August 12, 1981, into the CONGRESSIONAL RECORD:

CHANGES IN THE FEDERAL GOVERNMENT

In my newsletter last week, I commented on the abrupt and far-reaching changes in the Federal Government that have occurred this year. The central point of the newsletter was that a reduction in the size and cost of the Federal Government, an objective strongly promoted by President Reagan, has been the primary development. Because he views the Government as the problem and not the solution, the President seeks to minimize its intervention in all aspects of the Nation's life. Any measure that holds the Government in check is all to the good.

There should be no doubt about the importance of the changes, but still it is possible to overstate them. As I examine the budget cuts of recent weeks, I am impressed that very few of the programs approved during the New Deal and the Great Society have been eliminated, though many of them have been reduced in size and cost. Public service jobs have been terminated and some programs have been folded into block grants serving the same general purposes, but social security, medicare, medicaid, student loans, aid to education, nutrition centers, and grants for community development remain on the books.

Even so, the changes in the Federal Government are dramatic. They are also very understandable. For some years now, both the public mood of exasperation with the ways things have been going and the inability of the Government to deal effectively with our many problems have been apparent. The frustration came to the foreground in the 1980 election, an election which revealed a deep tide of discontent. There was broad support in the country for decisive action to address the Nation's problems. The changes came about, however, not simply because of the mood of the country. The President deserves credit, too. His success in conceiving his plan and steering it through Congress demonstrated a rare political prowess. Using the process of reconciliation, a part of the Budget Act designed for more modest ends, he short circuited lengthy legislative deliberations on numerous bills, made it very difficult for special interest groups to modify his plan, and took full advantage of public sentiment before it dissipated. He kept public concern focused on two bills, the tax and budget cuts, both of which contained sweeping and complex changes in scores of laws. As a legislative maneuver, the President's was spectacular.

Mr. Reagan also had help from his party. During the past few months the Republicans in Congress have maintained a remarkable discipline. Only one Republican voted against the President's tax bill, for example. For the Democrats, it was quite a different story. They simply could not stay united and their discipline broke frequently. The Democrats merely reacted to Republican initiatives and did not organize a coherent and constructive opposition.

Some observers believe that the changes in the Federal Government are permanent,

but I am not so sure. These observers point out that the indexation of the tax brackets will lead to a permanent loss of Federal revenue and a permanent curtailment of Federal power. They argue that there will be relentless pressure for further cuts in spending, and they contend that the Government will find new programs much harder to finance. The other view—one which may have been overlooked—calls attention to patterns in our history. Periods of internal stress are often followed by periods in which there is less emphasis on social responsibility and the role of the Government. The years after the Civil War and World War I are examples. Because of the conflict in Vietnam, the Watergate scandal, and the economic problems of recent years, the Nation may be entering a similar time. Moreover, important social phenomena, such as poor mass transportation, inadequate health care, the decay of the cities, unemployment, and trouble in the schools may reassert themselves if they are not handled effectively. If they do, new demands will arise for Government action.

It is easy to see the direction the Federal Government will take in the years ahead. In general, I am inclined to think that we will be less ideological and more pragmatic as we try to solve our problems. Perhaps we should take our cue from an observation of President Lincoln's on his own conduct in office: That a man with a policy would have been fatal to the country, and that he just tried to do what was best each day. Because most of us agree that the Government has run too many deficits, incurred too many costs, and been too clumsy and intrusive in its actions, we will surely be more willing to consider nongovernmental options as we search for solutions.

Nevertheless, I doubt that—in the long run, at least—we will come to accept the idea that the Federal Government is evil and worthless. Most of us turn to the Government at some point in our lives: Some for personal advantage, others out of a genuine concern for their fellow citizens, still others in desperation. Most of us believe that the Federal Government has a job to do even if we worry that it is sometimes excessive. It seems to me that Americans have repudiated an inefficient, ineffective Government, not the Government itself. Americans have a very reasonable desire: To be able to solve problems with less bureaucracy, less cost, and less interference.●

HONORING THE CITY OF LAKEWOOD, CALIF.'S SKYKNIGHT PROGRAM

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LUNGREN. Mr. Speaker, I rise with pride to bring to the attention of my colleagues the 15th anniversary of the city of Lakewood, Calif.'s skynight program. Skynight was the first community program to use helicopters for routine police work. Following the effective use of helicopter patrols during the Watts riots in 1965, Los Angeles County Sheriff Peter Pitchess proposed to a receptive Lakewood City Council the basic concept of the skynight-helicopter patrol program. Insti-

tuted as a trial program in the summer of 1966, skynight began to yield immediate results and crime in the Lakewood area dropped 11 percent in 1 year.

Originally, the skynight program had one helicopter with a civilian pilot and a sheriff's deputy observer. Presently the city of Lakewood and the surrounding communities of Paramount, Bellflower, Artesia, Hawaiian Gardens, and Cerritos are served by three skynight helicopters on a full-time basis. The skynight program and its innovative approach to crime prevention has proven so effective that over 100 communities in America now use helicopter patrols on a regular basis to assist police.

The tremendous success of the skynight program over the past 15 years is a tribute to the civic leaders of Lakewood and to the entire community. It is through the actions of such concerned and active citizens that effective ways may be found to curtail the crime which has plagued our Nation's communities. It is now the responsibility of the U.S. Congress to follow the lead of the people of Lakewood and develop a comprehensive plan to combat crime that will provide full protection for the people of America.■

PERU: A THIRD WORLD CINDERELLA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mrs. SCHROEDER. Mr. Speaker, amidst the dismal spectacle of international financial woes, notably in Third World countries, there are a few bright exceptions. Peru is one.

Sound financial management, oil production, market incentives, and government efficiencies have done wonders for the Peruvian economy.

"A Third World Cinderella," in the August 30, 1981, New York Times, has the details:

[From the New York Times, Aug. 30, 1981]

A THIRD WORLD CINDERELLA

(By Clyde H. Farnsworth)

WASHINGTON.—The figures are staggering. Those third-world nations without the blessing of oil revenues have run up debt approaching \$400 billion. Countries in arrears on current payments have risen from three in 1974 to 22 at the end of 1980, and the amount in arrears has jumped from \$500 million to \$5.5 billion.

"Debt rescheduling crises, like the migration of locusts, are recurring events," says Chandra Hardy, a specialist on the financial problems of third-world countries at the World Bank. "We know they are coming but not when."

The crises—the specter of an entire nation going bankrupt—get all the attention. But since the 1973-74 explosion in oil prices, no borrowing countries have defaulted outright. And despite the heavy economic

weather of the last half-dozen years, some of these hard-pressed nations have managed to improve their position through self-help.

Peru is a shining example. Years of cheap money, large Government subsidies, heavy public works spending, a costly arms program and nationalizations left the country with runaway inflation and unmanageable short-term foreign debt. Now, less than a year in office, its new civilian Government has returned to the international credit markets that shunned it only three years ago.

The Reagan Administration, now in the midst of drafting a new American approach to third-world development, is watching Peru's efforts closely. Reagan officials have already signaled some reluctance to approve an expansion of Government aid to the third world. They want developing countries to de-emphasize centralized planning and orient policies more toward the market system to create a better environment for private capital investment. While cautious about commenting on individual countries, Reagan officials do not conceal their desire to see more Perus.

A. W. Clausen, president of the World Bank, cited Peru, South Korea, Taiwan, Singapore, Hong Kong, Chile and Argentina among those that have already tapped private enterprise with some success. Mr. Clausen, now preparing for next month's annual meeting of the World Bank and its sister lending institution, the International Monetary Fund, put the issue in these terms: "We have to ask what the World Bank can do to help a given country make itself more sexy, more interesting, safer."

In Peru, increased oil production has aided the country's improvement. It has moved from a \$200 million-a-year oil importer in 1978 to a small net exporter. While petroleum and minerals are important in the country's improving export position, Peru has also made substantial progress in expanding foreign markets as well for light manufactured goods, which now account for about a quarter of overall exports.

"Peru has turned the corner," said Jack D. Guenther, senior vice president of Citibank and its senior adviser for international operations. "After the oil-price increases, there were all sorts of dire forecasts that countries would not be able to adjust. What we're seeing in Peru is the way adjustment works. The key is good management."

Peru's economic storm struck in 1978, when it was unable to pay interest and amortization and was forced to seek a rescheduling of its obligations. The Government of President Fernando Belaúnde Terry, which took over last July after 12 years of military rule, has just prepaid a \$354 million loan to a consortium of banks. The money was not due until 1986. That, combined with a decision of two newly organized syndicates, one led by Manufacturers Hanover and the other by Wells Fargo, to lend Peru \$200 million of fresh credits on more favorable terms, is evidence that conditions are changing.

William H. Bolin, executive vice president in charge of the world banking division at the Bank of America, said: "Peru has adopted quite workable and sound economic policies with budget control, greater latitude for private investment and the free market and more efficient management of public enterprises. This is not to say that it will be able to avoid further strains as it seeks to maintain social peace and reduce the rate of inflation, but the country is now operating within its means."

The Government, in addition to repaying some of the country's debts, has already managed to reduce inflation, increase central bank reserves, attract foreign capital—and at the same time increase the minimum wage and win a no-strike agreement from the powerful trade unions.

By 1978 the gross external debt neared \$7 billion. With dwindling earnings from exports there was not enough in the till to pay off the interest and amortization and the Government had to request a rescheduling of the obligations.

Some 250 international commercial banks, which held \$800 million of debt that had fallen due, insisted that the Government first come to terms with the International Monetary Fund, the intergovernmental lending agency that provides balance-of-payments credits to countries that cannot make ends meet—but only on condition that they alter policies.

Stormy negotiations with Peru culminated in an agreement in August 1978, under which the Monetary Fund granted additional credits following a commitment from the Government to reduce bank credit, let interest rates rise to reflect the inflation rate, speed up the rate of devaluation of the sol against the dollar to reflect market rates, and reduce public works expenditures and subsidies. Four months later the rescheduling accord was signed with the commercial banks.

With the refinancing package came dramatic changes in the overall economic management that have been continued by President Belaúnde and by Manuel Ulloa Elias, an internationally known financier who was named Prime Minister and Minister of the Economy.

Key economic positions in the new Government were also taken by such men as Richard Webb and Pedro Pablo Kuczynski, who had both earlier held high posts in the World Bank. Mr. Webb, an internationally known economist, had also taught at Princeton.

Reserves of the Central Bank are now more than \$1 billion, much of the funds held in United States Treasury securities. Despite a shift to import liberalization aimed at checking inflation, the country enjoyed a surplus of exports over imports last year of nearly \$1 billion. Inflation has come down from the 80 percent level in 1978 to around 50 percent, and would be lower, bankers said, were it not for the lifting of controls on food and fuel prices and interest rates.

Other evidence of recovery: a 3.1 percent real growth rate last year, down slightly from 1979 mainly because poor weather checked farm output and lower world mineral prices curbed mining output. Other sectors were more buoyant. Manufacturing output rose by 7 percent and construction activity was 18 percent higher.

Petróleos del Peru, the nationalized Exxon subsidiary, found commercially productive wells in the northern jungle area bordering Ecuador and offered international companies up to half of whatever oil they might find in their own exploration. Occidental, Superior Oil and Belco are among those that have undertaken the joint ventures with Petroperu.

Fernando Schwalb López Aladana, Ambassador to the United States, says his country's golden rule on foreign investment consists of "creating favorable conditions for it. In other words, by offering guarantees and reasonable tax incentives to prospective investors and restoring confidence in Govern-

ment through the adoption of rules of the game so stable that they will guarantee fair treatment." ●

THE PASSING OF A GREAT AMERICAN

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAWKINS. Mr. Speaker, the passing of Roy Wilkins was a blow to all members of our society who remember him as a tireless soldier in his life-long struggle for equal rights for blacks. He counseled Presidents, Congressmen, and Senators on civil rights matters and fought the legislative battle at a time when blacks were less represented in the area than they are now. Although he is gone, his legacy will never die. Mr. Speaker, I submit an editorial from the Washington Post highlighting the efforts of this great American:

ROY WILKINS

Today's young Americans of all races may read with a certain understandable detachment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People. Lynch law and Jim Crow were teamed in a cruel reign through southern and border states that slammed doors and gates in the faces of blacks. Restaurants, hotels, theaters, drinking fountains, beaches, pools and entire neighborhoods were blatantly segregated—and heaven help any Negro objector because the law certainly wouldn't. Mr. Wilkins who died yesterday at the age of 80, had more than a routine role in all that has changed since then.

Through those dangerous days down South and on into the years of more subtle but persistent discrimination in all regions of the country, Mr. Wilkins kept up the battles for equal justice under the law. In the courts, in the legislatures, in the city halls and in the schools, this ardent and idealistic man approached each of these challenges with intelligence, unshakeable faith, grace, rage and plenty of research.

Because Roy Wilkins chose not to rail but to persuade, not to tear down but to construct, not to shoot from the hip but to marshal reason and resources, there were some in the civil rights movements of the '60s and '70s who became impatient with his style and pace. But for the most part, they still respected Mr. Wilkins for his incalculable contributions during so many of the most important moments in U.S. civil rights history—and for the fact that he guided the country's oldest civil rights organization through its greatest growth and period of prestige.

It was the successes of this pioneer, in fact, that made the issues confronting the NAACP and other newer organizations that much more complex and the views of black Americans that much more diverse. The days are past when the NAACP could set directions almost by itself. And if Mr. Wilkins could not comprehend or countenance some of the methods and directions of certain of those groups in his later years, he nevertheless spoke out for freedom and understand-

ing: "All dedicated hands are needed and welcome in this fight," he once said, "but the NAACP would be less than human if it did not take a special pride for not only in what it has done but in what it is doing today."

There is no question that this is a better country for those deeds—and for the guiding hand of Roy Wilkins. ●

SUNSET AND OVERSIGHT: FINDING THE RIGHT FORMULA FOR A VIGOROUS CONGRESS

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LONG of Louisiana. Mr. Speaker, beginning September 18, the Subcommittee on the Legislative Process of the House Rules Committee will hold a series of hearings on congressional oversight.

As chairman of the subcommittee, it is my pleasure to extend an invitation to all interested Members to participate in these hearings. The Honorable TRENT LOTT, ranking minority member of the subcommittee, joins me in this invitation. TRENT and I mailed out "dear colleague" letters announcing the hearings in early August. We wanted to allow all those interested in presenting their views ample notice in order to obtain a wide range of comment.

The proposals we will emphasize are the oversight portions of the Lott resolution, House Resolution 100, the Committee Improvement Amendments Act of 1981, and two bills pertaining to sunset legislation, H.R. 2, the Sunset Act of 1981, and H.R. 58, the Sunset Review Act of 1981.

The legislative changes effected through reconciliation and the budget process represent a new approach to program change. We feel it is appropriate and timely to review the way we authorize programs, and reassess proposals that would alter this process through sunset, sunset review, and other oversight measures.

Sunset strictly interpreted requires the automatic termination of Government programs after a specified period unless they are deliberately renewed by legislative action. In its pure form it is a concept that is itself sinking below the horizon, partly because many of the 30-odd States that enacted sunset legislation since 1976 have had disappointing experiences with it.

We are left with valuable nuggets after panning the streams of sunset proposals, however. These are the methods to institutionalize and streamline the program review and oversight embodied in all sunset plans.

The Budget and Impoundment Control Act of 1974 mandates comprehensive congressional oversight as an aid

to choosing budget priorities. When Federal resources are limited, priority selection becomes more urgent and the oversight function more critical.

At its best, oversight can be dynamic, not deadly. It can be detective work, spotlighting waste and abuse of public funds. It can separate deserving programs from the dispensable. It can serve as a mechanism for creative change, and for improving Government services.

Oversight is a fundamental part of the legislative process. It is pervasive, and takes many forms. The casework we do, the contacts we make with Federal agencies, are oversight, though we may not consciously regard them as such. Any review, assessment, or inquiry that can result in a program change is oversight, whether or not it bears that label.

What is needed most of all is simply enough time to perform the expanding obligatory aspects of oversight. This is particularly important for the authorizing committees, for making time for formal program reviews is a growing problem.

The bills we plan to examine in our fall hearings are all designed to assist the oversight process. We do not plan to limit ourselves to discussing only these proposals. Many members have had valuable firsthand experience with oversight. We hope to encourage informal, bipartisan sharing of ideas in such areas as selecting oversight priorities, setting up agendas, motivations for oversight, making room for oversight in already strained schedules, and creating public awareness of oversight activity.

The three proposals before the subcommittee contain an assortment of appealing features. H.R. 58, which the Honorable BUTLER DERRICK and I have introduced in the 97th Congress with the cosponsorship of over 150 Members, creates a tie between program review by committees and legislative action in the same Congress. This would be coordinated with the Budget Act. H.R. 58 requires each Congress to prepare and vote on an oversight schedule and to report legislation to continue, modify, or terminate the programs selected for review. All programs would be subject to review, because no program could be automatically terminated. Automatic termination is a feature of traditional sunset legislation that serves to exempt sensitive but costly programs from sunset for fear of placing them in jeopardy. The danger of ending programs inadvertently is avoided by requiring that Congress vote to end them. This makes it possible to include the review of entitlements, loan guarantees, and tax expenditures.

H.R. 58 has also been enriched by the sunrise provisions of BUTLER DERRICK's H.R. 65 in the 96th Congress. It

requires listing a bill's objectives in its accompanying report, a feature which should ease the job of oversight by clarifying program goals. This would help the agencies as well.

H.R. 58 has benefited from committee contributions, thanks to detailed responses to questionnaires and other information furnished to us by the House committees. Additionally, it reflects what we have learned from extensive hearings held in the previous Congress on sunset legislation and studies made of the States experiences with sunset.

An essential feature of program review is a comprehensive inventory of Federal programs, arranged by committee jurisdiction. H.R. 58 and H.R. 2 contain inventory provisions. H.R. 58 also requires that reviews include an analysis of the regulatory impact of the programs being reviewed.

H.R. 2, introduced by the Honorable JAMES J. BLANCHARD, requires that all Government programs, except those specifically exempted, be reviewed and reauthorized at least once every 10 years. It limits authorizations to not more than 10 years.

The Committee Improvement Amendments Act was explored earlier this summer in productive and stimulating bipartisan hearings held jointly with the Subcommittee on Rules. The oversight provisions, section I, have been referred to the Subcommittee on the Legislative Process. This section provides that the Government Operations Committee hold hearings on committees oversight accomplishments and their proposed oversight agendas. Government Operations would then consolidate all committee agendas into a single oversight agenda resolution for House consideration.

It is the hope of all subcommittee members that our series of hearings on these and other proposals will contribute in a major way to helping Congress deal with the growing workload of a rigorous budget process. The need to oversee and evaluate existing programs has grown correspondingly.

We will welcome testimony or participation in panel discussions from any Members interested in sharing their views on how to improve oversight. We hope to enlist the advice of former Members as well. Our aim is to provide a forum for lively discussion and bipartisan exploration of how to make oversight a workable tool, responsive to the needs of the times.●

TRIBUTE TO OTTO A. TENNANT

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. EVANS of Iowa. Mr. Speaker, I want to offer my congratulations to

Otto A. Tennant, P.E., of Des Moines, Iowa, a fellow professional engineer, who has recently been elected president of the National Society of Professional Engineers (NSPE). NSPE, a nationwide organization representing 80,000 individual members working in virtually every aspect of the engineering profession, will honor Otto tonight at a reception, and I am proud to be among his many friends who will be in attendance.

Otto served as vice chairman of NSPE's north central region and professional engineers in industry and chairman of the legislative and government affairs committee.

He holds a B.S. degree in general engineering from Iowa State University and an M.A. in economics from Drake University.

Currently he is manager of industrial marketing and technical services of Iowa Power & Light Co.

It is indeed an honor for the State of Iowa to claim Otto Tennant. As a fellow member of NSPE and his friend I would like to extend my best wishes to him for what I am sure will be a productive year.●

THE NATIONAL DEBT MUST BE REDUCED

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. IRELAND. Mr. Speaker, I am today introducing legislation designed to serve as a guidepost for the future, for the day we finally achieve a balanced budget, and, most wonderful of all, a budget surplus.

My bill would put the Congress on record that a major goal of our fiscal policy must be not merely balancing the budget, as important as this is, but also reducing the national debt by applying a budget surplus when one is achieved.

The headlines of late have made it clear that despite the massive tax and budget cuts enacted so far by the Congress, we must cut even further. This bad news is compounded, in my view, by reports this week from the Treasury Department that consideration may be given to new tax increases to help control the projected fiscal year 1982 budget deficit of some \$60 billion, and the staggering fiscal year 1984 projected deficit of \$100 billion.

You do not have to be a disciple of Milton Friedman to agree with his point that Government spending and taxes combine to crowd out private spending, absorbing resources that otherwise might be used for private consumption or productive capital investment.

You also do not have to have shared my experience in the banking business

to know how harmful to the people of our Nation are the high interest rates now being charged on loans. Homes are not being built or purchased; the same for automobiles; education is being priced out of reach.

As a banker, I used to pride myself in getting my banks involved in these sorts of community-building activities. As Members of Congress, we all know how badly our communities are being hurt by the failure to finance these activities—or, rather, by the inability of the average person or business to pay the price.

I make these obvious points about the effects of inflation on the economy because I think it is essential to remind ourselves of just what we are talking about when we resist the idea of reducing the national debt on the grounds that deficit financing is a useful governmental tool.

It is my basic premise that tax cuts plus Government spending cuts will equal, eventually, if we are tough enough, a real balanced budget. I say "real," because, obviously, we could "balance" the budget tomorrow by hiking taxes enough, or cutting programs enough. But, again, obviously, we must continue to act in the responsible fashion we have so far this year.

We cannot, in short, make up for 25 years of financial mismanagement overnight, or by passing a few cuts or tax law revisions. We have to keep it up. My bill is designed to be a part of that process, by helping us to focus on what our ultimate goals really are.

We do not want a balanced budget just for itself, although, as a banker, I recognize that concept has legitimate appeal. I think we want a balanced budget for the simple reason that our Federal budget—and our Federal debt—have clearly gotten out of hand, regardless of which, or who's, economic theory you subscribe to.

Interest on our national debt, social security, and defense together constitute 60 percent of the Federal budget. We are now looking at some well-merited, in my view, defense cuts. Social security is an area I need not mention—we all heard enough about proposed cuts on our recent district work period.

This leaves the national debt as, to me, both the most attractive, and potentially most productive area of cuts which we must begin to explore in the future.

If I may add a few statistics to the debate: presently, the ratio of Federal debt is running in excess of 25 percent of our GNP, and interest on this massive debt is some 10 percent of the Federal budget, itself some 3 percent of GNP.

While low, this interest percentage is growing, as it was less than 2 percent in 1979. Interest payments in fiscal year 1982 are estimated to be \$100 bil-

lion, or enough to fund even the most extreme MX proposal, for example.

Another fact perhaps not fully comprehended is that a growing percentage of our national debt is now held by foreign investors—presently some 22 percent, up from a mere 8.6 percent in 1970. That this is primarily the result of our oil import dependency I do not find reassuring.

We are so used to the Federal debt, and the carrying costs, that we fail to focus on the "digging the hole deeper" aspect of mounting carrying costs. Interest on the public debt has risen some 156 percent since 1974. This is not mere "inflation money"; military spending, for example, has risen only 71 percent.

In short, interest-bearing Federal debt has more than doubled in the past 8 years, a rate far in excess of our GNP. If the present deficit projections are true, and if interest rates on 3½-year U.S. Government securities remain at their current levels, simply paying the interest on the debt will take some 20 percent—one-fifth—of all our projected tax revenues for this year.

As a banker, I can assure you that I never approved a loan which would take one-fifth of someone's income to simply make the interest payments, home mortgages excepted.

My point is that the problem of balancing the budget becomes increasingly difficult—if not impossible—simply due to "locked in" interest payments, payments which will hit a higher level each year.

The multiplier effect of increasing debt and high interest rates on the debt are areas of fiscal planning, and fiscal action, to which the Congress must begin to apply itself.

An apparently inevitable chain of events is at work here, even though we are now engaged in a very courageous budget and tax cutting process—unless we actually reduce the debt, the interest costs alone will make it increasingly difficult to balance the budget, or, having achieved a balanced budget, to keep it balanced.

A final fact—every percentage point by which interest rates exceed budget assumptions increases Federal debt carrying costs some \$2.4 billion annually. It doesn't take a calculator to see how many worthwhile programs and needed community-building activities are being killed just to service this debt, and what we face for the future if we don't reduce the debt.

With that, and with the hope that my bill will help focus the debate in a positive and timely way, I now present for the RECORD a copy of my legislation:

H.J. RES. 320

Joint resolution expressing the sense of the Congress that following the achievement of a balanced budget, any existing budget surplus should be applied to reducing the national debt.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the continuing growth of the national debt of the United States is not in the best interest of the economic health of the Nation;

Whereas borrowing money to pay interest on the national debt adds to inflation, and deprives the private sector of needed development capital, while adding to the cost of that capital which is available;

Whereas a balanced budget is a major goal of United States fiscal policy;

Whereas reducing the national debt should be a major goal of United States fiscal policy, because it would encourage economic growth by stimulating the private sector, and cutting inflation: Now, therefore, be it

Resolved, that—

(1) Following the achievement of a balanced budget, any existing budget surplus should be applied on an annual basis to reduce the national debt of the United States;

(2) Reducing the national debt should be a major goal of United States fiscal policy in order to stimulate economic growth and cut inflation.●

UNITED STATES-LIBYAN CONFRONTATION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. BROOMFIELD. Mr. Speaker, because of the congressional recess, this is my first opportunity to express my thoughts on the U.S. defensive action taken August 19 against Libyan attack aircraft. I wholeheartedly endorse the action taken by our pilots in response to an unprovoked attack in international waters.

This confrontation has again clearly demonstrated Libya's total disregard for international law and human life. The Libyans were aware that U.S. naval forces were holding peaceful training exercises in well-established international waters, but, nevertheless, tried to back up their dubious claim of sovereignty over the area by attacking our aircraft. I have only praise for the manner in which our fighters responded, and for the level of preparedness of the naval task force in general.

Some editorial writers have questioned whether the U.S. naval exercise was not itself a provocative action which encouraged the Libyan attack. I find such commentary shallow and devoid of an elementary understanding of Libyan strategy and tactics. We are not dealing with a nation that adheres to recognized rules of civilized behavior. Libya financially supports

international terrorism from its oil revenues. It maintains terrorist training bases and grants asylum to terrorists. It has forcefully overthrown the Government of Chad, and has attempted to undermine the Governments of Sudan and Egypt. Moreover, it was only a short time ago that Libyan troops were kicked out of Uganda for supporting Idi Amin, the butcher of Africa.

To suggest that the naval exercise, operating in international waters, was provocative, is itself outrageous. Are we never to cease reading or hearing such lines from apologists for every breach of international law by radical regimes? Whether we are dealing with Libya, Iran, the PLO, or the Soviet Union, we are told by some that the establishment of a strong position which defends our national interest will never bring opponents around to our way of thinking. Such sentiments were expressed at Munich in 1938, and in the Carter White House in recent years. They were not credible then, and the evidence doesn't support them now. Appeasement doesn't work.

I commend the Reagan administration for its willingness to defend the basic principles of international navigation in this particular instance, and of freedom in general throughout the world. Such forceful defense of American interests has not only bolstered the morale of our Armed Forces after 4 years of deterioration, but it has given confidence to our allies abroad. The attainment of world peace is never more effectively pursued than when the United States is militarily and economically strong, and is prepared to let our adversaries know that we will meet our responsibilities in the international arena.●

A TRIBUTE TO AMERICA'S WORKING PEOPLE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. FARY. Mr. Speaker, it is early September again, and according to a 99-year-old tradition, I am sure we all enjoyed the last holiday and 3-day weekend of the summer. For many of our youth, these were the last 3 days of summer vacation. For families and working people, these were the last days to take a short vacation before the cooling air of autumn is upon us. For others, it was a time to just stay at home and perhaps see neighbors and friends.

However we spent this Labor Day weekend though, let us not forget what this day symbolizes and who this day commemorates. In ceremonies throughout the country we paid tribute to American workers who, through

their hands, muscle, sweat, and minds have built this country and keep it running. We paid tribute to those who build our houses, pave our roads, and raise our skyscrapers and office buildings. We paid tribute to those who assemble our cars, machinery, and appliances; produce and package our food, run the offices of business and government smoothly, and perform countless other jobs and tasks.

In short, we paid tribute to the American worker of the past and present. It is easy to take their labor and the fruits of their labor for granted. Yet when we look at the rest of the world, we realize just how bountiful the fruits of their labor have been. They have produced a standard of living that has freed us from a subsistent level of existence. They have enriched our lives both on the job and when the day's work is done. A majority of the world's population do not enjoy these blessings.

And lest we forget, our parents and grandparents, in many cases, were not able to free themselves from a subsistent standard of living and from hard, back-breaking, life-shortening work. All money and energy went for basic necessities. Working 12 hours a day, 6 and 7 days a week, there was no time for leisure or to enjoy the benefits which they reaped. Many of these workers were subject to dangerous workplace conditions and little job security.

Fortunately, we have progressed beyond that point, but this progress did not come easily. It took persistence, dedication, and courage to organize workers and press for a decent wage and better working conditions. They were hard-fought victories, and we also pay tribute today to the men and women behind those victories.

While paying tribute, however, we must not grow complacent. There are still too many in this country who do not have safe and healthful workplaces, decent homes, access to good schools, and good medical care. We must work to insure that all Americans enjoy these basic necessities.

So, while we relaxed and enjoyed this weekend, let us remember the American workers and all they have done and are doing for us. They have built our cities, our homes, and our way of life. They certainly deserve this day of appreciation. ●

INFORMING THE AMERICANS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LAGOMARSINO. Mr. Speaker, during the August recess, members of the Committee on Foreign Affairs conducted a study mission to the Far

East, including a stop in Taiwan. During our stay in that country, an editorial appeared in the China News summarizing the main issues affecting the relations between our two countries. I believe it is worthwhile to keep these issues in mind as we consider policies that affect our Far Eastern allies.

The editorial follows:

INFORMING THE AMERICANS

Before the U.S. broke off diplomatic relations, the Republic of China was frequently visited by congressional delegations and individual senators and representatives.

Today such visits are few and far between. This is why we especially welcome the two-day sojourn of congressmen headed by Clement J. Zablocki, chairman of the House of Representatives Committee on Foreign Affairs.

If members of the U.S. Congress don't come here to talk to our leaders and see our situation for themselves, they are legislating in the dark on measures pertaining to Taiwan and the Republic of China.

Nothing in U.S. law prohibits individual congressmen or groups from stopping over in the Republic of China.

But in President Carter's time, the administration discouraged Taiwan visitation as a part of the process of appeasing the Chinese Communists. Under President Reagan, that phase of U.S. China policy apparently has been ended.

It is to be presumed that our government leaders have been candid in talking to the 21-member congressional delegation. We know that the reception has been friendly.

Information provided for the visitors has no doubt been concerned with defense and economic matters.

The condition of our national security is especially important.

As yet, the United States has not responded to the Republic of China's request for fighter aircraft with greater capability than the F5E.

Some American sources have maintained that the Taiwan Straits are quieter than ever before and that the Chinese Communists constitute no threat whatsoever.

This isn't true. If the American congressmen learn this and nothing else, they will support the sale of higher performance aircraft to the Republic of China in the near future.

The Chinese Communists make no bones about saying they are going to cross the Straits and attack Taiwan. They have many reasons for doing so.

The Republic of China is too successful at a time when the mainland's failure to modernize is becoming increasingly apparent.

Mainland people are restively demanding to learn from Taiwan. The Communists may be compelled to strike out in defense of their own tyranny.

Even if the F5E is a match for the MIG19 or even the 21, it is obvious that the Chinese Communists will try to improve their air striking power in the next few years.

To replace the F5E will take at least two or three years. If the present workhorse of the Chinese Air Force is not retired in that time, it will almost certainly be overtaken by a new or improved Chinese Communist fighter.

Our political and military leaders are in a position to tell the congressmen exactly where we stand in terms of defending ourselves against the Red Chinese military machine.

It is not true, for example, that the Chinese Communists have reduced their forces along the mainland coast opposite Taiwan. Despite the defense needs in the north and south, the Communists have maintained these forces at peak level.

Why? The Republic of China may be intent upon national recovery, but that is to be principally a political action. We are aware that the United States would be strongly opposed to any east-west venture across the Taiwan Straits. There is no intention of mounting one.

If the Communist Straits forces are not required for defense, their intention is obviously offensive.

To help the Republic of China modernize its air force, navy and army will contribute to the peace of Asia, not to warmaking. We still consider ourselves to be bound by the American partnership and alliance.

Economically, the Republic of China depends heavily on the American trade and investment relationship. About a third of our goods go to the United States. We are earnestly endeavoring to buy more goods from America, the only country in the world to do so.

But the lack of diplomatic relations and direct contacts between our two governments has been responsible for economic damage.

For example, President Reagan removed the U.S. quotas on our shoes. But lack of information then led our government to believe that the United States wanted stringent controls on our part. It doesn't. It wants plenty of cheap shoes for American buyers.

Congressional action is needed to break down barriers which were erected by the Carter administration almost as an evasion of the Taiwan Relations Act. It is already apparent that the ROC-U.S. economic relationship is going to be more important than that between Red China and the United States for a long time to come.

But the Chinese Communists have official standing and contacts, while we are relegated to the status of economic orphan. Congress has the power to improve the situation and thereby help the United States as well as Republic of China.

Perhaps above all, the United States has pressing need for greater understanding of the Chinese mainland reality. Washington runs grave risks in trying to play the Red China card against the Soviet Union.

The leaders of this country know both the minds and the intention of the Chinese Communists. Red China is not an American friend. It remains an enemy. Failure to treat it as such could be a mistake to rank with those made before Pearl Harbor and in the war's end Pacific participation of the USSR.

This country has nothing to hide from its old American friends. The congressional visit should be only the first of many to clear away some of the misunderstandings that have arisen since Jimmy Carter took it upon himself to recognize the Chinese Communists and derecognize the Republic of China. ●

H.R. 450 SAYS VIOLENCE IS NO WAY TO SETTLE DISPUTES

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● **Mr. BEARD.** Mr. Speaker, the incidence of strike-related violence is a problem which calls for immediate attention by this Congress.

The current legislative drive to amend the Hobbs Anti-Extortion Act is not the first congressional attempt to expressly outlaw the use of physical and psychological intimidation to enforce compliance with the wishes of either labor or management.

In 1946, Congress enacted the original Hobbs Act at the behest of an American public which was becoming alarmed over an escalation of violence occurring in conjunction with labor disputes.

That law provided for full Federal sanctions against all individuals or groups of individuals employing violent tactics to achieve their objectives in interstate commerce, whether the guilty party was employer or employee.

But some parties immediately set out to undermine the legislative intent of the Hobbs Act with intricate legalistic infighting.

Their efforts culminated in complete success in 1973, when the Supreme Court ruled that union officials and their agents could not be held responsible for acts of violence under Federal law when those acts were committed in pursuit of legitimate union objectives.

In the *Enmons* decision, the Court acquitted three individuals who dynamited transformer substations to force a utility company and its employees to accept their demands.

The acquittal was based not upon the men's innocence, but upon their participation in a legitimate union objective—a strike—which released them from accountability in the eyes of the Federal law.

The extreme acts of terrorism condoned by this warped ruling grants those on both the labor and management side who want to use violence a wide range of violent options to intimidate both employers and employees.

And this violence has occurred in such places as my home State of Tennessee.

The citizens of Tennessee are still concerned at the outrageous acts of violence displayed by 1,500 angry picketers to disrupt the groundbreaking ceremonies for the construction of the \$300 million Nissan automobile plant in Smyrna.

That project, which will employ 2,000 skilled laborers at the height of construction and produce 2,200 high technology jobs paying an average of

EXTENSIONS OF REMARKS

\$20,000 yearly, was the target of violence because the subcontracts will be available to all on a competitive basis.

It is inconceivable to me how anyone who professes to speak out on behalf of the workingman could attempt to drive away with violence so many high-paying, promising jobs from the workingmen and workingwomen of Tennessee.

The right to join a union is a basic right of American workers. The right to strike is a basic right of workers in the private sector. I support both those rights.

But violence is no way to settle labor disputes. Violence is wrong, whether it is perpetrated by union or management officials. The American worker should be allowed to choose, not be intimidated by fear of bodily harm. ●

TRIBUTE TO THE EMPLOYEES OF THE USPHS CLINIC IN SAN PEDRO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● **Mr. ANDERSON.** Mr. Speaker, at the end of this month, many of the hospitals and clinics which comprise the U.S. Public Health Service system will close their doors forever. Such is the case with the San Pedro Clinic, in my own 32d District of California.

The many hours all of the doctors, nurses, therapists, pharmacists, and others have worked in the care and service of the many people in their charge demonstrates a devotion to duty and commitment to quality health care which I believe deserves recognition.

Many successful pilot projects coordinated by the clinic's employees have become standards. They have been adopted for use by other health care institutions in this country. And I am pleased to insert for the *RECORD*, Mr. Speaker, a statement submitted by the Director of the USPHS hospital in San Francisco, Dr. Truman McCasland, to the Health Services Administration. It is a recommendation for a commendation award, to which I would like to add my own strong endorsement.

The statement follows:

JUSTIFICATION STATEMENT PUBLIC HEALTH SERVICE UNIT COMMENDATION

The United States Public Health Service Outpatient Clinic, San Pedro, California, is nominated for the PHS Unit Commendation (UC) in recognition of their superior service and outstanding performance in the achievement of the goals and objectives of the Office of Ambulatory Care, Bureau of Medical Services, the Health Services Administration and the Public Health Service from August 1, 1980 to August 31, 1981.

The enumeration of accomplishments by this organization demonstrates a level of professionalism and performance above that

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normally expected of other similar organizations. Undoubtedly, their efforts and teamwork have increased the quality and accessibility of ambulatory care services provided to PHS beneficiaries in San Pedro.

Utilizing only existing funds and personnel resources, their efforts during this period included reorganizing the medical staff by reducing the number of physicians by one and hiring a nurse practitioner. The latter concept is a time honored and cost effective means of treating patients in an ambulatory care setting and enabled the clinic to increase its services. Affiliation agreements were consummated with other Federal agencies (i.e. Veterans Administration Medical Center, Long Beach, and Naval Regional Medical Center, San Diego) which once again increased accessibility to care, introduced advanced technology into the clinic's environment while maximizing scarce resources by containing costs and avoiding duplication of services. The facility's cooperative spirit is also evidenced by the staff's willingness to provide medical and administrative assistance to the Center for Disease Control Quarantine station at Los Angeles International Airport, the Veterans Administration Medical Center's (Wadsworth) team who conducted a longitudinal study on atomic bomb survivors and by providing radiology services to U.S. Air Force dispensary (El Segundo) patients. Procedures were streamlined which enabled active duty personnel to receive prompt attention when reporting for sick call or having to comply with annual physical examination requirements. Moreover, the clinic's dental staff has been providing sick call coverage for the approximately 800 inmates incarcerated at the Terminal Island Federal prison who have been without the services of full time providers since July 1, 1981. These forms of assistance, which in many instances lasted over a period of weeks, are in addition to the staff's already voluminous workload.

The clinic's enthusiasm for outreach services is manifest in numerous ways. For example, physicians and nurses, prior and subsequent to the Bureau of Medical Services' Seafarers Health Improvement Program, are dispatched to provide outreach care to seamen while their vessels are at dockside. This action has earned the respect and appreciation of a multitude of seamen and shipping company representatives. Tangentially, the clinic works in concert with local shipping company physicians in improving existing regulations governing U.S. Coast Guard physical requirements for merchant seamen. Moreover, the clinic mobilized and made available primary health care personnel and other resources to Indo-Chinese and Cuban/Haitian refugees who entered the Ports of Los Angeles and Miami respectively, as well as those refugees located at Fort Chaffee, Arkansas and Camp McCoy, Wisconsin.

In addition to the aforementioned activities, the staff developed and expanded a model patient health education program which has been emulated by other PHS facilities. Topics include smoking cessation, arthritis, diabetes, hypertension, obesity, stress reduction and breast self-examinations. Through the use of volunteers and working in concert with the Seamen's Church of San Pedro, an alcoholism counseling program was initiated. Additionally, a Health Awareness Program, which, in part, publishes health tips and conducts seminars, was established for the Eleventh Coast Guard District. The results have been so

promising that this program is being adopted by the Twelfth Coast Guard District.

Not being satisfied with the status quo, and in its desire for self-improvement, the clinic actively participates in a number of research projects. Illustratively, the clinic was selected to participate in a Health Services Research project regarding the utility of patient hand carried medical records. The project, which is under the direction of two professors from the University of Massachusetts, is intended to increase patient involvement in the medical care process, determine patient receptivity and determine the cost effectiveness of such an endeavor. Other research pursuits include working with Dr. Eleanor Smith (of the National Center for Health Services Research) on ways of containing contract hospital care costs and participation in the American Hospital Association's health education project.

In a related matter, the clinic, eager to provide educational opportunities for health care students, has entered into affiliation agreements with a number of universities. As such, the clinic's staff has served as preceptors for students enrolled at the University of California at Los Angeles, California State University (Long Beach) and the Uniformed Services School of Medicine (Bethesda, Maryland). The Staff's commitment to the community is also revealed in their providing cardiopulmonary resuscitation training for patients and their dependents as well as participating in civic meetings such as the Los Angeles County Health Department's Volunteers for Immunization, Coastal Health Services Regional Community Health Service Council, San Pedro's Coordinating Council, San Pedro's Home Environmentalist Program, Harbor Nursing Advisory Committee, Los Angeles Interagency Forum on Resettlement of Indochinese Refugees and the Los Angeles Federal Executive Board.

The professionalism, innovative approaches, teamwork, flexibility, pride and devotion to duty demonstrated by all the personnel assigned to San Pedro's USPHS Outpatient Clinic during this period is truly outstanding and reflects positively on themselves and the U.S. Public Health Service.

So, Mr. Speaker, although these many fine individuals, under the capable direction of Bruce Immerman, will now be scattered to the four winds, I want them all to know that while they may be gone, they will not be forgotten. All of us in the South Bay area who have known them, worked with them, or have been cared for by them, will long remember their selfless contributions to our quality of life.●

IRS ABUSES—WASTE IS JUST ONE PART OF THE PROBLEM

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, with the passing of each day, comes further reinforcement of the realization that the general reach of the Federal Government is on the wane. Indeed, the recently adopted budget and tax reductions bear witness to the

desire of the American people to lessen, if not eliminate, Government involvement in our lives.

Unfortunately, there is a notable exception to this trend. I speak specifically of the Internal Revenue Service, whose practices have been labeled by some as illegal, overhanded, and unrestrained.

While many are familiar with the horror stories of IRS agents swooping down on "criminal" tax derelicts to collect a few thousand or even hundred dollars, the IRS recently demonstrated the ultimate in callousness in its efforts to collect an underpayment of 10 cents.

To some, the following account may seem humorous. To others, this incredible incident is representative of the seemingly limitless powers of the IRS. If you are tempted to chuckle while reading this article, remind yourself that for many, when dealing with the IRS, you are guilty until proven innocent.

The article which appeared in the New York Daily News on August 7, 1981, follows:

POUNDS OF FLESH: IRS FATTENS THIN DIME OWED

(By Bella English)

A dime won't even buy penny candy any more, but to Uncle Sam it can be worth a lot more than 10 cents.

The government is demanding that a Chinatown woman pay a \$28.15 penalty because she underpaid her 1980 taxes—by a dime.

In an Aug. 3 letter to Chan Wing, 59, the Internal Revenue Service said: "Unpaid tax on return is 10 cents. Penalty charge is \$28.15. Balance due to IRS is \$28.25. Make check payable to IRS."

Wing, who speaks no English, showed the form to her stepdaughter, Rose Wine, assistant manager at a Chemical Bank branch in Jackson Heights, Queens.

"It cost them more to print up this form and send this out than my stepmother owes," Rose said, "Do you believe this? I think this is the most ridiculous thing I've ever heard of. I just had to laugh."

Her laughter turned to anger yesterday when she went to the IRS office in Jackson Heights and was told that her stepmother must indeed pay the 10 cents and the \$28.15.

"I can't believe it," Rose said. "They're wasting your money and my money over a lousy dime. But I don't know which way to turn. If I have to pay it, I have to pay it."

Rose said, though that she is considering writing a letter of appeal to President Reagan.

IRS officials said that disclosure laws prevent their discussing the case.●

LONG BEACH BOY SCOUTS LAUNCH CAMPAIGN TO ENHANCE MEMBERSHIP

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LUNGREN. Mr. Speaker, the Boy Scouts of America have been a dynamic component of the leadership training for young men in this country since the inception of Scouting in the United States in 1913. Through scouting, literally millions of young men have been forged into self-sufficient leaders via the rigors of the Scouting program.

A keen appreciation of our Nation's natural resources, an understanding of the scope—and limits—of man's physical abilities, and a knowledge of the great things that can be attained through manly cooperation—these are the vital attributes of the Scouting program.

Since 1922, the Long Beach Area Council of the Boy Scouts of America has been instilling these very characteristics into the young men of the district I represent. On September 15, the Long Beach Council will launch an ambitious program to enhance its membership. On that date, the council will launch its fall roundup kickoff. Working with the unit leaders of Boy Scout and Cub Scout troops throughout the area and with school administrators and officials, the council will seek to increase its overall membership by no less than 1,500 by the year's end.

Mr. Speaker, I hope that the other Members of this body will join me in wishing this effort the very best of success in this effort to extend the benefits of Scouting to hundreds more young men in the southern California area.●

THE FIRST 6 MONTHS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 5, 1981, into the CONGRESSIONAL RECORD:

THE FIRST 6 MONTHS

As the August recess approaches, it is appropriate for a Congressman to think about the significance of the major events that have taken place in this session of Congress.

The most noteworthy development is the radical cutting back of federal involvement in the American economy. Congress will cut social expenditures by \$37 billion in 1982 and by \$140 billion over the next three years. Congress has also approved a multi-year tax cut that will amount to \$150 billion by 1984. Together, these actions represent

both the largest budgetary realignment in the history of the federal government and a most dramatic shift in the role the federal government plays in our national economy.

Over the past few months, President Reagan's budgetary strategy has emerged and taken clear form. He intends to use tax cuts both to hold the budget in check and to reduce the size of the federal government in relation to the economy. With the new tax law, the only way to control the deficit will be through further cuts in spending. To all who follow the budget closely, it is apparent that the large reductions in spending made this year will not begin to be sufficient to balance the budget anytime soon. More budget cutting will be necessary later this year and in subsequent years. It is unlikely that social security and defense will be spared.

It is not in the budget and tax cuts alone, however, that the new direction of the federal government may be seen. Mr. Reagan has sparked a serious debate on the condition and course of federalism with his search for ways to "restore the constitutional symmetry between the federal government and the states." He proposes to fold more than 500 federally controlled categorical programs into a few large block grants for the states. These block grants will be an "interim step" toward the eventual return of the sources of revenue to the states. The President is also ready to direct a sweeping reversal in the way the federal government regulates the private sector. The role of the federal government as a protector of consumers, the environment, and minorities will decline. The laws put into effect after Watergate and the environmental and civil rights movements will be open to modification. Appointees to the regulatory agencies will be men and women who are supporters and former employees of the businesses they will oversee. Mr. Reagan's success in these areas, while not as spectacular as his success in cutting taxes and the budget, is noteworthy in any case, especially since it is still early in his term of office.

The major events of this congressional session invite comparison with other periods in recent American history. The President has become the fourth Chief Executive in this century to make an early, pronounced mark on domestic legislation (the others were Mr. Wilson, Mr. Roosevelt, and Mr. Johnson). Most students of the Presidency know that if a President does not secure approval of the basic elements of his program in his first session of Congress, he never does. It is apparent that Mr. Reagan has done what he needed to do. He deserves full credit for responding to the will of the voters, for holding to his priorities, and for pushing his program very hard.

Observers agree that the President has done remarkably well in getting his program through Congress. The Republicans control the Senate comfortably, so it may not be surprising that his program has moved easily through the body. His mastery, however, has also extended to the House of Representatives. It seems to me that on economic issues, and perhaps on other issues, too, Mr. Reagan now has effective control of the House. He has accomplished far more than most Washington politicians thought possible only a few months ago. The magnitude of the change is such that it will take years for Congress and the country to understand just what has been done. It is clear to me now that for many Congresses to come, the agenda will be to act upon the new course the President has set.

Because Mr. Reagan has done so well, he must bear responsibility for the performance of the economy. He has promised that his program will bring rapid growth, more jobs, less inflation, and lower interest rates. The question is whether he is right. From the start, experts have doubted some of his economic assumptions—in particular, whether rapid growth can occur as inflation falls. Another worry is that by cutting taxes so deeply, the President may run enormous deficits. If these deficits are combined with tight money, interest rates may remain very high. Mr. Reagan, however, sees a "new renaissance" in America and a "new era of prosperity." He believes that results will come quickly because of the expectations he thinks his program will generate. All Americans must hope that the President is right.

It is undoubtedly premature to judge whether the President's program stands at the beginning of a new era in our history, the beginning of something solid and lasting, or whether it is just another political detour from the road that leads to economic growth and stability. I would only add that while Mr. Reagan has enjoyed success in the launching of his economic plan, it is less obvious that the Democratic opposition has been as vital, constructive, and coherent as it should be. Having been the majority in Congress since 1955, the Democrats may have forgotten how to exercise the skills of responsible opposition. Whatever the case, the Democrats must improve. The President himself would be a beneficiary of such an improvement.●

LORETTA C. MANGGRUM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GRADISON. Mr. Speaker, I would like to take this opportunity to pay tribute to a citizen who has contributed much to the cultural and educational enrichment of the Cincinnati community. Loretta C. Manggrum, who turned 85 years old this past July, is currently working toward a Ph. D. in music composition and theory from the University of Cincinnati's College Conservatory of Music. Mrs. Manggrum was the first black woman to graduate from the old conservatory of music, earning her master's degree.

A noted Cincinnati composer, Mrs. Manggrum has written six cantatas, including "Watch," which was performed at the college conservatory of music's Patricia Corbett Auditorium in 1975, and "Behold," which is performed during the Christmas season each year. She has written many spirituals and anthems which are sung in various churches in the city as well as in other parts of Ohio.

Her love for and commitment to young people is especially noteworthy. Following her husband's death in 1961, Mrs. Manggrum began teaching in the Cincinnati public school system and taught until her retirement at age 75. She still spends a great deal of time composing music which children sing, learn from, and enjoy. Most im-

portantly, Mrs. Manggrum has been instrumental in helping young people with musical talent and interest pursue musical educations in college.

In addition to her concern for these young people, Mr. and Mrs. William Langston Manggrum had three children of their own; Lillian Jenkins, principal at Winton Terrace School, Robert Manggrum, science teacher at Gamble Junior High School, and the late Langston Manggrum, an architect who designed several buildings in the Cincinnati area.

Currently, Mrs. Manggrum serves as organist and pianist for the Gaines United Methodist Church, which will be the site of a special tribute to be held Sunday, September 20. I am happy to pay tribute to Loretta C. Manggrum and to present her with this special congressional recognition.●

RESIDENTIAL RENTAL HOUSING TAX INCENTIVE ACT OF 1981

HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. MCKINNEY. Mr. Speaker, today I am introducing the Residential Rental Housing Tax Incentive Act of 1981 to stimulate increased private sector production of rental housing in general and low-income rental housing in particular.

We are all too familiar from our districts with the increasingly severe shortage of rental housing. At the same time that we must cut back on the outrageously expensive production of subsidized rental housing, we must face the fact that the construction of new, unsubsidized units has dropped a precipitous 80 percent over the past 3 years.

This astounding drop in production has led experts to estimate a gap between rental needs and production in the 1980's totaling from 1.2 to 4.6 million units. Such a shortfall places a tremendous burden on tenants, whose incomes average half that of homeowners nationwide, as low vacancy rates lead to aggravated inflation in rents. Rental vacancies have declined from the second quarter of 1980 to the second quarter of 1981 in every region of the country but the North Central, says the Census Bureau. While the national rental vacancy rate declined to an even 5 percent, the lowest that it has been in years, the largest decline in rental vacancies is in the South, where the 5.1 percent of this year represents a significant drop from 1980's 6.5 percent. In the West, the rental vacancy rate dropped to 5 percent from 5.5 percent last year, while the Northeast rate has fallen to 3.7 percent from

the already perilous 4.1 percent in 1980.

The inevitable outcome of the shortage of rental housing, as demonstrated in New York City and countless less well known places around the country, is more overcrowding, deterioration, and displacement. All of these factors pressure local governments to adopt rent controls and restraints on condominium conversions. These, of course, only further discourage production and promote deterioration and abandonment.

My bill addresses the extreme need for more private sector production of rental housing through a tax incentive approach. I believe that we must act now to restore rental housing to at least the bare margin of profitability, and that tax advantages are essential to that margin. We must also act immediately to contain the subsidy costs of the assisted housing programs, which can no longer be directly supported by the Federal Government. The savings associated with a tax incentive approach to producing new and rehabilitated rental units affordable by low-income people are obvious when you compare these indirect costs with the frightening costs of direct subsidy programs. Even if Congress never authorizes a single additional unit for subsidization, annual housing assistance outlays under existing commitments will be at least \$9.6 billion by 1986. Clearly, we must develop more efficient approaches.

Consequently, I propose shortening the period for straight line depreciation—the method most preferred for housing development—to 10 years for newly constructed or rehabilitated rental housing, and to 8 years for new buildings in which at least 20 percent of the units are leased to low-income families at affordable rents. The 20-percent standard developed by the Mortgage Bond Subsidy Act and tandem financing of section 8 projects insured under section 221(d)(4) of the National Housing Act appears a more realistic and workable approach to providing low-income rental units. I would also broaden the definition of low-income rehabilitation which qualifies for 5-year writeoff under existing law to the 20-percent standard, and increase to \$40,000 per unit the maximum which may be depreciated without any of the complex restrictions in the current law.

Finally, this bill includes financial incentives for owners of rental properties in which 20 percent of the tenants are low income both to maintain the property and continue to own it after most of the usual tax benefits have been taken. Specifically, I propose an investment tax credit to kick in after 5 years of occupancy. Landlords would receive a \$1 reduction in taxes for each \$1 spent on maintenance, up to 5 percent of the adjusted basis in the

building. The credit would kick in just at the point when the building typically requires new paint and the inevitable small but costly repairs. In addition to creating more low-income housing, this provision should help to extend the useful, rental life of many buildings.

While I have long criticized the traditional direct subsidy approach to providing low-income housing which section 8 epitomizes, I recognize that new, more efficient solutions to the problems must be developed. In addition, we can no longer ignore the rental housing crisis without even more destructive consequences. I believe this bill will maintain our commitment to rental housing in general and low income in particular, while passing the necessary litmus test of budget restraint. I am hopeful, therefore, that tax incentives will become an effective and efficient part of rental housing policy over the next decade.●

STANLEY "SCHULTZ" SADOWSKI

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. YATRON. Mr. Speaker, I rise today to pay tribute to one of Reading, Pa.'s finest citizens, Stanley "Schultz" Sadowski.

Throughout his life, Stanley Sadowski has consistently demonstrated his love and respect for his fellow man. As a bartender for 42 years he spent much of his time listening to people's problems, consoling, sympathizing, advising, and providing encouragement and reassurance to those who needed help. He adroitly settled disagreements and cooled tempers with the utmost tact, diplomacy, and commonsense.

Stanley Sadowski could get along well with others and his experiences as a baseball player and expert bowler reinforced his belief in the benefits of teamwork. Mr. Sadowski fostered the spirit of teamwork during his years at the Reading Orioles. This attitude, combined with his many qualities made him a most effective member of this organization.

Mr. Sadowski was a member of both the fraternal lodge and the home association of the Orioles. He proceeded through the 12 official chairs of the lodge and served in every officer's chair of the home association. In each of these capacities, Mr. Sadowski made valuable contributions which improved and strengthened the club.

Mr. Speaker, I am truly grateful for the opportunity to give recognition to the achievements of this fine American. May Mr. Sadowski's life serve as an inspiration to us all.●

THE VOTING RIGHTS DEBATE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. WHITEHURST. Mr. Speaker, on August 5, 1981, the editor of the Norfolk Virginian-Pilot provided the readers of that paper with a thoughtful and comprehensive commentary on the Voting Rights Act. It seems to me that Mr. Eastland has put the matter in perspective, and the points that he has raised merit the full and careful consideration of all of my colleagues before a final vote is cast on the extension of this act.

Thank you, Mr. Speaker.

[From the Virginian-Pilot, Aug. 5, 1981]

THE VOTING RIGHTS DEBATE

First the Justice Department rejected the state Senate's redistricting plan on grounds that the two single-member districts into which Norfolk would be divided would "dilute" black voting strength. Then, last week, the Justice Department threw out the House of Delegates' plan because it said black voting strength would be "diluted" in six of the state's 100 proposed districts.

Supporters of extending the Voting Rights Act, under whose authority the Justice Department acted in both instances, have interpreted these decisions, the first two such voting rights actions taken by the Reagan administration, as reasons the act must be renewed. However that may be, the two decisions suggest another point: that the purpose of the Voting Rights Act is no longer to ensure access to the ballot but to guarantee, wherever possible, that the groups protected by the act—blacks mainly, but also Chicanos, Asian-Americans, and American Indians—are proportionally represented in elective bodies by members of their own groups.

Thus the focus is on statistics and numbers and percentages, and it is from this quantitative stew that a more truly equal society is supposed to emerge. Presumably we will have this better society when, as Justice Thurgood Marshall wrote last year, every minority group is electing "candidates in proportion to its numbers."

In the current debate over renewal and revision of the Voting Rights Act, now regarded especially by blacks as the instrument for effecting proportional representation, few people have dared to raise the question of whether this sort of representation is such a worthy goal. Certainly it is not on the minds of those who demonstrated the other day in behalf of extension in Richmond; emotional advocacy rarely permits sober reflection. And it is not a question the six candidates for statewide office in Virginia have taken up, mainly because all six are opposed to extension of the act.

Amazingly, this question did not even seem to burden the House Judiciary Committee, which last week approved legislation that would extend the act in a revised form for another ten years. The committee failed to address what "dilution" means, which is to say it failed to address the question of what minorities are entitled to.

But precisely this is the question that must be raised. If minorities are entitled to nondiscriminatory access to the ballot box,

then they can be part of an integrated political process, able to cast ballots in the same unrestrained way as whites and able to join in alliances based on class that cross racial lines. Such is the historical meaning of the right to vote, and it guarantees no results along racial lines—no proportional representation by race. It generates the sort of politics cities like Norfolk have seen, as blacks frequently have banded through the use of the Goldenrod ballot to help elect candidates (black or white) of their choice.

But, on the other hand, if minorities are entitled not simply to equal access to the ballot box but to proportional representation by race, then the historical meaning of the right to vote changes. Political alliances based on class and issues mean less; racial politics becomes more important. The political process becomes segregated, with blacks understanding they are to vote for blacks, and whites perhaps cynically deciding that they should vote only for whites.

Unfortunately, this is the clear direction in which the Voting Rights Act is taking us, and it is a direction raising more questions than people have been willing to recognize. It is not at all clear, for example, that carving out a majority black district, wherever possible, is necessarily a good thing for blacks; a minority vote can be "diluted" by excessive concentration. Nor is it clear that an equitable proportion of seats will result in a comparable proportion of legislative benefits. No one has proposed that the Voting Rights Act should ensure this result, but it is the assumption on which appellate courts and the Justice Department have often seemed to proceed. Nevertheless, legislation that a majority of blacks might want enacted could stand a better chance of being passed if the political process emphasizes non-racial coalitions, and thus non-racial elections.

It will be October, probably, before the question of extension comes to a vote on Capitol Hill. Between now and then, especially in this political season in Virginia, and especially because of the two decisions by the Justice Department, one can expect more such demonstrations as were held this past Saturday—demonstrations that paint the issue as one of simple morality. But it should be clear to anyone who studies the Voting Rights Act that the central question its current enforcement raises is not the simply moral one of whether the right to vote is being denied. It is rather the political one of what kind of society we should be, one that encourages, as Madison would have had it, factions based on common interests that cut across racial lines, or one that encourages race to be the deciding characteristic in the electoral process.

The irony of the Voting Rights Act is that it intended to produce the first kind of society but has been used to effect the second. The Reagan administration, which is still trying to decide where it should stand, will honor the original purpose of the act by ensuring that, if renewed, it will be enforced in such a way as to encourage an integrated political process.●

DISAPPROVAL OF DISTRICT OF COLUMBIA ACT TO ELIMINATE VARIOUS SEXUAL OFFENSES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, it is my unfortunate but necessary responsibility today to introduce a resolution of disapproval for the District of Columbia Sexual Assault Reform Act of 1981. It has been called a reform but in fact it is far from it. Although certain portions of the measure may have merit, the proposal in its entirety is unacceptable. The District Act for instance, would effectively repeal laws prohibiting homosexual conduct in the District of Columbia and laws prohibiting the seduction of children. It would legalize the sexual advance by a teacher against a 17-year-old child so long as no force were used. The act would also reduce the penalty for forcible rape from life imprisonment to 20 years in jail.

The District of Columbia and the agencies of the Federal Government located within its boundaries are the concern of every American. To allow a code of ethics to be instituted for the seat of the Federal Government which other Americans traditionally have found unacceptable would be a denial of our responsibility as legislators of this great Nation. For this reason I have introduced a resolution of disapproval today. It is my hope that after its passage the District Council will take a closer look at what should or should not be included in such an act if they are disposed to moving another piece of legislation forward in this area.●

THE LIBERALS PRAISE O'CONNOR—CONSERVATIVES CRITICIZE CHOICE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, with hearings commencing this week on the nomination of Mrs. Sandra Day O'Connor to the Supreme Court, it seems pertinent to let the public know who is in favor of the nomination and who opposes. Conservative Digest, in its August 1981 issue, compiled statements from liberals and conservatives on the nomination, and I think they bear careful consideration by the Members of this body. Therefore, I am inserting them in the CONGRESSIONAL RECORD for the edification of those who are interested:

THE LIBERALS PRAISE O'CONNOR

KENNEDY

"Every American can take pride in the President's commitment to select such a woman for this critical office."—Sen. Edward Kennedy (D-Mass.), quoted in Time magazine, July 20, 1981

SMEAL

"Judge Sandra Day O'Connor's appointment to the Supreme Court is a victory for the women's movement because of the unceasing pressure placed on the President for women's rights and particularly the Equal Rights Amendment."—Statement by Eleanor Smeal, president, National Organization for Women, July 7, 1981.

TIP O'NEILL

House Speaker Thomas P. O'Neill Jr. (D-Mass.), who has been in a toe-to-toe battle with Mr. Reagan on the budget and taxes, called a truce long enough to hail Judge O'Connor's nomination as "the best thing he's [Reagan] done since he was inaugurated."—Quoted in the New York Times, July 9, 1981.

METZENBAUM

"At this point, it looks like a good appointment."—Liberal Sen. Howard Metzenbaum (D-Ohio), ABC World News Tonight, July 7, 1981.

UDALL

"My Democratic friends ought to be grateful for this appointment. It's almost inconceivable to me that they could do any better."—Rep. Morris Udall (D-Ariz.), in the Washington Post, July 13, 1981.

ADA

Americans for Democratic Action spokesman Stina Santiestevan said she was "thrilled" at the choice [of O'Connor]. . . .—Quoted in Human Events, July 18, 1981.

NOW

"I'm surprised by President Reagan's pick, because O'Connor is not as rightwing as I would have anticipated. Yes, in my judgment, O'Connor is a feminist. In 1972, she was an active and vocal supporter of ERA. Newspapers here report that she was one of the strongest backers of ERA. And I assume she still supports it."—Kate McGee of Phoenix, Ariz., national board member of the National Organization for Women, representing the Southwest region, in CD interview, July 7, 1981. McGee says she knows "lots" about Judge O'Connor and has researched her record for the national NOW group.

MOYNIHAN

"Judge O'Connor is a superb choice."—Sen. Daniel Moynihan, the pro-abortion liberal Democrat from New York, Congressional Record, July 16, 1981.

ACLU

"From the standpoint of her not being a doctrinaire conservative, the President made a good selection."—Louis Rhodes, director of the American Civil Liberties Union, quoted in the Philadelphia Inquirer, July 8, 1981.

KAMISAR

"Give the devil his due; it was a pretty good appointment."—Michigan law professor Yale Kamisar, "a judicial liberal," quoted in Time magazine, July 20, 1981.

ROWAN

"... My male intuition says that President Reagan has made a choice that is good for the nation."—Veteran anti-Reaganite

and superliberal columnist Carl Rowan, in the Washington Star, July 10, 1981.

"YELLOW DOG" DEMOCRAT

"She won't be a rightwing ideologue like Rehnquist."—Self-described "yellow dog Democrat" and Arizona lawyer John Frank, quoted in the Washington Post, July 8, 1981.

CONSERVATIVES CRITICIZE CHOICE

DR. WILLKE

"I am shocked beyond belief at President Reagan's surprise nomination of pro-abortionist Sandra Day O'Connor to the United States Supreme Court. I'm sure you are too. Her ascension to the high court would be the most devastating blow to the pro-life movement since the Supreme Court legalized abortion on demand in 1973 . . . Mrs. O'Connor also claims to be 'personally opposed to abortion.' But you and I have heard those same words from politicians like Birch Bayh and Teddy Kennedy. Did their 'personal opposition' ever cause them to cast a pro-life vote? No."—Jack Willke, MD, president of the National Right to Life Committee, in a July 15, 1981, Action-Gram to Friends of the Unborn.

SENATOR HELMS

"The information that he [the President] has about the lady and the information that I have about the lady are not consistent, one to the other. He told me that she had not, to his knowledge, participated in the ERA issue, that she was strongly opposed, personally, to abortion."—Sen. Jesse Helms (R-N.C.), on the CBS Evening News, after a meeting with President Reagan, July 7, 1981.

REVEREND FALWELL

"President Reagan's nomination of Judge Sandra O'Connor of Arizona to the Supreme Court is a mistake. Judge O'Connor's record indicates she is not an opponent of abortion on demand and is opposed to attempts to curb this biological holocaust that has taken the lives of more than 10 million innocent babies since the 1973 Roe vs. Wade decision by the Supreme Court that legalized abortion."—The Rev. Jerry Falwell, head of the Moral Majority, quoted in the New York Daily News, July 8, 1981.

SCHLAFLY

"Some of the people who are praising President Reagan's appointment of this judge are people who would never vote for him, who would never back his economic program and who are not his friends. And I hope he won't end up the way Jimmy Carter did—which is to find that he tried to curry favor with his enemies, but he lost out all the way around."—Phyllis Schlafly, interviewed on the CBS Evening News, July 8, 1981.

DR. GERSTER

"It was common knowledge she was philosophically against us in the legislature. It is unforgivable that the White House could ignore this."—Dr. Carolyn Gerster, MD, of Phoenix, Ariz., former head of the National Right to Life Committee, quoted in the Washington Post, July 8, 1981.

NELLIE GRAY

"Please understand clearly that your proposed nomination of Judge Sandra D. O'Connor to fill the vacant seat on the Supreme Court brings deep disappointment and anguish to all pro-life Americans. . . Please do not nominate a candidate for the Supreme Court whose public voting record indicates that the new justice would cast a vote on the high bench to continue the

slaughter of innocent preborn human beings. P.S.: Pro-lifers find it offensive that we must picket the White House to bring your attention to this matter. We worked in the 1980 primary and general elections so that the innocent preborn children would be protected by your administration."—Nellie Gray, president of March for Life, in a letter to President Reagan, July 14, 1981.

HUMAN EVENTS

"President Reagan, for all his and his aides' assurances, asking conservatives to rally behind a highly uncertain trumpet . . . What is so difficult to comprehend, however, is why the administration, in making this weightiest of all appointments, selected a nominee of such murky ideological moorings. Under a Reagan presidency, we expected to see a major transformation in the high court, a sea-change shift to the right. But that kind of alteration is not likely to come about with O'Connor-type appointments. Conservatives—no, the country—have a right to expect better."—Human Events, July 18, 1981.

DR. JEFFERSON

"This appointment is appalling."—Dr. Mildred Jefferson, president, Right To Life Crusade.

KAREN MILLS

"We're going to fight the appointment all the way."—Karen Mills, past president of Arizonans for Life, quoted in the National Catholic Register, July 19, 1981.

ROBISON

"Any report concerning the appointment of Sandra O'Connor which appears to imply that I have endorsed her is a gross misrepresentation. . . All evidence indicates that she stood for pro-abortion and that she was pro-ERA. This gave our organization and all pro-family interests cause for grave concern. . . I have total confidence in the pro-family interest groups. If they are convinced that Sandra O'Connor would not be the best choice, then I would certainly stand with those people who have a consistent record of concern for the family."—Excerpt from a clarification statement by James Robison, James Robison Evangelistic Association.

RABBI GINSBERG

"Because of Judge O'Connor's pro-abortion record, it would be a tragedy for the cause of human rights for unborn children to have this appointment confirmed."—Rabbi Hersch M. Ginsberg, director, Union of Orthodox Rabbis of the U.S. and Canada.

MORAL MAJORITY

"The President has made a truly major mistake and we intend to point this out with all the means at our disposal. We consider it [the O'Connor appointment] the single most disappointing act since this administration came into office."—Dr. Ron Godwin, vice president and chief operating officer of the Moral Majority, quoted in the Baltimore Sun, July 8, 1981.

PHILLIPS

"The nomination of a pro-abortion feminist to the court is a major blow to the political alliance of social and economic conservatives which began to emerge in 1977 and which contributed significantly to Ronald Reagan's 1980 primary victories as well as legislative turnovers in 1978 and 1980. Right-to-life supporters are not partisan Republicans. For them, protecting innocent unborn children is the overriding issue."—Howard Phillips, national director, The Conservative Caucus, July 9, 1981.

FRAN WATSON

"When Ronald Reagan understands that he will lose the support [in 1984], then maybe the next judges he appoints will respect the right to life of the unborn child. But to accomplish this, the leaders of the Right-to-Life movement must seriously consider establishing an independent political base of support. As long as a pragmatic politician like Ronald Reagan believes we have nowhere else to go, he will continue to give right-to-life rhetoric and pro-abortionists actions."—Fran Watson, state committeewoman, New York Right-to-Life Party.

PAUL BROWN

"Shock and outrage would be a timid expression of our reaction to the O'Connor nomination. We consider this a total and complete sellout of the Republican platform."—Paul Brown, director, Life Amendment Political Action Committee, quoted in the Baltimore Sun, July 9, 1981.

FATHER FIORE

"Apparently, Reagan has forgotten that it was the disaffected Democrats and independent ethnic, blue-collar Catholic and evangelical-fundamentalist Protestants who helped build what appeared to be the beginning of a new majority in the 1980 elections. . . It is this very constituency that is now outraged at the O'Connor nomination."—Father Charles Fiore, president, National Pro-Life Political Action Committee, quoted in the Wanderer newspaper, July 16, 1981.

JUDIE BROWN

"We are appalled at the obvious fact that President Reagan was extremely ill-advised by members of his own staff in the final selection of Sandra Day O'Connor as his choice for next justice of the Supreme Court. . . We are prepared to do all within our power to see to it that this nomination is stopped, because we firmly believe that her record as a state senator will ultimately be reflected in her opinions on the issue of abortion once she is seated on the court."—Mrs. Judie Brown, president, American Life Lobby, July 9, 1981.

FRAN CHILES

"As a member of the social issues subcommittee of the 1980 Republican platform committee, I strongly oppose the appointment of Sandra O'Connor to the U.S. Supreme Court. Her record on issues such as ERA, abortion on demand and others does not live up to the platform. I am deeply concerned about this matter."—Fran Chiles, Republican national committeewoman from Texas.

RANDY ENGEL

"The U.S. Supreme Court doesn't need another antilife millstone around its neck in the form of Sandra O'Connor, especially with two of abortion's handmaidens—infanticide and euthanasia—knocking at America's judicial door."—Randy Engel, national director, U.S. Coalition for Life.

WEYRICH

"Perhaps most disturbing to those of us who have been in the conservative trenches for many years has been the attitude of some of the President's closest advisers. On the evening news the day of the O'Connor nomination, a 'high White House official' was reported as saying the nomination would give the President a chance to separate himself from the 'rightwing nuts.' The organizations now being undermined by some of Reagan's aides were working their

hearts out for Reagan in 1976 and 1980 when some of the President's current aides were working against him. Many of the grass-roots conservatives so blithely dismissed by White House aides supported Ronald Reagan when he was being called a 'rightwing nut.'

"The handling of the O'Connor nomination has harmed the conservative coalition which elected Ronald Reagan and a Republican Senate in 1980. And that political reality has implications for the 1982 congressional elections."—Paul Weyrich, director, Committee for the Survival of a Free Congress, writing in *The Review of the News*, July 29, 1981.

BILLINGS

"Based on information we have received to date, we will oppose the nomination of Judge O'Connor. We believe that President Reagan has been misled concerning her activism on social issues such as abortion and the proposed Equal Rights Amendment."—William Billings, acting president, National Christian Action Coalition, July 9, 1981.

PRO-LIFE PAC

Peter B. Gemma Jr., executive director of the National Pro-Life Political Action Committee, said today that the nomination of Sandra O'Connor to the Supreme Court is a "slap in the face to all pro-lifers." He says: "Every senator should be aware of the fact that our future support will be tempered by this confirmation vote. We want to send a message to the Senate and to the White House that Right-to-Life support cannot be taken for granted."—Press release, July 8, 1981.

EVANGELICALS

Robert Dugan, director of public affairs for the National Association of Evangelicals, applauded Reagan's appointment of a woman to the court. . . . But he expressed "deep misgivings about Judge O'Connor's views on abortion."—*The Washington Post*, July 17, 1981.

TRUEMAN

"I regret that because of Judge O'Connor's apparent position on the issue of abortion, which seems similar to Justice Potter Stewart's whom she replaces, we cannot expect a positive change from the high court on life-related matters. However, I hope and believe that the political furor raised by Right-to-Life as a result of this unfortunate appointment will influence the President to be more sensitive to the abortion issue so that he will, in the future, appoint judges who respect innocent human life to the Supreme Court and throughout the federal system." Patrick Trueman, general counsel/executive director, Americans United for Life.

SENATOR JEPSEN

"The President has consistently stated his strong support for the rights of the unborn, both in his active involvement in drafting the Republican platform and his most recent support for the Hyde language in the continuing appropriations resolution. Therefore, I am puzzled by the nomination of a person who apparently does not reflect that commitment."—Sen. Roger Jepsen (R-Iowa), quoted in *Human Events*, July 18, 1981.

CHRISTIAN VOICE

"We are extremely concerned over the nomination of Judge O'Connor. Her past positions on the abortion issue indicate that she does not meet the requirements of the Republican Party platform or the campaign

promises of President Reagan to appoint a pro-life justice. . . . We are sick and tired of hearing from people who say they are personally opposed to abortion but continue to act to the contrary. Judge O'Connor must make it crystal clear that as a Supreme Court justice, she would make every possible effort to protect the life of the unborn."—Rev. Robert Grant, chairman, *Christian Voice*, July 15, 1981.

CONNIE MARSHNER

"I hope Sandra O'Connor is not what she appears to be right now. If this nomination is what it appears to be, then by nominating her, the administration has said to the pro-family movement: 'Goodbye. We don't need you. We don't care about you.' In the campaign last fall, millions of lifelong Democrats voted for Reagan because he offered a clear alternative on the abortion issue. If Sandra O'Connor supports the Roe vs. Wade decision, Reagan will have turned his back on his most enthusiastic supporters."—Connie Marshner, chairman, National Pro-Family Coalition, legislative director, CSFC, Inc., and editor, *Family Protection Report*.

PROFESSOR WITHERSPOON

"All persons who are genuinely committed to restoring legal protection for the lives of unborn children under our Constitution should vigorously oppose the nomination of Judge Sandra Day O'Connor."—University of Texas law professor Joseph Witherspoon, writing in the *National Right To Life News*.

"I don't think there's any problem."—Presidential counselor Edwin Meese III, quoted in the *Washington Post*, July 9, 1981.●

METRIC CONVERSION BOARD MERITS SUPPORT

HON. ROBERT McCLODY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McCLODY. Mr. Speaker, the *Daily Courier News*, published in Elgin, Ill., in my congressional district, has produced an illuminating and persuasive editorial in support of our Nation's conversion to the metric system of weights and measures.

Mr. Speaker, this issue should cease to be controversial as we view the wisdom of a general conversion to the metric system which could benefit our society as a whole and particularly the business community. Mr. Speaker, I have visited a large number of industries in my congressional district during this and earlier district work periods, and during each visit I have inquired as to the feasibility of converting to metric standards. It is my observation that the conversion can take place relatively easy and inexpensively in most cases. Foreign markets require the production of goods according to metric measurements. It follows that we can increase our foreign trade, bring out Nation into conformity with every other industrialized nation of the world, and bring uniformity to our system of measurements from which every segment of our society can benefit.

Mr. Speaker, I am pleased to attach the *Courier News* editorial entitled "Time to Get Started on Metric Conversion," as follows:

TIME TO GET STARTED ON METRIC CONVERSION

A decade ago, the National Bureau of Standards recommended that America convert from the English system of weights and measures, to become "predominantly metric" by 1981.

Despite the Metric Act of 1975, which promotes voluntary metric conversion, most Americans continue to use yards, pounds, quarts and Fahrenheit degrees, while the rest of the world uses meters, grams, liters and Celsius degrees.

We believe that American measurements should become dominantly metric.

Voluntary efforts have largely failed. Although General Motors plans to be fully metric by next year, and California gasoline is now sold in liters, evidence of the nonmetric system abounds, from supermarket shelves to shipping boxes.

The U.S. Metric Board, established by the 1975 Metric Act, is powerless to push the metric system forward, because it cannot do more than "educate, inform and assist parties who make a voluntary decision to convert," according to its first president, Louis E. Polk. Partial conversion creates the crippling problem of some industries using metric and some English measurements.

The Reagan "new beginning" offers an opportunity for this country to convert, once and for all, to the metric system.

The arguments for conversion are compelling. Scientific developments and technological advances are measured metrically. International trade is based on the metric system. American products which are not metric cannot be easily sold abroad, and foreign metric machinery is not easy to employ here. Once learned, the decimal-based metric system is simpler to use in transactions than the more cumbersome, non-decimal English system.

Most important, we are isolating ourselves from the rest of the world by sticking to the English system which even the English are abandoning.

Conversion is expensive. It involves retooling of machines, rewriting regulations, re-education, and a host of difficulties. Some unions and industries oppose it, because it would take away de facto protectionist barriers based on equipment size. Folklorists argue that doing away with the pound and foot will rob our culture of character.

But the economic, technological and social benefits of metric conversion far outweigh the problems. A fully metric America would enjoy increased world trade, greater access to discoveries, and more efficient transactions.

We urge the president to seize the initiative from his tax and budget victories, to present Congress with a program of guidelines—and deadlines—for conversion to the metric system.

Economic incentives, rather than mandatory rules, would be the Reagan approach. But the aim must be to phase in the metric system, on all levels, along a definite timetable. The examples of conversion in Britain and Canada should be used to indemnify businesses hurt by conversion.

Progress toward the goal of a "predominantly metric" America should be measured in meters, not inches.●

THE CONFLICT IN LEBANON

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I am inserting my foreign affairs newsletter for September 1981, into the CONGRESSIONAL RECORD:

THE CONFLICT IN LEBANON

During the past six years, Lebanon has resembled a battlefield more than a nation.

Communal and political tensions among Christians, Muslims, and Druze have plagued Lebanon since the 1800's. The present crisis combines these tensions with the involvement of three non-Lebanese actors, each of which pursues its own interests, upsets a fragile sectarian balance, and weakens the central government. Syria has had some 22,000 troops in Lebanon since 1976. It seeks to ensure that Lebanon will remain responsive to its concern for security and its political interests. Israel, which also has a concern for security, wants to protect its northern border. It has ties with Colonel Haddad, a former Lebanese army officer who commands a Christian enclave along the Israeli border, and it has ties as well with the Lebanese Front, a largely Maronite Catholic group which controls areas north and east of the capital city of Beirut. Some 400,000 Palestinians, mainly refugees, are also present in Lebanon. Among them are thousands of armed guerrillas who regularly provoke Israel's intervention.

Peace can come to Lebanon with the resolution of three key problems. First, the central government must regain authority in the nation. Today, its authority hardly extends outside parts of Beirut. Second, the Lebanese political system must be modified because it no longer reflects demographic and sectarian realities. The National Pact of 1943 enables the Christians, who represent about 35 percent of the Lebanese population, to have disproportionate influence in the country even though Muslims and Druze constitute an absolute majority. Third, Lebanon's future depends on a solution to the Arab-Israeli conflict, one which addresses the problem of the Palestinians and thereby eliminates the need for Israeli and Syrian intervention. Unfortunately, none of these problems will be solved soon.

As the conflict in Lebanon now stands, there are three potentially explosive fronts. Beirut has been racked by factional strife since 1976. East Beirut is controlled by the Lebanese Front, but in West Beirut the Palestine Liberation Organization (PLO) has a major military presence. The few fixed points of access into the city are patrolled by the Lebanese and Syrian militaries. The continued division of Beirut symbolizes the threat of partition that hangs over the entire country. The battle in southern Lebanon between Israelis and Palestinians has dragged on since 1978. Thousands of Lebanese have been left dead, injured, or homeless, and Israeli casualties have also been significant. The continuing presence of a United Nations peacekeeping force (UNIFIL) has diminished but not eradicated the violence, and Colonel Haddad's enclave has not proved to be an effective buffer between Israel and Lebanon. A third front has opened up around Zahlah, a town on the main road between Lebanon and Syria. Skirmishes between Lebanese Front and Syrian

forces broke out there in 1980, but the fighting soon flared into a dangerous Syrian-Israeli confrontation.

Most Lebanese today despair of the conflict in their country and lament that their destiny is in non-Lebanese hands. They want to regain control of their country and bring about the disengagement of Syrian and Israeli forces. They seek reconciliation in their nation through a stronger central government and army. Unless these goals are achieved to a certain extent, the presidential election scheduled in 1982 may be impossible. If it were, the political crisis could grow worse and make the chance of reuniting the country even more remote.

The United States has always argued for the territorial integrity, independence, national sovereignty, and unity of Lebanon. It has opposed partition. More than \$200 million in military and economic assistance has helped strengthen the central government and army. Beyond rhetorical and financial support, however, concerted diplomatic efforts are needed to meet Lebanon's many problems. These efforts should build on Lebanon's strong currency, its resilient economy, and its entrepreneurial class. Ambassador Philip Habib's recent mission to Lebanon sought relief of the siege of Zahlah, installation of the Lebanese army and gendarmerie there, and removal of Syrian missiles from the area. This mission could serve as the catalyst for an effort of greater scope to help achieve the goals the Lebanese people desire.

American diplomacy should: support the Lebanese central government with additional political, military, and economic assistance; explore the creation of a wider buffer zone between opposing forces and the expansion of UNIFIL's operations; attempt to reduce the flow of weapons into the country; help the central government bring the Palestinian militia under control; and aim to foster conditions that will allow the non-Lebanese actors to withdraw. Furthermore, American diplomacy must recognize that Colonel Qaddafi of Libya and some factions of the PLO will try to disrupt such initiatives.

One hopeful sign for Lebanon is the Bayt-al-Din initiative of Saudi Arabia, Syria, Kuwait, and Lebanon. So far, it has achieved modest success by reducing hostilities.

As Lebanese political groups of all persuasions meet today, their mood favors national reconciliation. The task of the United States is to set in motion the process that will permit Lebanese Christians, Muslims, and Druze alike to reclaim their own land.●

TRIBUTE TO SIX BOY SCOUTS

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. NELLIGAN. Mr. Speaker, I join my colleagues today in honoring six Boy Scouts from Luzerne County in the 11th District of Pennsylvania, which I am privileged to represent. These six Scouts from Troop 352 of West Pittston, Pa., have recently received the highest Scouting award, the coveted Eagle Scout Award.

Morgan C. Williams, 18, the son of John and Beverly Williams, is a recent

graduate of Scranton Preparatory School, where, in addition to his Scouting activities, he has been active in sports.

Ronald J. Pollard, 18, the son of Mr. and Mrs. Warren E. Pollard, will be a senior at Wyoming Area High School this year, and is a member of the Key Club in the West Pittston area.

John D. Marko, 18, the son of Mr. and Mrs. John Marko, has been active in band and chorus activities while a student at Wyoming Area High School, from which he was recently graduated.

Jeffrey B. Sheridan, 18, also a recent graduate of Wyoming Area, is the son of Eugene C. and the late Margaret Baird Sheridan. Besides his activities in music programs, he was recently commended by the borough council for his efforts on behalf of the community.

Joseph C. Valenti, 19, the son of Mr. and Mrs. Michael Valenti, was graduated from Wyoming Area in 1980 and is currently attending Luzerne County Community College, where he is majoring in criminal justice.

Richard Mariette, 18, the son of Mr. and Mrs. Jean C. Mariette, is a recent graduate of Wyoming Area High School and is presently working toward the Bronze Scouting Award.

I commend the troop's Scout leaders, Bill Goldsworthy and Dom Aritz, for spurring these young men on to such outstanding achievements, and I join parents, friends, and members of the community of West Pittston in wishing these young men equal success in their future endeavors.●

SMALL ISSUE INDUSTRIAL REVENUE BONDS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. RANGEL. Mr. Speaker, the Ways and Means Oversight Subcommittee recently conducted a review of the numerous and complex issues surrounding small issue industrial revenue bonds (IRB's). As a result, the subcommittee adopted recommendations for legislative change and submitted these recommendations to the Ways and Means Committee for consideration. At the request of the subcommittee, I am introducing legislation which reflects the substance of the subcommittee's recommendations.

In April of this year, the Ways and Means Oversight Subcommittee held hearings on small issue IRB's. The testimony presented to the subcommittee during 3 days of public hearings, as well as the extensive research undertaken by the Congressional Budget Office at the request of the subcommittee, indicates that there has been a

significant increase both in the volume and diversity of small issue IRB's. While the subcommittee believes that in many cases IRB's are used with discretion under narrowly drawn State public purpose requirements, there, nonetheless, is a need to clarify the Federal guidelines with respect to both the volume and intended purpose of IRB financing. Clearly some abuse have occurred. In some cases, IRB's have been issued indiscriminately, and even excessively. To the extent this has occurred, there have been unwarranted Federal revenue losses.

Mr. Speaker, today I am introducing this legislation in an attempt to responsibly address the expended use and volume of IRB financing. I believe this legislation strikes a reasonable balance between the Federal Government's responsibility to assure that the IRB program is used to advance public purposes at minimal cost to the Treasury, and the States need to have a flexible financing mechanism that will assist them in their effort to stimulate economic development.

In all likelihood the full Ways and Means Committee will address the subject of small issue IRB financing and review the subcommittee's proposal. Accordingly, I invite each Member to support this legislation and welcome comments and suggestions with regard to the proper use of this tax-exempt bond financing tool in the future.

The full text of this legislation follows:

H.R. 4420

A bill to amend section 103 of the Internal Revenue Code of 1954 with respect to the small issue exemption

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) SPECIAL RULES RELATING TO SMALL ISSUE EXEMPTION OF SUBSECTION (b)(6).—

"(I) STATE REPORTING REQUIREMENTS.—

"(A) IN GENERAL.—Not later than February 15 of calendar year 1983 and calendar year 1984, each State shall submit to the Secretary a report containing such information as the Secretary may by regulations require with respect to small issue industrial development bonds of such State (or any political subdivision thereof) which were issued during the preceding calendar year.

"(B) GOVERNOR REQUIRED TO SUBMIT REPORT.—Any report required to be submitted under subparagraph (A)—

"(i) shall be submitted by the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this paragraph), and

"(ii) shall be in such form as the Secretary shall by regulations prescribe.

"(C) SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS.—For purposes of this paragraph, the term 'small issue industrial development bond' means any industrial development bond (as defined in subsection (b)(2)) to

which paragraph (1) of subsection (b) does not apply solely by reason of paragraph (6) thereof.

"(2) PUBLIC HEARING REQUIREMENTS.—Paragraph (6) of subsection (b) shall not apply to any issue of obligations unless—

"(A) the issuing entity has conducted a public hearing regarding such issue before approving such issue;

"(B) the issuing entity has made (and published a statement of) the following findings—

"(i) the issue will not create an unjustified competitive disadvantage to existing businesses in the area,

"(ii) the issue will stimulate the local economy,

"(iii) the issue will result in the creation (or retention) of a significant number of jobs, and

"(iv) the project being financed with the issue would not have been undertaken without tax-exempt financing; and

"(C) the issuing entity has submitted to the Governor of the State (or any department or agency of the State designated by the Governor for purposes of this paragraph) a certification that the requirements of this paragraph have been met with respect to the issue.

"(3) TARGETING COMMERCIAL-TYPE PROJECTS TO ECONOMICALLY DISTRESSED AREAS.—

"(A) TARGETING.—Paragraph (6) of subsection (b) shall not apply to any issue if a significant portion of the proceeds of such issue is to be used (directly or indirectly) to provide commercial-type property unless such property is used predominantly in an economically distressed area.

"(B) PROJECT MAY BE LOCATED IN ADJACENT AREA UNDER CERTAIN CIRCUMSTANCES.—The requirement of subparagraph (A) that the property be used predominantly in an economically distressed area shall not apply if the Secretary and the Secretary of Housing and Urban Development determine—

"(i) that there is no suitable site for the property within the economically distressed area,

"(ii) that the property will be located directly adjacent to such area, and

"(iii) that the property will substantially contribute to the economic development of such area.

"(4) DEFINITION OF COMMERCIAL-TYPE PROPERTY.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'commercial-type property' means any property used in an activity classified in one of the following Standard Industrial Classification codes:

"(i) division F—wholesale trade,

"(ii) division G—retail trade,

"(iii) division H—financial, insurance, real estate,

"(iv) division I—services (except group no. 805 (nursing and personal care facilities) and group no. 806 (hospitals)), and

"(v) activities at central administrative offices (within the meaning of appendix A).

"(B) RULES FOR APPLYING CLASSIFICATION CODES.—For purposes of subparagraph (A), classifications shall be made in the same manner as they are made under the most recent edition of the Standard Industrial Classification Manual published by the Federal Government before the date 90 days before the date of the issue.

"(5) ECONOMICALLY DISTRESSED AREA DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'economically distressed area' means an area composed of one or more contiguous census tracts, enumeration districts, or block groups—

"(i) which are located in the same city or county,

"(ii) which have a population of at least 2,500,

"(iii) in which at least 70 percent of the families have incomes below 80 percent of the median income for the State in which such area is located, and

"(iv) in which at least 30 percent of the families have incomes below the national poverty level.

"(B) INFORMATION USED.—Determinations under subparagraph (A) shall be made on the basis of the most recent decennial census for which data are available before the date 90 days before the date of the issue.

"(6) PROCEEDS NOT TO BE USED TO RELOCATE ACTIVITIES FROM ONE STATE TO ANOTHER.—Paragraph (6) of subsection (b) shall not apply to obligations where any part of the proceeds is intended to facilitate the relocation of a business activity from one State to another.

"(7) PROCEEDS MAY NOT BE USED TO FINANCE PURCHASE OF FARMLAND.—Paragraph (6) of subsection (b) shall not apply to any issue if a significant portion of the proceeds of such issue is to be used (directly or indirectly) to finance—

"(A) the acquisition of land which is to be used primarily for farming purposes, or

"(B) the acquisition of other real property to be used primarily for farming purposes if such acquisition is in connection with an acquisition described in subparagraph (A).

For purposes of this paragraph, the term 'farming purposes' has the meaning given to such term by section 6420(c)(3)."

(b) Paragraph (6) of section 103(b) of such Code (relating to exemption for small issues) is amended by adding at the end thereof the following new subparagraph:

"(K) TERMINATION.—This paragraph shall not apply to any obligation issued after December 31, 1983."

(c) The amendments made by this section shall apply to obligations issued after December 31, 1981.

SEC. 2. (a) The Secretary of the Treasury shall conduct a study on the use of small issue industrial development bonds.

(b) Not later than July 1, 1983, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives a report on the study conducted under subsection (a) (together with such legislative recommendations as he may deem appropriate).

(c) For purposes of this section, the term "small issue industrial development bond" means any industrial development bond (within the meaning of section 103(b)(2) of the Internal Revenue Code of 1954) to which paragraph (1) of section 103(b) of such Code does not apply solely by reason of paragraph (6) of such section.●

EXPLANATION OF ABSENCE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GREEN. Mr. Speaker, I rise to explain why I was paired against the motion to suspend the rules and pass H.R. 4242, the so-called tax package, on Tuesday, August 4, 1981.

First, why did I pair instead of being present to vote? Longstanding family plans had taken me to Maine on the preceding weekend and to northern New Hampshire on Monday, August 3, 1981. I had nonetheless made plans to return to Washington by getting up before dawn on Tuesday, driving to Montpelier, Vt., catching a 7:15 a.m. Precision Airlines flight from Montpelier to Boston, and then catching a 9:10 a.m. Delta Airlines flight to Washington. However, with the onset of the air traffic controllers' strike, Precision Airlines canceled all its flights, and my staff, on checking Delta and the other airlines, advised me that, even if I could get to Boston some other way, there was no assurance that a flight would be available that could get me to Washington in time. Accordingly, I arranged for a pair.

Second, why did I oppose the motion? I had supported the tax package when it passed the House on Friday, July 30. However, I do so only after unsuccessfully opposing the rule under which the tax package was considered by the House, because it denied us a separate vote on tax breaks for the oil industry.

The effect of the motion to suspend the rules was identical. Under normal House procedures for considering conference reports it would have been possible to have a separate vote on the oil provisions, and to have instructed the House conferees to agree to the Senate position on those provisions, which provided for substantially less in the way of tax breaks for the oil industry than did either the House bill or the conference report. The motion to suspend the rules made that effort impossible.

In summary, I supported the basic tax package, but opposed the oil industry tax breaks that were added to it in Congress. However, the motion to suspend the rules and pass H.R. 4242 carried, and thus the tax package passed with the oil tax breaks.●

INTERVIEWS WITH MEESE, OTHERS MAKE CLEAR PRESIDENT UNINFORMED ON O'CONNOR RECORD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, one of the saddest aspects on the nomination of Mrs. O'Connor to the Supreme Court has been the apparent misinformation and incomplete information given to President Reagan. If the President had chosen her after being made aware of her complete record, then so be it, but the evidence is mounting that he acted without full

knowledge of her record, particularly in the State legislature. In this connection, I am inserting an article that appeared in *Conservative Digest* for August 1981, for the edification of my colleagues.

CONSERVATIVE DIGEST ARTICLE STATES PRESIDENT UNINFORMED ON O'CONNOR RECORD

In a speech in Chicago the day he announced his intention to nominate Sandra Day O'Connor to the Supreme Court, President Reagan said that he had done this after "examining her whole record in public life." But, there is compelling evidence that there is important information about Mrs. O'Connor which the President did not know. The following data was revealed in CD interviews with: presidential counselor Edwin Meese; a senior presidential aide who requested anonymity; counselor to the Attorney General Kenneth Starr; and Tom DeCair, director of public information for the Justice Department.

Meese says the text of the 1970 abortion-on-demand bill voted for by Mrs. O'Connor was "not seen" by the President. This bill appears to have been, he says, "a therapeutic abortion act and a lot of legislators, even Ronald Reagan as governor, did that at the time without it being apparent what problem it was."

This is not correct. The bill Mrs. O'Connor supported was a radical departure from the restrictive abortion laws in effect in most states in 1970.

Meese says the 1973 family planning bill supported by Mrs. O'Connor "had nothing to do with abortion." He says "no," he never saw this bill and it wasn't read "because we didn't have it."

Meese says "yeah," Mrs. O'Connor was asked her views on the Supreme Court's 1973 *Roe vs. Wade* decision legalizing abortion on demand. Did she say it was good or bad law? Meese: "Uh, I don't think she was asked in those terms." White House press spokesman David Gergen says Mrs. O'Connor was not asked about *Roe vs. Wade*.

Prior to her being chosen, or after, was Mrs. O'Connor asked if she favored any kind of legal protection for the unborn? Meese: "I think there was a hesitation to ask how she would rule on a particular case. I'm not sure she was asked in the form you put this question."

Later in this interview, Meese says, when asked if he feels it is improper or injudicious to ask Mrs. O'Connor about her own past rulings or past rulings of the Supreme Court, "not particularly, no. I don't."

Meese says Mrs. O'Connor's views on abortion, the family and other social issues were "generally known" but they didn't affect the President's decision "because of her basic personal attitudes."

An anonymous senior aide says that it is "entirely possible" that the only negative information received about Mrs. O'Connor's record supporting legalized abortion was "sent in by the people concerned about these votes."

Like Meese, this senior aide was unsure about what the 1973 family planning bill allowed, saying that some people thought it authorized only the distribution of sex education information. Did you see the text of this bill? Senior aide: "Oh no, we didn't. We didn't go back and dig up the actual piece of legislation. The President didn't choose to do this. He could have but didn't."

Regarding Mrs. O'Connor's acknowledgment that in 1974 she voted against urging Congress to constitutionally protect the

lives of the unborn, the question is asked: And this didn't bother the President? Senior aide: "Well, I suppose not, because they discussed it."

Has Mrs. O'Connor said anything indicating she favors any kind of legal protection for the unborn? Senior aide: "Not that I'm aware of."

Was Mrs. O'Connor asked if she shares the President's view that there should be a Human Life Amendment to the Constitution? Senior aide: "No, she wasn't asked about specific issues at all on a whole range of subjects." (1)

Counselor to the Attorney General Kenneth Starr says he made no effort to check out Mrs. O'Connor's statement that she never had any disputes or controversies with national pro-life leader Dr. Carolyn Gerster, who lives in Arizona. Why did he make no such effort? He refuses to say. In fact, Dr. Gerster and Mrs. O'Connor had several disagreements about abortion.

Starr says the record is "not all that clear" and "a bit murkier than some are suggesting" as regards Mrs. O'Connor's 1970 vote for an abortion-on-demand law. False. The April 30, 1970, *Arizona Republic* reports that Mrs. O'Connor voted for this bill.

Would you say Mrs. O'Connor is anti-abortion and pro-life in the way the President and the 1980 GOP platform are? Long pause. Starr: "I don't know if I can deal with that question on those terms." Starr declines to use "shorthand" to describe her views saying that he thinks such phraseology "impedes and doesn't advance the inquiry."

Doesn't it feel strange to have people like NOW's Eleanor Smeal and Sen. Howard Metzenbaum gushing over your Supreme Court nominee? Starr: "I think it's to be expected that the head of NOW would gush over a woman." You think she would have gushed if the nominee had been Phyllis Schlafly? Starr: "I don't know. Maybe not as effusively."

Justice Department public information director Tom DeCair says "no," all of the information in the July 7 Starr memo was not "entirely" known about prior to the President's choice of Mrs. O'Connor.

DeCair says, regarding Mrs. O'Connor's positions on family-related issues, that "no," information on "all of these things" hadn't been developed because there are "no records" on how she voted in subcommittees and caucuses. Talks with her colleagues and her political opponents and the reading of newspapers would, of course, have developed this information.

At the daily White House news briefing on July 7, 1981, presidential press spokesman Larry Speakes told reporters:

"What we're saying is that we would encourage you to look very, very thoroughly into her votes in the state legislature. . . . I would encourage you to look very closely at the record of the votes in the Arizona legislature."

Good advice. Too bad the President's men didn't follow it when they checked out Mrs. O'Connor.●

CONSERVATION—LET THE BUYER BEWARE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LaFALCE. Mr. Speaker, on July 24, the General Accounting Office released a report entitled "Consumer Products Advertised To Save Energy—Let the Buyer Beware." The report noted that the American consumer still faces serious obstacles to making cost-efficient purchases on the conservation marketplace. As the conservation movement has grown in response to rising energy prices and our desire to remove the OPEC stranglehold from our Nation's energy supplies and our economy, conservation applications have flooded the marketplace. However, the level of information needed to make rational choices among competing products is available to only the most information hungry consumer.

The GAO report concludes that the obligation to inform consumers about the best mix of conservation applications is one that must be shared among the Federal Government, State, and local governments, the industry, and consumers themselves. Indeed, government has not only an obligation but an interest in insuring the most efficient use of our conservation dollars. Grants and tax credits for conservation investments in the home and commercial and industrial buildings give us all a stake in seeing that these dollars are spent wisely and efficiently.

Mr. Speaker, the GAO report is a timely reminder of the need for continued cooperation among the public and private sectors. As the Congress considers budget cuts and regulatory reforms aimed at streamlining the Federal Government, we must not lose sight of the positive role that Government must play in conjunction with industry and the public. For the benefit of our colleagues, I insert in the RECORD the summary of the GAO study:

CONSUMER PRODUCTS ADVERTISED TO SAVE ENERGY—LET THE BUYER BEWARE DIGEST

In efforts to reduce energy costs—and in response to government encouragement, including tax credits—consumers spend billions of dollars each year on energy-saving products. However, consumers face problems with advertisements designed to induce them to purchase such products. Accordingly, GAO conducted a review to look at the types of products and claims in the marketplace, evaluate the potential of energy-saving claims to mislead consumers, and assess the effectiveness of Federal and State efforts to protect consumers from inaccurate or misleading claims.

GAO noted hundreds of advertisements having questionable energy-saving claims.

The ads (1) appeared to exaggerate a product's capabilities, (2) did not disclose material facts affecting the product's performance, or (3) made performance claims which consumers could not compare with competing brands because of the lack of standard, generally accepted measures of energy savings.

Consumers cannot easily determine the accuracy of energy-saving claims because sellers generally are not responsive to consumer's requests for information to support the claims; the data that sellers provide consumers to support claims are often inaccurate, not relevant, or highly technical and therefore difficult for most consumers to understand or evaluate; and consumers often cannot learn through experience and switch to more effective products because (1) the energy savings are not always measurable even after purchase and (2) the purchases are often costly and are made infrequently.

FEDERAL CONSUMER PROTECTION EFFORTS

The Congress mandated that the Federal Trade Commission (FTC), the primary Federal consumer protection agency, take specific actions to prevent unfair and deceptive acts and practices relating to energy conservation. During fiscal years 1978 through 1980, FTC spent about \$1 million annually on a program designed to determine whether energy-saving claims were accurate, sufficiently informative, and based on standard, generally accepted measures of energy savings so that product brands can be compared.

Among FTC's accomplishments are two regulations aimed to make sure that sellers of home insulation and appliances provide consumers with comparable and accurate information on their products' energy efficiency or annual operating cost. In addition, FTC has, to varying degrees, acted to stop questionable claims being made by obtaining consent orders, requiring sellers to substantiate questionable claims, and conducting investigations. FTC also attempted to minimize some consumer problems by publishing guides and distributing factsheets to consumers and consumer groups alerting them about energy-saving claims for some products.

While FTC has made progress in accomplishing its objectives, it was not able to rapidly reduce consumers' problems with energy-saving claims because staff assigned to energy cases also worked on higher priority, nonenergy cases; staff was unable to give attention to all the many small, widely dispersed companies making inaccurate or misleading claims; and FTC had to rely on existing test reports and no-cost or low-cost technical support which was not always readily available.

Furthermore, FTC experienced difficulties assuring that claims were comparable and meaningful to consumers, because testing or advertising standards that would provide a common base for the claims had not been developed. FTC was working with several industry groups to develop voluntary standards.

Through enforcement of its mail fraud statutes, in fiscal year 1980 the Postal Inspection Service established a priority program to take action against sellers misrepresenting energy-saving products through the mails; however, it has limited its efforts primarily to stopping inaccurate claims for automotive retrofit devices.

STATE AND LOCAL CONSUMER PROTECTION AGENCIES' EFFORTS

Numerous State and local agencies also try to protect consumers from unfair or de-

ceptive trade practices. The primary law enforcement agency for preventing inaccurate or misleading claims is the State attorney general's office. The district attorney's office is also involved, but to a more limited extent.

Both the State attorney general's and district attorney's offices have eliminated some inaccurate or misleading energy claims, but those efforts have generally been limited.

Lack of resources, limited coordination, and the need for testing and expert testimony are the main factors limiting State and local consumer protection agencies' efforts regarding inaccurate or misleading energy-saving claims. As a result, State and local consumer protection agencies have not been able to significantly or rapidly reduce such claims.

FTC and the Department of Energy (DOE) have promoted various activities to foster information sharing among Federal, State, and local consumer protection agencies. The most substantial is a DOE-funded, 2-year, \$200,000 clearinghouse to promote the exchange of needed technical and product information.

CONCLUSIONS AND RECOMMENDATIONS

Consumers can contribute to the Nation's interest to conserve energy by investing in products that reduce energy use. GAO believes that continued government efforts are needed to protect consumers from being misled by advertisements making energy-saving claims. Therefore, FTC should continue to work with industry groups to develop guidelines for performance testing and advertising. In the meantime, GAO recommends that FTC alert consumers by publishing additional factsheets about some of the difficulties with claims and ads.

GAO also recommends that the Secretary, DOE, work with the information clearinghouse to improve the sharing of technical and product information. Until these agencies take the recommended actions and energy-saving claims become more accurate, meaningful, and comparable, GAO believes that the best advice for consumers is "let the buyer beware."

FTC'S COMMENTS

FTC said that GAO overstates the problems consumers are having in evaluating energy-saving claims for products because GAO failed to distinguish between "fraudulent" and "legitimate" products. GAO believes that any products' claims having questionable accuracy, being potentially misleading, or lacking comparability may cause consumer problems. FTC did not specifically comment on GAO's recommendation.

DOE'S COMMENTS

DOE acknowledged that its grantee is extending its outreach efforts and will be working with FTC staff to overcome their concerns about public disclosure of information they provide to the information clearinghouse. DOE also commented that industry and supporting government efforts, designed to improve the availability and accuracy of information on energy-related products, are important supplements to Federal consumer protection efforts.●

HIGH INTEREST RATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, September 2, 1981, into the CONGRESSIONAL RECORD:

HIGH INTEREST RATES

Interest rates are at their highest level since the Panic of 1873, and almost everyone is feeling the pain. The prime rate (the rate charged by commercial banks for short-term loans extended to their very best customers) stands at 20.5% today, three times the annual average of 6.84% five years ago. A farmer or small businessman pays the prime rate plus two to four percentage points to borrow money for his operations. Would-be homeowners are staggered by 17% rates for mortgages. Banks pay 16% to 18% or higher to attract deposits. There is no indication that high interest rates will fall anytime soon.

There can be no question that high interest rates wreak havoc in the economy. They stymie construction, stop families from purchasing homes, cause savings and loan institutions to run into the red, depress the automobile industry, and make economic life miserable for farmers, businessmen, and nearly everyone else. Hoosiers mention high interest rates at each and every stop I make in southern Indiana. Their deep concern and the obvious impact of high interest rates suggest to me that the nation's economy will not tolerate the strain much longer without plunging into recession.

Interest rates are really the price of money. They are set not by the President or the Congress, as many people believe, but by the interaction between the demand for money and credit and the supply of money and credit. Since the supply of money is controlled by the Federal Reserve System, the nation's central bank, the actions of that agency have a major effect on interest rates. However, anything that affects either the demand for or the supply of money will cause interest rates to fluctuate.

Several factors are pushing up the level of interest rates today. Inflation and the expectation that it will continue prompt lenders to ask for higher interest rates on the loans they make. Such rates are necessary in an inflationary economy to insulate the lenders from loss.

The budget deficit of the federal government and the pessimism that people feel about it form another important set of factors. Despite President Reagan's promise of a balanced budget by 1984, the deficit is going to stay very high. The President sees a deficit of \$42.5 billion next year and \$22.9 billion in 1983, but most observers think that the figures will be substantially higher. Yet the more money the government borrows to finance the deficits, the less money there is for the private sector and the higher the cost of borrowing.

Still another factor behind the high interest rates is the policy of tight money (the policy of slowing the growth of the supply of money, which keeps interest rates higher than they would otherwise be). The Secretary of the Treasury has said that tight money is an integral part of the fight against inflation, and virtually everyone agrees that consistently slow growth in the

supply of money will trim inflation in the long run. Tight money is probably the most common weapon against inflation in use among western governments today. In the short run, however, the high interest rates that follow tight money actually add to inflation by raising the cost of items bought on credit. Another basic problem with such a policy is that while the cure it works is only gradual, the economic pain it brings is immediate and sharp. As long as tight money alone is being used to combat inflation, there will be upward pressure on interest rates. In Mr. Reagan's economic program, there is a clear and strong tension between tight money and the demand for money in an economy which the President wants to grow rapidly. The large budget deficits combine with tight money to hamper economic growth.

I am frequently asked what the Congress can do about high interest rates. Although it does not control interest rates directly, the Congress can help get them to come down by balancing the federal budget. A balanced budget would contribute to lower interest rates in two ways. First, it would get the government out of private capital markets. If the government were out of those markets, there would be less competition for funds and interest rates would fall. Second, a balanced budget would signal both the Federal Reserve System and private capital markets that the government was using the budget to fight inflation, not to worsen it. Slow growth in the supply of money would no longer result in record-breaking interest rates. Furthermore, the Federal Reserve could even allow the supply of money to grow somewhat more rapidly without risking a new round of increases in wages and prices. The markets would be less inclined to expect that inflation would continue. Some downward pressure would be brought to bear on interest rates.

The present economic program depends on a fiscal policy which is loose (the deficit is large) and a money policy which is tight (the supply of money is growing slowly and interest rates are high). The difficulty with such a program is that it throws onto money policy the entire burden of the fight against inflation. In my opinion, the approach of the President is exactly the reverse of the approach we should be using. What is needed is a fundamental shift in the mix of fiscal and money policies. Our goal should be to tighten fiscal policy (balance the budget) so that money policy can be relaxed (the supply of money can, if necessary be expanded somewhat more rapidly). One important result of such a shift would be a decline in the interest rates which are proving to be so harmful to the economy.●

JAMES EUGENE "JIM" PRATER

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. DUNCAN. Mr. Speaker, of all the joys that are known to man there is a special pride in the knowledge that one lives a full life. A life of adventure and opportunities which are grasped with vigor, and treasured throughout the years. After a century of hard work and joyous adventures James Eugene "Jim" Prater has many

treasures and continues to live a full life.

Jim Prater's life ranges from the mountains of east Tennessee to the cattle lands of Oklahoma. His has been a journey boys used to dream of, from the wilds of the Indian territory to the modern industrialization of the South. Along the way Prater has not only collected memories, but also left them. This is what endears him to the people of Blount County.

How else could one explain the fervor with which the citizens have prepared to celebrate his centenary. Jim Prater will be honored by these east Tennessee residents, Friday at the George Washington Masonic Lodge in Louisville, for his life and contributions to the community.

He grew up along the banks of the Tennessee with "a hand in the river." There his family farmed and operated a ferry which carried many across the water. As a boy he would sometimes take a passenger across in his own small boat for a 10 cent fare. Lowe's Ferry was across the river and 2 miles from the birthplace of Civil War hero Adm. David Farragut. Prater recalls the dedication of the birthsite by another war hero, Adm. George Dewey, who was Farragut's protege.

At 20 he began his travels to the West. He began in St. Louis, Mo., as a pipefitter with another Blount countian. He worked for \$45 a week with the pay in a combination of \$2.50 gold pieces and \$1 bills. He moved on working as a wholesale grocer in Paris, Tex., and spending time in Dodge and Bonham, Tex., and Hugo, Okla.

At the time Oklahoma was still the Indian territory. It was there Prater began his affiliation with the Masons, a membership he has kept active to this day. He settled down to managing a 40,000 acre cattle ranch near the Red River. Despite the further opportunities which awaited him, he returned to Tennessee because of his wife's ill health.

Prater went to work for Alcoa in Tennessee, a plant which stands for the beginnings of southern industrialization. During his 18-year tenure there he hired John Harper of Louisville, Tenn., a man destined to become the president of the Aluminum Co. of America. He also managed the plant's four cafeterias for a time overseeing the dietary needs of the workers.

His own prescription for good health and longevity includes a large breakfast featuring steak or roast beef, a hearty lunch, and a light supper. He avoids alcohol, but succumbs to the temptation of sweets. Visitors to his home are sometimes able to partake of his delicious cream candies, which they often receive as gifts.

Citizenship is another of Jim Prater's assets. He has participated in every election since records have been

kept. Though he calls himself a Democrat, his first vote was cast for a Republican candidate for sheriff in Blount County. Given the politics of east Tennessee he has found himself in the same position many other times, because the Democrats in Blount County do not get enough candidates running.

Prater also enjoys music, particularly of his own making. He has played the piano, bass violin, guitar, and drums. He studied voice at Murfreesboro and sung professionally. An orchestra Prater directed was featured at one of the popular spas near Blount County at the turn of the century.

He still entertains guests with his violin, playing renditions of "Moonlight and Roses," "Cruising Down the River on a Sunday Afternoon," and "Let Me Call You Sweetheart," a tribute to his late wife. He still calls Effie Mae Wood Prater, sweetheart. She shared 56 years of adventurous life with him. They often hunted and fished together after returning to Tennessee. Though she died 20 years ago, Prater makes certain there are always flowers on her grave.

It is impossible to capsule 100 years of a full life. There are so many incidents and memories surrounding the past and always the inescapable possibilities of the future only one man can explain it. As Jim Prater sums it up he leaves a model for his lessers. "I live for God," he says, "and thank God, I'm a gentleman."●

NUCLEAR NONPROLIFERATION A SERIOUS CONCERN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LAGOMARSINO. Mr. Speaker, nuclear nonproliferation remains a serious concern for this administration and this Congress. The President has described the basis for his policy, and I welcome his approach. Two newspapers in my district published identical editorials recently on nuclear nonproliferation which I want to share with my colleagues. This editorial appeared in the July 29 Oxnard Press-Courier and the July 30 Santa Maria Times.

[From the Oxnard Press-Courier, July 29, 1981]

NON-PROLIFERATION TRACK

The United States must assume a more positive role in international efforts to control the spread of nuclear weapons.

But how?

President Carter was as dedicated to nuclear non-proliferation as any president could be, but his policy initiatives in that area got nowhere.

Now, President Reagan has issued a policy statement on non-proliferation and it appears to correct the major mistake in the Carter approach.

Carter attacked the problem by limiting the export of U.S. nuclear technology and materials and urging other nuclear-exporting countries to do the same. The failure of this initiative was evident even before the June 7 Israeli raid on an Iraqi reactor brought the non-proliferation issue to the fore.

Reagan's statement restores an earlier perspective to American policy—one that acknowledges that the United States can best contribute to safeguards and controls by being a "reliable supplier" of technology and fuel for nuclear power programs.

By going back on promises to share its nuclear technology with other countries, the United States only encourages them to try to develop that technology on their own—and with it the capability of making bombs.

While reaffirming U.S. support of the nuclear non-proliferation treaty and other international safeguard programs, Reagan puts new emphasis on creating conditions that would reduce the motivation for countries to go their own way with nuclear development. This is a broad and ambitious goal, but it recognizes that insecurity about future energy supplies is what motivates countries to try to develop independent nuclear power programs, and that military insecurity motivates some of them to arm themselves with nuclear weapons.

The Reagan policy puts the United States back on a more promising track. It is said to have been greeted with approval at the Ottawa summit. It remains, however, a statement of guidelines and objectives rather than a summary of how the United States will proceed on specific issues on the nonproliferation agenda.

The statement promises to bring pressure on countries whose nuclear programs make them a "proliferation risk," but administration officials have declined to identify any countries now held to be in that category. It calls for strengthening the inspection and safeguard program of the International Atomic Energy Agency, but does not point to the weaknesses in that program that need to be addressed.

The world is flirting with catastrophe if the proliferation of nuclear weapons continues unchecked. There are now six nations known to possess atomic bombs. Nine others are believed to have the capability of producing them. Another 16 may join that category by 1990.

President Reagan says he has told the State Department to give "priority attention" to the proliferation problem, and well it should.

[From the Santa Maria Times, July 30, 1981]

THE PRESIDENT'S APPROACH

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MORE REASONS WHY THE UNITED STATES SHOULD LEAVE THE UNITED NATIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, several recent events have raised questions in the minds of many Americans concerning our continued participation in the United Nations. The first was the recent revelation that the United Nations Department of Public Information paid 15 top foreign newspapers to run items favorable to the United Nations. The second has been the drive by UNESCO to prevent the press from operating freely in many parts of the world. These two items should convince any fair-minded American that it is not in America's best interest to remain in this organi-

zation. Alice Widener wrote up this sad state of affairs in her publication U.S.A. for May 31, 1981. Her article should be carefully read by any taxpayer that believes the United Nations is our best hope for peace. The article follows:

**AT LONG LAST—PROPAGANDA SCANDAL
REVEALS TRUTH ABOUT UNITED NATIONS
(By Alice Widener)**

As a rule, when the New York Times breaks a front page story about a scandal involving a major national or international institution, the broadcasting networks and prominent liberals, American and foreign, hit the fan about it. In the case of the biggest scandal ever reported about the United Nations, however—a scandal revealed by the New York Times, May 28, 1981—dead silence has reigned over the airwaves. The Washington Post, usually so keen on denouncing venality in the press or government, carried only a short U.N. official defense tucked away next day on page 28.

The revolting fact is that the United Nations Department of Public Information paid 15 top foreign newspapers, including *Le Monde*, the international Leftists' Parisian darling, to publish propaganda articles advocating economic, social and political proposals spawned at the U.N. that would pauperize advanced nations in favor of the backward ones, thereby hurting every American's pocketbook and injuring U.S. national sovereignty and security. The U.N. subsidized articles were run by client newspapers as straight news and research material, not as advertisements. Each article was prepared from a special point of view by a United Nations staff member.

A \$1,250,000 slush fund for the propaganda operation was given to the U.N. Department of Public Information by Ryoichi Sasakawa, a Japanese multi-millionaire whom the New York Times describes as "an influential conservative businessman who has supported the United Nations before. His help was solicited by Genishi Akatani, a former U.N. Under Secretary General for Public Information." The Times' description of Mr. Sasakawa is inadequate, to say the least. On June 4, 1979, *Barron's National Business & Financial Weekly* reported on Mr. Sasakawa's present connection with Hardwicke Companies, Inc. in our country and provided information on his "unusual" background. Before 1941, he helped the running tide of militarism in Japan and formed a political party favoring Japanese military expansion into Southeast Asia. "During World War II," reported *Barron's*, "Sasakawa's political party participated in the looting of countries occupied by Japan." The United States occupation authorities arrested Sasakawa as a suspected war criminal and he spent three years in a Japanese prison.

Evidently Mr. Sasakawa is only doing what comes naturally in subsidizing the proposal advanced by some U.N. member states for "a new international economic and social order" which would loot the wealthy countries for the alleged benefit of the poor ones. The New York Times says the new order would effect "an enormous transfer of goods and services from rich to poor through the erection of commodity cartels, the printing of money by the International Monetary Fund, big increases in aid and similar devices." In one form or another among U.N. members, the proposal for a new order has been discussed since 1945, always under Socialist/Communist sponsor-

ship. In 1956, Leslie Gould, highly regarded financial editor of the New York Journal-American, pointed out that at the IMF the Communist countries have "full access to confidential financial information on western countries."

The New York Times reports that Bhaskar P. Menon of the U.N. Department for Social and Economic Information, an author of a subsidized propaganda article in foreign newspapers, describes the proposed new order as "decolonization of the world economy." Exactly 20 years ago, U.S. Senator George D. Aiken described the Socialist/Communist proposal as "colonialism-in-reverse" to exploit American taxpayers, and he warned "too many members of the United Nations ignore the fact that every dollar we contribute to raising the standards of developing nations has to be earned or borrowed by us. The fact that we have gone so heavily in debt to help them does not seem to make much of an impression on some of them." Sen. Aiken knew what he was talking about; he was U.S. Delegate to the U.N.

As early as 1951, Dr. Hans W. Singer, special adviser to the U.N. Secretary General on economic development, advised the Pakistan Government not to exert their own efforts for development but to borrow money for it from abroad. "Supposing you borrow a hundred million dollars from the United States now to undertake a certain project and you repay the money over the next 30 years—well, it is possible that a dollar in 30 years time in the United States will only buy half of what it buys now. But that is not your worry; that is the risk of the people who have lent you the money. That is their risk."

It is now exactly 30 years since Dr. Singer sang his siren song in Lahore, Pakistan. The U.S. dollar buys not half but less than a third of what it bought in 1951, and our country has accumulated more than a trillion dollar national debt on which we American taxpayers pay annual interest of more than \$60 billion.

A dedicated Marxist, Dr. Singer was quite a prophet. In 1956, he told a women's group at the U.N., "We must do all possible to get extension in Congress of U.S. foreign aid. We should try to get ten years plus, and then nobody will ever be able to follow anything because so many people will be involved. If a long range plan is established, the United States couldn't stop."

As predicted, the United States wouldn't and then couldn't stop its inflationary foreign aid, both bilateral and through the United Nations. Most Americans have been blindly idealistic supporters of the United Nations as "the last best hope for peace," having been made to feel guilty because we didn't join the League of Nations after World War I and because we developed the atom bomb to end World War II. Thinking about peace, democracy and human rights, the very last thing Americans thought about was money. The few farsighted realists who tried to warn us about the economic perils of U.S. membership in the U.N. were either ignored or branded by liberals as warmongers, racists and isolationists.

On April 14, 1981, the *Journal of Commerce* in New York reported that the so-called "developing" nations' debt to the advanced western nations will soar to \$500 billion, most of which could not be repaid. That publication interviewed Secretary General Gamani Corea of the U.N. Conference on Trade and Development. A staunch advocate of the proposed new international

economic and social order, Mr. Corea who hails from Sri Lanka (formerly Ceylon) urges creation of international commodity cartels and price fixing, both contrary to American principles and practices of free trade and free enterprise.

As early as May 1954, Preston Hotchkis, U.S. delegate to the U.N. Economic and Social Council, warned publicly, "Watch out for the United Nations because what it does can affect your pocketbook!"

U.N. membership has grown from the original 51 member states in 1945 to the present 154, several of the latter being merely small islands with scant population, but each with a vote equal to ours in the U.N. General Assembly. In 1949, the regular U.N. administrative annual budget, for which members are assessed, was \$43 million. Today that budget is approximately \$1.1 billion, of which the United States is assessed 25% or approximately \$250 million annually. These sums do not include funds for any of the huge amounts spent by the U.N. specialized agencies and other operations. The total U.N. annual expenditure is \$2.5 billion. For the regular administrative budget, the Soviet Union is assessed less than half of what we pay, that is, only 11.3%. China [People's Republic of] is nearing the 2-year expiration date for payment of arrears in assessments and risks being ousted from the General Assembly according to financial provisions in the U.N. Charter.

More and more at the United Nations its main financial supporter, the United States, is becoming a minority of one. Besides being used by the U.N. to undermine U.S. sovereignty, our 25% financial support of the U.N. is being used to undermine our way of life and national security, and also to enable the United Nations to violate the very principles upon which the international organization was founded.

How cynically this violation is taking place is exemplified in the current U.N. propaganda scandal. Article 100 in Chapter XV of the U.N. Charter deals with the U.N. Secretariat, the international civil servants staffing and administering the organization who are paid out of its own budget. Article 100 states that the U.N. Secretary General and the staff "shall not seek or receive instructions" from any government or authority external to the Organization, and that each member of the U.N. undertakes "to respect the exclusively international character" of the Secretary General's and staff's responsibilities and "not seek to influence them in the discharge of their responsibilities."

The acceptance of a \$1.25 million "gift" from a single individual by the U.N. Department of Public Information to further a special proposal advanced by only a single group of U.N. member states is a clear violation of the letter and spirit of the U.N. Charter. However generous or well-intentioned or something else is Mr. Sasakawa, he is undeniably external to the United Nations Organization. It is an act of unspeakable corruption, in my judgment, for the U.N. Department of Public Information to solicit funds to suborn the press in an action designed to influence authorities external to the U.N. in behalf of political, social and economic schemes hatched by some members of the U.N. to further their own interests as against other member states' interest.

The American Newspaper Publishers Association and other professional groups dedicated to a free press have been bitterly

critical of proposals recently put forth in Paris by UNESCO (United Nations Educational, Scientific and Cultural Organization) to set up restrictive international controls over the press and licensing of its journalists, controls proposed by Socialist, Communist and many Third World nations. Obviously, the U.N. Department of Public Information itself has become a vehicle for venal influence in the press. The 15 important newspapers which carried the Sasakawa-subsidized "new order" propaganda are: *Le Monde*, Paris—\$48,000; *Asahi Shimbun*, Tokyo—\$48,000; *La Stampa*, Turin—\$40,000; *El Pais*, Madrid—\$24,000; *Politika*, Belgrade—\$32,000; *Zycie Warszawy*, Warsaw—\$40,000; *Magyar Nemzet*, Budapest—\$24,000; *El Moudjahid*, Algiers—\$24,000; *Le Soleil*, Dakar—\$16,000; *Excelsior*, Mexico—\$24,000; *Indian Express*, New Delhi—\$40,000; *Kahan Newspapers*, Teheran—\$16,000; *Dawn*, Karachi—\$16,000; *Franfurter Rundschau*, Frankfurt—\$24,000; *Die Presse*, Vienna—\$16,000.

In connection with all the foregoing, it must be borne in mind that the proposed "New International Economic and Social Order" has not been enacted by the United Nations and is therefore not an official U.N. covenant or treaty or officially adopted resolution of the General Assembly.

To the great credit of Walter Fontura, editor, *Jornal do Brasil*, he refused the U.N. propaganda subsidy and tried but failed to persuade other editors not to accept it.

It appears that *Le Monde* (which many Frenchmen in a play on words call "L'Immonde" meaning unclean and foul) is the newspaper most deeply involved, directly and indirectly, in the U.N. propaganda scandal, though it is a favorite source of West European quotation by our major wire services, liberal press and magazines such as *Newsweek* and *Time*. Project coordinator of the Sasakawa-subsidized U.N. operation at an annual salary of \$69,600 is former *Le Monde* diplomatic correspondent Jean Schwoebel. *Le Monde's* present boss, Jacques Fauvet, told the *New York Times* he saw "no reason" to refuse the subsidy money. The initial \$1.25 million has been spent but Mr. Schwoebel is asking the U.N. Department of Information to seek \$200,000 from the U.N. General Assembly as seed money to attract additional contributions for the propaganda operations, saying that Algeria, Venezuela and Kuwait are prospective donors. The United States and Britain are strongly opposed to such action. The *New York Times* says all this "raises fresh questions of influence."

The whole U.N. propaganda scandal raises not only questions of influence at the United Nations but also the question of whether U.S. participation in the U.N. can now be a useful tool of American diplomacy and foreign policy. Things now are far different from what they were in 1945 when it was agreed under the Charter that the five permanent members of the U.N. Security Council, its principal peace-keeping body, should be China, Britain, France, the United States and Soviet Union. Among the five at that time there was only one socialist member—the Soviet Union. Today there are three—China, France and the Soviet Union.

Today U.N. Secretary General Kurt Waldheim himself is involved in the U.N. propaganda scandal and declares that the Sasakawa-financed distribution of U.N. articles helps "to foster a better understanding of the vital objectives of the new international economic order." What he deems "vital" is deadly to American free enterprise and American principles of freedom. Already the

Reagan Administration has been forced to reconsider U.S. participation in the U.N.-proposed Law of the Sea Treaty and to cast a lone "no" vote at the World Health Organization.

For many years, some Americans have urged, "Get the U.S. out of the U.N. and the U.N. out of the U.S.A." Perhaps the time has come to do so. ●

DEATH OF SHELDON POLLACK

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GREEN. Mr. Speaker, I was shocked and saddened by the July 28 death of Sheldon Pollack. Most recently, Sheldon served as executive director of New York Citizens for Balanced Transportation, a group with which I have worked closely in supporting the construction of a new highway in New York which promises to revitalize the west side of Manhattan.

Indeed, throughout his career, Sheldon Pollack demonstrated an intense and active commitment to the betterment of life in New York City and in urban areas across the country. As director of information for the Regional Planning Association, a private research group which makes recommendations on transportation, housing and recreation for New York, New Jersey, and Connecticut, he was instrumental in creating Gateway National Recreation Area, the first urban national park in the United States. Sheldon and a handful of others conceived of this urban dimension to what has traditionally been a benefit available to those who live in less populated areas, and convinced others—including the Congress—of its significance. The urban seashore park which he envisioned now occupies 26,000 acres within New York's metropolitan area. It includes beaches, wildlife reserves, wetlands, and grasslands, and is visited by about 10 million people per year. Similar urban parks have opened in Chicago, San Francisco, Atlanta, and Cleveland in recent years.

I knew Sheldon Pollack personally for a number of years, and will miss not only his friendship, but also his enthusiastic commitment to civic affairs. ●

WE REMEMBER EMMA WEBB

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. PICKLE. Mr. Speaker, last month, we in central Texas unfortunately lost a dear friend and a unique lady. Mrs. Emma Webb of Elgin, Tex.,

died in her sleep last month, having lived a full, successful life.

As the first woman lawyer in Bastrop County, Tex., licensed in 1923, Mrs. Webb blazed the trail of women's rights and the sense of civic responsibility decades ahead of almost everyone else. She was one of the first and most ardent supporters of Lyndon B. Johnson. As her Congressman, I have enjoyed a very special understanding, love, and respect for this most unusual lady. She was as dedicated to her country as she was kind to her friends. So I submit into the *RECORD* an obituary of Mrs. Emma Webb from the *Bastrop County Times* of August 13, 1981.

EMMA WEBB REMEMBERED

(By Katherine Reynolds)

Emma Webb is gone. Elgin's well-known lawyer, historian and civic leader died in her sleep in the early hours of Aug. 3 at the home of her son Jackson Webb, and his wife, Zoe.

She was not yet 90 years old, but she had tallied up enough experiences and good works to fill several long lifetimes.

Born in Bible Grove, Ill., Emma and her family came to Texas when her father, John L. Stullken accepted a teaching post at Blinn College in Brenham. She received some early schooling there and later lied about her age so she could begin teaching public school in Dime Box, Knobs and Lincoln in Lee County. Emma was still in her teens when she started teaching, and many of her students were older than she. She attended summer sessions at the University of Texas, then taught for one year in the Elgin Public School.

While teaching in Elgin, Emma Stullken met Charles W. Webb, an established lawyer and civic leader and also a member of the Elgin School Board. He and Emma carried on a very proper, but "secret" romance. In a diary, Emma mentioned that "Mr. Webb pursued" her with great ardor through letters delivered by her younger brother. Their relationship was kept secret because at that time a romance between a school board member and a young teacher was considered scandalous. Emma Stullken married Webb in 1917.

Webb encouraged Emma to study law, a subject in which she was already interested. She attended the University of Texas Law School, and was a Class of 1923 member. She never graduated, lacking just one half a semester toward her degree. Her son, Jackson, was ill and she left school to care for him. However, she passed the state bar examination on March 5, 1923 and became her husband's law partner in Elgin in April, 1923. Emma Webb was Bastrop County's first woman lawyer.

"She wasn't one to ask for any privileges as a woman lawyer," recalls her son, Jackson S. Webb. "She just quietly went about her business, doing her work. If she saw something that had to be done, she just did it."

A member of the Bastrop County Bar Association, the Texas State Bar and the National American Jurisprudence Society, she also served as president of the county association for six years.

She had been identified with Elgin's civic, cultural and religious activities ever since her arrival in the community.

Emma taught Sunday school for many years and sang in her church choir. She was

an elected member of the Elgin School Trustees and served as the board secretary and school tax collector.

She helped organize and was the first president of the Elgin School Band Boosters Club.

Emma Webb was a lifetime member of the New Century Club; was a founder of the Elgin Memorial Park Association; helped organize the Bastrop County Federation of Women's Clubs; served one term as president of the Elgin American Legion Auxiliary; was an active member of the Order of the Eastern Star, receiving an Honorary Membership in that organization several years ago, commemorating her continuous 50 years of active membership in the Order.

Mrs. Webb had long been interested in people and events of historical significance. She wrote many articles for the Elgin Courier, as well as numerous booklets, especially pertaining to the history of the Elgin Methodist Church.

In 1959, the Elgin Chamber of Commerce named her the town's "Outstanding Citizen" and presented her with a bronze plaque at its annual banquet.

She was a charter member of the Bastrop County State Historical Committee and with others under the leadership of Mrs. W. E. Maynard, the committee's efforts to publish a History of Bastrop County were realized in 1972.

She was a primary contributor to the first published history of Elgin 1872-1972, compiled for the town's centennial year by the Elgin Historical Committee.

Mrs. Webb was also a longtime member of the Bastrop County Historical Society. She counted it "her loss" when she failed to attend any of the meetings.

Her full-time law practice and civic activities caused her to declare that she "never had a dull moment."

Her son, Jack Webb, said she had a "mind for detail, and was very thorough." But, "I don't know how she kept things straight, because she wasn't very organized," he said. Webb added that Emma had an "unusually close" mother-daughter-in-law relationship with his wife, Zoe. They were "real buddies," he said, and in recent years Emma depended on Zoe to "keep track" of things for her.

Zoe called Emma a "remarkable lady; a real doer, not just a joiner" in her many organizations.

Mrs. Webb and her husband worked in close partnership until his death in 1961. Growing up, Jack Webb recalled his parents were at the office every day except Sunday. "But in her off hours she was always available for whatever my needs were." Sunday was the day for church, family and visitors. During World War II, their house was always open to soldiers and their families.

Inspired by patriotism during the war, Emma very nearly joined the WACS, but was persuaded to "stay home and do what she could here" after receiving a letter from son Jack, who was in the service. "She didn't want anyone doing the battling for her," he said.

She was an ardent supporter of Lyndon Baines Johnson. She spent the last 10 months of her life working on a study of LBJ's "grassroots campaigns" in Bastrop County, which was the outgrowth of interviews with her by historians from the LBJ Library in Austin.

Her family described her last day as "very pleasant." After a traditional Sunday dinner at Jack and Zoe's home, along with Jack's older brother, Charles Wallace Webb, and

his family, they all visited friends in Bastrop. Emma was alert when Zoe checked on her about 4 a.m. Monday to administer medication. When the family rose for the day, however, Emma had passed on.

Funeral services were held Wednesday, August 5 at the First United Methodist Church in Elgin, with Reverend Jesse Long officiating. Burial was in Elgin Cemetery following the service.

"It was a victorious service," said Jack Webb. "It wasn't somber at all," in keeping with her long and productive life. Two hymns were sung, "A Mighty Fortress Is Our God" and "Oh For a Thousand Tongues To Sing Thy Great Redeeming Praise," grand and majestic music for a great woman.

Survivors include two sons, Jackson S. and Charles Wallace Webb; two sisters, Florence Stullken of Round Rock and Helen Bratton of Austin; eight grandchildren, five great-grandchildren, and five great-great-grandchildren. ●

MERGERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 26, 1981, into the CONGRESSIONAL RECORD:

MERGERS

The policy of the Reagan Administration toward the recent spate of corporate mergers has become clear. When asked whether he was concerned about the takeovers, the Chairman of the Council of Economic Advisors, Murray Weidenbaum, replied, "No, private enterprise is private enterprise." Attorney General William French Smith has announced that this administration does not believe bigness is bad. He has also said that such a view is misguided and mistaken. The assistant attorney general for antitrust has underway a project to loosen the restrictions on mergers. Several antitrust suits have been dropped. Without doubt, the direction of the President's antitrust policy is very hospitable to mergers.

There can be no question that mergers in the United States have become more common during the past few years. There were 41 acquisitions of \$100-million firms in 1977, 80 in 1978, 83 in 1979, and 94 in 1980. There were six acquisitions of \$500-million firms in 1978 and 16 in 1979. This year, we have seen deals worth billions of dollars. Even the biggest companies can no longer avoid the frenzy of mergers. The transaction between Du Pont and Conoco so widely reported in the media merged the fourteenth and fifteenth largest industrial firms in the country.

The extent of corporate concentration in American industry is noteworthy. Recent congressional hearings and federal studies indicate that 90% of all net profits are controlled by a mere 2% of all corporations. In 142 industries, the four largest firms have more than half the market. From 1947 to 1972, the 200 largest manufacturers in the nation increased their share of all sales from 36% to 52%. Part of the concern about mergers is due to the concentration that already exists in the economy.

The significance of these figures is certainly open to question. Economists differ

on the degree of concentration of economic power they reflect. Economists also differ on the seriousness of the problem they pose. Some economic thinkers see real dangers in these statistics, but others say that things are not quite so bad. Virtually all agree, however, that any marked movement toward monopoly in this country would be a threat to our free enterprise system. It has long been the view of non-socialist economists that monopoly can undermine and destroy such a system. It was Adam Smith himself who said that monopolistic prices are "the highest which can be got."

Questions arise as to the good that is brought about by mergers. Are more jobs created? Are better products developed? Are high prices reduced? Does productivity go up and efficiency increase because of mergers? Is a conglomerate more innovative than the smaller businesses it absorbs? Is the cash used to acquire huge companies diverted from the purchase of new equipment, the replacement of old equipment, or added investment in research and development? Does the large amount of time and effort expended by top managers in complicated mergers deflect their attention from other pressing needs of their companies? What about the large amount of time and effort expended by legal staffs? How do mergers affect small businessmen? What kind of political power can be exercised by the economic giants created through mergers? Does increased corporate wealth inevitably vest political power in fewer hands? Even if these questions cannot be answered in a general way, it is important that they be asked.

My own view is that there is nothing inherently wrong with mergers. They are not necessarily unhealthy or sinister. There certainly are good reasons why businesses must be big to compete in a global economy. The trend toward larger and larger firms, however, causes me to worry. The reasons for it are not entirely apparent to me, especially when buyers must use borrowed funds to make acquisitions. I am inclined to think that the United States is not really solving its major economic problems through mergers. I agree with a recent editorial of *The Wall Street Journal*, which stated that "the concentration of increasing political power in the hands of remote corporate chieftains is a worrisome development in a democracy." Most Hoosiers with whom I speak are uneasy about the concentration of power—whether economic or political, whether in the private or public sector. I share their misgivings.

I must acknowledge that I have a hard time determining whether the concentration of economic power is a threat to our society. On the one hand, I do not think it can be shown that the more a conglomerate expands, the less it cares for the common good. On the other hand, it seems to me that the social, political, and economic benefits and consequences of mergers are vague—even unknown. So when corporations choose to grow, but not from within by developing new products or improving plant and equipment, I conclude that their behavior is a matter of interest to the public. As such, it bears scrutiny and careful analysis.

Our antitrust policy should not lead us automatically to disapprove of mergers. It should prompt us instead to assess mergers with an eye on the greater national goals of prosperity, efficiency, and broad dispersal of economic power. A strict "hands-off" policy of government may cause us to lose sight of these goals. Worse still, it may result in a

dramatic loss of public confidence in our system of free enterprise.●

A VILLAGE CALLED THE BRONX

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. BINGHAM. Mr. Speaker: As a Bronxite and a Representative of the Bronx in Congress, I have often ruminated over the special qualities which make the Bronx unique and worth fighting for. In the New York Times of August 15, 1981, Susan Thaler beautifully describes the Bronx as it once was and, in many ways, still is. I am pleased to commend Ms. Thaler's reminiscence to my colleagues and to other readers of the CONGRESSIONAL RECORD.

[From the New York Times, Aug. 15, 1981]

A VILLAGE CALLED THE BRONX

(By Susan Thaler)

GLEN ROCK, N.J.—They say that home is where the heart is. But you won't find my heart anywhere among the sad wrecked buildings that line the street where I once lived. My heart is with the Bronx of memory, a Bronx that even then we knew was just a stepping stone to Bigger and Better.

Even before the early 1960's when the influx of minority groups to our neighborhood spurred what must surely have been one of the more rapid episodes of white flight in the history of urban breakdown, our folks were preoccupied with Getting Out.

Mothers spent whole afternoons sitting outside on folding chairs (this was pre-lib, when it was possible to do such things without guilt) having conversations that went something like this:

"We drove out to Merrick last week to look."

"Oh, yeah? Did you find anything?"

"Well, we saw some possibilities. A very nice Cape with an expandable attic on a corner lot."

"Yeah? So—when are you moving already?"

(Pause.) "So, we'll see."

Most of this amounted to wishful thinking. A fortunate few might actually make it to a garden apartment in Flushing or Bay-side, but for those of us whose dreams could not stretch even as far as Queens, we could always hope for this: A sunny, roomy four with a sunken living room in one of those sedate buildings on the Grand Concourse.

While Davidson Avenue was never exactly the Concourse, at least it was part of what we referred to with (misguided) pride as the West Bronx, as distinguished from the East Bronx, where all our poorer relatives lived. Between McCombs Road and Tremont Avenue, we were situated just enough west of Jerome Avenue that we could turn a deaf ear to the rumblings of the elevated Woodlawn-Jerome Avenue line, the comings and goings of which laced our nights and days with numbing consistency.

What our parents failed to recognize in their eagerness to lead us on to greener pastures was that life in the Bronx had its advantages. Not just the superficial kind, such as the proximity of Yankee Stadium to our

living rooms. What we had and what we took for granted was a sense of community that buoyed our lives like an invisible spirit. When you were born in the Bronx, you belonged not only to your parents but to the neighborhood as well.

Consider: There were 60 families in our buildings. Most had children. Therefore, on any given day, one could find upward of 50 children on the sidewalk in front of our building, ranging in age from infancy onward. Our building was one of many on the block, but because it had a commodious courtyard with spiked railings around it that was useful for games such as iron tag, kids from up and down the block congregated there.

The noise we made drove the older tenants to stuff their ears with cotton, especially in spring and summer, when the crash of steel wheels against pitted concrete echoed raucously in the air. (No prissy polyurethane wheels for us; the noise our skates made was half the fun.)

The selection of playmates being limitless, we were never beggars and were free to choose our friends from day to day. Our mothers, too, had a wide circle of confidantes. Since we were, by and large, of the same ethnic heritage (Jewish) and stratum (aspiring upwardly mobile), our needs, desires and frustrations were often common knowledge. Just as everyone knew the layout of everyone else's apartment, so they knew, to a sometimes unnerving degree, what went on inside that apartment. Pretensions fizzled under that kind of intimacy. If for no other reason than that they had no place else to go, our neighbors were always there. Money problems, the loss of a job, an unwanted pregnancy—nothing could be withheld for long.

Crises came and went. When the throat of a child in apartment B-60 almost closed during a diphtheria attack, every mother in the building wrung her hands in worry; they put themselves on call, lending thermometers, hot water bottles, consolation, until the doctor arrived. When the girl in B-41 fell out of her crib onto the makeshift vaporizer, a pot filled with boiling water, and scalded her arm, a cadre of women was on the scene to distract the other siblings, to soothe the hysterical mother and child, to—and this is important—assuage feelings of guilt: "It wasn't your fault; how could you know she was going to fall out of the crib? You couldn't watch her every second!"

Now here we are, most of us, reaping the dreams sown by our parents. We have reached Bigger and Better. The suburbs we live in have well-defined property lines. Neighbors are people to whom one waves when one carries out the trash, people whose privacy must be preserved at all cost. The cost to some of us is considerable.

Where is that company of women in whose relaxed reciprocity we might exercise our Bronx-bred need for "yenting," not to mention the leisure time this would necessitate?

Our children, who cannot miss what they never had, cannot understand what was so great about living there, in a slum. What do they know, these kids whose heads are into electronic invaders from space and other substitutes for human interaction, what do they know of the exhilaration of games such as ring-a-lievio, captain, double-Dutch salt-and-pepper, skelly, potsy and a hundred other creations of our own imaginings?

While some of us already have begun to dribble back, there are not enough yet to turn the tide. Most often, we aim for Man-

hattan or Brooklyn when we flee the isolation of the suburban dream gone sour because, physically, we have no other option. One cannot live in an empty shell.

Perhaps someday those dead Bronx streets will resound again with the shouts of "Ready or not, here I come!" One day some smart developer will tap the vast areas waiting to be reclaimed. If I am still able to tote a folding chair to the sidewalk when that happens, save a place for me, if not on Davidson Avenue, then maybe in a sunny four with a sunken living room on the Grand Concourse.●

U.S.S.R. FOOD PICTURE GROWS GRIMMER

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, indications are growing that the food situation in the Soviet Union is very serious this year. As mentioned earlier, there are reports of rationing in Irkutsk—see page E2923 of June 11, 1981, CONGRESSIONAL RECORD. There has also been discussion of the role of the private plots this year as well as urging more horse breeding, not only to save fuel, but for eating purposes. Pravda took note of the situation in an unusual way as reported by Soviet World Outlook for August 1981. A similar editorial appeared in Latvia on July 23 and was probably sent to all the outlying republics from Moscow. Talk of saving bread has not been heard since before the big wheat sale by President Nixon. I commend this item to the attention of my colleagues.

REGIME CALLS FOR SAVING BREAD

A July 16 Pravda editorial has called for nationwide conservation of bread, an unusual move underscoring the tightness of the current Soviet grain situation. The move also helps explain Soviet willingness to negotiate for grain purchase from the U.S. despite earlier boasts that the U.S. grain embargo had not seriously affected the USSR and had been made up by Soviet purchases from other suppliers. According to the operational passage of the editorial:

"Ensuring the economical and rational use of bread and baked goods is a nationwide concern and the task is to see that it is closely watched and monitored by party, soviet, trade union, and Komsomol organization."

While citing bread's low price as the reason behind its wasteful use, the editorial takes great care to assure the population that no increase in price and availability is contemplated:

"Cheap bread, within everyone's means, is one of socialism's great gains. Implementing the party's policy on maintaining stable retail prices for staple goods is in the interests of broad strata of the population; the state will in the future continue to maintain retail prices of bread and baked goods at a constant level, despite increasing production costs." (It might be noted that in lieu of raising bread prices in times of stringency, the regime does not uncommonly adulterate the quality.)

Nevertheless the regime's realization of the sensitivity of its action is reflected in its repetition of the lines from Brezhnev's book, "The Virgin Lands":

"Bread has always been a most important product, the yardstick of all our values. Even in our age of great scientific and technical achievements, it is the people's staff of life."

The editorial seeks to suggest that this call for conservation merely involves using an abundant supply of bread with greater efficiency. Areas of inefficiency targeted in the editorial include baking industry enterprises who bake large loaves at the expense of smaller varieties. While this nominally improves the enterprise's labor productivity, it presumably leads to waste at the consumer end where unused portions go stale. Also noted is the use of bread as feed for livestock in cases where fodder concentrates meant for use on personal plots are instead channeled to the nation's kolkhozes and sovkhozes.

However, availability problems are alluded to in another Pravda editorial on July 22, which said:

"The targets for crops as a whole are far from fulfilled by all oblasts, krais and republics. Hence, the shortage in certain types of groats and flour products."

Publication of the Pravda editorial appears to support other indications that the USSR is facing its third poor harvest in a row.

The USSR Central Statistical Administration in its report on 6-month economic performance that was published in Pravda on July 25 shows a substantial reduction in the total area sown from 217.3 million hectares in 1979 and 1980 to 214.7 hectares in 1981. This includes a drop back to 1979 levels in the area sown with grain and pulse crops: from 126.6 million hectares in 1980 to 126.4 million hectares in 1981.

Weather conditions appear to be bad and in some areas becoming worse. A July 22 Pravda editorial states: "Because of the heat and, in some places, the rain and the cold, the crops have turned out stunted, sparse and lodged."

Taking into account these factors, the U.S. Department of Agriculture has now revised its estimate for the USSR's 1981 grain harvest down from the 200 million tons in July to a figure of 185 million tons in August. This would mean a harvest below the 189 million tons reached in 1980, a widely acknowledged poor harvest year.

It would also mean a bad beginning for Soviet agriculture in efforts to attain the 238-243 average annual grain production target set for the sector in the current 11th 5-Year Plan. It is in this context that the existing grains supply agreement between the U.S. and the USSR has been renewed for another year. Concluded in August, the agreement will permit the Soviet Union to import up to 6-8 million tons of U.S. beginning October 1, 1981.

There are some indications of difficulties being experienced in other food staples. Potatoes were especially hard hit by weather conditions in 1980. The USSR Central Statistical Administration reports that the area sown with potatoes dropped from 7 million hectares in 1979 to 6.9 million hectares in 1980; and the yield declined from 130 to 96 centners per hectare (one centner is equivalent to 50 kilograms). It remains to be seen how well they fare in 1981.●

EXTEND VOTING RIGHTS ACT IN ALL AREAS WHERE DISCRIMINATION PERSISTS

HON. ROBERT MCCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. MCCLORY. Mr. Speaker, a recent editorial in the Elgin, Ill., Daily Courier News argues for extension of the Voting Rights Act with amendments under active consideration by many members of the House Judiciary Committee.

The editorial argues that the new version of the act, allowing States to bail out of coverage if they have had a clean record on voting rights for 10 years, would satisfy those States which have been following Federal standards in their election practices without remaining under the thumb of the Justice Department in managing their electoral affairs.

Mr. Speaker, I share the sentiments expressed in the editorial and hope that the voting rights act extension will be approved as revised by these perceptive and fair-minded members of the House Judiciary Committee.

I commend to the attention of my colleagues the full text of the Daily Courier News editorial of August 18, 1981, as follows:

[From the Daily Courier News, Aug. 18, 1981]

VOTING RIGHTS ACT MOVES TOWARD RENEWAL

President Reagan has let it be known he supports an extension of the 1965 Voting Rights Act, which will expire next year unless renewed by the 97th Congress. This should put to rest any notion that Mr. Reagan plans to lead a retreat from the major civil rights achievements of the last two decades.

The Voting Rights Act has had a significant effect in opening up the political process in Southern states where state and local election laws had been keeping blacks from becoming voters and winning elective office. In spite of that progress, however, there appears to be no justification for abandoning the Act which makes the U.S. Justice Department a watchdog in areas with a history of discrimination in election practices.

A consensus is building in Congress around proposals to extend the Act for another 10 years, but on terms recognizing that the problem of discriminatory election laws is not as widespread as it was in 1965. The House Judiciary Committee recently completed a rewrite of the controversial Section 5, which has required that nine states and portions of 13 other states get Justice Department approval for any changes in their election laws.

The new version would allow states to "bail out" of coverage by the Act if they have had a clean record on voting rights for 10 years. This would satisfy those states which have been following federal standards in their election practices, but, under the law as it is now written, remain under the thumb of the Justice Department in managing their electoral affairs.

A state which has abolished literacy tests and other subterfuges that keep minorities

out of the electoral system, and has shown for 10 years that it is fully recognizing the right of all citizens to vote, deserves to be cut loose from federal supervision. Those which have continued to arouse complaints of unfair voting practices do not.

The House Committee's proposed revisions of Section 5 would concentrate federal enforcement in areas where it is still needed, and remove it in cases where state and local officials can be left on their own. That's a fair basis for extending the Voting Rights Act, and we trust Congress will move along those lines.●

GOD AND MAN AT YALE REVISITED

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HYDE. Mr. Speaker, the president of Yale University recently lectured his freshman class on the evils of the Moral Majority.

Tha anomaly of liberal churchmen expressing distemper at conservative churchman seeking equal access to the political process is superbly discussed by columnist William F. Buckley Jr., and I commend his logic and insight to my colleagues:

[From the Washington Post, Sept. 8, 1981]

YALE AND THE MORAL MAJORITY

(By William F. Buckley, Jr.)

Well now, that was a close one. The 1,267 members of the freshman class of Yale University have been warned against the Moral Majority by President A. Bartlett Giamatti. And what a speech it was: Dr. Jerry Falwell, head of the Moral Majority, is said to be quite a fulminator himself. He ought to go to Yale. To study under Bart Giamatti. Learn a thing or two about how one fulminates in the big league.

What's going on? To be lectured against the perils of the Moral Majority on entering Yale is on the order of being lectured on the danger of bedbugs on entering a brothel. What is it that exercised Giamatti, a man of great urbanity who has some lovely and incisive things to say about many issues, as witness his forthcoming book of essays?

Well, he says the Moral Majority are "peddlers of coercion" and that they have made "a radical assault" on pluralism, civil rights and religious and political freedoms in the United States. How so?

Because they are "angry at change, rigid in the application of chauvinistic slogans, absolutistic in morality." Thus, "they threaten through political pressure or public denunciation whoever dares to disagree with their authoritarian positions." Moreover, "they presume to know what God alone knows, which is when human life begins."

Enough.

On the latter point: how is it that the president of a distinguished and cosmopolitan university tells us that God alone knows when human life begins? If you penetrate this rhetorical formulation, you have a dimly obscured invitation to nescience.

"God alone knows" is the safest way to say, "That is unknowable." Because inasmuch as God is not invited to teach a regu-

lar course at Yale, Giamatti is saying in effect that the search for the answer ("When does life begin?") should be abandoned—because no one can tell. Why not? If you grant the metaphorical extravagancies (Life Begins at 40) you can indeed ask scientists to make sound judgments on when life begins. Or moralists. Or theologians. And in any case, the question is ultimately decided by civic action. But civic action is regularly informed by theological insights.

Thus we had for many years a group known as Clergy and Laity Concerned. They used to be Concerned About Vietnam, but lately they are just Concerned. That concern regularly focuses on the sins of everyone who wants America to be strong militarily or wants to develop nuclear energy. These people are very big on denunciation, and it is interesting that Giamatti hasn't gone after them. Is it really his position that people reading the Bible are not free to enjoin its messages? Its messages as they read them?

Giamatti said he had no quarrel with the values of the Moral Majority, defined in the paraphrase of The New York Times as "love of country, a regard for the sanctity of life, the importance of the family and high standards of personal conduct." But "the point is," said the president of Yale, "the rest of us hold to ideas of family, country, belief in God, in different ways. The right to differ, and to see things differently, is our concern." Well, so is it the concern of the Moral Majority, isn't it? They are saying that certain values should govern Americans. Aren't we free to disagree? And why should they not say so, believing such values to be true? It is quaintly interesting that there isn't a single tenet of the Moral Majority (so far as I know) that hasn't officially been held by Yale University over a century or more of its life, and more or less unofficially since then. So what on earth is exciting Giamatti?

That the Moral Majority are "angry at change"? But anger was officially cultivated, by Yale among other institutions, quite recently in the matter of such things as civil rights and the Vietnam War. "And God said to Jonah, 'Dost thou well to be angry?' And he said, 'I do well to be angry, even unto death.'" Giamatti should lecture the kids against the dangers of gonorrhea and Gnosticism, and let the Moral Majority alone. ●

THE DRAFT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 9, 1981, into the CONGRESSIONAL RECORD:

THE DRAFT

One of the most difficult questions for a public official to answer is: are we going to have a draft? The question comes up very frequently in any group and invariably in a young group. My quick answer to it is: Probably not in the short term, but the odds are higher in the long term. The answer calls for elaboration.

Most politicians, including this one, would prefer not to have a draft. It is the ultimate example of government intrusion into the lives of citizens. On the other hand, most politicians, this one included again, are com-

mitted to the idea that the nation must be defended against all adversaries. There are circumstances in which the draft would be indispensable to the well-being of the nation.

The All-Volunteer Force came into being after the Vietnam War, for understandable reasons. During the war, draftees bore the brunt of the fighting. About 83 percent of all infantrymen were draftees, and nearly 25 percent of all draftees were killed or wounded. The All-Volunteer Force, however, certainly has not measured up to expectations. The educational levels of the volunteers have fallen, increasing numbers of recruits have displayed low mental aptitude on tests, and black Americans, who now make up about 33 percent of the Army, are carrying too large a share of the burden of military service. Today's Army, for example, is a cross section of black America plus the poorest and least educated whites.

Military planners cite other problems from which the All-Volunteer Force suffers. One is low morale. They point out that in order to attract recruits, discipline has been relaxed. They also claim that recruits have been discontented because their hopes for vocational education, travel, good pay, and personal growth have not been satisfied. Another substantial problem with the All-Volunteer Force is the decline in the size and readiness of the reserve units that back it up. Without strong reserves, the ranks of the All-Volunteer Force would be quickly depleted in a major war. In addition, the expense of the All-Volunteer Force may mean that the country eventually may not be able to afford it. There is also real doubt that voluntary recruitment can provide all the manpower the armed services will need in the years ahead. The Army, the Navy, and the Air Force are all slated for expansion under President Reagan's defense budget, so some 250,000 extra recruits will be sought. Yet the pool of 18-year-olds in the general population is expected to drop almost 20 percent between 1977 and 1987.

The impact all these problems have on the fighting capability of the All-Volunteer Force is not entirely clear, but there is presently a heated dispute as to whether the problems, serious or not, can ever be solved without recourse to the draft.

The draft would have problems as well. A large bureaucracy would have to be created to administer it. It probably would not save much money since training costs would rise with draftees serving only a two-year term. The pay of draftees probably would not be much less than that of current volunteers. I doubt that Congress would cut pay sharply because such an action would only add to the burden the draft would place on the young. The draft would not help us meet the most urgent manpower requirement—the retention of the highly skilled personnel who are now leaving the armed services at a rapid rate. In short, the draft is no panacea for the many ailments of the All-Volunteer Force.

The greatest disadvantage of the draft—its inherent unfairness—is apparent to all who study it. How do we determine who will serve when not all serve? If, for example, the Pentagon were to continue to recruit volunteer at 90 percent of the present rate, less than one young man in 100 would have to be drafted. This inherent lack of fairness means that the major obstacle to the draft is really a political one. My judgement is that the nation would demand fairness without qualification in any draft it would approve. The "fairness question" would

have to be answered convincingly or the draft would lose all popular support and political feasibility. It is no accident that many of those who argue for the draft do so on the basis of the weakness of the All-Volunteer Force, not the strength of the draft.

I believe that it is premature to call the All-Volunteer Force a failure. We must stay with it until it has been given every opportunity to work well. This certainly means that we should provide sufficient economic incentives for recruits, and pay in particular must not be allowed to lag. In addition, educational and housing benefits must be enhanced, funds must be available to keep the All-Volunteer Force prepared for combat, recruiting must be more aggressive, and manpower must be used more efficiently. As things stand today, authorized levels of manpower are being sustained, and the All-Volunteer Force still has a chance to succeed. No one would suggest that it will be easy to meet the requirements of the All-Volunteer Force, but the drawbacks of the draft, with its cumbersome bureaucracy, its inherent unfairness, and its intrusion into the lives of citizens make it imperative that we do our best to keep the All-Volunteer Force going. I am not enthusiastic about the All-Volunteer Force, except when I think about the alternative.

We should recognize, of course, that the All-Volunteer Force is essentially a peacetime service. In the event of war, the draft would be necessary. ●

THE FACTS BEHIND THE "WATT QUOTATION"

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LUNGREN. Mr. Speaker, Interior Secretary James Watt has again been the subject of recent front page media coverage. As with other controversies surrounding Secretary Watt, this most recent accusation is based on distorted and supurious information.

The controversy actually centers on an issue that should be constitutionally irrelevant: Secretary Watt's religious convictions. Outside this irrelevancy, however, the facts upon which the accusation that Secretary Watt opposes resource preservation due to the imminence of the "Second Coming" were based on misinterpreted and distorted congressional testimony. This fact was clearly documented in a recent Evans and Novak op-ed piece which is worthy of my colleagues' careful attention.

As Evans and Novak stress in their insightful article, it is the inability to predict the religious future that requires the Interior Secretary to be a prudent manager of our natural resources. Thus far, Secretary Watt has attempted to carry through on this commitment by balancing the interests of economic well-being and energy production with environmental protection.

The Evans and Novak article follows:

[From the Washington Post, Aug. 21, 1981]

(By Rowland Evans and Robert Novak)

THAT WATT "QUOTATION"

Portrayal of Interior Secretary James Watt as a religious fanatic intent on despoiling the land, based on congressional testimony taken out of context, has penetrated political folklore so deeply that "Doonesbury" now accepts it as fact.

In the Aug. 16 Sunday strip, "Doonesbury's" oil magnate, asked by his wife whether Watt's resource development policy isn't "very shortsighted," replies: "Hell, yes. But the man believes Jesus is due any minute! Who am I to say he's wrong?" Indeed, the slander that Watt favors pillaging America because of Christ's imminent second coming is Washington's conventional wisdom.

That's no accident. The well-financed environmentalist lobby has marked Jim Watt for destruction. Since his environmental views are identical to Ronald Reagan's, the way to separate them is ridicule. If Watt is transformed from an intense conservative into a madman, the environmentalist lobby has hopes that the president's advisers will toss him overboard for Reagan's sake.

Watt himself gave his enemies their opening in his first days as secretary at a Feb. 5 House Interior Committee meeting. Democratic Rep. James Weaver of Oregon asked Watt whether "you agree that we should save some of our * * * scenic resources for our children, not just gobble them up all at once?"

The alleged response to this question has become the main club for flogging Watt. What he actually answered was this: "Absolutely. That is the delicate balance the secretary of the interior must have to be steward for the natural resources for this generation as well as future generations."

Then, after a pause, Watt uttered words that have haunted him: "I do not know how many future generations we can count on before the Lord returns. Whatever it is, we have to manage with a skill to have the resources needed for future generations."

By any fair interpretation, Watt was not saying that Christ's imminent coming made resource preservation unnecessary, but, on the contrary, that the inability to predict its occurrence makes it all the more necessary for human managers to protect the Earth. In any event, there was no commotion at the hearings. Weaver merely told a long-winded biblical joke, "seeing [that] the secretary brought up the Lord."

But by spring, Watt's "I do not know how many future generations, etc." was being widely reported as his answer to Weaver's original question—without repeating what came before or after. The caricature was embroidered in article in the May issue of Audubon magazine contending that Watt agrees with this dubious biblical paraphrase: "The Earth was put here by the Lord for His people to subdue and to use for profitable purposes on their way to the hereafter." There is nothing in Watt's often cantankerous rhetoric that suggests this.

When Watt appeared before the House Interior Committee July 16, Jim Weaver was ready with more than biblical jokes. He misquoted Watt as telling the committee in February "the Lord could come at any time," then asked: "Are you approaching the environmental issue of surface mining * * * [with] 'Why worry, the Lord's return is imminent?'"

Stunned, Watt replied he had taken an oath to enforce all laws, the Surface Mining Act included. Weaver insisted on determining whether "the imminent return of the Lord is having anything to do with this." Watt protested that "my religious freedom is guaranteed under the First Amendment." When Weaver persisted, Republicans raised a point of order. "This is not a hearing on religion," shouted Rep. Donald Young of Alaska.

Committee Chairman Morris Udall told us he thought Weaver's comments "in poor taste" and that "my instinct" was to uphold Young's point of order. But since Watt first raised the religion question, he let Weaver proceed. Udall later privately apologized to Watt. But on July 21, Watt informed Udall he would not have time for the massive Central Arizona water project pushed by Udall if he had to resist hostile questioning condoned by the Interior Committee chairman—an implied threat given national attention this week by The Washington Post.

Watt has himself to blame for proclaiming his belief in the Second Coming, shared by millions of American Christians, during his early weeks in office. Wisely, he no longer discusses religion. But that prevents any response to the lunatic stereotype now perpetuated by "Doonesbury."

"Sooner or later," one leading environmentalist told us, "Ed Meese will see this guy is hurting Reagan politically and get rid of him." In fact, presidential counselor Edwin Meese III and Ronald Reagan, westerners who have been fighting for the same cause as long as Watt, encourage him to be even tougher in attacking the environmentalist lobby. That's why Watt's enemies changed the topic from environmental policy to the Second Coming. ●

WHO PROMOTED SENDING
WOMEN INTO MILITARY
COMBAT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, the trend continues of placing women in positions where they will be in combat continues, the United States Code notwithstanding. The 82d Airborne Division, the cutting edge of our Rapid Deployment Force is already short hundreds of paratroopers. However, unknown to the general public, the shortage is even greater as there are many women in the division, wearing paratrooper wings, who will never be dropped into a combat zone. Therefore, our combat strength is even weaker than it appears. There are even some women wearing the Green Beret of the Special Forces. The result is a weakening of combat readiness. Phyllis Schlafly recently issued a statement on who has been pushing to get our women into combat and interestingly enough turned up the fact that the present Supreme Court nominee Judge Sandra O'Connor is part of this effort. Mrs. Schlafly's statement on the Defense Advisory Committee

on Women in the Services (DACOWITS) follows:

WHO PROMOTED SENDING WOMEN INTO
MILITARY COMBAT

One of the biggest mysteries in the politics of national defense in recent years has been the peculiar push to assign women to serve in military combat. It is very difficult to find anyone who favors it; no country in the world does it; nothing in history or reason or logic supports it.

Yet the existence of an orchestrated campaign to achieve this objective (the repeal of 10 U.S.C. 6015 and 8549) was obvious when the House Armed Services Committee, Military Personnel Subcommittee, held four days of hearings on that proposal on November 13-16, 1979. Based on the massive evidence against women in combat, the effort to repeal the male-only combat laws was quietly dropped.

Diligent research has just uncovered where the original idea came from: a little-known federal body called DACOWITS—the Defense Advisory Committee on Women in the Services. This is a group of 30 civilians, mostly women, each appointed by the Secretary of Defense for a three year term, "to assist and to advise the Secretary of Defense on policies and matters relating to women in the Services."

An examination of the minutes of the DACOWITS meetings shows that this group, throughout the decade of the 1970s, carried on a steady barrage of pressure against the Armed Services in behalf of full sex-integration even to the assignment of women to military combat. Here is the official record:

DACOWITS Recommendation of April 6-10, 1975: "#9. That the Department of Defense initiate an amendment of Title 10, U.S.C. Section 6015 to remove the total prohibition against assignment of women to vessels other than hospital or transport vessels thereby allowing assignment of persons (male or female) to vessels and aircraft in accordance with individual qualifications of the person to be assigned and the particular mission to be performed. (Utilization)"

DACOWITS Recommendation of October 5-9, 1975: "#5. That the Department of Defense direct the Department of the Navy to initiate a legislative proposal to revise or repeal Sec. 6015, Title 10, U.S. Code, to provide women of the Navy and Marine Corps access and assignment to vessels and aircraft under the jurisdiction of the Department of the Navy. (Utilization) #6. That the Department of Defense direct the Air Force to initiate an amendment or repeal of Sec. 8549, Title 10 U.S. Code, so as to permit assignment of women to aircraft. (Utilization)"

DACOWITS Recommendation of April 21-25, 1976: "That the Office of the Secretary of Defense direct the Department of the Navy to initiate legislation to revise or repeal U.S.C. 6015, so as to provide women of the Navy and Marine Corps access and assignment to vessels and aircraft under the jurisdiction of the Department of the Navy; and that OSC direct the Department of the Air Force to initiate amendment or repeal of 10 U.S.C. 8549, so as to permit assignment of women to aircraft. (Utilization)"

DACOWITS Recommendation of November 14-18, 1976: "#8. That laws now preventing women from serving their country in combat and combat related or support positions be repealed. Rationale: Self-explanatory." This recommendation resulted in wire service news stories headlined: "Combat

Role for Women Urged; DACOWITS Seeks Law Change."

The Word "Utilization" after the above recommendations means that they came from the "Utilization Subcommittee." Here is how the proceedings of that Subcommittee, which met four times during the April 6-10, 1975 DACOWITS meeting, reveal the author of the recommendation to put women in combat:

"Judge O'Connor initiated discussion of Title 10, U.S.C., Sec. 6015 relating to the Navy's prohibition against assignment of women to vessels other than hospital or transport vessels. . . . This resulted in the following motion by Judge O'Connor, seconded by Dean Heyse, and agreed upon by all present: That the Department of Defense initiate amendment of Title 10, U.S.C., Sec. 6015 so as to remove the total prohibition against assignment of persons (male and female) to vessels and aircraft in accordance with the qualifications of the person to be assigned and the particular mission to be performed."

Judge Sandra O'Connor was appointed to a three-year term on DACOWITS in 1974 and became the principal sponsor of the effort to repeal the laws that exempt women from military combat. Those are the same two laws (10 U.S.C. 6015 and 8549) which the majority of the Supreme Court ruled on June 25, 1981 justify the exemption of women from the military draft. The Court treated the exclusion of women from military combat as fundamental to our civilized society. Sandra O'Connor is simply out of step. ●

WORLD GATHERING OF JEWISH HOLOCAUST SURVIVORS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. BINGHAM. Mr. Speaker, between June 14 and June 18, 1981, a historic conference was held in Israel known as the World Gathering of Jewish Holocaust Survivors.

This unique conference was held under the patronage of the Prime Minister of Israel and had the support of leaders throughout the world.

It brought together thousands of persons who survived the terror and human degradation of the Nazi concentration camps.

This conference was conceived, developed, and chaired by Ernest W. Michel, who serves as executive vice president and campaign director of the United Jewish Appeal/Federation of Jewish Philanthropies Campaign of New York.

I am privileged to insert in the RECORD Mr. Michel's eloquent remarks which opened and closed this historic event. It is important that my colleagues in this body and the public be given the opportunity to absorb and to understand the meaning of this important gathering and the message brought forth by the thousands in attendance. It is our responsibility to insure that the rest of the world never

forgets the tragedies perpetrated during the Holocaust by the Nazis.

Mr. Michel's remarks follow:

OPENING REMARKS AT YAD VASHEM

Mr. President, Guests, Distinguished Rabbis, World Leaders, Fellow Survivors from all over the world—My name is Ernest Michel, Auschwitz #104995, born in Germany, and now a citizen of the United States.

Like many of you, I had a dream. Mine was born in the darkness of Auschwitz, nourished by our liberation, and, finally, brought to life 4 years ago when a few of us met in Kibbutz Netzer Sereni.

The dream was, that one day—if we lived—we, the survivors of one of the greatest tragedies in all of human history, would come and stand together to remind a world that would rather forget, *not* to let another Holocaust happen—to Jews or non-Jews. *Once is enough.*

I remember vividly my arrival in Auschwitz on a grey winter evening in 1943, after endless days in a cattle car. The SS in their long leather coats, elegant, tall, clean shaven. I remember jumping out of the car—hungry—frightened—whips lashing down.

Then the line moving slowly forward until we came face to face with Dr. Mengele—the Angel of Death—and his thumb went up and down:

Up—You live.

Down—You die.

I was a young boy then. I did not know what was happening. How can any human being imagine that he would be forced into a stark chamber, naked, and that he would breathe gas—in agony—until he was dead.

How could you imagine that?

What had I done?

And so, we dreamt. Would we live? Would the day of freedom ever come? That day did come and today we are here. That dream has become a reality, as we meet in the land of Israel, in the City of Jerusalem, the Land of our Forefathers—at this holy place of remembrance called Yad Vashem.

We are the largest number of survivors ever assembled in one place since our liberation 36 years ago. We have come with our children and grandchildren. We come from 23 countries: from four continents. We come from hundreds of cities. We speak different languages. We are citizens of different countries. We are Ashkenazim and Sephardim.

We note with regret the absence of survivors from the Eastern Bloc countries. We invited them here but they were not permitted to join us. Our thoughts are with them and we will not forget them.

All of us are united by an indivisible bond, a bond forged in the death camps of Nazi Germany, the ghettos of Poland, the forests where we fought, and the places where a few caring non-Jews kept us in hiding and saved our lives.

This is a reunion of a special group of people for which there is no parallel anywhere.

Here we are, 5,000 strong, standing together in the land created out of the ashes of our parents, families, friends—those known and those unknown—6,000,000 of them. Killed because they were Jews.

Since they have no graves where we can mourn, we have brought to Israel—in their memory—a piece of rock, a stone. Here is mine—it is a simple stone. On it are written the names of the immediate members of my family who perished. We brought these rocks from all over the world. Eventually they will be built here—at Yad Vashem—

into a monument so that our children and theirs, too, can have a place to mourn.

So here we are, all of us survivors, who came to Israel, sharing memories of a horrifying past, carrying the evidence on our bodies, but proudly standing together to tell a world: We have survived!

We want to stand together once more before time runs out, united in freedom as we were in slavery. We want to meet friends and, perhaps, even lost family.

We want to see in each other's eyes and in the eyes of our children the proof of our survival and the joy that comes from being alive and free.

If we succeed, simply by the great number of us here, to impress upon a world the horrors we have seen—and survived—if we succeed once again in stirring the conscience of mankind—if only that—Then our Gathering will have been worthwhile.

But there is more than that. We survivors want to tell those who try to re-write history and deny that the Holocaust ever happened:

Our eyes have seen;

Our ears have heard.

Our nostrils were filled with the acrid fumes from the gas chambers drifting over our camp. Day after day. Week after week. Year after year.

These hands have carried more corpses than I care to remember. Friends, Families.

So don't tell us it never happened. We were there. To deny us that part of our lives negates our very existence. We are the living witnesses and we will continue to speak out until the last survivor is no more. After that, only faces on films and our recorded voices will be left to tell future generations.

This World Gathering could only take place here in Israel—nowhere else. This land was the prayer on the lips of our forefathers for generations—in exile, during pogroms, during the years of wandering. It is the focal point of our being. It is an indelible part of our existence. It is part of our lives. Israel's existence is the vindication of our suffering.

We may come from all corners of the globe but we all have family here. We speak different languages but we all pray in Hebrew.

It is therefore totally appropriate that this reunion, this gathering, begin here at Yad Vashem, this holy place of remembrance, the place of night and fog, where the names of those we loved are enshrined forever.

And it is equally appropriate that on Thursday we conclude our gathering at a place of majesty and glory—the holy Western Wall, dating back to the time of the Second Temple.

That night—standing before that symbol of Jewish faith and hope—we shall pass on the legacy of the Holocaust to the next generation.

My fellow survivors,

Touched by the madness of our nightmare, we have tried to live normal lives, scarred by the acid of barbarous hatred, we have tried to give love to our children. Forgotten by a silent world, we have tried to avoid cynicism and despair.

Despite all we have known, we affirm life—despite the most ferocious of efforts to steal it from us. While we shall never forget, we will not live with hate. We assert faith and can hug and embrace each other good-bye.

We came to this place in a great burst of love for one another and for the ideals in

which we believe—our Jewishness, our Israel, our ancient heritage.

When the final shofar of that closing ceremony sounds, we shall return home and most of us will never meet again.

But we will leave with gratitude in our hearts for the miracle of our survival, for that of the Jewish people, and for the rebirth of the Jewish land. Go, my friends—go—knowing that history will tell our story forever.

CLOSING REMARKS AT KOTEL

Honored rabbis, leaders of the Government of Israel, fellow survivors from throughout the world. I would like to acknowledge, among the outstanding personalities present, the leaders of two of the largest Jewish communities in the world who have come to the gathering with the greatest number of participants.

First, the chief rabbi of France, Rene Samuel Sirat and the honorable Greville Janner, chairman of the Board of Deputies of British Jews.

We have received many letters and telegrams from all over the world which will become part of the archives. Among them, telegrams from Nissim Gaon, president of the World Sephardi Federation.

Today marks the final day of this historic world gathering—an event we bequeath to our future generations.

For us, this gathering represents the realization of our most fervent dream. It was an outpouring of love, of joy—a celebration of life.

Most of you will probably agree that this gathering could not have taken place 10 or 20 years ago. It took time for wounds to heal enough for us to meet. This is why this event took almost 40 years to come into being, and that is why we shall never meet as one group again.

Purpose. We have an obligation to fulfill. During the years in the camps, I remember—as you do—that overpowering will—to survive, to live—another day.

And so, in words, however inadequate, we must continue to tell the story. That obligation is ours today. Tomorrow it will fall to our children, then to theirs. That is Jewish tradition, that is Jewish responsibility.

We owe it to those who are no longer with us.

We owe it to ourselves.

We owe it to the Jewish people.

Already something constructive has emerged from this gathering. Represented here were almost 1,000 members of the second generation—our children and grandchildren. I am pleased to announce that they have formed here in Jerusalem a second generation international network whose major purpose will be to carry on the memory of the holocaust.

The first conference will be held within 14 months. We are proud of you.

Like you, I will never forget this week, the seeking, the finding, the first look of recognition: Aren't you? Weren't you? Block 14? Kommando 35? From the Ghetto?

The embrace—the touch—God, how good it felt to see each other, to be together—the tears, the smiles, the memories, the stories. I met a man from Atlanta.

Will you forget the posters on the wall in the village?

Do you know this one? . . . Anyone from Lodz? . . . Anyone from Kassel?

It will take a while to climb down from the emotional high of this unforgettable and unrepeatable week. As long as I live the faces of these four days will be indelibly

etched in my memory, when our tears turned to laughter and our sadness to joy. When we first met on Monday at Yad Vashem our senses were filled with the burning memories of the past.

Tonight our eyes are filled with joy.

Our ears have heard the laughter.

Thank God, thank God, for letting us have this day. ●

AGRICULTURAL EXPORTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 19, 1981, into the CONGRESSIONAL RECORD:

AGRICULTURAL EXPORTS

The United States is the world's leading supplier of agricultural products. We have 46 percent of the world's trade in wheat, 73 percent of the market in feed grains, and 84 percent of the trade in soybeans. Despite the embargo on shipment of grain to the Soviet Union, agricultural exports reached \$40.5 billion last year—the eleventh consecutive record—up 27 percent from the previous year. This year we should reach \$46 billion. The growth, of course, has not been entirely due to inflation. While the dollars brought in by agricultural exports have increased more than sixfold during the past decade, the physical tonnage of exports has more than doubled. More than one of every four dollars earned by American farmers comes from sales abroad.

Today, we use 138 million acres—about one acre of cropland in every three—just to produce for export. American farmers export two-thirds of their wheat, almost two-thirds of their rice, half of their soybeans, three-fifths of their cotton, and more than one-third of their corn. In 1980, 36 percent of our agricultural exports went to Japan, Canada, and the countries of Western Europe, 21 percent went to China, the Soviet Union, and the countries of Eastern Europe, and 17 percent went to Latin America. Indiana ranks eighth in the nation in exports of all commodities, fourth in exports of feed grains, and fifth in exports of soybeans.

In the 1980's, agricultural exports are expected to be just as important as they were in the 1970's. Experts say that the days of overproduction and surpluses are gone, and that we are entering a new period in which we will have to lift output if we are to meet an increasingly delicate balance between supply and demand worldwide. Key factors underlying the anticipated demand for our agricultural exports include the constant increase in the world's population, the widespread desire for better diets, and the limited ability of foreign countries to expand their production of food significantly. By the end of the century, demand is expected to double for wheat and triple for rice. Exports of corn should increase from 60 to 80 percent, and exports of soybeans should at least double. Since the consumption of food in the rest of the world will grow faster than foreign output of food, the widening gap will have to be filled by food from the United States and a handful of other nations, such as Canada, Australia, New Zealand, and Argentina.

Given the importance of agricultural exports to the United States—and to Indiana

and the Ninth District in particular—we must try our best to increase them. There are several general guidelines we should follow to help us serve the markets that will be opening to us in the years ahead. Here are ten suggestions:

We should resist monetary policies that favor high interest rates: High interest rates push up the value of the dollar in relation to other currencies, which in turn makes our exports cost more and our competitors' cost less.

We should expand our export credit programs: Though only 5 percent of our agricultural exports are backed by these programs, they make it easier to export to less likely customers, such as those nations with limited experience in trade.

We must use these programs to improve the "infrastructure" of importing countries: Inadequate receiving, handling, and storage facilities cut demand for our agricultural products in many nations, so we should help these nations make the needed improvements.

We must improve our own infrastructure. Our marketing and transport facilities are sometimes stretched to the limit today, so they will have to be improved if agricultural products are to be delivered on schedule and in good condition.

We should fight against protectionism. Protectionism threatens any major expansion of our agricultural exports because other nations may raise barriers against us if we raise barriers against them.

We should redirect our effort to develop markets. Promotional activities should be "targeted" to countries such as Algeria, Morocco, China, Brazil, and Chile, which will be our most probable customers in the 1980's.

We must continue to negotiate bilateral agreements to supply food to other countries. Bilateral agreements make trade more predictable and protect our farmers and consumers from the potentially severe effects of sudden bursts of demand.

We must insulate our farmers from the ill effects of embargoes. Embargoes hurt our farmers financially and damage our reputation as a reliable supplier, but we can partially offset these effects by hiking price supports automatically when food is embargoed.

We should encourage competition among agricultural exporters. Since four large companies conduct the bulk of world trade in grains, there is ample opportunity for competitive co-ops and trading companies to get involved in export programs.

We should cut excessive and expensive regulations. Agricultural exports could be increased if we deregulated trade by, for example, clarifying provisions of the Foreign Corrupt Practices Act and reducing taxes on American salesmen who reside abroad. ●

WHY DOES SPOTLIGHT ATTACK THE REAL ANTI-COMMUNISTS?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. McDONALD. Mr. Speaker, Liberty Lobby and its publication, Spotlight, claim to be patriotic and anti-Communist. If in fact they are what they claim, why do they spend their

time attacking the conservative anti-Communists while at the same time they collaborate with the strange leftist cult headed by Lyndon LaRouche?

Perhaps the common thread binding the interests of Liberty Lobby to the LaRouche group is that they both support the Palestine Liberation Organization, the Soviet Union's favorite terrorist puppet movement, and that both organizations are anti-Semitic.

Spotlight for September 7, 1981, carried a three-page attack on this Congressman; Robert Welch, the founder of the John Birch Society; John Rees, the Washington editor of the *Review of the News*; and Herbert Romerstein, a congressional staffer. Robert Welch needs no defense; he was fighting communism long before the Spotlight editors discovered direct mail fundraising. However, a few of the Liberty Lobby/Spotlight distortions deserve correction.

Interestingly enough, much of the Spotlight article appears to have been lifted from the writings of the LaRouche cult. That cult uses a variety of organizational names including the National Caucus of Labor Committees, the U.S. Labor Party, and the National Democratic Policy Committee. The attacks by LaRouche's leftists draw heavily on such pro-Communist sources as Philip Agee's *Counter-Spy* magazine, the National Lawyers Guild, and the Nation.

These attacks from Liberty Lobby and Spotlight are continuing and remain wildly inaccurate. In the Spotlight edition dated September 14, for example, it is claimed that there is a relationship between my office and muckraking columnist Jack Anderson. My colleagues by now are well aware of how Anderson and I feel about each other, and how inane is such an allegation.

The charges against this Congressman and Mr. Robert Welch by Spotlight attack center around our support for John Rees, a journalist who has for some 15 years exposed terrorist and subversive threats to America, and in doing so has become one of the leading experts in this field. The information published by Spotlight about Mr. Rees is highly inaccurate. What is particularly interesting is that the Spotlight material consists of the same errors of fact found in the attacks published by the overtly leftist LaRouche group. As any teacher can tell you, when two students come up with the same error in a paper, one of them is copying.

For example, here is how LaRouche's Executive Intelligence Review publication reported the fact that author Grace Metalious left her fortune to John Rees:

Subject is named in Metalious's will. However, he relinquished any claim when it was discovered the estate owed \$200,000 to the government.

The same story in Spotlight:

Rees was named sole heir to her estate, but renounced his legacy quickly when he learned it consisted of approximately \$200,000 in debts.

Spotlight's copying of the LaRouche material is obvious, but more importantly, both Liberty Lobby and the LaRouche cult preferred to publish a major distortion rather than publish the truth which is a matter of easily checkable public record. The facts are that the Metalious estate was assessed on February 26, 1964, at over \$1,000,000 and that 4 days after he found he had been named heir, John Rees signed legal documents renouncing all claims to the fortune in favor of the Metalious children. His concept of morality required that he give the fortune to the Metalious children.

These facts were widely reported by American newspapers and magazines. But LaRouche's Communists chose to print a lie and Spotlight chose to copy and republish the same lie.

Both the LaRouche group, which admits it is a Communist organization, and Liberty Lobby's Spotlight attack the role John Rees played in Newark, N.J., in 1967 and 1968 against the Communist-instigated rioting. In fact they seem both fascinated and alarmed by the success of John Rees in calming the community tensions that led to rioting, loss of human life, and millions of dollars in property damage.

The Spotlight story, based on the version of events compiled by LaRouche's leftists, accuses Rees of being a "public ally of left-wing dissident groups." In fact, in Newark John Rees was well known as a consultant to the Police Department and close friend of Police Commissioner Dominick Spina who aided in stopping the rioting being promoted by Communist-led agitators.

A careful reading of the LaRouche material indicates that their complaint against Rees was that he was attempting to "pacify" the situation—in other words, end the rioting. This is the substance of an article attacking John Rees in the newspaper of Lyndon LaRouche, *New Solidarity*, January 8, 1973, entitled "The 1967 Riot and the Police-Baraka Deal."

In their attack, the LaRouche leftists charged that the efforts to end the rioting by gaining the support of all Newark community spokesmen and leaders were "mainly pursued by the local police authorities and by the anti-Communist cranks of the House Un-American Activities Committee" and consisted of the fabrication and dissemination of what they termed "Communist conspiracy theories."

What this amounts to is that John Rees and Herbert Romerstein, then an investigator for the House Committee on Un-American Activities, was able to organize a radio program during which

the Newark Police Department; the leader of one of the white groups, Anthony Imperiale; and the leader of a black militant group, LeRoi Jones—now known as Imamu Amiri Baraka—urged the rioters to stop rioting, and said that the violence only benefited the white Marxists from the Students for a Democratic Society led by Tom Hayden, who had come into Newark to instigate the violence.

At that time, 1967 and 1968, Lyndon LaRouche's Communist cult was part of the Students for a Democratic Society and used the name the "SDS Labor Committees." I can understand why LaRouche's leftists hate Rees and Romerstein. They spoiled their riots. But why should Liberty Lobby, which claims to be both patriotic and anti-Communist, jump in on LaRouche's side?

Both Spotlight and the LaRouche Executive Intelligence Review report some confused and particularly strange story alleging some kind of relationship between John Rees and the Hanafi Muslim terrorists who staged armed takeovers of three buildings in Washington in 1977, killing a young college reporter and holding hundreds of people hostage at gunpoint. Rees' only connection with the Hanafi terrorists is that as a journalist he wrote an article about the incident.

The LaRouche allegation had some elements that the Spotlight crowd was too embarrassed to report. LaRouche's Communists complained, however, that this Congressman "cited this incident as the *raison d'être* for imposing drastic internal security measures upon the U.S. population."

This Congressman indeed pointed to the Hanafi Muslim terrorist action as one of the reasons we need to reestablish our internal security defenses. The Metropolitan Police once had an informant in the Hanafi Muslim movement. The Hanafi group had a history of involvement in violence. When the police intelligence program in Washington, D.C., was destroyed, that informant was pulled out of the Hanafi group. Had he been allowed to remain in place, the Hanafis would have been arrested before the violence took place and the deaths and injuries and trauma suffered by innocent people would have been prevented.

I can well understand why the Communists of LaRouche's U.S. Labor Party are upset by my calls for increases in our internal security defenses. But if Spotlight is supposed to be anti-Communist, I do not know why they are upset.

So we come to the truth about John Rees. He is a journalist and has been a journalist for many years. He has always gone after solid news stories, and especially the news behind the news relating to politics, foreign policy, terrorism, and subversion. John

Rees realized that in order to write accurately and perceptively about the violence-oriented subversive and revolutionary groups, a journalist needed to be acquainted both with the rank and file and with leaders. For 10 years he was able to attend meetings of the most anti-American radical groups. As a journalist, he reported on those activities in his newsletter, *Information Digest*, and in segments of the mass media including CBS News, *Human Events*, the *Review of the News*, *National Review*, and other publications.

John Rees has always understood that a journalist also has responsibilities under the law to society. When he observed activities or obtained documents showing evidence of law breaking or of threats to our internal security, he made that information available to the appropriate U.S. Government agencies. He has done that since 1967, when he first started writing about the violence-prone extremist and foreign-dominated subversive organizations in America. In fact, in 1967, following the Newark riots, John Rees came to Capitol Hill and provided evidence on the Newark riots as a journalist eyewitness. This was followed in 1968 by his testimony in a secret session of the House Committee on Un-American Activities on the Communists and subversive involvement in the riots at the Democratic Party National Convention in Chicago.

John Rees is not, as the LaRouche Communists and Liberty Lobby's self-styled conservative anti-Communists have charged, an intelligence agent for the Israeli Mossad, the British, for the Soviet KGB, or for any other foreign intelligence agency. The truth is so simple the Communist left and their anti-Semitic pseudo-conservative allies cannot accept it. But the truth remains that John Rees is simply a good journalist who has done a valuable service in alerting the American people and the American Government to the threats against our security from terrorist, subversive, totalitarian, and extremist organizations. John Rees deserves commendations and accolades from Americans, not the vituperative smears and innuendos originated by Lyndon LaRouche's minions and repeated by Liberty Lobby's Spotlight.

Both Spotlight and the LaRouche publications also attack Herbert Romerstein, former minority chief investigator for the House Committee on Internal Security and a longtime congressional staffer. He is presently a professional staff member of the House Intelligence Committee. While the LaRouchians smear Herbert Romerstein of being an agent of Israeli intelligence, Liberty Lobby's Spotlight copyists translate that as an "agent of the Anti-Defamation League."

The truth is that Herbert Romerstein, a conservative American, is not

connected with the ADL and never has been. Neither has he been involved with Mossad or any other foreign intelligence agency.

In fact, Mr. Romerstein has been granted some of the highest security clearances of the U.S. Government. Those clearances were granted to him after extensive, full field investigations by the Federal Bureau of Investigation, and under no circumstances could be granted to someone connected with any foreign intelligence service.

Spotlight copies a LaRouche charge that Mr. Romerstein somehow is anti-American Legion. The truth is that he has written about Soviet Union's support for terrorism in the *American Legion* magazine. He has also written a recent pamphlet about the U.S.S.R.'s backing for international terrorism, which is presently being distributed and which I highly recommend to all my colleagues in this Congress.

Herbert Romerstein's consistent work against Soviet-support international terrorism undoubtedly is one of the reasons the LaRouchians attack him. Soviet support for international terrorism is one of the facts LaRouche's leftists work very hard to conceal.

Both Spotlight and the LaRouche magazine make the point that Romerstein was once a Communist. That is no secret. From the age of 15 to 17 he was. But at age 19, Herbert Romerstein was the first witness to testify before the Senate Subcommittee on Internal Security and reveal the Communist plans to subvert American youth. Furthermore, for the past 30 years, Herbert Romerstein has worked closely with the Federal Bureau of Investigation, the House Committee on Internal Security, and other U.S. Government intelligence agencies in investigating the activities of the Communists in the United States and throughout the world.

After investigating Communist activities for the State of New York, Romerstein became an investigator for the House Committee on Un-American Activities. He was later promoted to minority chief investigator of the House Internal Security Committee. He is very highly regarded as an expert on Communist activities and had frequently testified before various congressional and administrative bodies on the subject.

An interesting charge by the LaRouchian leftists which Spotlight avoided using was that Romerstein was, "used as a spokesman at World Youth Festivals under programs organized by World Federalist and CIA Director Cord Meyer."

The facts are that the World Youth Festivals in question were Communist youth operations held in Vienna in 1959 and in Helsinki in 1962. Cord

Meyer, who was never the Director of CIA, but a CIA official, organized a group of students from the leftist National Students Association to attend the festivals. Herbert Romerstein's role was something quite dramatically different, and was described by Joseph Keeley in his biography of Alfred Kohlberg called "The China Lobby Man." I would like to point out that the late Alfred Kohlberg was a longtime active anti-Communist and also a founder of the American Jewish League Against Communism.

As Joseph Keeley wrote:

Recently many Americans were shocked to learn that our Central Intelligence Agency had subsidized the left-wing National Student Association to the extent of \$3,000,000, and that some of this money had been used to send American college students to international student gatherings. An interesting footnote to this is provided by another of Alfred Kohlberg's ventures into international relations this time by means of an informal organization informally established.

In 1959 he was approached by Herbert Romerstein, who had done some work for him previously. A huge international Communist rally called the Seventh World Youth Festival was scheduled to be held in Vienna in the summer of that year and Romerstein got the idea of attending with a small group. The gathering was the first of its kind ever to be held outside the Iron Curtain and this gave non-Communists a chance to participate.

Kohlberg liked the idea and took the initiative in raising a fund of approximately \$10,000 to send Romerstein and seven others to Vienna. When the festival opened, approximately 17,000 people were present. Of these roughly 400 were Americans, and of the American group approximately a hundred were "sponsored" by the U.S. Government, presumably by the CIA. However, it is doubtful that the entire delegation of government-sponsored U.S. students provided as much anti-Communist propaganda as the handful subsidized by Kohlberg.

One of Romerstein's projects was to have 2,000 pamphlets printed en route in Germany, addressed to the youths attending the festival. These pamphlets, printed in German, English, Chinese, and Russian, contained a heavy charge of the usual Communist clichés, as camouflage. But in addition they stressed something that was anathema to the Reds—freedom. The pamphlets exhorted the youths attending the festival to fight for freedom for all peoples, including Hungarians and Tibetans. When the commissars running the festival learned of the hoax they were furious. Indignantly the hand-picked "United States delegation" (not those sponsored by the U.S. Government) condemned the pamphlets in a statement to the press. One revealing sentence of this declared: "From whom and with what authority do the authors and disseminators [sic] of this particular piece of ill-meaning literature speak?"

A small riot took place when the big parade of August 2nd was about to begin. Kohlberg's delegates at that point unfurled banners reading "Remember Hungary," "Remember Tibet," and "What About Soviet Imperialism?" This was too much for the comrades. The New York Times of August 3rd told how the small group was

beaten up. Charles W. Wiley, one of them, was knocked to the ground by Communist "enforcers" and his wife Katina, seven months pregnant, was cut and bruised. Thanks to the prompt action of Austrian policemen there were no serious injuries, and the little band was rescued from the furious Reds.

As for the larger group from America, present under government auspices, their activities were considerably more genteel and refined, as befitted ladies and gentlemen of liberal persuasion. They caused the Communists no trouble at all. One of the Kohlberg group told me with amusement of their attitude.

"They made it plain that they deplored our actions, which they insisted were undignified and not the proper way to build friendship and understanding."

The Communist leaders made a more realistic appraisal of the propaganda deficit that had been incurred. In a New York Times story dated October 26, 1959, under the headline "Reds Displeased With Red Pete," several reasons were given for their failure. A special eleven-member evaluating committee, comprised of top Communist Party officials, leveled strong criticism at the festival committee for their "underestimation of the effectiveness of opposition groups and individuals, both in their influence on delegates and in their criticism of the Communist aims of the festival."

At the time of those two Communist World Youth Festivals, Herbert Romerstein was not working with the CIA, which had organized a leftist American youth representation at the festivals. On the contrary, Herbert Romerstein was a very active member of the conservative American students group that fought effectively against the Communists.

And so, again, I can understand why the Communist totalitarian followers of Lyndon LaRouche hate Herbert Romerstein, one of the most articulate and effective enemies of communism in this country. But why does Liberty Lobby, which says it is patriotic and anti-Communist, tell such lies about him?

These examples are typical of the sorts of charges and smears leveled against John Rees and Herbert Romerstein and other anti-Communists. It would take a book to examine, analyze, and refute all of them. But all are equally inaccurate, distorted, and untrue.

These articles appearing in the publications of the leftist LaRouche clique and in Liberty Lobby's Spotlight attacking this Congressman and other active anti-Communists make clear a strange relationship between the supposedly anti-Communist Liberty Lobby and the Communist National Caucus of Labor Committees/U.S. Labor Party/National Democratic Policy Committee.

In one of the publications of the LaRouche clique called the New Democratic Policy Committee Bulletin, and subtitled "LaRouche Challenges 'Spike Hoax,'" LaRouche describes the relationship between his

organization and the Soviet KGB. LaRouche said:

Once Soviet circles judged that my associates and I were tied to top circles of the U.S. intelligence community, both KGB and other Soviet agencies began dropping messages for U.S. intelligence community information into our laps. We became, in that sense, like the spooks' letter-box drop, the proverbial hole in the third oak tree from the corner. Since all of our electronic and mail communications have been under total surveillance of the National Security Agency, any message we received was automatically delivered immediately to both relevant and irrelevant elements of the U.S. intelligence community within minutes or hours, without any further effort on our part. This activity supplemented our own intelligence evaluations work which was routinely made available to the intelligence community through the relevant publications of my associates and myself.

Despite its many glaring inaccuracies, LaRouche's statement raises some interesting questions.

First though, the inaccuracies include the allegation that the National Security Agency was monitoring LaRouche's communications. This is clearly untrue. No U.S. Government agency has monitored any of the LaRouche organization's communications or any other of the activities of the LaRouchians since the FBI closed their case on the group in 1976. I believe that the FBI erred in closing its investigation of this violence-prone radical crackpot group.

The other inaccuracy is that somehow the U.S. intelligence agencies take seriously the "intelligence information" provided by this crackpot extremist group. They most assuredly do not.

But what appears to be true is that the KGB has fed information to the LaRouche clique, and that that KGB disinformation found its way into the propaganda publications of the National Caucus of Labor Committees/U.S. Labor Party.

Analysis of the LaRouche/U.S. Labor Party publications indicates that on almost every major international issue, the LaRouche clique comes out on the Soviet side of the discussion.

Furthermore, LaRouche's admission that there is a close relationship between the LaRouchians and the KGB has been confirmed by other sources, including other leaders of the LaRouche cult who have boasted of their close relationships with persons in the Soviet U.N. mission. A substantial percentage of the Soviet U.N. mission personnel are KGB officers.

If Liberty Lobby and its publication, Spotlight, intend to continue to claim to be anti-Communist, it is incumbent for them to explain why they ally themselves with Lyndon LaRouche's Communists, and why they spend their time attacking those on the front line of the fight against America's Communist enemies.

Over the years, Liberty Lobby has attacked many of the most active anti-Communists and conservatives in America, including Rev. Jerry Falwell, founder of the Moral Majority, and many distinguished men and women now serving in President Reagan's Cabinet.

In fact, it is clear that Liberty Lobby is not really anti-Communist. It is an anti-Semitic organization pretending to be patriotic. In fact the leaders of Liberty Lobby target as their enemies all anti-Communists who stand up against terrorism carried out by the Palestine Liberation Organization (PLO) and the lunatic regime in Libya.

In sum Liberty Lobby is a fraud, an organization so captive of its pathological hatreds that it prefers to ally itself with the Communists against those who defend America against its enemies.●

IN RECOGNITION OF CHRISTOPHER BIERBAUM

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. ROBERTS of South Dakota. Mr. Speaker, on September 13, 1981, Christopher John Bierbaum of Beresford, S. Dak., will receive the highest honor bestowed by the Boy Scouts of America—the elevation to Eagle Scout.

This award, and enduring symbol of dedication and commitment to the values revered by the Boy Scouts, will long remain a source of pride to Christopher and his family. In recognition of his efforts, I trust that my colleagues in the House of Representatives will join me in congratulating Christopher for securing this high honor.

This accomplishment represents the finest tradition of the youth of South Dakota, and I am proud to honor Christopher Bierbaum here today.●

INTEREST RATES HINDERING ECONOMIC RECOVERY

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. DREIER. Mr. Speaker, excessively high interest rates is the one factor currently standing in the way of American economic recovery. During the recent district work period, I had the opportunity to meet with numerous constituents—most of whom expressed their deep concern over the present level of interest rates. As a new member of the Banking Committee, I feel it is imperative that Con-

gress utilize sound economic principles in addressing this crucial problem.

One lasting legacy of the Carter administration has been a devastatingly high rate of inflation. For the most part, this inflation has been fueled by the Federal Government's policy of deficit spending.

In order to finance this deficit, the Government has entered the private capital market and has borrowed, at high-interest rates, money that would otherwise be available to private businesses and individuals. The Government has also financed this multibillion-dollar debt by selling Treasury notes to the Federal Reserve. This sleight-of-hand creation of dollars has only served to push the inflation rate higher and higher.

In order to cope with this dangerous inflation, the Federal Reserve Board has settled on a policy of high interest rates. Yet, these high interest rates are strangling American business. The housing industry has been particularly hard hit by these excessive rates. Recently released figures show that for a third consecutive month, California homebuilding has continued to decline.

In July, homebuilding in the State of California declined nearly 12 percent from the already depressed levels of June. But this figure tells only part of the story. For businesses such as furniture, appliance, and textile concerns also suffer from this downward spiral in housing starts.

Similar examples of economic distress can be seen in the U.S. auto industry. Lack of available loans has deterred major domestic manufacturers from borrowing the capital necessary to modernize plants and expand production. This retooling and revitalization is badly needed if our industries are to compete with their foreign counterparts.

Mr. Speaker, the message is clear: Excessive interest rates must be adjusted to reasonable levels. If this problem is not adequately and forthrightly addressed, then America will be condemned to suffer several more years of economic stagnation.●

A SPECIAL TRIBUTE TO ROY WILKINS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. STOKES. Mr. Speaker, many of my colleagues will be paying tribute to the late Roy Wilkins, former executive director of the National Association for the Advancement of Colored People in the coming days. As we listen to these tributes, remembrances and send our condolences to his wife, Aminda Wilson, I think that it would

be appropriate also to insert in the RECORD, an article which appeared in the Washington Post today on this great human being.

Mr. Speaker, the newspaper article which I am referring to is touching and unique because it captures a different perspective on not only the civil rights achievements and the public's image of Roy Wilkins but also provides a commentary on his life as the patriarch of the Wilkins family. The article was written by Mr. Wilkins' nephew, Roger Wilkins.

Mr. Speaker, Roger Wilkins ably communicates in the article the warmth and compassion of Roy Wilkins as not only the leader and shepherd of the civil rights movement but also projects him in that same role as a mentor and family leader. Moreover, Mr. Speaker, the article illuminates the inspirational virtues of this great human being not only for those of us who weighed our children's futures in this Nation on his strength in the struggle for civil rights but also for that same kind of strength and courage he provided his family.

At this time, Mr. Speaker, as Members of this body so appropriately continue their tributes to Roy Wilkins, I would like to insert in the RECORD, the article which appeared in the Washington Post entitled, "The Joy and Power—Remembering Roy Wilkins' Stubborn Struggle".

THE JOY AND THE POWER—REMEMBERING ROY WILKINS' STUBBORN STRUGGLE

(By Roger Wilkins)

There is a picture downstairs in the family room in our house of a tall, black man holding a little black baby. It was taken about 49 years ago on the day when my Uncle Roy and I were getting acquainted.

My mother, father and I lived in Kansas City then and Uncle Roy had just gone to New York to work for the great black scholar W. E. B. DuBois, at the NAACP magazine, *The Crisis*. During those years, my father, Uncle Roy's younger brother, was very sick and my uncle would come from New York to visit us as often as he could. He was the tallest and handsomest man I knew and he would hang his pants on the closet door. I thought that was wonderful and so when I got tall enough, to my mother's dismay, I, too, would hang my pants on the closet door.

Roy Wilkins wasn't famous in those days, and when he came to Kansas City for my father's funeral 40 years ago, he was just my kind uncle from New York. He took care of both Grandpa and me at the funeral and when they read thanatopsis for Daddy, he touched my hand while Grandpa was crying. I didn't cry because Uncle Roy had told me that little men weren't supposed to do that.

As the years passed and my uncle became more prominent, I saw him through a double lens. He was the closest thing I had to my father, so I would watch him closely for hints of what my father might have been. And then when I grew up and went to the Justice Department, working on the northern urban riots, though he still hung his pants on the closet door, he was also my senior colleague in the civil rights move-

ment. He didn't want the world to think that he had created me and I didn't want the world to think I had a special pipeline to him. In fact, he hadn't and I didn't, but we kept our distance so the appearance would match the reality.

But there would be Christmas dinners when Uncle Roy would carve the turkey and slice the ham and Aunt Minnie would tell my children and me wonderful stories about my father and grandfather. Uncle Roy and I would talk baseball. He was a Dodger fan long before Jackie Robinson came into the league and he would use those long, graceful hands of his to show me how Pee Wee Reese used to lay down a bunt.

Those long, graceful hands almost got him killed once. Thurgood Marshall told me that in the 1930's, when he and Uncle Roy disguised themselves as sharecroppers and went to Mississippi to investigate conditions there, a white storekeeper in a little town noticed those hands and knew they were not a field man's hands.

"Come on, Roy, let's get the hell out of here," Justice Marshall recalls saying.

So the two of them escaped, but Thurgood says they had been there long enough to get what they were after anyway.

Before he went to the NAACP, Uncle Roy edited a black weekly paper in Kansas City. He always loved the English language and through his years at the NAACP he kept an old battered Underwood next to his desk on which he would compose elegant statements and send or take them out to do the battle for justice to which his life was committed. He did other things in the movement, of course. He marched in demonstrations, he orchestrated the March on Washington in 1963, he met in rooms from battered shacks in Alabama to the Oval Office on Pennsylvania Avenue to help shape strategies to secure more justice for Americans.

But it was the word he loved and used with joy and power in his life's fight.

In the 1960's, people in the Kennedy administration would tell me that he was the civil rights professional on whom they relied. After that, he and Lyndon Johnson grew to love each other. They were men of the same generation, and both of moderate origins. Those associations enabled Uncle Roy to translate the turbulence in the streets into visions of the future that were comprehensible to Washington policymakers. In that way, Uncle Roy and Martin Luther King were closer partners than either of them ever acknowledged. They had different ways of pursuing freedom, you see, because Martin usually fought with the masses behind him on the streets, and Uncle usually fought behind closed doors. They didn't always understand each other's way.

Uncle's hand was large in the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Fair Housing Act of 1968. And so was Martin's. They were opposite sides of an honorable coin. And they did support each other. I ran into Uncle Roy one day in the mid-1960's at the shuttle terminal at La Guardia Airport. "Where you going?" I asked. "Down to see [J. Edgar] Hoover," he replied, "to try to get him off of Martin's back." A couple of weeks later I saw Martin at a meeting where young militants were calling my uncle an "Uncle Tom" because of his fierce belief in integration.

"Tell Roy I'm with him," Martin said.

Uncle Roy won a lot of honors, the greatest of which was the love and the trust of the people in the NAACP who could afford only to pay \$2 for their memberships. Some

of my most vivid memories of him were in airports with redcaps shaking his hand thanking him earnestly for the work he was doing. He loved that because he had once been a redcap himself.

He always had time for the longest local NAACP chapter meetings and then for the last person in the room who wanted to talk to him after that. When I was a kid in Harlem, he would sometimes take me to nearby meetings and when I would come home hours later, I would tell my mother: "Uncle Roy stayed to talk to the last old lady again."

And he was stubborn. Once when he was down at the LBJ Ranch, near the end of the president's life, Uncle Roy decided that he was tired and started up to bed. President Johnson told him it wasn't time to go to bed because the late news hadn't come on yet.

"Mr. President," Uncle Roy replied, "nobody has told me what time to go to bed since my mother died, and that was a long time ago." And then he went to bed with the same dogged stubbornness which he had brought to the civil rights struggle.

We were very different, Uncle and I, but we loved each other very much. Now he has gone to his final rest and the family is gathering. So it is time for me to get my pants down from the closet door and go. ●

ANTITRUST CHIEF'S VISION: NO PLACE FOR SMALL BUSINESS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. BEDELL. Mr. Speaker, I wish to call my colleagues' attention to the August 1981 issue of Dun's Review, a monthly publication for business managers. The magazine features an article entitled, "Big Shift in Antitrust Policy," an interview with William Baxter, the new assistant attorney general in charge of antitrust enforcement.

As the enormity of the DuPont-Conoco merger sinks in, and as the latest list of corporate takeover announcements continues to grow, there are many who are wondering what the Justice Department's top antitrust official thinks about all this. Apparently, he thinks the increasing concentration of control of industrial assets and economic power is just fine.

Mr. Baxter does not beat around the bush. He very candidly states that he would not be disturbed by evidence of a marked trend toward greater aggregate concentration in our economy. In fact, he goes so far as to say he would see nothing wrong with greater aggregate concentration of ownership throughout the world. These are his exact words:

There is nothing written in the sky that says that the world would not be a perfectly satisfactory place if there were only 100 companies, provided each one had only 1 percent of every product and service market.

Well, maybe Mr. Baxter would be content to find himself in a world

where there are more national governments than there are business enterprises, but I know many people who would not be happy in such a place. The millions of small businessmen in America probably would not find it very satisfactory living in a world with only 100 companies controlling all commerce and industry, for there would be no place for small business in such a world. And I doubt that most American consumers would be very happy living in a society where entrepreneurs and local businessmen have been completely displaced by multinational corporations.

Conglomerate mergers apparently do not cause Mr. Baxter to lay awake nights. Neither, apparently, do a number of questionable vertical relationships between producers, distributors, and consumers. Here is another quote from the interview in Dun's:

Vertical structuring of the economy through long-term supply contracts, exclusive dealing arrangements, territorial restrictions, the selling of products in bundles, often promotes efficiency.

What kind of efficiency is he promoting? The kind in which we have 100 companies dividing up the world into 100 equal shares? Perhaps Mr. Baxter forgets that the British Crown tried doing something similar with royal charters to do business in the New World. The American Revolution and Adam Smith's treatise "On the Wealth of Nations" both appeared in 1776 to prove the error of such concepts.

Elsewhere in his interview with Dun's, Mr. Baxter states:

I have no concerns about vertical mergers as such.

On August 26, testifying before the Judiciary Committee's Subcommittee on Monopolies and Commercial Law, the Justice Department's antitrust chief reiterated his belief that his agency should not concern itself with vertical mergers between suppliers, distributors, and/or users of the same product. The next witness that day was David Clanton, Acting Chairman of the Federal Trade Commission. Mr. Clanton took quite a different position, saying his agency feels that the Federal antitrust laws clearly give the Government a responsibility to monitor vertical merger activity. This difference of opinion serves to underscore the wisdom of having an independent Federal Trade Commission with antitrust enforcement powers.

Mr. Speaker, Dun's Review labeled Mr. Baxter's comments as being provocative. They certainly are. The new assistant attorney general for antitrust has outlined some very radical departures from the antitrust enforcement policies of at least the last three administrations. And he has signaled his willingness to accept a vision of the future that I find very troubling.

As a member of the Small Business Committee's Subcommittee on Antitrust, I intend to keep a careful watch on antitrust enforcement—or lack of it—by the new administration. I do not believe the thousands of small businessmen in my district would tolerate it if I sat idly by while we are brought to the point where 100 Government-sized businesses control all the economic activity in the world. ●

TRIBUTE TO LILLIAN JANIS OF CLEVELAND, OHIO

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Ms. OAKAR. Mr. Speaker, recently, one of Greater Cleveland's finest citizens, Lillian Janis, has passed away. Lillian was a source of inspiration and love not only to her family, but to all who knew her. She was a personal role model for me. The following article gives a capsule view of her many interests and concerns. All of us will miss her very much.

LILLIAN FIEDLER JANIS, STARTED LABOR MOVEMENT CAREER AS GIRL

As a girl of 12, Lillian Fiedler Janis started her labor union activity by walking through the snow in Passaic, N.J., to solicit funds for striking coal miners.

She continued her work for union causes as an adult, and during almost six years as a Shaker Heights council member worked for other causes as well.

Mrs. Janis, 68, died yesterday morning in her Shaker Heights home. She had been ill with cancer for 14 months.

She resigned her council seat in June because of her illness. In March she had been elected vice mayor.

Mrs. Janis did not finish high school and in the Depression years of the 1930s was a member of the Young People's Socialist League.

She was an organizer for the Bakery Workers Union as well as the International Ladies Garment Workers Union early in her life. She met her future husband, Sam Janis, on a bakery workers picket line in Elizabeth, N.J.

He had been fired as a presser in a dry cleaning plant for trying to organize a union.

She was named an honorary member of both the Baker's and Carpenter's unions many years ago.

While on council, Mrs. Janis' special areas of interest included establishing a program for older persons and for the after-school care of children. She also was chairman of the building inspection committee.

In the early 1970s, Mrs. Janis was a volunteer remedial reading tutor in the Cleveland school system.

In 1971, Mrs. Janis received the New Frontier Award from the Cleveland chapter of the Americans for Democratic Action (ADA) for her work as vice chairman of the Cleveland Grape Boycott Committee and as a union organizer. She was also cited as a "champion of society's underdogs."

Also in 1971, the Cleveland AFL-CIO Federation of Labor Union Counselor Associa-

tion presented its top community award to Mr. and Mrs. Janis for their union work and her participation in the Cleveland peace movement.

Mrs. Janis received an award last year from the Ohio Coalition of Labor Union Women.

She was on the national board of ADA and was a member of the Ohio Committee for the Passage of the Equal Rights Amendment.

She was a member of the county Democratic committee for six years.

She is survived by her husband who retired in 1978 as regional director and international vice president of the International Ladies' Garment Workers Union; sons, Robert Geneslaw of Killdale, N.J., and David, of Helena, Mont.; daughter, Barbara of Mayfield Heights, and two grandchildren. ●

BOTHA THE BITER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. STARK. Mr. Speaker, the other day I came across an article in the Economist that I found very timely, and I thought I would share it with my colleagues.

We can all agree that the issue of South Africa, its apartheid policy, and its increased activity in Angola are of great concern. I think you will also agree, after reading this article, that the Reagan administration's policy of neutrality, is not neutrality at all.

[From the Economist, Sept. 5, 1981]

BOTHA THE BITER

The Soviet and South African governments were delighted by the American use of the veto in the United Nations security council on Monday against a formal condemnation of the South African armed forces' incursions into Angola. Although the motion was foolishly worded, this veto has infuriated many of the three quarters of the people of the world who are humiliated by white South Africa's racial policies. It has strengthened Mr. Pieter Botha and his South African cabinet in the belief that they can count on American protection. It has obliged the friends and allies of the United States to stand apart from it.

These are heavy prices to pay. They include some practical prices in third world. An internationally acceptable settlement in Namibia—one that might have got the Cubans out of Angola—will now be harder to get. Next time America needs the help of a third party, as it needed Algeria's to get its hostages out of Iran, some of the necessary trust may be found no longer to exist. Support at the UN for resolutions condemning Russia—as, for instance, after the invasion of Afghanistan—may not be so forthcoming in future. America has forfeited, at least for a time, some influence in guiding economic development in black Africa and in moderating its extremists. By spitting into the wind of change it has encouraged the Qaddafis of the continent. The colonel was saying some more extraordinary things this week.

NEUTRAL ON WHOSE SIDE?

Mr. Chester Crocker, America's assistant secretary of state for African affairs, ex-

plained the policy by saying that the Reagan administration aims to remain neutral as between the South African government and the black African ones. There are dangers in giving Mr. Botha's government the impression that the United States is not so much "neutral" as neutral on South Africa's side (see page 29). The Americans have made a mistake in assuming that the South African government's response to gentle handling would be to show a corresponding restraint. Instead of seizing Mr. Reagan's outstretched hand, Mr. Botha has to all intents and purposes bitten it. In recent weeks, beside the deep thrust into Angola, there have been smaller but significant South African incursions into other black-ruled neighbour states, including for the first time into Lesotho.

As previous reports had said that there might be anything up to 20,000 Cuban troops in Angola, anything up to 5,000 East Germans there, several thousand Russian technical advisers and several hundred Russian soldiers, it is not surprising that the South Africans appear to have captured one Russian warrant officer. Everybody knew that Angola had imported far too many foreign communists. The effects of tougher South African military policies could have destabilising effects on neighbouring black-ruled states and increase Russia's chances of putting in more of the same. The free world's interests are the opposite of that.

There are increasing signs that the South African government (not explicitly, perhaps not consciously, but inherently) does not share the American and European concern for the stability of the southern African region. To a greater degree it may share Russia's interest in destabilising it. Given the premises that shape thinking in Pretoria, it is quite logical for people there to suppose that the thing to do now is to draw those Cubans and Russians into combat, and thus hope to ensure that the western world will be forced to rally round Mr. Botha's flag.

NOBODY'S ALLIES

White South Africans need to be disabused of that hope. In a speech in Johannesburg this week Mr. Edward Heath was doing some of the disabusing. He rightly said that, but for white South Africa's racial policies, "we would be natural partners, wedded in common cause against the communist onslaught in southern Africa itself and around the world". However, "unless and until the dismantlement of apartheid is assured, it would be a grave mistake for South Africa to base her strategy on the assumption that when the chips are down the west will stand with her".

The Americans have for several years shared with the four other members of the western "contact group"—Britain, Canada, France and West Germany—the common purpose of bringing Namibia to real independence, in a way that will not make it more likely that a great many white South Africans will eventually be murdered in their beds. In return for their search for these safeguards, the allies seek to prod South Africa's white rulers faster forward from their present racial policies.

It has been agreed that this pressure in Namibia and on South Africa's internal policy can at present best be exercised very quietly, instead of with much noise. Quietness is not made easier when South Africa's armed forces are locked in loud combat with those of an independent African country, deep inside that country's territory, and when the echoes of this fighting are thun-

dering around startled capitals across the world.

There are many double standards in the condemnations of Mr. Botha's government. A lot of other undemocratic leaders do indecent tribal things to their peoples, and the world plays Olympic sports with them. But America and western Europe cannot afford to appear to be getting into bed with a macho South Africa, especially at a time when America has a right-wing administration. The penalty for such an association would not merely be paid in the rest of Africa and the United Nations, but also in the allies' internal cohesion. The revulsion against South Africa explodes all the way from the playing fields of New Zealand, through the streets of Harlem and Brixton, to university campuses and to congregations of sober, decent, liberal people everywhere. By its long-drawn-out folly, white South Africa has made its society into the polecat of the world. One does not cuddle up close to a polecat when it is baring its teeth. ●

AWACS SALE IS A CAPITULATION TO BLACKMAIL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. OTTINGER. Mr. Speaker, the administration's decision to sell Saudi Arabia five airborne warning and control systems (AWACS) and other sophisticated weapons to Saudi Arabia is a tragic capitulation to blackmail, a threat to our national security, and a breach of Ronald Reagan's explicit promise to the American people that he would not sell weapons to Arab nations who might threaten the existence of Israel.

Last year, in an interview with the Jewish Telegraphic Agency, candidate Ronald Reagan promised:

A Reagan administration will, by legislative proposal and executive actions, bolster Israel's security against all forms of aggression. Specifically, a Reagan administration will not continue to ship massive quantities of sophisticated armaments to so-called "moderate" Arab States who, in fact, might directly threaten Israel's existence once they are in possession of such arms.

Yet President Reagan wants to send Saudi Arabia weapons with capabilities far in excess of any possible defensive need. President Reagan wants to send Saudi Arabia the AWACS, the most sophisticated airborne radar system in the world. What is worse is that President Reagan is going back on his word less than 6 months after the Saudis called for a holy war against Israel.

Either candidate Reagan intentionally misled the public or President Reagan has forgotten his own commitment in a dangerous attempt to appease the OPEC oil cartel.

Indeed, this is not the only promise to be broken with respect to this proposal. The sale of sophisticated offensive components for F-15 aircraft,

which President Reagan is including in the AWACS package, is in direct violation of an expressed commitment to Congress at the time the F-15 sale was approved that they would not be given these offensive capabilities.

Mr. Speaker, it is clear that this sale directly contradicts U.S. interests, and rewards intransigence rather than encourages moderation. The Saudis have steadfastly refused to cooperate in effectuating the Camp David accords, and publicly declare repeatedly that Israel is a greater threat to their security than the Soviet Union. The sale of AWACS will enable the Saudis to monitor all of Israel's military movements, and such information in the hands of Israel's enemies will bring a new and insidious dimension to any future Arab-Israeli conflict. Furthermore, should Saudi Arabia have an Iran-style revolution, the danger of AWACS technology being transferred to the Soviets is considerable.

I urge my colleagues to reject this dangerous proposal, and to join me in cosponsoring a resolution of disapproval to block this sale.●

A MODERN PIONEER

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. VANDER JAGT. Mr. Speaker, for the past 72 years, Mrs. Alice Wood, of Muskegon, Mich., has carved an unforgettable niche in the minds of her family and friends. At a young age of 72 years, she still scrambles across the roof of her home to prevent and mend damage of winter storms. She stockpiles enough wood to heat a small city and puts to shame those of us winded by a set of tennis or a climb up a flight of stairs. Mrs. Wood, all 5 feet and 90 pounds of her, flies the American flag every day of the year, weather permitting. She is a modern day pioneer woman who still relies on venison, squirrel, and her garden for food.

For the benefit of my colleagues, I would like to share the following delightful story, written by Ms. Zoe-Ann Ayers and printed in the July 1981 edition of Oasis, a publication of the Social Security Administration, about her first encounter with Mrs. Wood. The story is about the antics and habits of a truly spirited American pioneer.

A BREATH OF SPRING

(By Zoe-Ann Ayers)

A come-in card prompted a visit to the DO by a wee sprightly woman. She threw her arms around me, told me how good it was to see me and then whispered, "Aren't you gaining a bit of weight?" She was right, darn it.

Alice Wood is, at age 72, the most alive and self-reliant person I know.

I first met Alice when she and her husband, Bill, came into the office on a SSI

problem. His first words were, "Make her stay off the roof." Needless to say, I wasn't sure what was happening, or what wall they were coming off. It turned out that she had been on the roof, putting up metal flashing so the snow would not back up and cause ice damage. His concern was that she would hurt herself; hers was that "it had to be done, and he isn't steady enough." Their concern for one another evolved over 53 years of marriage.

In the course of the conversation, it developed that they cut all their own wood for heating the house—well over 11 cords annually. (For the uninitiated, a cord of wood is 4 feet by 4 feet by 8 feet, which is a considerable amount, especially when the couple involved were 70 and 77 at the time.)

I next saw Alice a year or so later, after Bill had died. She came into the DO for an SSI redetermination. (Alice receives SSI since her Social Security benefit of \$209.10 is low enough to make her eligible. She worked at a crate factory in Hesperia for 20 years. Bill had worked at Teledyne Motors in Muskegon but retired before the company instituted a pension plan.) Before leaving the office she said, "Come see me, anytime. I would love to have you." I soon took her up on her invitation.

You can readily spot Alice's farm—the one with a U.S. flag flying every day. The flagpole is made of two pieces of pipe joined together, and it has a wee tilt to it.

Her homestead is on 85 acres, containing both timber and open sandy areas. The house, when purchased 42 years ago, was in need of a roof, windows and walls, which she and Bill installed themselves. It is a small home, modern in that it has electricity and indoor plumbing. And it is filled with wall-to-wall plants, cats, dogs, and love. I was greeted with a big hug, her three dogs barking wildly, coffee and homemade apple pie (which, of course, I was too polite to refuse).

The furniture is basic yard sale and auction purchases that, with her daughter's help, have been stripped and reworked. (Alice's daughter and three grandchildren live 30 miles away, and she talks to them daily by phone.) Her davenport and chairs have been refinished and upholstered after installing springs from old car seats. She has a gun cabinet that emerged as beautiful white oak after the dirt and old paint were removed. It didn't have a door, so Alice took an old storm door apart and cut it down to fit. It is a fine piece of craftsmanship.

Outside, I looked at the woodpile that she was working on for next year. Her basement is half full of wood, and the pile outside must be 4 feet high and 12 by 16 feet square. I lifted, or attempted to, a piece of oak that had been hauled in the day before, and it weighed around 40-50 pounds. (I failed to mention that Alice is 5 feet tall and weighs about 90 pounds.) She cuts wood with a chain saw, which she handles like a professional.

Alice gardens and cans most of her food. I was taken on a tour of her garden, where she is talking of putting in asparagus—8½ acres worth, more or less. This sounded like a lot of work to me, but she said, "I always like working outside. Guess you can tell by the way my house looks."

She is given venison if some of the family "gets their deer," and friends bring her fish. When she receives an occasional lake trout, she puts it up in half-pint jars for an imitation oyster stew. "I can't afford oysters, but you can't tell the difference." A gun rests in a rack over the table. "I love squirrel. In

fact, that gun is always loaded so if I spot one, well . . ." She asked if I hunted, which I do, and she gave me the highest compliment a farmer can give—permission to hunt on her property. When I departed that day, she insisted I take along canned venison, chicken and frozen sucker.

Alice inquired if I liked wine, and when I answered in the affirmative, she reached behind a cabinet and brought out a bottle of dandelion wine, homemade from "an old recipe my relatives brought over from France." I also sampled the grape wine her daughter made and marveled at the life she leads, what with dining on venison, fish, fresh vegetables, wine, and apple pie and enjoying good friends and good health.

I wonder if this is the stereotype you have of SSI recipients? I know that my ideas have been changed.●

IL PROGRESSO 100TH ANNIVERSARY CELEBRATION

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GUARINI. Mr. Speaker, Il Progresso, the leading Italian language newspaper in America, marks its 100th anniversary today with the printing of a special 100 page issue. This commemorative edition marks a century of the highest quality service to the Italo-American community.

From its initial start in 1880 serving the growing community of Italian immigrants Il Progresso has grown to a national readership of 200,000. In 1928 this fine paper took a dynamic turn when it was purchased by Generoso Pope. Generoso Pope and his son Fortune Pope were responsible for publishing Il Progresso for the next 52 years, a period which saw the newspaper's influence grow in responsibility and the shaping of events.

During this period Il Progresso worked hard to extend the understanding between Italy and America. It worked to break down the barriers of discrimination, and Il Progresso helped foster an identity of the community. During this period Italian Americans became prouder of their heritage.

Today Il Progresso continues to change with the times. Under its new publisher, I. P. Publications, and its excellent general manager and managing director, Carlo Scarsini and its editor, Andrea Mantineo, Il Progresso is shaping new plans for moving ahead during its second 100 years.

Mr. Speaker, I want to make all Americans aware of the service rendered by this outstanding newspaper. To Il Progresso: You have given your best for 100 years, my best goes to you for another 100 years of service.

Thank you Mr. Speaker.●

VIEWPOINT ON PRESIDENT'S ECONOMIC RECOVERY PROGRAM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● **Mr. BONKER.** Mr. Speaker, when Congress took up the President's economic recovery program, many of us were subjected to a rash of calls and letters from inside and outside our congressional districts to support the the GOP bill.

Taking stock of constituent views on important issues is basic to holding public office in a democracy, but assessing those views can prove to be a difficult and illusive matter. Ultimately, we must vote in a manner that is consistent with our judgment of what is right for our district and the Nation as a whole. As an author and a historian, John F. Kennedy wrote extensively about the subject. In his book, "Profiles in Courage," the former President selected Congressmen who took courageous but unpopular positions which led to their political demise only to be reversed later on.

A thoughtful constituent in a letter to the Daily Olympian, commented on my recent vote against the President's tax bill. Because he expressed a viewpoint that many of us share, I am asking that it be inserted at this point in the CONGRESSIONAL RECORD.

[From the Daily Olympian, Aug. 10, 1981]

HE HAS PRAISE FOR CONGRESSMAN BONKER'S VOTE ON TAX CUT

Editor, the Olympian: I would like to congratulate congressman Don Bonker for recently voting against the president's tax proposal. His decision, despite numerous constituent requests to the contrary, shows extreme political courage.

Bonker, by voting against the apparent will of his constituents, was actually performing his congressional duties in a proper and rational manner. The average constituent does not have the technical expertise required to make specific recommendations on complicated tax proposals. That is why we vote for a congressman—to make the difficult and technical decisions on a myriad of complicated bills before congress.

It appears that the president is attempting to circumvent the power and authority of congress by luring the average American to support him on a specific, complicated piece of legislation. We elected Bonker to represent us and we must trust him to make the proper decision. I believe that Bonker, along with myself, feels that the president's tax cut proposal will not create the positive economic climate that he envisions. The people are only responding to a simplistic, unproven and sugar-coated tax proposal that could further endanger our fragile economy.

What frightens me is that the public, along with Congress, is being lured into a false, overinflated sense of optimism over such an unsound financial tax cut proposal.

In the past we have had deficit budgets because of an overzealous commitment toward social programs. Now the Reagan

economic proposal involves continual federal deficits because of an extreme commitment to defense spending; and to intensify the deficit, the president is suggesting a significant tax cut proposal without substantial incentives for Americans to save and/or invest.

We need lower taxes, but we also need a balanced budget. The Reagan economic plan will insure continual deficit spending by the federal government, and I believe it is for this reason Bonker voted against the President's proposal.

I have voted for a congressman to support and represent me in Congress and to analyze any proposal from the President. I know that many people were swept up by the persuasive charm of the president's tax cut proposal. I am glad that Bonker does not vote on pure emotion, but rather on sound, rational judgment. I believe that Bonker was truly listening to the concerns of all his constituents.

DENNIS MICHAELS,
Olympia.●

LEGISLATION TO ALLOW SUIT FOR WILDCAT STRIKE

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● **Mr. HARTNETT.** Mr. Speaker, today I am introducing legislation that would correct a blatant legal inequity derived from previous congressional action. This same legislation has also been sponsored in the Senate by the distinguished senior Senator from South Carolina, Senator STROM THURMOND.

Recently the U.S. Supreme Court—under section 301(b) of the Labor Management Relations Act—ruled that an employer may not sue his employees for damages arising out of an intentional breach of a collective bargaining agreement by those employees. In other words, when individual employees participate in a wildcat strike in contravention of a no-strike clause contained in a valid contract, they cannot be sued for damages due to their breach of that contract.

The Court stated that section 301(b) of the Labor Management Relations Act, as passed by Congress, only allows suits against the union itself for contract violations, and the union cannot be held accountable for the damages incurred because of a wildcat strike unless the union authorizes or supports the strike. The Court's interpretation was clearly based on what is perceived as the clear intent of Congress.

The result of this law is that an employee may sue the employer for breach of the contract, but the employer may not sue an individual worker for a union-sponsored breach of contract, nor may the employer sue the union members for breaches that the union has not condoned.

The bill which I am introducing will correct this inequity in the current

law by allowing a suit for money damages to be brought against individual officers and members of a labor organization when those individuals, acting in a nonunion capacity and not in behalf of a labor organization, violate a no-strike clause in a collective-bargaining agreement.

There is a definite need to have illegal wildcat strikers made responsible for the consequences of their actions. All other individuals face the possibility of personal liability for damages caused by their intentional acts. Why should individual union employees be exempt from bearing the responsibilities of their actions? Chief Justice Burger in his dissent opinion on this same Supreme Court decision questioned whether Congress intended to authorize this exemption. Justice Burger stated:

It seems to me that, by now, the American labor movement has matured sufficiently so that neither unions nor their members need this kind of paternalistic protection for admittedly illegal acts—a protection contrary to fundamental, centuries-old concepts of individual accountability. The stability of unions and the harmony of industrial relations will be enhanced, not impaired, by applying to union members the same standards of accountability that govern all other individuals in society * * * I submit that if union members understand that where they breach a contract without the approval of their union, individual liability will follow, we will very likely see fewer unauthorized strikes, for union authority will be enhanced and greater industrial harmony will likely result.

I agree with Chief Justice Burger's comments, and urge my colleagues to carefully review this legal injustice.●

SOVIETS UNDERCUT PEACE IN LEBANON

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● **Mr. KEMP.** Mr. Speaker, when we adjourned for recess last month, violence in southern Lebanon was held in check under a shaky ceasefire agreement. Today, that agreement is still in effect, but I fear it is in danger. For there has been no recess in the concerted covert efforts of the Soviet Union to arm terrorist elements in Lebanon for a resurgence and continuation of the violence our diplomatic efforts have sought to defuse.

The following article by nationally syndicated columnist Jack Anderson intelligently documents some of the arms traffic and contacts between the Soviets and the PLO. It is a fresh reminder of the extensive involvement of the Soviet Union in all facets of international terrorism, and of the Soviets' interest in promoting instability and turmoil in the Middle East. And it

is a clear warning that a just resolution of the crisis in Lebanon will never be achieved until Soviet backed foreign elements are forced to withdraw from Lebanon, and to restore to the Lebanese people the sovereign rights and peaceful life they have so long and so wrongfully been denied.

SOVIETS FEEDING WEAPONS TO LEBANON PLO
(By Jack Anderson)

The Kremlin is too busy with its problems in Afghanistan and Poland to risk meddling directly in Lebanon, but intelligence sources have compiled evidence that the Russians have been quietly doing what they can to undermine the fragile ceasefire arranged last July by the special American envoy Philip Habib.

If the Soviets can't ensure victory in southern Lebanon by their client, the Palestine Liberation Organization, they at least intend to see that the PLO is strong enough to hold its own if and when the bitter factional fighting resumes in Lebanon—as most experts gloomily predict it will eventually. So the Russians are approving—if not encouraging—shipments of Soviet arms to the PLO by their Arab allies.

Here's what's been happening since the ceasefire took effect on July 24:

At least five transport planes originating in Libya have flown to Damascus, Syria, carrying some 40 tons of arms and ammunition. Intelligence sources believe the Syrians then delivered the Soviet-made munitions to the Palestinians in southern Lebanon.

In early August, a freighter loaded with arms sailed from Tripoli directly to an undisclosed port in southern Lebanon. A number of ports in the area are believed to be under the PLO's control.

In the past few weeks, five transport planes carrying munitions flew from South Yemen to Damascus. The weapons were believed to be destined for the PLO in Lebanon.

The shipment of arms to Palestinian forces in southern Lebanon has been made possible by the presence of PLO units in the South Lebanon areas nominally under control of the United Nations Interim Force in Lebanon (UNIFIL). At a recent closed-door briefing for Congress, representatives of the Israeli Defense Forces estimated that there are more than 600 Palestinians operating in the UNIFIL area. One State Dept. official put the figure at more than 1,000.

While there is no solid evidence that the Soviets are actively encouraging their Arab clients to rearm the PLO in southern Lebanon, one State Dept. analyst told my associate Lucette Lagnado that "they are not doing anything to stop the shipments," as they easily could.

The Soviets seem determined to strengthen their ties to the PLO. The organization's leader, Yasir Arafat, is expected to travel to Moscow again soon. The PLO's "Voice of Palestine" radio recently claimed that the Russians were on the verge of granting the Palestinians full diplomatic status, with their own mission in Moscow. State Dept. officials are not sure the Kremlin will go that far yet, but do believe the Soviets will grant the PLO diplomatic recognition soon.

Meanwhile, the U.S. has resumed arms shipments to Israel, which is, of course, the mainstay of the anti-PLO forces in southern Lebanon. One purpose, apparently, is to let the PLO and other Arab friends of the Soviet Union know that no matter how strong their Russian arms make them feel, they should not delude themselves into

thinking they can break the truce with impunity.

The Reagan administration is determined to make its hard-won ceasefire work. One way to do this would be to strengthen the 6,000-man UN peacekeeping force that has been in Lebanon since 1978.

The shaky situation in southern Lebanon is sure to be high on the agenda when Israeli Prime Minister Menachem Begin arrives in Washington tomorrow for talks with high U.S. officials. ●

COMPUTER SCIENTISTS PETITION SOVIET UNION FOR REVERSAL OF BRAILOVSKY VERDICT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues action that was taken by the Committee of Concerned Scientists, Inc., to pressure the Soviet Union to release Dr. Viktor Brailovsky.

Dr. Brailovsky, a leader of the emigration movement and cofounder of the Moscow Sunday Scientific Seminar was charged with "defaming the Soviet state" and was sentenced to a 5-year sentence of internal exile. During the IEEE Computer Conference on Pattern Recognition and Image Processing in Texas this August, some 40 scientists drafted a petition calling for Brailovsky's sentence to be changed from internal to external exile. They appealed to Academician A. P. Aleksandrov, president of the Soviet Academy of Sciences to reverse the Brailovsky verdict.

These concerned scientists hope that their petition protest will influence the Soviets to change Brailovsky's sentence. Dr. Brailovsky, an outstanding cyberneticist, has made tremendous contributions to the computer sciences. A reversal of Brailovsky's verdict would be appreciated by men and women of free will around the world.

I sincerely hope that my fellow colleagues will join me in condemning the Soviet treatment of Dr. Brailovsky and in supporting this effort and others to protect human rights and to advance the cause of science.

Mr. Speaker, I ask that the text of the petition drafted by the Committee of Concerned Scientists, Inc., be reprinted in today's RECORD.

Activities at the conference were reported to the Committee of Concerned Scientists, an independent organization representing 4,000 American scientists dedicated to the advancement of human rights and scientific freedom of their colleagues throughout the world.

TEXT OF PETITION

ACADEMICIAN A. P. ALEKSANDROV, President, Academy of Sciences of the U.S.S.R., Leninsky Prospekt 14, Moscow B-71, RSFSR, U.S.S.R.

We the undersigned participants in the IEEE Computer Society Conference on Pattern Recognition and Image Processing, meeting in Dallas, Texas, August 3-5, are deeply dismayed that our esteemed colleague Viktor Brailovsky has been sentenced to five years internal exile. For seeking to exercise his legal right to emigrate, for advocating the right of his fellow Jews "to choose one's country of residence," and for leading the Moscow Sunday Scientific Seminar to overcome the professional isolation imposed on colleagues excluded from official science, Dr. Brailovsky has been adjudged guilty of defaming the Soviet state.

We understand that none of Dr. Brailovsky's activities violated Soviet law. He is being punished for upholding the right to emigrate and for implementing the "free flow of ideas," endorsed by your Government in a succession of international agreements.

Accordingly, we ask that you intervene with the authorities to release Dr. Brailovsky, whose frail health will be further endangered by the rigors of internal exile. Humanitarian considerations dictate that his sentence be changed from internal exile to external exile. Such action will earn the respect of scores of American scientists. ●

TWO HUNDRED YEARS OF PEACEFUL, UNBROKEN FRIENDSHIP

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. VANDER JAGT. Mr. Speaker, on September 3, 1609, Henry Hudson, sailing in the *Half Moon* up the Hudson River almost to what is today known as Albany, N.Y., initiated, unofficially and coincidentally, a thriving, prosperous alliance between the Netherlands and the United States. In 1776, the Netherlands became the first nation to salute and officially recognize the flag of a fledgling new nation, the United States of America. Just 6 years later, the second President of the United States, John Adams, signed the Treaty of Amity and Commerce with the Netherlands, thus beginning officially an international relationship between our two countries which flourishes even today.

During 1982, the United States and the Netherlands will celebrate 200 years of peaceful and unbroken alliance. In countless ways, the Netherlands has contributed to the social, cultural, and economic climate of the United States. During the two decades following the American Revolution, 60 Dutch Americans served in the U.S. Congress. Presidents Martin Van Buren, our 8th President; Theodore Roosevelt, our 26th President; and Franklin D. Roosevelt, our 32d Presi-

dent, can trace their family lineage to Dutch families.

To further the celebration of 200 years of peaceful relations, I am introducing a resolution authorizing the striking of commemorative medals. The striking of the bicentennial anniversary medals will accompany a commemorative stamp, to be offered by both Governments, as well as cultural events throughout the coming year.●

**TOUGH MINDEDNESS, PLEASE
*** ANSWER TO A LIBERAL
RIDDLE**

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. BROYHILL. Mr. Speaker, one of my constituents, Howard Sitler of Taylorsville, N.C., recently shared with me a column, "Tough Mindedness, Please *** Answer to a Liberal Riddle." Mr. Sitler said the editorial was the best he ever expected to see in the Charlotte Observer. I quite agree, although the author, publisher Rolfe Neill, has written a number of editorial columns of equal intelligence and common sense.

Under leave to extend my remarks, I commend the reading of this masterpiece to my colleagues, and I am pleased to reprint it.

TOUGH MINDEDNESS, PLEASE * ANSWER TO
A LIBERAL RIDDLE
(By Rolfe Neill)**

You have to be tough to care. Nobody has a corner on compassion, especially those who claim to.

Can America absorb these thoughts? Act on them? Will the press at last become an instrument of enlarged understanding?

This Sabbath morning no one can answer with certainty. All you can say for sure is that we are a divided nation. Those fed up with 50 years of budget folly are eager to begin correction. The other side, by label called liberal, says Reaganomics is the true folly.

Liberals claim the high ground of morality and concern for the less fortunate. Any person insisting his government spend no more than it takes in is written off as uncaring.

Caring folks are to be found everywhere, irrespective of politics. But caring people known as conservative have the rougher time in our society. Theirs is not a defect of philosophy. The logic of sound budgets is unassailable, but for any detractors we have a half century of malpractice by which to refute them.

PRESS IS LIBERAL

So if the message of caring conservatives is not at fault, what is the difficulty? A substantial problem lies with the method of transmission. These people depend on the newspapers, magazines and TV/radio to make their voices heard. But the majority of the working press has a liberal cant.

Bias shows in small ways such as frequently referring to Sen. Jesse Helms as "ultra-conservative." The same writers would never refer to Sen. Teddy Kennedy as

"ultra-liberal." What's needed in this instance is to drop any characterization, report the action and let the reader apply his own label.

More fundamentally, the working press does not understand numbers very well. There is nothing sexy in them. Arithmetic was harder for us in school than English. So, the press does a poor job of explaining economic stories. Yet, today nearly every story is economic.

There is not any way we could have gotten into our budgetary morass or Social Security maelstrom if the press were writing lucidly about these subjects over the years. We have failed in communication.

ANGRY READERS

The angriest letters I get concern my periodic suggestions to set Social Security straight. The writers are beneficiaries who feel an entitlement. They misunderstand the system that provides for them. They are ignorant of the consequences of continuing our present course. They believe they are getting back what they paid in.

Their outrage should be directed at two groups:

Their politicians who have flimflammed them for decades saying there is a free lunch.

Their press which has inadequately reported the consequences of their politicians' actions.

There are legitimate philosophical differences over the role of government. But obfuscation occurs when the quarrel centers over who is the more compassionate. Nobody can be compassionate when the cupboard is bare. Every temple, church and social agency will tell you that in the end charity is limited by the bank account.

ASK ANY PARENT

Tough mindedness is a key ingredient of caring. Ask any parent who ever disciplined a child. Or any spouse who dealt with an alcoholic or other problem of abuse. To care properly for someone requires more than indulgence. Discipline is essential.

Every compassionate government program is threatened today by accumulated excesses of fiscal profligacy. There is no way—repeat no way—that we can get right in a hurry. Too much must be done. So reacquiring balance will demand a much longer term view than today's American has been taught to consider.

The demands on us, if we wish to retain a government that some day can expand the horizons of the disadvantaged, will not be popular. The demands are self-denial, living on a smaller scale, putting off acquisitions and receiving less from Uncle Sam.

In other words, you have to be tough to care.●

**GAS DEREGULATION NOT IN
PUBLIC INTEREST**

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. DINGELL. Mr. Speaker, at a time when the administration is trying to control inflation by slashing the budgets of important social programs, giving tax breaks to the wealthy and reducing the size of bureaucracy, it is apparently considering a proposal to immediately deregulate natural gas,

which according to the President's own Council of Economic Advisers would give gas producers a windfall of some \$40 billion in profits. Not only would immediate deregulation of natural gas cause substantial sacrifice by consumers who are already hard pressed by higher energy costs, but it would be downright inflationary.

Decontrol of natural gas in 1981 or 1982 is wrong. The existing law, the Natural Gas Policy Act, gradually decontrols natural gas prices each year until 1985. This phased procedure is correct, especially when the alternative of immediate deregulation of natural gas would increase prices to all gas consumers by as much as 50 to 100 percent of the current price.

Carefully phrased proof that immediate deregulation of natural gas is not in the public interest is found in an article which appeared in the August 5 issue of the Washington Star, which I insert into the CONGRESSIONAL RECORD.

GAS DEREGULATION NOT IN PUBLIC INTEREST

(By Paul E. Reichardt)

The national debate continues over whether producer prices for most or all of the nation's supplies of natural gas should be quickly deregulated. A critically important factor seems to have been ignored by those who argue philosophically in favor of immediate, complete decontrol of natural gas wellhead prices. To consider that missing aspect of the controversy, two questions must be answered: what is really in the best interest of the country's gas consumers, and what federal actions are needed to accomplish that objective?

A fundamental principle of utility rate regulation for decades provides an answer for the first question. The public interest is best served by having adequate supplies of energy available for consumers at the lowest price that will allow replacement of those supplies at a pace sufficient to meet users' needs.

The answer to the second question is even clearer. The Natural Gas Policy Act passed by the Congress nearly three years ago has worked well in protecting the public interest. Under its provisions, more gas is available now to markets such as the Washington area, and the dramatically increased rate of exploration for new gas supplies promises growing future additions to the nation's natural gas supply base. Neither congressional nor administrative action is needed to improve on the current outlook for adequate gas supplies at prices which, while higher than in past years, are still lower than the cost of alternative fuels.

Those who propose to change completely the results of 18 months of careful congressional consideration that led up to the enactment of the 1978 law put forth several arguments to support their viewpoint.

One such justification is the claim that immediate gas price deregulation would result in greatly increased drilling, and thus greater gas supplies.

The fact is, though, that drilling and production activities for both oil and gas are now proceeding as fast as possible, with every available drilling crew and rig being pressed into service. Last year, more gas wells were completed than in any previous year, and if the pace of the first part of 1981 holds up for the entire year, new records

should be set for both gas and oil wells this year.

Another rationale of total deregulation advocates is that if the gradual price decontrol provisions of the Natural Gas Policy Act are allowed to remain unchanged until controls on roughly half of the nation's gas supplies are removed by 1985, the difference between gas and alternate fuel prices at that time will be so great that a sudden price "spike" will burden consumers with an even greater overnight increase in their gas bills than deregulation now would cause.

This argument assumes that gas shortages will exist in 1985, with buyers bidding up the prices for newly-deregulated gas supplies and that prices of such competing energy sources as fuel oil and electric power will continue to rise sharply between now and 1985. Neither assumption is supported by recent developments in the worldwide and domestic energy markets.

Complete deregulation of all old and new gas prices now would impose substantial—and quite probably unnecessary—economic burdens on all gas consumers, particularly those with low or fixed incomes. Under total deregulation, home gas bills could rise by anywhere from 50 to 100 percent, and no gas distribution company wants that any more than its customers do.●

SUPPORT GROWS FOR ENTERPRISE ZONES AS STATES ENACT THEIR OWN BILLS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. KEMP. Mr. Speaker, in the 3 months since Representative Bob Garcia and I reintroduced the Urban Jobs and Enterprise Zone Act, we have seen interest in and support for our legislation grow quickly. The bill now has 75 cosponsors, from both parties. The administration has reaffirmed its commitment to the enactment of enterprise zone legislation in this Congress. And, perhaps most gratifying of all, several States have enacted enterprise zone bills of their own.

The Buffalo Courier-Express, in an editorial published August 4, reviewed the progress of State enterprise zone legislation and urged Congress to move forward quickly to enact a national bill. I commend their informative editorial to the attention of all my colleagues.

The article follows:

THE "EZ" WAY

The urban "enterprise zone" concept—"EZ" for short—has caught on so quickly that localities across the country are jumping the gun on pending federal legislation and passing "EZ" bills of their own.

Enterprise Zones are not an American innovation. The idea of stimulating economic renewal in depressed urban areas by encouraging local entrepreneurs through tax and regulatory relief was unveiled before the British Parliament in 1978 by Sir Geoffrey Howe, now Chancellor of the Exchequer in Margaret Thatcher's Conservative government. It was transported to the United States the next year by Dr. Stuart M

Butler, an economist and urban policy specialist for the Heritage Foundation. Several implementing bills were introduced in Congress, notably one sponsored by Rep. Jack F. Kemp, a conservative Republican from Hamburg, and Rep. Robert Garcia, a liberal Democrat from the South Bronx.

The British Parliament created 11 experimental EZ's last November, but Dr. Butler says Sir Geoffrey's vision of "mini-Hong Kongs with bustling small businesses and innovative entrepreneurs" in decaying central cities has somehow gone awry. Several of the sites chosen are in sparsely settled outskirts of cities; one of them on an old industrial park seven miles from the nearest town. Dr. Butler says civil service bureaucrats diluted the daring of the original proposal and the zones threaten to become tax havens for existing businesses, shifting jobs around but not creating them.

Dr. Butler supports Kemp-Garcia, which he says has been fashioned to avoid the British pitfalls. The bill also is supported by President Reagan, President Vernon Jordan of the National Urban League, the NAACP, the National Urban Coalition, and many other urban and business groups. However, it is opposed by the AFL-CIO leadership which attacks the basic concept as aiding "profitable firms" rather than targeting aid more precisely to the poor.

Meanwhile, EZ devotees—impatient to get started and dubious over having their programs controlled from Washington—are pressing ahead at the local level. Eight states already have adopted EZ bills or neighborhood assistance programs with similar business incentives, according to the American Legislative Exchange Council. Connecticut's law offers not only tax incentives and regulatory relief, but \$1,000 grants for each new job created. Florida's benefits include credits against corporate income tax equal to 25 percent of an employee's wages, and a 100 percent 10-year credit for company school taxes. Illinois suspended all zoning and building code requirements, rent controls and licensing rules for companies locating in EZs—and tacked on a \$1,000 state income tax exemption and a break on sales taxes. (An earlier draft would have dropped minimum wage rules and added a right-to-work clause, but these were deleted under pressure from organized labor.) Other states with EZ laws are Delaware, Indiana, Maryland, Oregon and Pennsylvania.

We support the Enterprise Zone concept and have urged passage of Kemp-Garcia this year to get on with the business of stimulating depressed city neighborhoods through the private sector. It would appear, however, that EZs are here to stay no matter what happens in Washington, D.C. And that is encouraging.●

INADEQUATE RESERVE FOR REPAIRS IN CO-OP AND CONDOMINIUM CONVERSION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. ROSENTHAL. Mr. Speaker, I want to call to the attention of my colleagues an article which appeared in New York Magazine dated September 7, 1981. This article addresses the problems resulting from the purchase of condominium or cooperative apart-

ments where the converter provides an inadequate reserve fund for repairs. In the ongoing investigation conducted by the Subcommittee on Commerce, Consumer and Monetary Affairs, which I chair, this problem has been noted repeatedly, especially in the conversion of older buildings from rental to co-op or condo status. Very few States require adequate disclosure of the condition of buildings being converted. New York has one of the best laws, but problems still persist.

The article follows:

REPAIRS RACK CO-OPS WITH INADEQUATE NEST EGGS

Some New York Co-Op owners who were lured into buying by attractively low prices aren't feeling so euphoric these days.

The problem: So-called reserve funds, the building accounts that are supposed to pay for major repairs, are coming up short, leaving apartment owners holding big bills.

"There are several buildings in difficulty," said real-estate lawyer Martin Stamler.

In one Riverside Drive co-op, for example, the \$100,000 reserve fund fell short of paying to repair the leaking roof, and apartment owners were assessed up to \$4,000 each.

Stamler said residents of another Upper West Side co-op are so far in debt from replacing the building's roof, boiler, and plumbing that they are considering having the co-op file for voluntary bankruptcy.

"If they can do that before their creditors foreclose, they can avoid losing their building," Stamler said. He wouldn't identify the co-op.

Most of the buildings in trouble were left with low reserve funds by co-op sponsors who tried to keep down the prices of apartments they were selling.

Though the number of shaky co-ops is small, experts said it's likely to increase.

Landlords of many smaller, dilapidated buildings are said to be trying to push through co-op conversion plans, rather than refinance mortgages under the high interest rates prevailing today.

"Many of these buildings have ridiculously low reserve funds," said Robert Dryfoos, an Upper East Side councilman.

Dryfoos is co-sponsoring city legislation that, among other things, would set a minimum size for reserve funds in buildings going co-op. The proposed minimum: 3 percent of the total selling price of all the apartments in the building.●

RESERVES ON INSTITUTION MONEY FUNDS WOULD HURT BANK TRUST DEPARTMENTS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. VENTO. Mr. Speaker, as a member of the House Banking Committee, I have followed very closely the recent efforts of the banking and thrift industries, both here in Washington and in numerous State legislatures, to place restrictions on money market mutual funds.

I would like to take this opportunity to point out to my colleagues that one particular class of money market funds, the so-called institutional funds, provides an important and highly beneficial service to thousands of bank trust departments across the country. These institutional funds invest the trust assets held by those trust departments at a lower cost and greater efficiency than if the trust departments were to make their own investment decisions.

A fellow Minnesotan and former Director of the Savings Bond Division of the U.S. Treasury, Glen R. Johnson, is the president of a number of institutional funds in the federated group. Mr. Johnson recently submitted a statement to the Senate Banking Committee in which he explained the importance of the function performed by the institutional money market funds in greater detail. His statement was reprinted in the *American Banker*, and I recommend it to my colleagues. The statement follows:

[From the *American Banker*, May 26, 1981]

**RESERVES ON INSTITUTION MONEY FUNDS
WOULD HURT BANK TRUST DEPARTMENTS**

(A top executive of the Federated Group of mutual funds says imposing reserve requirements on institutional money market funds would have an adverse impact on the trust departments that use them. Glen R. Johnson, president of several of the money funds, told Congress recently that the public would suffer from what he called unnecessary Federal regulation. He submitted the following statement to the Senate Banking, Housing and Urban Affairs Committee, which is holding hearings on the money funds.)

Federated currently has 14 MMF's in all, with total assets of approximately \$14 billion.

Over 75 percent of our assets are institutional funds, specifically designed to serve bank trust departments and other institutional investors.

I want to begin my remarks by telling you about a program that we at Federated, in cooperation with the Investment Company Institute and the Independent Bankers Association of America, pioneered to invest our funds' assets in the financial institutions of the cities and towns of America. Charges have circulated widely that money market funds invest only in the top 100 banks—thus concentrate assets in a few financial centers. This could leave little capital for banks in smaller cities and towns where productive, basic economic activity must take place.

We resolved to do something about this. Under Federal regulations which reward creativity and efficiency, we designed a purchase plan for \$100,000 certificates of deposit—those of small- and medium-size banks—that responds to the capital requirements of these financial institutions. So far we have concluded agreements with four banks in various parts of the country to act as coordinating agents to facilitate these purchases.

This program has been very successful. To date, we have placed almost \$70 million in 150 small- and medium-sized banks in this country. These results represent important first steps in this program. We have worked long and hard with banks in many states which are interested in this program.

Very briefly, the program works as follows:

First, our MMF's determine the total size of their desired investment and notify the coordinating agent. Interest rates are matched to the Federal Reserve composite for 90-day certificates of deposit. The coordinating agent canvasses smaller banks in its state which may wish to issue certificates of deposit with the required characteristics. The coordinating agent then provides us with a list of participating issuing banks. The issuing banks mail their certificates of deposit to a designated custodian bank (usually the coordinating agent), which notifies us of their receipt and of the total amount of money to be deposited by us on the settlement day. On the settlement day, the MMF's wire the money to the custodian, which debits the funds' accounts and credits the accounts of the issuing banks. At maturity the custodian credits the MMF's accounts with principal and interest, debits the accounts of the issuing banks, marks the CDs paid and returns them to the issuing banks.

Since the FDIC deposit insurance ceiling is \$100,000 each of our MMF's can purchase only one such CD from each issuing bank at any one time. However, 10 of our MMF's currently can purchase these small bank CDs, so that we can invest up to \$1 million in each institution.

The Independent State Bank of Minnesota, the first banker's bank of its kind, working closely with other banks, will be coordinating offerings for us in additional states in the very near future. Negotiations are also continuing with a number of other prospective coordinating agent banks.

Several other MMF's have begun similar programs of their own. Still more will be amending their prospectuses in the near future to permit such purchases. This program, as it expands and as industry participation increases, will greatly assist smaller financial institutions in meeting demands for housing, small business and agricultural loans.

Incidentally, Federated MMF's are among the largest investors in short-term issues of the Federal Farm Credit Banks and also invest heavily in Federal Home Loan Banks discount notes.

I want to conclude my presentation with a few comments about proposals for more Federal regulation of money market funds—especially our institutional funds. These views are generally representative of the view of other institutional funds.

We oppose additional Federal regulation of our funds. Our unique role in facilitating investments by bank trust departments is of significant value to these trust departments. We operate efficiently and effectively. We enable our clients, especially those very many small trust departments throughout this country, to earn a fair return that keeps pace with inflation.

I would like to describe briefly how our institutional funds operate. I think it will become clear then why restrictions on return or reserve requirements would be counterproductive and unnecessary.

The portfolios of our institutional funds are limited to the types of instruments in which trust departments themselves may invest under fiduciary law. For example, Money Market Trust confines its portfolio to certificates of deposits of banks. The Trust for Short-Term Government Securities limits its portfolio to U.S. Government securities. The Trust for U.S. Treasury Obligations invests only in direct obligations of

the United States, and Federated Master Trust limits its portfolio to commercial paper and masternotes rated A-1 or P-1 by highly qualified rating services.

Our customers can choose an investment that suits their criteria for yield and safety. At the same time, they can invest trust cash in the chosen investment without regard to the size of the trust estate.

We provide our investors with professional management of their trust accounts. The cost is substantially lower than what they would pay to hire staff and purchase equipment needed to make investment decisions.

Our institutional investors move money into and out of our MMF's as required by changing conditions in the financial marketplace. Bank trust officers in particular are under a fiduciary obligation with respect to the monies they control. Telephone redemptions by wire help us help them meet these obligations. In fact, we are now planning to place computer terminals at our client banks, so they may make on-line inquiries and place purchase and redemption orders from their own offices instantaneously.

Now consider what impact a reserve requirement imposed on our institutional funds will have on our bank trust clients. On top of legal and regulatory requirements, an additional burden would be imposed in the form of a reduced yield. Contrary to claims I have heard that reserve requirements on MMF's will help depository institutions, the simple fact is that reserve requirements on institutional funds will hurt by exacting a double penalty. In this day and age, I believe it is scandalous to promote government regulation, especially where we know in advance that regulation will create economic inefficiencies.

There is precedent for the special consideration which must be given to institutional funds. The Federal Reserve Board recognized the unique nature of institutional MMF's in the special credit restraint program, which it instituted in March 1980, under the Credit Control Act of 1969. The Federal Reserve Board's initial regulations required all MMF's to maintain a special deposit with the Federal Reserve equal to 15% of the increase in their total assets after March 15, 1980. However, funds managed by banks and trust companies for the collective investment of trust assets were exempted from such reserve requirements.

Shortly thereafter, Federated requested that the Federal Reserve Board amend its regulations to grant similar exemption for institutional MMF's because they are used almost exclusively by bank trust departments for investing trust cash incidental to the management of trust assets. On March 28, 1980, the Federal Reserve Board did amend the regulations—extending this exemption to the assets of MMF's representing shares held by banks and other fiduciaries investing funds that would be eligible for collective investment by a bank. This change was enacted, in part, to allow small banks to use institutional MMF's in lieu of operating their own short-term investment funds and to avoid a double reserve requirement.

Let me stress, we don't depend on third-party checks for our success. Our major interest in government regulation is preserving the distinction between banks and investment companies. There are sound historical reasons for keeping these two very different businesses separate. These reasons are as important today as they were in the 1930s. Investment companies are fully regulated by the Securities and Exchange Com-

mission. Many details of operation are completely prescribed by that commission. In addition, key information for investors must be divulged. It must be public knowledge.

We believe it is inappropriate to apply banking regulations to the securities and investment business, especially regulations such as reserve requirements. It is absolutely essential to a discussion of reserve requirements that you be always aware that investment companies, such as our money market mutual funds, do not create money through multiplier effect. We do not make loans. We do not offer checking accounts to the public. We have no desire to engage in the depository business.

Federated has worked hard to develop reliable cash management systems which permit timely and economical investment of trust department cash at competitive yields. Restrictions on institutional MMFs such as ours would, by impeding our ability to provide important services to our client banks, burden a multitude of bank trust departments and their trust beneficiaries. The public would suffer again as a result of unnecessary Federal regulation. We oppose such restrictions.●

INDUSTRIAL REVENUE BONDS CAN BE THE MOST POWERFUL ECONOMIC DEVELOPMENT INCENTIVE TO STATE AND LOCAL GOVERNMENTS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. MOAKLEY. Mr. Speaker, recent reports by the press have highlighted the abuses which are occurring with industrial development bonds. While swift action is needed to curtail these abuses, we must use due care and caution to insure that benefits from the responsible use of IRB's continue.

Robert E. Patterson, executive director of the Massachusetts Industrial Finance Agency recently stated in economic development commentary that attention has not been paid to the critical role of IRB's in the growth of smaller companies and the redevelopment of many urban areas. Bob Patterson notes the special significance of this development in times of high and volatile interest rates.

I urge my colleagues to read Mr. Patterson's excellent article which not only explains the present debate, but outlines the progressive way in which Massachusetts has administered the program. The article and accompanying tables follow.

INDUSTRIAL REVENUE BONDS—A COST-BENEFIT ASSESSMENT

(By Robert E. Patterson)

Industrial revenue bonds have been subjected to a lot of harsh criticism lately. Stories are told and retold about how IRBs finance fast food chains, regional shopping malls, even topless bars. Newspapers cite bil-

lions of dollars in federal tax revenues lost because of IRBs.

The media have paid little attention, however, to the critical role of IRBs in the growth of smaller companies and the redevelopment of many urban areas. This role has been especially important during the past two years of the highest and most volatile interest rates in the nation's history. By cushioning the inflation-induced shock of escalating interest rates on expanding smaller companies and real estate developments, IRBs have enabled these projects to go forward.

Yet, because recent publicity has focused on foregone federal tax revenues and the few sensational uses of IRBs for controversial commercial developments, Congress is now searching for ways to control IRBs. The House Ways and Means Subcommittee on Oversight asked the Congressional Budget Office to prepare a report on IRBs, which was issued last April. The Subcommittee held hearings only two weeks later and has been considering a number of measures to limit the IRB program.

But before draconian restrictions are enacted, the IRB debate should be put in perspective. There is more to this issue than has been reported in articles with such catchy titles as "The Burger Bond" and "Topless and Tax Free."

INCREASING IRB VOLUME

An IRB is a tax-exempt bond issued by a state, county or local governmental authority to help private employers invest in fixed assets such as plant and equipment. Current federal law requires that the bond's proceeds be used for land or depreciable assets by a trade or business. Because of the bond's tax-exempt status, the lender, typically a bank, can lower the interest rate on the loan, usually to 60 to 75 percent of the prime lending rate.

No firm is eligible for IRB financing if its capital expenditures in the community exceed \$10 million for three years before and three years following issuance of the bond. This capital expenditure limit—originally set at \$5 million when it was adopted by Congress in 1968—was designed to focus IRBs, on smaller companies and projects.

It is true that the volume of IRBs nationwide has risen sharply in recent years. The doubling of IRB volume in a single year—from \$3.5 billion in 1978 to \$7.1 billion in 1979—is not at all surprising, however. What is surprising is that the volume did not increase even more, given the fact that in 1978 Congress (a) doubled the capital expenditure limit for eligible companies from \$5 million to \$10 million and (b) granted a special \$20 million limit for projects assisted with an Urban Development Action Grant.

Moreover, the increase in IRB volume must be considered against the inflationary pressures of recent years. The tremendous rise in interest rates, for example, has had its harshest effect on real estate development and highly leveraged smaller companies, which naturally turned in desperation to IRBs to finance their growth.

Furthermore, inflation has vastly reduced the window of eligibility for IRBs. In fact, although Congress raised the capital expenditure limit from \$5 million to \$10 million, today \$10 million will buy less plant and equipment than \$5 million did in 1968. For example, the widely advertised 1980 IRB volume of \$8.4 billion is equivalent to only \$3.7 billion in constant 1968 dollars!

In large measure it is inflation, not overzealous state and local development officials, that is responsible for the nationwide increase in IRBs.

COST OF IRBS

Most newspaper accounts carried the Congressional Budget Office's projections of the cost of industrial revenue bonds to the federal government as \$2.9 billion to \$4.4 billion for fiscal year 1986. Overlooked in the media, although clearly noted in the CBO report, was another projection: if all IRBs were eliminated on July 1, 1981, the net revenue gain to the federal Treasury would be only \$2 billion in 1982, rising slowly to \$7 billion in 1986 (see Table 1).

The CBO report also stated a number of other important, although often overlooked, facts:

Despite fears that IRBs have substantially raised the cost of borrowing for state and local governments, in recent years the relative difference between tax-exempt and taxable interest rates has actually widened to 40 percent from the historic 30 percent.

TABLE 1.—REVENUE GAINS RESULTING FROM ELIMINATION OF SMALL ISSUE IRB'S

(In billions of dollars)

Fiscal year	Gross revenue gain ¹	Feedback ²	Net revenue gain
1981.....	0.0	0.0	0.0
1982.....	0.3	0.1	0.2
1983.....	0.7	0.2	0.5
1984.....	1.1	0.5	0.6
1985.....	1.4	0.9	0.5
1986.....	1.8	1.1	0.7

¹ Effective July 1, 1981. Applies only to new issues after that date.
² Feedback = Federal revenue loss caused by decreased investment as a result of elimination of IRB's.

Source: Congressional Budget Office. Small Issue Industrial Revenue Bonds, Washington, D.C., 1981.

In other words, tax-exempt interest rates have not risen as rapidly as taxable rates in spite of the inflation of recent years. It is hard to believe, therefore, that IRBs have had a serious negative effect on state and municipal borrowing, particularly since the projects financed by IRBs add to state and local tax revenues.

IRBs are used overwhelmingly by smaller companies. The CBO reported that over 90 percent of all firms using IRBs in 1978 and 1979 were not listed on any national or regional stock exchange. These companies, therefore, depended on local lenders for their borrowed capital. For some 8,000 IRBs issued in those two years, the CBO noted that only 7 percent were for "Fortune 1000" firms.

In other words, the restriction adopted in 1968 to limit IRBs to smaller companies has done exactly that. In 1967, the average bond issue was \$7.8 million, leading to the 1968 reform. In 1980, the average IRB was \$1.3 million—one-sixth the size of the average 1967 bond, despite the doubling of prices during that period.

By the CBO's own estimate, if the law governing IRBs does not change in the next five years, IRBs issued in 1986 will create over \$4 billion of additional Gross National Product (see Table 2). This increased GNP will include \$2.2 billion in additional private wages and salaries—enough to employ 150,000 people at \$15,000 a year.

TABLE 2.—IRB-GENERATED INCREASES IN INVESTMENT, GNP, INCOME AND FEDERAL REVENUE

[In billions of dollars]

Year ¹	Investment	GNP	Taxable incomes			
			Wages and salaries	Nonwage income	Corporate profits	Federal revenues ²
1981	0.02	0.03	0.02	0.00	0.00	0.00
1982	0.23	0.38	0.19	0.07	0.04	0.06
1983	0.69	1.21	0.62	0.23	0.11	0.23
1984	1.24	2.36	1.21	0.43	0.22	0.50
1985	1.75	3.61	1.84	0.65	0.34	0.84
1986	1.78	4.28	2.20	0.77	0.40	1.12

¹ Calendar years.² Fiscal years.

Source: Congressional Budget Office, Small Issue Industrial Revenue Bonds, Washington, D.C. 1981.

If the 1986 cost of IRBs to the federal taxpayer, again by the CBO's estimates, is \$700 million, then the CBO's numbers make IRBs the federal government's cheapest employment-producing program, at less than \$5,000 per job.

Nor is the CBO report the only word on the cost of IRBs. A recent study by University of Chicago Business School economist Roger Kormendi, sponsored by the Massachusetts Industrial Finance Agency and the Small Business Foundation of America, concluded that the CBO's revenue loss estimates are six times greater than the actual loss to the federal government.

Kormendi based his conclusions and his testimony before the Oversight Subcommittee on assumptions about the behavior of lenders that seem more realistic than those used by the CBO. Both the Treasury and CBO assume that if IRBs were eliminated, lenders would replace tax-exempt IRBs with taxable loans. But Kormendi reasoned that lenders would not substitute taxable income for tax-exempt income because the combination of inflation and high taxes would destroy their capital.

For example, a lender in the 50-percent tax bracket who earned 15-percent interest in 1980 paid half that interest to the federal government, for a net return (ignoring state and local taxes) of 7.5 percent. Since inflation in 1980 was 12.8 percent, however, the lender actually lost 5.3 percent of his capital.

To at least keep even with inflation, Kormendi noted, investors would continue to put their funds into investments that are taxed at lower marginal tax rates—equity, real estate or "collectables," for example—rather than into investments yielding taxable income. In reality, therefore, the Treasury loses little revenue when IRB volume increases since most IRB investors are drawn from alternate investments on which they would pay little or no income tax in any event.

In addition, if IRBs were eliminated and borrowers forced to pay higher interest rates, then borrowers would have increased deductions for these higher interest costs. Thus, the federal government would be gaining more revenue because of increased taxes on lenders while simultaneously losing revenue because of increased deductions for borrowers' higher interest costs. Even the CBO admitted that such an effect is real but declined to estimate its impact.

The net effect of these adjustments, according to Kormendi, is a gross loss to the federal Treasury of about one-sixth the magnitude estimated by the CBO. When the CBO's own estimates of increased federal revenues from private investment stimulated by IRBs are added to Kormendi's estimates, the IRB program may actually produce revenue gains for the Treasury.

Although this result might seem surprising, it is hardly an outrageous idea. The same conclusion was reached in a 1980 study of IRBs by Dr. Norman Ture, then a private consultant and currently Under Secretary of the Treasury for Tax Policy.

THE CONTROVERSY

If the cost to the federal government is not the issue, what then is all the fuss about? The controversy reflects an aura of widespread abuse combined with the longstanding opposition of some Congressional and Treasury staff to tax-exempt bonds generally. Recent efforts to stamp out the tax-exemption have included the taxable bond option for all state and municipal bonds, and last year, the successful attempt to nearly eliminate mortgage revenue bonds for single-family housing.

This year's attack on industrial revenue bonds has been aided by ample publicity of a few sensational projects, such as a country club, one go-go bar and a few national retail chains such as McDonald's and K-Mart. Indeed, it is the lack of a true consensus on the appropriate use of industrial revenue bonds that has given the opponents of tax-exempt bonds the opportunity to build a full head of steam which threatens to restrict or eliminate IRBs.

State and local development officials are often at odds over the appropriate use of IRBs. Most share a general view that small issue industrial revenue bonds should be used by smaller industrial enterprises financing plant and equipment to add jobs and increase employee efficiency. While the CBO report indicates that most IRBs, even in recent years, have in fact been used for this type of project, it also points out that there has been a recent increase in IRBs for commercial real estate development projects. It is these commercial projects that are creating the trouble.

In many localities, IRBs are being used to finance regional shopping malls and other suburban real estate projects that pose difficult choices for established downtown merchants. Either they can remain downtown while retail traffic is being drawn to the new mall by a powerful anchor store (to whom the developer has in some cases literally given away the store), or they can follow their customers to the mall and pay dramatically increased rents. In most cases, merchants cannot stop these malls on the basis of zoning or other land use control laws, so the IRB provides a focus for attacking the mall.

In Massachusetts and many other states, this type of real estate development is not eligible for IRB assistance. Commercial properties in Massachusetts receive such assistance only if they will contribute to the revitalization of a distressed commercial center. Focusing commercial IRBs on city and town centers has become a very impor-

tant link in the state's expressed policy of reviving its downtowns. Massachusetts adopted this Commercial Area Revitalization District program for commercial IRBs because the executive and legislative branches recognized in 1978 that such a use of IRBs would reinforce an important public purpose for the state.

The public purpose for which IRBs of all types are issued is at the heart of the IRB controversy. State and local officials concerned with economic development, particularly urban development, simply must become more involved in determining the appropriate public purpose of IRBs, especially for commercial projects.

When one considers that the \$8.4 billion of IRBs issued in 1980 is exactly twice the FY82 proposed Community Development Block Grant appropriation (including the UDAG program), it becomes obvious that IRBs are too critical an incentive to be taken for granted. Appropriately targeted, IRBs can be a state's most powerful and flexible tool. Left untargeted, commercial IRBs threaten to destroy the entire program.

POSSIBLE RESTRICTIONS

Without appropriate targeting, sooner or later the opponents of tax-exempt financing will succeed. Congress will eventually force states to target or will impose its own restrictions. No one federal definition of "distress" will satisfy everyone, but federally imposed limits are inevitable unless states prove themselves willing to tighten their public purpose requirements.

Particularly dangerous is the proposal to force states to better articulate public purpose by placing a dollar limitation on the IRBs a state can issue in a given year. This proposal has broad appeal at the federal level because it is simple, it sidesteps difficult choices, and it was recently used to nearly eliminate mortgage revenue bonds. Despite its simplicity, however, this type of restriction could be devastating.

For example, limiting IRBs to \$50 per capita in each state would favor states with growing populations. Some 16 states would be forced to reduce their 1980 levels of IRBs; the 10 states that stand to lose the most are listed in Table 3. If such a restriction were enacted, firms that were unable to obtain IRB financing because a state had reached its limit could turn to another state for low-interest financing. Frostbelt states, which issued two-thirds of all IRBs in 1979 and which are already suffering from loss of industry and population, could ill afford such a disincentive.

In addition to accelerating the movement of business away from distressed areas of the country, a state cap on IRBs would pit big business against small business, and suburban areas against rural areas. Many states

would need special legislation merely to continue issuing IRBs, and the political pressures would be a nightmare.

Before Congress adopts a state cap or any other major limitation, it should carefully examine the likely consequences of such actions. It is hard to understand the rush to limit IRBs when an analysis of the CBO's position shows that eliminating all commercial IRBs would save only \$40 million to \$50 million in FY82—hardly a significant amount in a budget of \$695 billion.

THE MASSACHUSETTS EXPERIENCE

In Massachusetts, IRBs have helped smaller companies to own their own plants. The bonds have provided a way for small firms to finance these facilities on reasonable terms at a time when thrift institutions have been pushed out of the market and commercial banks have moved to floating rates and shorter maturities. Unlike larger corporations and developers, smaller companies generally do not have easy access to the country's large institutional long-term lenders.

The Massachusetts Industrial Finance Agency (MIFA), an independent state agency that administers IRBs for the Commonwealth of Massachusetts and provides loan guarantees for small companies, has assisted more than 600 firms in its first two years of operation. Over half these companies had annual sales under \$5 million, and three-fourths had sales under \$20 million.

The Hub Mail Company is typical of the many firms that have indicated how essential MIFA's financial assistance was to their expansion. A direct mail service company, Hub employed some 200 workers, earning an average of \$7 per hour, in an old multi-story building in downtown Boston. When its lease expired two years ago, the company wanted to purchase more efficient space in the city close to its labor supply. After an extensive search, Hub Mail settled on two vacant buildings in Columbia Point, a particularly distressed area of the city.

In his testimony to the Oversight Committee, Hub Mail President Walter S. Bernheimer II described the plight of his company: "Unfortunately, Hub Mail, like many smaller companies, was undercapitalized. We lacked sufficient internal funds to finance the expansion. As inflation drove interest rates higher and higher (and this was only the spring of 1979), and since we could only put down a modest down payment, all the lenders we approached declined to finance the acquisition of the Columbia Point facility with a conventional long-term mortgage."

The IRB loan and a long guarantee from MIFA enabled Hub Mail to hire 45 additional employees in a depressed urban setting that is accessible to public transportation. According to Bernheimer, "It is not at all an understatement to say that none of this would have happened without industrial revenue bonds."

TABLE 3.—EFFECTS OF \$50 PER CAPITA IRB STATE CAP

[States that would lose the most]

State	1980 population	In millions of dollars				Percentage loss
		IRB's issued 1980	IRB's per capita 1980	IRB issues under \$50 per capita State cap	Loss compared with 1980 IRB's	
Pennsylvania	11,866,700	\$1,639.1	\$138.1	\$593.3	—\$1,045.8	64
Minnesota	4,077,100	396.0	97.1	203.9	—192.1	49
Mississippi	2,520,600	239.3	94.9	126.0	—113.3	47
Oklahoma	3,025,300	276.3	91.3	151.3	—125.0	45
Wyoming	470,800	37.2	79.0	23.5	—13.7	37
New Jersey	7,364,200	578.0	78.5	368.2	—209.8	36
Indiana	5,490,200	386.1	70.3	274.5	—111.6	29
Ohio	10,797,400	724.2	67.0	539.9	—184.3	25
Rhode Island	947,200	63.1	66.6	47.4	—15.7	25
Massachusetts	5,737,000	369.2	64.4	286.9	—82.3	22

Source: Population data from U.S. Bureau of Census of Population: 1980, all other data from Congressional Budget Office.

BUDGET COMMITTEE EARLY WARNING REPORTS

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. JONES of Oklahoma. Mr. Speaker, the week the House of Representatives is scheduled to vote on two appropriation bills that provide spending for fiscal year 1982—Commerce, State, Justice, Judiciary, and Transportation. I have asked the staff of the Budget Committee to continue the briefings that have been provided in the past to members of the Budget Committee and the House. The following materials factually compare the total amount of spending and credit provided in these bills with the targets for such spending and credit that resulted from congressional approval of the first budget resolution for fiscal

year 1982. I intend to insert into the CONGRESSIONAL RECORD these staff analyses, and analyses of all other appropriations, entitlement, or revenue bills as they are scheduled for floor action. It is my hope to provide these "Early Warnings" to interested Members every Monday. I believe that it is very important for the House to have information that compares such bills to the budget resolution—achievement of the resolution spending targets is not likely to occur unless the Members are clearly aware of the budget impact of their votes.

EARLY WARNING—HOUSE BUDGET COMMITTEE
H.R. 4169, FISCAL YEAR 1982 DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

This bill is on target for discretionary spending.

Staff analysis

Committee: Appropriations.
Subcommittee: Commerce, Justice, State, Judiciary.

Chairman: Mr. Smith (Iowa).

Ranking minority member: Mr. O'Brien (Illinois).

Scheduled: Wednesday, September 9, 1981.

I. Description of bill

This bill provides funds for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for fiscal year 1982.

The bill as a whole is equal to the 302(b) target for this subcommittee on budget authority and \$18 million below in outlays (the sum of lines 5 and 12 below). If amounts assumed in the Budget Resolution but not yet considered are added, and mandatory programs are "fully funded", the subcommittee could be over its targets by \$129 million in budget authority and \$101 million in outlays (the sum of lines 7 and 14).

II. Comparison with target for discretionary appropriations action

Pursuant to the Budget Act and HBC scorekeeping, the subcommittee has two targets: one for discretionary programs and one for mandatory programs. Since the Ap-

proportions Committee is bound by existing entitlement law, it generally cannot effectively change the amounts required for the funding of mandatory programs. Its target for discretionary programs is therefore the main focus for this Early Warning report. Further, if the conference report on this appropriation bill exceeds the target for discretionary budget authority, the bill will be subject to the "delayed enrollment" provision of Section 305 of the fiscal year 1982 First Budget Resolution. As shown on line 7 below, the bill plus discretionary amounts not yet considered is equal to its 302(b) target for discretionary budget authority and under its outlay target by \$253 million in outlays.

III. Summary table

(In millions of dollars)

	Budget authority	Outlays
The amounts shown below are only for discretionary 1982 spending in this bill:		
1. Discretionary amounts in bill.....	8,592	6,600
2. Prior action.....		
3. Total action to date.....	8,592	6,604
4. 302(b) target.....	8,592	6,853
5. Over (+)/under (-).....		-253
6. Amounts assumed but not yet considered.....		
7. Over (+)/under (-).....		-253
The amounts shown below are only for mandatory appropriations included in this bill:		
8. Mandatory amounts in bill.....	163	156
9. Prior action.....		3,157
10. Total.....	163	3,313
11. 302(b) target.....	163	3,078
12. Over (+)/under (-).....		+235
13. Supplemental amounts needed.....	129	124
14. Over (+)/under (-).....	+129	+359

IV. Explanation of over/under

Despite the fact that the House Budget Committee is unable to give a definitive answer to the question of where a particular bill is over or under its 302(b) allocation, it does compare the items in a bill to the assumptions contained in the Budget Resolution. It is important to note that the line item assumptions in the Budget Resolution are not binding on a committee. A list of the major areas where this bill differs from the Budget Resolution follows:

Department of State's conduct of foreign affairs is below Resolution assumptions by \$64 million in budget authority and \$29 million in outlays.

International Communications Agency radio facilities is below Resolution assumptions by \$56 million in budget authority.

Economic Development Administration (EDA) assistance program is above Resolution assumptions by \$157 million in budget authority and \$3 million in outlays.

Small Business Administration (SBA) disaster relief fund is above Resolution assumptions by \$87 million in budget authority and \$25 million in outlays.

Payment to the Legal Services Corporation is above Resolution assumptions by \$141 million in budget authority and \$107 million in outlays.

Office of Justice Assistance Research and Statistics is above Resolution assumptions by \$74 million in budget authority and \$14 million in outlays.

Amounts assumed in the Budget Resolution but not yet considered (line 13) consists entirely of funding for the October 1 pay raise. It is this item which causes the mandatory total to be exceeded; the target

seems not to make an allowance for this pay raise.

V. Comparison with the President

This bill is below the President's requests for discretionary items in the bill by \$5 million in budget authority and \$251 million in outlays.

VI. Credit

The Budget Resolution contains non-binding targets for credit program amounts. This is the First year that there has been a credit scorekeeping system. There is no 302(a) and 302(b) allocation for credit program limitations. For comparative purposes only, the table below shows the bill and First Budget Resolution assumptions.

(In millions of dollars)

	Direct loan obligations	Primary guarantee commitments	Secondary guarantee commitments
1. Credit program limits in the bill.....	30	38	
2. Programs assumed to be limited in the resolution but not acted upon in bill.....	1,008	1,572	
3. Credit programs not subject to limit.....	1,794	-295	
4. Total in bill.....	1,832	5,468	
5. Budget Resolution assumptions.....	1,280	7,169	
6. Over (+)/Under (-).....	+552	-1,701	

¹ Committee report language provided a rationale for increasing or decreasing estimates of credit programs not subject to limit.

The Commerce-Justice-State Subcommittee included no credit limitations in this bill. All of the differences in this subcommittee allocation from the Budget Resolution involve SBA programs. Comments on the differences included in the report are summarized below:

Disaster loan fund is estimated to support \$734 million in new direct loans from \$87 million in new capital appropriated, repayments, carryover, and sale of assets. The resolution included a proposed limitation of \$440 million for disaster loans.

Pollution control equipment contract guarantees were increased by the Omnibus Budget Reconciliation Act of 1981 to \$250 million, an amount above both the President's budget and the amount currently authorized for the program.

Business loan and investment fund guarantees are assumed in the report language to be at the level requested by the President. The report states that limitation "language is not necessary since these levels are consistent with the revised authorization for SBA for fiscal year 1982 contained in the Omnibus Budget Reconciliation Act of 1981 as passed by the House."

Surety bond guarantees are assumed in the report to be at \$1.2 billion. Again, the committee did not include a limitation since the program level was consistent with the revised authorization in the Omnibus Reconciliation Act of 1981.

VII. Amendments

None known at this time.

VIII. Definitions of terms in summary table, section III

Line 1. Discretionary amounts in bill: discretionary FY 1982 appropriations in H.R. 4169.

Line 2. Prior action: the FY 1982 budget authority and outlays for this subcommittee that were appropriated in prior bills.

Line 3. Total action to date: line 1 plus line 2.

Line 4. 302(b) target: the target for discretionary appropriations for this subcommittee

tee set by the Appropriations Committee pursuant to the Budget Act.

Line 5. Over (+)/Under (-): line 3 minus line 4.

Line 6. Amounts assumed but not yet considered: these are amounts assumed in the fiscal year 1982 Budget Resolution for which funding has been deferred by the Appropriations Committee, probably until next Spring's supplemental appropriation bill.

Line 7. Over (+)/Under (-): line 5 plus line 6.

Line 8. Mandatory amounts in bill: funding for mandatory programs (entitlements).

Line 9. Prior action: outlays from budget authority enacted for years prior to fiscal year 1982, plus any permanents assigned to the Appropriations Committee.

Line 10. Total: line 8 plus line 9.

Line 11. 302(b) target: the target for mandatory amounts for this subcommittee set by the Appropriations Committee. The target set by the Appropriations Committee includes the effect of assumed authorizing legislation that would change the level of mandatory programs.

Line 12. Over (+)/Under (-): line 10 minus line 11.

Line 13. Supplemental amounts needed: amounts for any new entitlement legislation assumed in the Budget Resolution, for the October 1 pay raise, and to fund mandatory items in the bill at the level estimated in the Budget Resolution.

Line 14. Over (+)/Under (-): line 12 plus line 13.

EARLY WARNING HOUSE BUDGET COMMITTEE

H.R. 4209, FISCAL YEAR 1982 DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

This bill is under its targets for discretionary spending.

Staff analysis

Committee: Appropriations.

Subcommittee: Transportation.

Chairman: Mr. Benjamin (Indiana).

Ranking Minority Member: Mr. Coughlin (Pennsylvania).

Scheduled: Wednesday, September 9, 1981.

I. Description of bill

This bill provides funds for the Department of Transportation and related agencies for fiscal year 1982.

The bill as a whole is under the 302(b) targets for this subcommittee by \$734 million in budget authority and \$42 million in outlays (the sum of lines 5 and 12 below). If amounts assumed in the Budget Resolution but not yet considered are added, and mandatory programs are fully funded, the subcommittee could be under its targets by \$675 million in budget authority and \$15 million in outlays (the sum of lines 7 and 14).

II. Comparison with target for discretionary appropriations action

Pursuant to the Budget Act and HBC scorekeeping the subcommittee has two targets: one for discretionary programs and one for mandatory programs. Since the Appropriations Committee is bound by existing entitlement law, it generally cannot effectively change the amounts required for the funding of mandatory programs. Their target for discretionary programs is therefore the main focus for this Early Warning report. Further, if the conference report on this appropriation bill exceeds the target for discretionary budget authority, the bill will be subject to the "delayed enrollment"

provision of Section 305 of the fiscal year 1982 First Budget Resolution. As shown on line 7 below, the bill plus discretionary amounts not yet considered is below its 302(b) target for discretionary action by \$734 million in budget authority and \$149 million in outlays.

III. Summary table

[In millions of dollars]

	Budget authority	Outlays
The amounts shown below are only for discretionary 1982 spending in this bill.		
1. Discretionary amounts in bill	10,598	6,561
2. Prior action		
3. Total action to date	10,598	6,561
4. 302(b) target	11,332	6,710
5. Over (+)/Under (-)	-734	-149
6. Amounts assumed but not yet considered		
7. Over (+)/Under (-)	-734	-149
The amounts shown below are only for mandatory appropriations included in this bill.		
8. Mandatory amounts in bill	337	332
9. Prior action	166	13,200
10. Total	503	13,532
11. 302(b) target	503	13,425
12. Over (+)/Under (-)		+107
13. Supplemental amounts needed	59	57
14. Over (+)/Under (-)	+59	+164

IV. Explanation of over/under

Despite the fact that the House Budget Committee is unable to give a definitive answer to the question of where a particular bill is over or under its 302(b) allocation, it does compare the items in a bill to the assumptions contained in the Budget Resolution. It is important to note the line-item assumptions in the Budget Resolution are not binding on a committee. Although within the totals requested by the Administration and assumed in the Budget Resolution for this bill, the bill makes several changes among funding priorities including:

Reduction of \$119 million in budget authority and an increase of \$40 million in outlays for Federal Railroad Administration rail service assistance program.

A reduction of \$420 million in budget authority and \$320 million in outlays for the purchase of Consolidated Rail Corporation (ConRail) securities. The Committee has not received a budget request nor does it recommend additional funding to support the operation of ConRail; the Committee anticipates that \$242 million of the \$485 million appropriated for operating expenses in fiscal year 1981 will be sufficient to finance operations through fiscal year 1982.

An increase of \$97 million in budget authority and \$152 million in outlays for AMTRAK.

An increase of \$36 million in budget authority and \$385 million in outlays for Urban Mass Transportation Administration (UMTA).

An increase of \$200 million in budget authority and \$33 million in outlays for interstate highway transfer grants.

A decrease of \$215 million in budget authority and \$32 million in outlays for the Appalachian highway system which is maintained in the Energy and Water Appropriation bill.

A decrease of \$96 million in budget authority and \$21 million in outlays for the facilities and equipment aviation account.

For mandatory items, the bill plus assumed "full funding" of mandatory items would be over its budget authority target only because the target seems not to make an allowance for the civilian agencies pay raise that will become effective this October.

V. Comparison with the President (discretionary amounts only)

This bill is below the President's requests for discretionary items in the bill by \$7 million in budget authority and over by \$12 million in outlays.

VI. Credit

The Budget Resolution contains only non-binding targets for credit program amounts. This is the first year that there has been a credit scorekeeping system. There is no 302(a) and 302(b) allocation for credit program annual limits. For comparative purposes only, the table below shows the bill and the First Budget Resolution assumptions.

[In millions of dollars]

	Direct loan obligations	Primary guarantee commitments	Secondary guarantee commitments
1. Credit program limits in the bill		445	3
2. Programs assumed to be limited in the resolution but not acted upon in bill			
3. Credit programs not subject to limit	291	-291	
4. Total in bill	291	154	3
5. Budget Resolution assumption	291	129	3
6. Over (+)/under (-)		+25	

The Transportation Subcommittee total limitations proposed for guarantee programs (in this bill) exceed the Budget Resolution by \$25 million. The Transportation Subcommittee set limitations for guarantee programs that differed from the resolution as follows:

Aircraft purchase loan guarantees are limited to \$125 million, \$75 million above the

resolution, but a 50 percent cut from the 1981 level. The Committee expressed concern that an abrupt termination of the program would adversely affect carriers which had made investments based on the availability of guarantees.

Railroad rehabilitation and improvement financing fund guarantees are limited to \$270 million, \$50 million below the resolution. The Committee noted that the largest pending loan guarantee application had been withdrawn.

VII. Amendments

None are certain to be offered.

VIII. Definitions of terms in summary table, section III

Line 1. Discretionary amounts in bill: discretionary fiscal year 1982 appropriations in H.R. 4209.

Line 2. Prior action: the fiscal year 1982 budget authority and outlays for this subcommittee that were appropriated in prior bills.

Line 3. Total action to date: line 1 plus line 2.

Line 4. 302(b) target: the target for discretionary appropriations for this subcommittee set by the Appropriations Committee pursuant to the Budget Act.

Line 5. Over (+)/Under (-): line 3 minus line 4.

Line 6. Amounts assumed but not yet considered: these are amounts assumed in the fiscal year 1982 Budget Resolution for which funding has been deferred by the Appropriations Committee, probably until next Spring's supplemental appropriation bill.

Line 7. Over (+)/Under (-): line 5 plus line 6.

Line 8. Mandatory amounts in bill: funding for mandatory programs (entitlements).

Line 9. Prior action: outlays from budget authority enacted for years prior to fiscal year 1982, plus any permanent assigned to the Appropriations Committee.

Line 10. Total: line 8 plus line 9.

Line 11. 302(b) target: the target for mandatory amounts for this subcommittee set by the Appropriations Committee. The target set by the Appropriations Committee includes the effect of assumed authorizing legislation that would change the level of mandatory programs.

Line 12. Over (+)/Under (-): line 10 minus line 11.

Line 13. Supplemental amounts needed: amounts for any new entitlements legislation assumed in the Budget Resolution, for the October 1 pay raise, and to fund mandatory items in the bill at the level estimated in the Budget Resolution.

Line 14. Over (+)/Under (-): line 12 plus line 13.

1982 APPROPRIATIONS BILLS—ACTION TO DATE, AS OF SEPTEMBER 7, 1981

Appropriation bill	Bill number	House action		Senate action		Conference action agreed to		Date approved	Public law
		Reported	Passed	Reported	Passed	House	Senate		
Agriculture	H.R. 97-4119	July 9	July 27						
Commerce-State-Justice	H.R. 97-4169	July 16							
Defense									
District of Columbia									
Energy-water	H.R. 97-4144	July 14	July 24						
Foreign operations									
Housing and urban development	H.R. 97-4034	June 25	July 21	July 23	July 31				
Interior	H.R. 97-4035	June 25	July 22	July 23					
Labor-HEW									
Legislative	H.R. 97-4120	July 9							
Military Construction	H.R. 97-4241	July 23							
Transportation	H.R. 97-4209	July 17							
Treasury-Postal	H.R. 97-4121	July 9							
Supplemental, 1981	H.R. 97-3512		May 13	May 14	May 21	June 4	June 4	June 5	Public Law 97-12

1982 APPROPRIATIONS BILLS—ACTION TO DATE, AS OF SEPTEMBER 7, 1981—Continued

Appropriation bill	Bill number	House action		Senate action		Conference action agreed to		Date approved	Public law
		Reported	Passed	Reported	Passed	House	Senate		
HHS urgent supplemental	H.J. Res. 97-308	July 23	July 23	July 23	July 23	July 23	July 23	July 23	
Summary to date		(9+2 Supp)	(8+2 Supp)	(2+2 Supp)	(2 Supps)	(2 Supps)	(2 Supps)	(2 Supps)	(Supp)

LEGAL SERVICES FUNDING

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. MOORE. Mr. Speaker, today I voted against the amendment by the gentleman from Wisconsin (Mr. SENBRENNER) to delete \$241 million from H.R. 4169 thereby denying any funds for the Legal Services Corporation for the fiscal year beginning October 1, 1981. In doing so, I want to have it clearly made known that I do not necessarily support the Legal Services Corporation. I do believe it is the responsibility of Government to provide basic legal advice and service to indigent Americans who otherwise would not receive it due to inability to pay for it.

On June 18, I voted for H.R. 3480 as a means to authorize the identical amount appropriated today for the Legal Services Corporation. On page E3062 of the CONGRESSIONAL RECORD of that date, I submitted remarks consistent with these to include a statement of support for Legal Services functions under block grant formula as had been anticipated at that time. Events which followed did not find funds for the Legal Services Corporation being transferred to a block grant during the budget reconciliation process ultimately producing Public Law 97-35 as a means to achieve some \$130 billion in budget savings over the next 3 years.

As the functions of the Legal Service Corporation were not folded into a block grant, this gives us a situation today of having the Legal Services Corporation as the only available conduit of Government aid for basic legal service for the indigent. If such aid is not provided here, it is not provided at all. I cannot agree with voting for this amendment under this situation. I will join in the pursuit of delivery of legal services under a block grant formula when given the opportunity to do so, but for the moment this choice is not available.●

ROLL BACK MEDICARE
DEDUCTIBLE INCREASE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. WEISS. Mr. Speaker, in recent years, skyrocketing health care costs

have exacted painful sacrifices from elderly and disabled Americans. Today I am introducing legislation which would help ease the devastating impact that rising medical costs have on this vulnerable group of citizens. This legislation would roll back the increases in medicare deductible payments that were enacted under reconciliation and maintain the deductible amounts authorized under current law.

The Reconciliation Act—recently signed into law by President Reagan—will slash Federal spending by about \$35 billion in fiscal year 1982. Older Americans, disabled persons, and the poor will be among the major victims of these heavyhanded cuts.

In fact, the vast majority of elderly families will be affected in one way or another by the cutbacks in the Reconciliation Act.

One of the major casualties is medicare, which provides valuable protection for about 28 million older and disabled Americans. The Reconciliation Act will reduce medicare outlays by an estimated \$1.2 billion in fiscal year 1982, including a \$400 million cutback in benefits.

The most severe reduction for older Americans is the change in the formula for the part A hospitalization deductible—the front-end charge that the patient must meet from his or her own resources, private health insurance or otherwise. The effect is to increase the deductible from \$204 to a projected \$256 in January 1982. Under prior law, this charge would have risen to \$228.

This 25-percent boost in the part A deductible will affect an estimated 7 million aged and disabled persons. It is likely to hit those the hardest who can least afford this spiraling cost.

This change will have other spillover effects because hospital charges for long-term stays and skilled nursing payments are pegged to the hospital deductible.

For example, the daily charge for qualifying skilled nursing care will increase from \$25.50 to an estimated \$32 for patients who are in nursing homes from 21 to 100 days.

Patients are now subject to a \$51 daily coinsurance charge if they are hospitalized from 61 to 90 days. The Reconciliation Act raises this amount to \$64. In addition, it will boost the daily coinsurance charge for medicare beneficiaries who must draw upon their 60-day lifetime reserve, from \$102 to \$128 a day.

The sharp increase in the part A deductible may force needy older and disabled Americans to play a dangerous game of Russian roulette with their health. Many may postpone essential hospital care until their illness reaches a critical or crisis stage. And then, the treatment may be ineffective or too late.

These individuals need and deserve all the help they can receive. My bill would help considerably by rolling back the part A deductible to \$228. This would provide welcome relief for aged and disabled Americans because their purchasing power is being eroded by rising prices and other cutbacks in the Reconciliation Act.

Ideally speaking, I would prefer to roll back the part A deductible to a much lower level. But this is simply not attainable, given the composition of the 97th Congress. My proposal, though, is legislatively feasible, and it would help to ease the mounting health care costs for medicare beneficiaries.

The Reconciliation Act also boosts the part B deductible charge by 25 percent in 1982, from \$60 to \$75. This change alone will cut medicare benefits by \$120 million in fiscal year 1982 and \$210 million in 1983.

Part B covers primarily physician services for the aged and disabled. However, other important services are reimbursed, including home health care, physical therapy, speech therapy, occupational therapy, medical supplies and equipment.

An estimated 19 million aged and disabled persons will be affected by the jump in the part B deductible. Quite often, the elderly and disabled must meet this increased charge from their own resources. Those with private health insurance coverage will almost assuredly be subject to rising premium charges to cover the major cutbacks in the Reconciliation Act.

The net impact is that older Americans and disabled persons stand to lose either way—whether they pay more from their own pocketbooks or indirectly for private health insurance premiums.

Medicare provides essential protection for older Americans. However, it still covers only about 44 percent of their health care expenditures because of gaps in coverage, deductibles, and coinsurance charges. Medicare's coverage will dwindle further when the cutbacks in the Reconciliation Act become fully effective.

The time has come to draw the line on shifting health care costs to the aged and disabled. These individuals oftentimes have limited resources to absorb these added expenditures. When they are piled on top of other cutbacks, the effect can be devastating.

My bill will help to soften the blow from spiraling health care costs by providing relief to millions of already beleaguered aged and disabled persons.

Mr. Speaker, I urge prompt and favorable consideration of this measure. In addition, I ask unanimous consent that the text of this bill be printed following my remarks.

H.R. 4447

A bill to amend title XVIII of the Social Security Act to eliminate increases in the medicare part A deductible and coinsurance amounts and the increase in the medicare part B deductible amount effected by the Omnibus Budget Reconciliation Act of 1981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Deductible Rollback Act".

ROLLBACK OF INCREASE IN MEDICARE PART A DEDUCTIBLE AND COINSURANCE

SEC. 2. (a) Section 1813(b)(2) of the Social Security Act (42 U.S.C. 1395e(b)(2)), as amended by section 2132(a) of the Omnibus Budget Reconciliation Act of 1981, is amended by striking out "\$45" and inserting in lieu thereof "\$40".

(b) The amendment made by subsection (a) shall apply to inpatient hospital services and post-hospital extended care services furnished in calendar years beginning with calendar year 1982.

ROLLBACK OF INCREASE IN MEDICARE PART B DEDUCTIBLE

SEC. 3. (a) If this Act is enacted before January 1, 1982, section 2134 of the Omnibus Budget Reconciliation Act of 1981 is repealed.

(b)(1) If this Act is enacted on or after January 1, 1982, section 1833(b) of the Social Security Act (42 U.S.C. 1395i(b)), as amended by section 2134(a) of the Omnibus Budget Reconciliation Act of 1981, is amended by striking out "\$75" and inserting in lieu thereof "\$60".

(2) The amendment made by paragraph (1) shall take effect on January 1, 1982, and shall apply to the deductible for calendar years beginning with 1982.●

PERSONAL EXPLANATION

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. SAVAGE. Mr. Speaker, because pressing official business prevented me from voting today, I wish to take this opportunity to go on record in opposition to several particularly onerous amendments that were offered to H.R. 4169, the Commerce, State, Justice De-

partments appropriations bill for fiscal year 1982.

The Mottl amendment sought to hamstring Justice Department efforts to attack racial discrimination in local housing practices. Fortunately, this blatant attempt to return to the dark era of Jim Crowism was defeated.

Unfortunately, the Walker of Pennsylvania amendment, which seeks to prohibit use of funds to prevent implementation of voluntary school prayer, passed. However, the constitutionality of this amendment is highly questionable, and I would welcome a challenge of it in Federal court.

The Sensenbrenner amendment, which for all intents and purposes sought to eliminate the Legal Services Corporation, was defeated. It is good to know that some element of compassion still exists in this body.

However, had I been able to be present on the House floor today, I would have raised my voice in opposition to and voted against these amendments, for they all represent a retreat to the past.●

THERESA S. KOLDIN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. SOLARZ. Mr. Speaker, this afternoon in Brooklyn an outstanding member of the Manhattan Beach community, Mrs. Theresa S. Koldin, is being honored at a bonds for Israel luncheon because of the work she has done in behalf of Jewish causes.

I regret very much that I am unable to be present at this celebration of the contributions Theresa Koldin has made during her 45 years as a community activist in Manhattan Beach.

Mrs. Koldin is one of those remarkable women who has been a participant in community affairs her entire life. One of her earliest memories is marching with her mother in a suffragette parade. She graduated from Adelphi University and then obtained a master's degree at Columbia University. Mrs. Koldin pursued her career working professionally as a psychologist, married and raised two daughters, and yet always had time for philanthropic, civic, and political activities whether they focused on local or international issues.

As a founding member of the United Jewish Appeal's Manhattan Beach women's division, Tess Koldin has served as an active member of their board, and helped make their special gifts program a huge success.

As a psychologist concerned about developing human potential, Mrs. Koldin became active in the Organization for Rehabilitation Through Training and founded the Midwood

chapter of Women's American ORT. This progressive organization provides training and rehabilitation services worldwide to lift people from poverty and desperation by offering job and life skills.

I have also had the unique good fortune to get to know Tess Koldin, not only as an informed and articulate community activist, but as a warm, sensitive, gracious and devoted mother—for she is my mother-in-law. She is truly a valiant woman who never ceases to amaze me with the breadth of her knowledge and understanding and her tremendous human compassion. Over the years, she has been a source of inspiration, strength, and guidance to me and to all her family. Throughout her long and productive life she has provided an example of dedication, courage, and commitment to her fellow man that few of us could ever hope to surpass. She has enriched her family and her community by her generosity, her practicality, and her determination to make things happen.

Many people upon meeting this remarkable woman for the first time think that her activism and her interest in politics developed after I became an assemblyman and a Member of Congress, but in fact her own contributions and activities in politics and support of Israel predate my own.

Her interest and commitment to helping others and improving conditions led Tess to contribute thousands of hours as a volunteer in Hadassah, B'nai B'rith, the American Jewish Congress, and the League of Women Voters, as well as the United Jewish Appeal and Women's American ORT. Her alma mater, Adelphi University, has relied on her for years as an active member of its Brooklyn board. And where there was an issue in the community, or someone in need, Tess Koldin was always there.

I am pleased and proud to have this opportunity today to pay tribute to Theresa Koldin who symbolizes to me what one talented and determined person can accomplish when she sets her mind to the task. May the light of her example and the warmth of her love continue to brighten the lives of all of us who know her.●

INTRODUCTORY STATEMENT ON AMENDMENTS TO THE URBAN HOMESTEADING PROGRAM

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LUKEN. Mr. Speaker, today I am introducing legislation that will amend the Housing and Community Development Act of 1974, urban homesteading program to redirect this pro-

gram to provide housing to the low- to moderate-income groups, the truly needy in our society.

When the urban homesteading program was first implemented as a demonstration project in 1974, it was the intent of the law to help revitalize blighted neighborhoods in decaying urban areas by expediting occupancy of abandoned houses. The belief was that a homeowner, rather than a renter or absentee owner, has the incentive to keep up the house and neighborhood and that once a homesteader fixes up an abandoned house others will become interested in further improving the neighborhood.

The overall intentions of this program are laudable, but in the actual operation of this program one glaring inequity has arisen. The Congress intended local bodies to run urban homesteading programs with freedom and flexibility under broad Federal guidelines. But the requirements are so loose that the Federal Government does not mandate any income limitations on those participants in the program. This omission in the law has resulted in allowing people who could well afford to conventionally finance the buying of a home on the open market to participate in the homestead program. Today, with the recent budget cuts, we must better utilize the remaining Federal money to help the poor and truly needy find housing. We should not be funding a program to help the rich buy homes.

My amendment to the Housing Act would set an income limitation on all those participating in the homesteading program so that only those in the low- to moderate-income groups can receive homes. The homesteaders will be given priority to apply for low interest rehabilitation loans under section 312 of the Housing Act.

I urge my colleagues to join me as cosponsors of this worthwhile piece of legislation.

H.R. —

A bill to restrict the urban homesteading program to families with low or moderate incomes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 810(b)(1) of the Housing and Community Development Act of 1974 is amended by striking out "an individual or a family" and inserting in lieu thereof "any low- or moderate-income individual or family".

(b) Section 810(g) of such Act is amended by adding the following new paragraph at the end thereof:

"(3) The Secretary may not approve any program under paragraph (1) or (2) if the program authorizes any conveyance of residential property to an individual or a family other than a low- or moderate-income individual or family."

(c) Section 810 of such Act is amended by adding the following new subsection at the end thereof:

"(i) For purposes of this section, the term 'low- or moderate-income individual or

family' means any individual or family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for small and larger families."●

GRISHAM NOTES HISPANIC HERITAGE WEEK

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GRISHAM. Mr. Speaker, September 16 marks the 171st anniversary of "el grito de Dolores," a time when Mexico proclaimed its independence from Spanish colonial rule, ending forever the reign of foreign tyranny in the Western Hemisphere. In recognition of this important date, and in conjunction with the celebration of National Hispanic Heritage Week, I rise in tribute to the many remarkable contributions Hispanic Americans have made to this Nation.

The Hispanic culture is as colorful and varied as that of America itself. The Hispanic American population, grown to over 15 million in the past 5 years, continues to increase at a rate of over 1 million a year. Americans are just beginning to realize the social, economic, and political gains that have been achieved by members of the Hispanic American community.

But there is still much to be done. We must constantly strive to increase awareness so that conditions will be improved for all Americans. At the same time we must recognize the many contributions Hispanics have made to the development of this country and work to preserve the ethnic origins and traditions which distinguish the Hispanic culture from other groups.

The Hispanic presence is felt all throughout the United States. The fine Mexican architecture, with its adobe walls and rich design, has international appeal. The strong pride represented in outdoor murals signals all that can be accomplished. Los Angeles Dodger Fernando Valenzuela, businessman and former Republican candidate for president, Benjamin Fernandez, Mayor Henry Cisneros of San Antonio, Robert Goizueta, chairman of the Coca-Cola Co., professional golfer Nancy Lopez-Melton, television personalities Ricardo Montalban and Geraldo Rivera, all represent what is new and bright on the horizon for Hispanic Americans.

As the country continues to grow economically, socially and culturally, Hispanics will be a major part of that growth. I join with all Americans in celebrating the proud heritage and culture of the Hispanic American. Its historic past is only shadowed by the prospects of an ever brightening future.●

TWO STATESMEN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GILMAN. Mr. Speaker, this morning I had the honor to be present at the White House when two great statesmen, President Ronald Reagan and Israeli Prime Minister Menachem Begin, met for the first time.

As these leaders begin their deliberations on the trouble-plagued Middle East, we all share the hope that the talks will be fruitful and will result in renewed movement toward a lasting peace in that region.

Our Nation has an important role to play, as the state of Israel's best friend, and, as Mr. Begin described the President, as "the defender of freedom throughout the world."

These summit sessions, which I am certain will be productive and friendly, were initiated with a warm welcoming ceremony on the south lawn of the White House this morning.

Mr. Speaker, so that my colleagues can share the thoughts expressed at this historic meeting, I request permission that at this point in the RECORD there be inserted President Reagan's warm greetings and Prime Minister Begin's gracious response.

REMARKS OF THE PRESIDENT AND PRIME MINISTER MENACHEM BEGIN AT ARRIVAL CEREMONY

The PRESIDENT. Prime Minister Begin, on behalf of the American people, Nancy and I are honored and delighted to welcome you and all those accompanying you.

We're proud to stand beside you this morning, joining a tradition of hospitality for Israel observed by our presidents for more than three decades. Your visit is testimony to the warm friendships, mutual respect, and shared values that bind our people. Today and tomorrow, we'll have an opportunity to meet, to come to know each other, and to discuss in detail the vital issues of peace and security that concern both our countries.

I welcome this chance to further strengthen the unbreakable ties between the United States and Israel and to assure you of our commitment to Israel's security and well-being.

Israel and America may be thousands of miles apart but we are philosophical neighbors sharing a strong commitment to democracy and the rule of law. What we hold in common are the bonds of trust and friendship—qualities that in our eyes make Israel a great nation. No people have fought longer, struggled harder, or sacrificed more than yours in order to survive, to grow, and to live in freedom.

The United States and Israel share similar beginnings as nations of immigrants, yearning to live in freedom and to fulfill the dreams of our forefathers. We have both sought to establish societies of law, to live in peace, and to develop the full potential of our lands. We share a devotion to democratic institutions, responsible to the wills of our citizens. Our peoples embrace common

ideals of self improvement through hard work and individual initiative. Together, we seek peace for all people. In partnership, we're determined to defend liberty and safeguard the security of our citizens. We know Israelis live in constant peril. But Israel will have our help. She will remain strong and secure and her special character of spirit, genius and faith will prevail.

The prophet Ezekiel spoke of a new age when "land that was desolate has become like the garden of Eden and waste and ruined cities are now inhabited." We saw how miraculously you transformed and made the desert bloom. We see how, despite dangers everyday, your families continue working together to build a better place to live and to prosper in peace and freedom.

Our dream, our challenge, and, yes, our mission, is to make the golden age of peace, prosperity, and brotherhood a living reality in all countries of the Middle East. Let us remember that whether we be Christian or Jew or Moslem, we are all children of Abraham. We are all children of the same God.

Mr. Prime Minister, you come at a time of testing and of hope. The challenges we face are great with the forces of aggression, lawlessness, and tyranny intent on exploiting weakness. They seek to undo the work of generations of our people, to put out a light that we've been tending for these past 6,000 years. But we understand their designs and we're determined to oppose them. Working with all our friends in the Middle East, we seek to reinforce the security of the entire region. As we consult about these problems, rest assured that the security of Israel is a principal objective of this administration and that we regard Israel as an ally in our search for regional stability.

Equally important in our discussions is the commitment of our two countries to advance the cause of peace. Mr. Prime Minister, your strong leadership, great imagination and skilled statesmanship have been indispensable in reaching the milestones of the past few years on the road toward a just and durable peace in the Middle East.

You and the members of your coalition have earned our respect and admiration. Many cynics said Israel would never make peace with Egypt, but you did. Then they said you would not honor your commitment to return the Sinai to Egypt, but you have. Now they say you cannot go forward to work out a just and durable peace with all your neighbors, we know you will.

I look forward to receiving the benefit of your views and advice on the great tasks that remain before us. I'm confident that the United States and Israel will continue their close partnership as difficult negotiations toward peace are pursued. Let me also thank you, Mr. Prime Minister, for helping our special ambassador, Philip Habib, to arrange a cessation of hostilities across your border with Lebanon. Still another considered step for peace and one well taken.

Prime Minister Begin, I know your entire life has been dedicated to security and the well-being of your people. It wasn't always easy. From your earliest days you were acquainted with hunger and sorrow, but as you've written you rarely wept. On one occasion, you did—the night when your beloved state of Israel was proclaimed. You cried that night, you said, because "truly there are tears of salvation as well as tears of grief."

With the help of God and us working together, perhaps one day for all the people in the Middle East, there will be no more tears of grief, only tears of salvation. Shalom,

Shalom; to him that is far off and to him that is near. And again, Mr. Prime Minister, welcome to America. (Applause.)

Prime Minister Begin, Mr. President, my colleagues and I are grateful to you and to Mrs. Reagan for your kind invitation, for having given us the opportunity to discuss with you and your advisors international problems, bilateral issues, the danger to freedom resulting from Soviet expansionist policy in our region and its periphery and elsewhere. And the defense of human liberty, which is the essence of our lives, demote of our efforts, the reason of our labors.

Our generation, Mr. President, lived through two world wars, with all the sacrifices, the casualties, the misery involved. But the two wars also created and left after them regrettably two illusions. In the early 20s the saying went around the world that was the war to end all the wars. It was not so to be. Only 25 years later another world war broke out, the most horrifying of all in the annals of mankind. Not only were the sacrifices in tens of millions of human beings, but also with atrocities unheard of in history. Ultimately, mankind crushed the darkest tyranny which ever arose to enslave the human soul and then people believed that it is the end of tyranny of man over man. It was not to be.

After May 1945 there were 56 so-called local wars in a period of 36 years alone. In other words, blood-letting and enslavement are going on. Country after country is being taken over by totalitarianism. In nearly 80 years, eight countries were so taken over either by proxy or directly. So, it is obvious that liberty is in danger and all free women and men should stand together to defend it and to assure its future for all generations to come. But the free one—its democracy was proved time and again—true democracy. It is an integral part of the free world. It is a fateful and, through each democratic regime, a stable ally of the United States. We shall stand together and Israel will give its share in defending human liberty.

Mr. President, out of those 56 local wars, five were thrust upon little Israel since its inception. We waged them out of necessity to defend our people and to save its existence and to sustain our independence. This is the simple reason why we not only want peace but we yearn for peace. And therefore, as you rightly said Mr. President, the price of great sacrifices and admittedly undertaken those are very serious risks. We made peace. We signed a peace treaty on this very lawn with our southern neighbor. But we strive to sign peace treaties and make peace forever on all our borders with all our neighbors. And with God's help this noble aim will be achieved too.

Mr. President, thank you for your heartwarming remarks about my people and my country and touching words about my life, which is only one of the uncountable thousands and millions who have suffered and fought and resisted. And so, after a long night, the rise of the sun, the day. I am one of them because this is our generation. But your appreciation of our motives, our efforts, our sacrifices is very dear to all of us because, Mr. President, we see in you not only the President of the United States, but also the defender of freedom throughout the world.

May I, Mr. President, extend to you on behalf of the people and government of Israel our invitation to come and visit our country and its capital, Jerusalem. Then we hope that we shall be able to reciprocate the wonderful hospitality, indeed, in the

spirit of all Abraham, whom you mentioned, which was accorded to my colleagues and to myself. Be assured, Mr. President, the people of Israel will receive you, not only with utmost respect, but with deep cordiality.

Thank you. ●

AFL-CIO CALLS FOR
SCRUTINIZING DEFENSE
BUDGET

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. FRANK. Mr. Speaker, the AFL-CIO has long been a joint supporter of a strong national defense. It is for this reason that their unhappiness at the way in which the Reagan administration is approaching the question of defense spending deserves serious attention. At its August 5 meeting, the AFL-CIO Executive Council adopted a very thoughtful resolution pointing out some of the financial dangers in the President's defense spending proposals. I think that this very thoughtful statement should be widely read and I ask that it be printed here.

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON DEFENSE SPENDING

At its February 1981 meeting, the Executive Council stated that "the AFL-CIO remains steadfast in its support for a strong national defense—not as a source of jobs but as a necessary precondition to the survival of democratic institutions, including free trade unions, which are threatened by totalitarian expansionism."

Our support for national defense is not, however, to be taken as a blank check for the Pentagon.

We have consistently opposed the definition of our defense needs in purely dollar terms. Weapons, ready manpower, logistical support, and intelligent strategy—not dollars—are the elements of military strength.

Thus, in past years, the AFL-CIO opposed cuts in the defense budget by fixed dollar amounts or percentages without regard for which weapons would be cut or strategies changed. Similarly, we are not convinced that vast increases in defense spending will in themselves substantially strengthen the U.S. military position. Our standard of judgment is not how much money will be spent but what that money will buy relative to our security needs.

The Reagan Administration has put the cart before the horse. It has asked for huge increases in defense spending without having resolved important issues of strategy or decided what weapons systems are required to implement that strategy. Additional billions have been committed to the Pentagon, but no decisions have been made on deployment of the MX missile, on the B-1 bomber, or on other major defense questions.

The Administration proposes to raise defense spending (in constant 1972 dollars) from \$72.5 billion in 1980 to \$116.4 billion in 1986. Non-defense spending would be reduced from \$222.4 billion to \$201.6 billion in the same period.

The consensus for a stronger defense effort is more fragile than the Administration supposes. By increasing defense spending at the expense of vital social programs, the Administration risks the creation of new anti-defense constituencies among workers, the poor, minorities and the elderly. Popular support for a strong defense and foreign policy cannot be sustained by unjust social and economic policies which generate social tension, class conflict and political polarization. Nor will such policies produce the economic strength required for military strength.

Even in prosperous times, wasteful spending, huge cost overruns, and poor management of defense resources are indefensible. They are intolerable at a time when the defense burden is being shifted more and more to workers and the poor.

The AFL-CIO Executive Council calls upon the Congress to subject the Administration's defense budget to the closest scrutiny. If, as the Administration says, we cannot solve our social problems by throwing money at them, then clearly, we cannot solve our defense problems that way either.●

A TRIBUTE TO ED POWELL, PLACENTIA'S CITY ADMINISTRATOR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. PATTERSON. Mr. Speaker, it is with great pleasure that I invite my colleagues to join me in honoring Mr. Ed Powell, an outstanding, dedicated public servant who, after serving as city administrator of Placentia for 14 years, is now retiring.

Ed is a veteran of World War II, having served in the U.S. Marine Corps. He graduated from Indiana State University, where he earned a bachelors degree in English. Ed then became assistant coach of Indiana University's basketball team, a team on which he had played under coach John Wooden, who set the pace for the most winning teams. A few years later he joined Coach Wooden at UCLA, serving as assistant coach for the renowned Bruin team.

Ed earned a master's degree in public administration from the University of Southern California, after which he began a career in public service. He was an administrative intern with the city of Inglewood, assistant city manager for the city of Downey, and city manager for the city of Irwindale. Ed assumed his position as city administrator of Placentia on September 3, 1967. During his service there, Placentia has grown from a city of 20,000 to 35,000. Prior to my service in Congress, I worked with Ed Powell when I was city attorney of Placentia.

Ed Powell is a man whose innovation and progressive thought are reflected through his accomplishments in Placentia. In 1972, Placentia was presented with an All-American City Award. Ed was a leader in emphasizing park

development in Placentia, he advocated a 40-hour workweek for firefighters, and initiated the city's teen commissioner program. Placentia acquired a new civic center complex and a modernized police department under Ed's leadership. Both are monuments which commemorate the excellence with which Ed so devotedly served Placentia.

In addition to his professional activities Ed has been an active volunteer in many civic organizations. A member of the Orange County City Managers Association for many years, he once served as president of that organization. He has belonged to the International City Managers Association from whom he received the ICMA management innovation award in 1977, for advances in fire productivity. Ed has also served on the human resources committee for the League of California Cities.

Henrietta, Ed's wife of 40 years, has also served the Placentia community. Affectionately known as "Hank", Henrietta has participated in the Placentia Meals on Wheels program; has been a member of the Placentia Roundtable; and has affiliated with the local senior citizens club.

Ed Powell's dedicated service has touched the lives of many people including mine, both within and without the city of Placentia, and his contributions will truly be missed.

Mr. Speaker, it is a privilege to ask my colleagues to rise with me in commending an extraordinary public servant—a man who has inspired so many of us—Ed, we thank you.●

WE CAN'T IGNORE SOVIET DRIVE FOR ARMS SUPREMACY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HOPKINS. Mr. Speaker, one of my constituents, Mr. Basil D. Childress of Lexington, Ky., recently wrote an article published in the Lexington Leader setting forth his views on the threat of ignoring the Soviet Unions' clear intention of obtaining a coercive strategic advantage over the United States.

As a member of the Armed Services Committee, I share Mr. Childress' concern and strongly urge all my colleagues to read his well-reasoned analysis of what is without a doubt, the major problems facing our Nation today.

WE CAN'T IGNORE SOVIET DRIVE FOR ARMS SUPREMACY

(By Basil D. Childress)

The necessity for public understanding of our present-day defense needs is crucial to meeting the challenges we face. One of the most important challenges is the nuclear

arms question, but there is a very real lack of understanding about what is necessary to avoid nuclear war.

In order to understand our situation, we must review the thinking which today dominates the Western military mind. There are three salient ideas important in grasping the problem of nuclear weaponry.

The first of these is that military power not only has actual operational value, but it also has coercive value if used by an aggressor, or deterrent value if used by a defender. Both the coercive value and deterrent value of military power are based on the idea of perceived threat and find expression in a nation's diplomatic efforts.

The second point is implied by the first, that an aggressor can place another nation in so vulnerable a position, whether perceived or actual, that it surrenders without a shot being fired. Indeed, the aggressor would consider the above ideal.

Finally, any nation's purpose in war is to force the enemy to conform to one's will, whatever that may be, which implies the possibility of limited goals and means.

The deterrent value was demonstrated in 1962, when Kennedy used our tremendous nuclear advantage of that period to force the removal of the Soviet missile base in Cuba. Ominously, however, the then first secretary of foreign affairs, Vasily Kuznetsov, told his American host, "You Americans will never be able to do this again."

The unprecedented, ongoing Soviet buildup in all arms categories must be understood within this context. This is especially true when one considers the new nuclear policy we adopted in the mid '60s, which came to be known as Mutual Assured Destruction (MAD). The idea was that, if the Soviets were allowed to pull even with us (parity), each side retaining the ability to inflict unacceptable levels of civilian casualties, the Russians would allow the status quo developed to stand.

On this theoretical base Robert S. McNamara as secretary of war, administered the unilateral disarmament of much of our strategic capability. It was felt at the time that we could thus spend less on defense and still deter the Russians.

The Russians, though, have ignored our ill-founded theorizing and have continued in an unrelenting drive for supremacy. Their level of spending alone, since the lessening of our capability, conclusively proves the Russians have no interest in parity.

Even if the Russians were interested in parity, the concept of Mutual Assured Destruction is fatally flawed. It assumes what is unacceptable loss for us is the same for the Russians. This is difficult to imagine, since the known Russian dead from political assassination, famine and war since 1914 alone approaches 70 million. Our war dead since 1776 barely reaches 1 million.

MAD assumes all-out attack. It is based on terror, an activity we find so reprehensible when practiced by organizations such as the PLO. It is militarily valueless since our only option in case of limited attack would not be primarily to destroy Soviet capability for further attack, but the slaughter of Russian civilians. This kind of pointless killing not only is never militarily valid, but is outright immoral and as such should not be part of U.S. defense strategy.

If we recognize the bankruptcy of MAD, we will be free from its folly and be finally able to face the challenge of true Soviet strategy.

The apparent Soviet strategy referred to is coercive in nature and is based on the sure knowledge that we can count. It in-

volves obtaining the ability to destroy in an initial attack enough of our counterblow capability, so that what we are able to launch against them would still leave them with some capability for a final blow.

To the militarily naive, the above is nonsense. They feel that there is no such thing as a limited attack, because even a limited attack would destroy civilization. They miss the point, that "the button" would never be pushed, since any nation put in the above situation would surrender rather than commit collective suicide.

This is not to say that ever-increasing levels of expensive arms are necessary to maintain a nuclear stalemate. It is to say that higher levels of spending have resulted from the Russian drive for supremacy.

The Reagan defense budget's huge increases illustrate this administration's perception of our situation. That budget, however, should emphasize the force mix and weapon systems solutions available to neutralize the approaching Soviet threat, rather than driving now for long-term superiority.

Outright superiority is today neither economically nor politically feasible. When we regain it, what remains to us is parity. But parity must be redefined in terms of our determination to prevent the Russians from obtaining the coercive ability of a strategic advantage.

We must shake ourselves from our naivete and understand the nature of the challenge. For too long we have left our futures in the hands of the experts who gave us MAD. However immoral we may consider it, the problem is a military one and must be so dealt with. If we ignore it, the very real probability is our quick surrender, or at the least a long inexorable descent into Soviet domination.

Someone once said that the price of freedom is eternal vigilance. If that is true, we are dangerously close to being accused of not being very vigilant.●

COAL EXPORT MEETING WITH ADMINISTRATION'S COAL IN- TERAGENCY WORKING GROUP

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. RAHALL. Mr. Speaker, it is reassuring to note that the Reagan administration has recognized the importance of coal exports in reducing this Nation's balance-of-payments deficit and for providing an element of energy security to our allies. Recently, the Department of Commerce unveiled a coal export policy which includes the promise that the administration will engage in an active coal export promotion program in addition to providing foreign investment assistance. To provide the impetus for reaching the goals of the coal export policy, the administration has formed the Coal Interagency Working Group, chaired by Commerce Assistant Secretary for Trade Development William Morris. Participants in the working group include representatives from various Federal agencies with an interest in coal and the Nation's seaports.

In light of this highly commendable action, on behalf of the Congressional Coal Group I have called a meeting with Assistant Secretary Morris and members of the Coal Interagency Working Group to discuss coal export and related issues such as port dredging proposals with interested Members of Congress. Today, I sent invitations to members of the Subcommittee on Water Resources, Subcommittee on Merchant Marine, Subcommittee on Energy and Water Development, the chairmen of the Congressional Port Caucus, Congressional Shipyard Coalition, and the Congressional Export Task Force in this regard.

I would like to take this opportunity to invite any other Members with an interest in this subject to attend the meeting, which will be held on October 7. Please contact my office for additional information.●

EFFECTIVE ANTICRIME LEGISLATION INTRODUCED

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Ms. FIEDLER. Mr. Speaker, I am proud today to introduce a package of six pieces of legislation that I believe will help in the fight against crime in our country. As we all know, the vast majority of crime legislation is handled by the various State legislatures. However, after months of research, I have discovered a number of areas in which Congress can help.

In a recent newsletter, I asked the people of my district what they thought the most important problem is facing our community. The overwhelming answer was "crime". In fact, Mr. Speaker, over one-third of all the thousands of people who responded gave this answer.

The six bills I am introducing today deal with six specific problems. They are:

BILL NO. 1—THE EXCLUSIONARY RULE

Problem: The fourth amendment to the U.S. Constitution protects Americans from unreasonable search and seizure by the police. Until 1961, neither Congress nor the U.S. Supreme Court told the states how to enforce that right.

In 1961, the U.S. Supreme Court ruled that in all state court trials, if evidence of a crime was obtained by an unreasonable search it could not be admitted into evidence against the criminal. The theory behind this rule was that the policeman would be deterred from intentionally seizing evidence unreasonably if he was punished by having the evidence kept out of court.

However, in recent years, the overwhelming number of searches determined to be "unreasonable" have not been intentional. In other words, the policeman thought he was obeying the law. As a result, it makes no sense to use the exclusion of evidence as a deterrent because unintended acts cannot be deterred.

Not only is the exclusionary rule not accomplishing its goal, but it only helps criminals because it provides no redress to innocent victims of police misconduct. The rule acts only to throw out valid evidence of criminal conduct.

Solution: This bill eliminates the exclusionary rule in state court trials as a means of protecting the public's right to be free from unreasonable searches. In place of the rule, this bill creates a right for money damages for both innocent and guilty victims of such violations.

The bill will gradate the size of the award based on whether the violation was in good faith or was willful. It also allows less damages if the person searched was convicted of the crime than if he was innocent of any crime.

This approach to protecting the public from unreasonable searches is followed throughout the free world. The United States is the only country that has an exclusionary rule on the books.

BILL NO. 2—HOLDING FEDERAL PAROLE OFFICIALS LIABLE FOR GROSS NEGLIGENCE

Problem: Under existing law, if a prisoner is released on parole and commits further violent crimes, the new victims have no cause of action against the parole authorities even if they should have known of the potential danger of the parolee's release.

Solution: This bill creates a cause of action allowing aggrieved parties to sue the government for the gross negligence of parole authorities in the release of dangerous criminals.

(Background material): The U.S. Department of Justice conducted a study of federal parolees during the 1970s. The study tracked the records of hundreds of randomly chosen federal prisoners following their release on parole. It found that 62.5% were arrested at least once during their parole for either a new crime or a parole violation. 41% were arrested more than once.

In that same study, it was shown that within 5 years 48% of the youth parolees had committed sufficiently serious offenses to require recommitment. For adults the rate was 40%.

There are between 7,500 and 8,500 federal prisoners on parole every year. This means that every year federal parole authorities are releasing approximately 3,500 dangerous criminals who, statistically, will go out and commit new and violent crimes again.

In the March 27, 1981 Washington Post, it was reported that 26 prisoners in Maryland operating on a work-release program were indicted on 61 charges of murder, rape, armed robbery and narcotics violations committed while on release under the program.

BILL NO. 3—DENIAL OF BAIL

Problem: Under existing law, inmates in state prisons, already convicted of a crime, may be granted bail by federal judges as soon as the inmate appeals his conviction in federal court.

Solution: This bill will outlaw the granting of bail to any inmate in a state prison, even if he is appealing his state conviction in the federal courts.

BILL NO. 4—PRESUMPTION THAT PLEA BARGAINS WERE VALID

Problem: Under existing law, a convicted criminal can go into federal court years after he has plead guilty to a crime in a state court. He can then claim that his guilty plea was forced and not voluntary. This is the case even if the state court trial record shows that the criminal entered his

plea bargain in open court, with the full advice of counsel after being told all of his rights.

As a result, the state is required to go into federal court and defend the validity of the original plea bargain. Although these claims by criminals are rarely successful, they are made all the time and require the expenditure of taxpayer's money to pay for the lawyers, judges, courtroom time, etc. In other words, the state is required to prove the validity of a plea bargain that is manifestly valid based on official court records.

Solution: This bill will establish that if a plea bargain has been entered on the record with all the requirements of law having been expressly complied with, that record will constitute conclusive evidence of a proper plea bargain.

BILL NO. 5—LIMITS FEDERAL COURT INQUIRY INTO STATE PRISONS

Problem: Under existing law, a single federal judge can determine, based on his own set of standards, that a state must change the physical conditions in their prisons. This can cost the taxpayers of a state untold millions of dollars or allow for the premature release of hardened criminals.

Solution: This bill limits the authority of federal judges to make such determinations in two ways: (1) it requires that all the issues raised by a state prison inmate be first presented to that state's courts before being admissible in federal court and, (2) it requires the federal judge to defer to the judgment of the state court so long as the state court provided a fair hearing for the prisoner.

(Statistical background): Petitions filed by state inmates in the federal district courts is increasing. In the last five years they have increased by over 90%. As of June, 1980 (last complete records) state prison inmate filings comprise 11.6% of all civil filings in the federal trial courts across the country.

(Example): Last month a federal judge in Arkansas ordered the release of 25 convicted felons, including murderers, because the federal judge was not satisfied with the physical conditions in the state prison.

BILL NO. 6—TIGHTENING FEDERAL WRIT REVIEW PROCEDURES

Problem: The federal writ of Habeas Corpus was created by Congress in 1867. At that time, the law allowed a person being held in a state prison without being charged the right to go into federal court to get released from the illegal detention.

Over the years, however, the federal courts have expanded the issues that could be considered under a federal writ of Habeas Corpus. In other words, instead of merely checking to see if the inmate had been properly charged by state officials, the federal courts started using the writ process as a vehicle for reviewing the entire state criminal trial process. This has created great friction between states and the federal courts.

As a result, in 1966 Congress amended the 1867 act in an effort to stop the federal courts from overstepping their proper role. In that act Congress laid out specific limitations on what the federal courts could review.

However, since 1966 many federal judges have again attempted to overstep their Congressionally-limited scope of review. By using hypertechnical procedural tricks the federal courts have attempted to substitute their judgment for that of the state courts in state criminal trials.

Solution: This bill tightens the conditions under which the federal courts may over-

rule valid state court decisions. It requires state inmates to raise every complaint in the state courts before raising them in the federal courts.

The bill also requires the federal court to wait until the state court has made a ruling on the merits of the inmate's claims before reviewing the case.

As a further protection of the integrity of the state court system, this bill requires the federal courts to honor state court procedures. In other words, a federal judge would not be able to overturn a valid state conviction just because the federal judge disagrees with the procedures duly enacted by a state legislature for the administration of state trials and appeals.

Additionally, Mr. Speaker, I am announcing my cosponsorship of two additional pieces of legislation introduced by colleagues that also deal with the growing problem of crime. The problems they address are:

Problem: Under existing federal law, a criminal who uses a firearm during the commission of a crime may never serve a day in prison. At the discretion of the court, such a violent convicted criminal may get off with probation.

Solution: H.R. 27 takes that discretion out of the hands of federal judges. Rather, this bill requires an automatic minimum prison term of 5 years for any criminal convicted of using a firearm during the Commission of a crime. This sentence must be added to any other sentence given for the crime. A second firearms conviction would be a minimum ten year additional sentence.

Problem: Under existing federal law bail is available to defendants even if they are a clear and present danger to the community. The only condition that must be met before granting bail is to assure the presence of the defendant at his trial. As a result, clearly dangerous criminals are being released into the community every day.

An example is the case of Christopher Boyce, the convicted Russian spy who escaped from federal prison 2 years ago and has just been recaptured. The federal judge who arraigned him last week set bail for him.

Solution: H.R. 4362 establishes more sensible criteria: (1) it permits detention of a person arrested while free on bail, probation, or parole for a period of 10 days to permit the appropriate court, probation or parole recommitment process to take place; (2) it provides for detention of an arrested person if a judicial officer concludes that no conditions will reasonably assure their appearance in court or to protect the community; (3) it requires a hearing to inquire into possible flight and community safety in all cases involving a crime of violence, an offense punishable by life in prison or the death penalty and in certain narcotic offenses; (4) provides that in making bail decisions judges must consider the nature and circumstances of the offense, the weight of evidence against the defendant, the history of the defendant and the nature and seriousness of the danger to a person or the community that would be posed by release; (5) provides for the enforcement of subpoenas of material witnesses.

Mr. Speaker, the people of our country are demanding freedom from preying criminals who make them fear for their safety even in their own homes. I think this package of legislation is a start toward giving people that free-

dom from fear. I urge my colleagues to join with me in supporting this legislation to get and keep criminals off the streets.●

JOBS FOR WHOM?

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAWKINS. Mr. Speaker, President Reagan has constantly talked about jobs. "The best social program is a job; 13 million new jobs by 1986. Jobs, jobs, and more jobs." How can he reconcile this rhetoric with the catastrophe going on in the black community?

The official unemployment rate for black teenagers is over 50 percent and undoubtedly, the actual rate in our hardest hit communities is even higher; 300,000 CETA workers are in the process of losing their posts. Construction and manufacturing firms are laying workers off right and left. There is a do-nothing urban policy consensus in the White House. All this and the worst effects of the budget cuts are yet to come. I fear, as does the cabbie in William Raspberry's Post column this morning, that the administration really does not know where it is going. And that bodes ill for all of us.

JOBS: WHICH WAY IS UP?

(By William Raspberry)

"Boy, that Reagan is really putting it to us now," the cabbie said. "I suppose you saw the report the other day that unemployment is up again."

"Sure, I saw the report," I told him, "but I'm not sure I see what you are so excited about. After all, the overall jobless rate was only up two-tenths of a percent—from 7 percent to 7.2. That's not good, of course, but I hardly see how you could describe that as putting it to the American worker."

"I didn't say he was putting it to the American worker," the cabbie shot back. "I said he was putting it to us. As you may have noticed, I'm black. And unless my bifocals need changing again. I believe you are, too."

"That 7.2 percent is for them white folks. For us, unemployment went up from 13-and-change to 15 percent."

I conceded his point and admitted the trend was not good.

"Not good!" he screamed. "It's a damn disaster, is what it is. And did you see the numbers for black teenagers? Over 50 percent, I tell you, that man's economic program is just about to wipe us out."

"The trouble with people like you is that you have no patience," I told him. "You shouldn't be that upset about a temporary increase—a blip on the screen, so to speak. That is only a natural consequence of the president's efforts to squeeze the fat out of the economy. The long-term result will be a much healthier economy."

"Healthier for who?" the cabbie demanded.

"Whom," I corrected.

"Okay, Mr. Intellectual, whom. Well, I can tell you it's not healthier for my nephew who lost his CETA job last week. It's not healthier for my mother, not when she stands to have her Social Security cut back. It's not healthier for my brother-in-law who's been looking for a job for six months now and is already into me for \$400.

"And when people really start feeling the pinch of all the cuts Reagan is making in food stamps and job training and medical care and so forth, it's not going to be healthy for any of us. I mean, folks aren't going to just sit there and quietly starve to death."

"Look, I told him, 'if you want to criticize Reagan because you're still in love with JFK, then go right ahead. But if you want to understand something about supply-side economics, I'd be happy to explain it to you.'"

"What's to explain?" the cabbie yelled. "More people are out of work, especially my people. Business is stagnating even for white folks. Interest rates are so high I can't even afford to replace this broken-down cab. Don't you read your own newspaper?"

"As a matter of fact, I do," I said calmly. "If you read it instead of just going off about one or two little negatives, you'd understand what the long-term payoff really is."

"Didn't you read the president's Labor Day statement? I've got it right here. Listen: 'Our goal in this program is: jobs, jobs and more jobs. I see the creation of 3 million more jobs by 1986, in addition to the 10 million already expected. I see an era in which wage earners will be taking home more money in real dollars and an era in which fewer of us will be looking for work.' That's what the man said."

"And did he say where all those millions of jobs are coming from?" the cabbie asked. "Well, it was only a short statement," I said.

"Did he say anything at all to show that his supply-side mumbo jumbo is working?" the cabbie persisted.

"Well, let me see," I said, scanning the presidential statement. "Oh, yes, here it is: 'Our policy has been and will continue to be: What is good for the American worker is good for America.'"

"Is cutting back on school lunches and medical care good for the American worker?" the cabbie wanted to know.

"Well, not directly, at least," I conceded.

"Is a 20 percent prime good for the American worker?"

"Of course not," I said.

"Is it good for the American worker when 7½ million American workers are not working?"

"Come on, man, what's your point?"

"My point," the cabbie said, "is that as far as I can see, the president's program isn't working very well for the American worker or for America either."

"You're being misled by short-term indications," I assured him.

"Well, let me ask you this, good buddy. If I told you I was taking you to 39th Street and the short-term indications, as you call them, showed you I was passing 24th Street and then 23rd and 22nd, what would you think?"

"Why, I'd think you didn't know where you were going," I told him.

"You know, you're not quite as dumb as I thought," the cabbie said. ●

A TRIBUTE TO GEORGE ARTHUR ANDERSON

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GINN. Mr. Speaker, it is with great sadness that I note the death on August 23 of George Anderson of St. Simons, Ga. George contributed more than three decades of his life to innovative forestry practices and environmental responsibility in managing the pine woods of southern Georgia. George was manager of forest improvement for the Brunswick Pulp & Paper Co., in Brunswick, Ga.

George's start with Brunswick, as a field forester in 1948, marked the beginning of a remarkable career. At the time of his death, George was the manager of Brunswick's Forest Improvement department. There, he directed a major research program for more effective management of Brunswick's forest lands, including work on site preparation, plantation density control, forest genetics, forest nursery maintenance and development, forest fertilization, and hardwood management.

A number of professional achievements are reflected in George's career. In 1967, he helped organize a program of cooperative research in forest fertilization. This cooperative program between industry, the University of Florida, and U.S. Forest Service has led the way to improved techniques for fertilization and growth of southern pines. In 1979, Brunswick received national recognition for a program, initiated by George, to help small Georgia landowners reforest and manage their lands.

George Anderson always believed that any system used to improve forest productivity should not be damaging to the environment. In the past, he has testified before congressional committees, sharing with us his expert knowledge of forestry practices. He has expanded our understanding of forestry by spending countless hours on field trips showing Brunswick operations to House and Senate Members and aides.

Although he was born in Illinois, and educated in forestry in Colorado and North Carolina, we in south Georgia claim George as one of our own. Our sympathy goes out to his widow Maytrude, and his daughters Barbara and Christine.

Cicero, citing the Roman poet Caecilius Statius in 149 B.C., stated that, "He plants trees to benefit another generation." George Anderson has undoubtedly benefited future generations through his life and work. ●

ADAM SMITH AT THE GREAT WALL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. GREEN. Mr. Speaker, Donald M. Blinken, chairman of the State University of New York board of trustees recently visited the People's Republic of China as a guest of that country's academy of sciences, the Academia Sinica. I am very pleased to have this opportunity to share Mr. Blinken's observations of China with my colleagues.

Finding Milton Friedman at the Great Wall exemplified for Mr. Blinken the paradoxes that characterize today's China. China is in midst of a period of great change; and cultural, academic, and scientific exchange programs with American institutions are among the most important vehicles of this upheaval. Mr. Blinken believes that:

Some leavening of central planning, of an omnipotent state role in decisionmaking of all kinds, combined with an increasing if limited measure of personal choice and reward based on merit, is bound to follow as a consequence of academic exchange with the West.

I am sure my colleagues will be very interested in Donald M. Blinken's comments, and ask that they be printed below.

ADAM SMITH AT THE GREAT WALL

(By Donald M. Blinken)

Climbing resolutely up the Great Wall of China last month, we encountered Milton Friedman, valiantly chugging by us in the opposite direction. The presence of this symbol of free choice paying cultural homage to centuries of highly centralized autocratic planning, put into focus the overwhelming impression we gained of China; there are more questions than answers and paradoxes abound.

What does seem clear, though, is that China's current thrust toward pragmatism and openness, important elements of which are its exchange programs with American universities and scientific institutions, will profoundly change the attitudes of its political leaders and scholars.

It is not difficult to see why. Since 1949, China, has, by any measure, lost ground, its political and social turmoil aggravated by a doubling of its population in the past 30 years. The value of technology, consumer goods, services of all kinds as we in the West understand them, was almost totally discounted.

The new Chinese leadership, which seems above all to be pragmatic, recognizes that it must leapfrog events by focusing boldly on those areas of high technology and science which will enable the country to achieve large-scale, complex projects if further convulsions are to be avoided. Such scientific and technological advances require Western "know-how," both in theory and in practice. It is quite logical, therefore, that the Chinese recognize the great potential value which exchange programs with our universi-

ties offer in playing catch-up. Even as their own institutions are shaking off the disastrous effects of the cultural revolution (this year, for the first time since 1963-64, students are completing four uninterrupted years of academic work) they must dip into their relatively scarce supply of scholars and experts in order to sample as quickly as possible what the West has to offer intellectually. Their visits to American institutions of higher education—our universities, teaching hospitals, liberal arts or specialized colleges—give them an opportunity to swallow the latest technology in large gulps, with a view towards digesting it and carrying it back to China. At the same time, the Chinese are very anxious to re-establish personal and institutional contacts, after almost 30 years of isolation.

Even more important, they are just beginning to understand that their real problem lies not so much in mastering some of the advances in science and technology which disappeared from their view from 1949 to 1976, but in applying what they learn to the basic problems of everyday life. The Chinese are becoming more aware that the ability to design and build atomic weapons or advanced computers will, by itself, achieve little unless they can bring the practical applications of this technology to everyday industrial, commercial, and personal life. Precisely because institutions like the State University of New York are so diversified and so goal-oriented in many aspects of their research and public service activities, the Chinese scholars visiting our campuses find the experience particularly valuable.

But, one may ask, while of obvious value to the People's Republic, what benefits accrue to us? The Chinese visiting our campuses are focusing on the sciences and technology, disciplines whose very tangible areas of knowledge and technique can be applied on the return to their homeland. American scholars in China, on the other hand, are often engaged in more scholarly and humanistic pursuits—important for the advancement of knowledge and understanding, but less readily quantifiable in practical terms.

I think the value to us is both considerable and profound. In the first place, these exchanges will facilitate the broadening of our contacts and understanding with the leaders of a country of more than one billion people. They will provide us with the chance to meet China's leading scholars after a hiatus of 30 years. They will create an opportunity, which we hope to expand, for our scholars to visit and work in the People's Republic of China.

Taking a broader view, these exchanges will ultimately contribute to the betterment of mankind through our sharing of science and technology with an increasingly significant segment of the world's population. And, they will help us to revive a long and fundamentally friendly history of United States-Chinese relations, which may have a very beneficial influence on China's understanding of how the world really works and the role China can play as part of that world.

For if Adam Smith's "invisible hand" is not yet evident at the Chin Emperor's Great Wall, some leavening of central planning, of an omnipotent state role in decision making of all kinds, combined with an increasing if limited measure of personal choice and reward based on merit, is bound to follow as a consequence of academic exchange with the West. But, how much the new China can absorb and what it will come

to be, remains one of the unanswered questions.

Donald M. Blinken was named Chairman of the State University of New York Board of Trustees by Governor Hugh L. Carey on June 5, 1978. Mr. Blinken, who was originally appointed to the SUNY Board in September 1976, is Senior Vice President and Chairman of the Executive Committee of E. M. Warburg, Pincus & Co. Inc., investment bankers. He joined the firm in 1959 after five years as Vice President of Steins Stores Inc. of New York City. Mr. Blinken served as President of the Board of Directors of the Brooklyn Academy of Music from 1971 to 1976 and currently is a member of the Commentary magazine publishing committee, a member of the Mark Rothko Foundation, Co-chairman of the Concerned Citizens for Arts in New York State, and a former trustee of the Institute of Man and Science in Rensselaerville.

Chairman of the SUNY Board of Trustees Donald M. Blinken and Mrs. Blinken recently visited the People's Republic of China as guests of that country's academy of sciences, the *Academia Sinica*. Dr. Frederick F. Kao, professor of physiology at the University's Downstate Medical Center, accompanied the Blinkens on their journey.●

IMPORTS MUST BE CURTAILED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HUBBARD. Mr. Speaker, Mrs. Jessie Allred, of 1137 Wilford Street, Apartment 2, Mayfield, Ky., my hometown, recently sent me an editorial published by the Mayfield Messenger. The Messenger's editorial writer points out how the excessive importation of foreign products into this country is stifling American production in Mayfield and throughout the Nation. I feel the editorial is one which should be shared with my colleagues and I wish to do so at this time. The editorial follows:

There is no doubt that imports are destroying jobs at a rate that is absolutely unacceptable for a healthy economy. This paper cannot understand why any legislator would permit such a large imbalance of trade with foreign countries of hundreds of products which flood our market place and cause the demise of small and large businesses alike.

This editorial asks why, when our economy is suffering, and while there have been wholesale layoffs in the automobile and allied industries, that the Administration, the House, and the Senate are insensitive to this situation. All it will take is to put a quota on products or demand parity with any country.

The main offender is Japan, whose government subsidizes their industries and dumps some \$13 billion in cars and hundreds of electronic products into the United States every year. Voluntarism on their part while commendable is hardly the proper manner to approach so vital a matter. Just stop it or demand that we sell to them as much as they sell to us and do this in every country where the imbalance is so great.

One out of every 5 workers in the U.S. is employed because of the automotive indus-

try. Many workers here in Mayfield are not working because imports of clothing and automobiles. It is past time when we can continue to buy foreign made products. It is time for businesses to know where their products are coming from. The public should look at the labels and try where possible to buy U.S. made products.

Those who defend an "open and free market" note that it is a two way street and when we act to restrict imports, we could be jeopardizing jobs here in this nation. We are not suggesting absolute parity with every country, but primarily Japan, which spends virtually nothing on their own defense, while we maintain a vast arsenal for their defense costing us billions of dollars.

They take the money they save and help their industries undersell us. All the advantages are going to them while unemployment in this country is excessive, especially here where we could be furnishing tires for American made vehicles and enhance the sales and profits of our largest industry, General Tire and Rubber Company.

This is the largest plant of General Tire and if demand increases, we could expect it to reap the benefits. Consequently, this would mean more unemployed put back to work.

It is no secret that foreign labor has the reputation for less work stoppages, higher productivity, and generally lower rates of pay per hour. These are problems that can be solved in this country with negotiations that take into consideration both labor and management needs.

Labor must make wages necessary for them to have a decent living standard. Management must have the prerogatives to manage. In these times of double-digit inflation, where the survival of plants and jobs are at stake, it is imperative that any adversary situation be avoided and that negotiations be made in a positive, intelligent manner reflecting the responsibilities of both parties.

We believe this can be done and that circumstances have dictated here and across the nation that everyone give their best effort to whatever job they have. Otherwise, we can expect worse conditions than now exist.

A good attitude and a new appreciation of the necessity of higher productivity would do wonders for this nation. We are optimistic that the economy will improve, but it depends upon every individual having an appreciation of the free enterprise system.

The present Administration is on the right track by curtailing costly regulations, lowering taxes, seeking to balance the budget, eliminating an intolerable bureaucracy, and seeking to turn government back to the people.

Government exists because we created it. It needs at every level to recognize that to be an elected representative requires an understanding that government is our servant and not our master.

Please write to the President, Representative Hubbard and to Senators Ford and Huddleston asking relief from the burden of imports. It is in your interest to do so and their responsibility to stop it now.●

AN ACT OF CYNICISM

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. HAWKINS. Mr. Speaker, an often used but frequently unfounded charge levied against politicians of all stripes is that of being hypocritical cynics. However, as the Post points out in an editorial this morning, the recent decision to halve the amount of personal possessions allowed to be owned by a welfare recipient is the ultimate act of cynicism. While the rich have been bestowed with a tremendous amount of congressional largesse this year, the poor have suffered programmatic cuts and tax increases. And now, the decision to limit to \$1,000 the amount of personal possessions owned by a welfare family. Surely we are a better people than is shown by this cynical act. The text of the editorial follows:

AN ACT OF CYNICISM

Two thousand dollars worth of possessions not counting your living quarters, essential household goods and car, if you have one, does not exactly represent a royal patrimony. You could maybe have a couple of real luxury items for that or an accumulation (though not a very large one) of things that could be given up without doing harm to your health, safety or sanity. But basically \$2,000 doesn't buy an awful lot of anything these days. Still, to the self-denying, spartan-living members of the U.S. Congress and the Reagan administration it seems a rich and princely sum indeed, far too rich and princely for a welfare family—yech! a welfare family—to possess. So it is that the government in its wisdom has decided to reduce from \$2,000 to \$1,000 the worth of personal property outside the necessities that a person may have and still qualify for welfare.

A lot of the trimming back on domestic social programs that has occurred over the past several months has been warranted. Some of it has been questionable. This particular initiative, however, taking place as it has in the Age of the Senate Steam Room and under the Sign of Harper's Bazaar, is disgusting. We suppose that if you persist in viewing all welfare recipients as variations on the spectacular cheaters and "welfare queens" who are periodically uncovered, it makes sense. But if you believe that welfare recipients are something other than a class of criminals and subhumans who need to be punished, believe that they are in fact much like what we otherwise describe as "people"—people who would like to keep their families together and to enjoy a dignified, productive relationship to society—then you will see this punitive, degrading act for what it is.

The economics of the effort are a joke. What is the merit of a one-shot gain that comes from disposing of those assets a welfare recipient has in excess of \$1,000 in value, when the present limit is \$2,000? What is the effect to be on those numerous people who go on and off welfare as their job opportunities and fortunes change with the changing economic times? If you want help for a few months, you'd better sell off

that second thousand dollars worth of inessential goods. Are we not trying to strengthen the stability and self-confidence of the people who are on welfare, to enlarge and protect the stake they feel they have in the society as a whole—to bring them into the normal middle-class economic order in which most of us live? Do you do this by ensuring that anything they have acquired beyond \$1,000 worth must be sold off before they get help?

The Congress that was so solicitous of inherited wealth, making sure this summer that the estate tax laws would be revised so as to ensure that family acquisitions could be passed on from one generation to another, seems not to have any idea at all that a few permanently held, valuable possessions might have a beneficial effect on a welfare family far in excess of any good to be had by making it sell these things. The Congress that went to such lengths to guarantee that the independent oilmen should have the greatest capital gains blessings the government could provide them is worried that a welfare recipient might have, at \$2,000 worth just to darn many assets. It sounds as though they really just want to make sure that these people *never* get any sense, however dim, that things for them, materially, can get better. It is bad economics and wretched social policy. Our guess is that they know it too, that we are dealing here not with mindlessness, but with sheer cynicism.●

REFUGEES AND REASON

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. FRANK. Mr. Speaker, the subject of American refugee policy, particularly with reference to people from Southeast Asia, has been a controversial one. Several Members of this body and other public figures have spoken out in favor of restricting the entry of the Southeast Asian exiles to America. I was very pleased to read a recent editorial in the Wall Street Journal expressing strongly the view that America continues to have an obligation to those who were the victims of the war in Indochina. Mr. Speaker, I do not think we should begrudge to those unfortunate people the chance to join the tens of millions of earlier immigrants who have come to this country and helped it grow and prosper. I am very pleased that the Wall Street Journal has spoken out so forcefully on this important issue and I wish to share its views with the membership.

[From the Wall Street Journal, Aug. 24, 1981]

REFUGEES AND REASON

Two years after the great exodus of refugees from Communist Indochina reached its height, a huge number of Indochinese—particularly Vietnamese—are still trying to escape to the U.S. and other Free World havens, and they'll probably continue trying to do so for years. This is the conclusion of a major review of the situation by a special State Department advisory group.

Meanwhile, we're hearing from a growing gaggle of Congressmen, immigration bureaucrats and Third World ideologues that the U.S. is admitting too many refugees. These critics claim the U.S., boasting of its wealth and freedom, is exerting more of a "pull" on the Indochinese than the Communist regime, with its dictatorship and economic failure, is exerting a "push." The result, they say, is that we're not really seeing "refugees" now but "economic migrants," who shouldn't be allowed in under the law.

Senator Huddleston, for example, is pushing for an investigation of whether any "economic migrants" are slipping into the U.S. under the refugee program. If they are, he wants to see the program curtailed or closed down. And a group of House Judiciary Committee members, junketing in Asia, said in Bangkok the other day it would recommend tightening up on refugee laws and predicted Congress would scrutinize administration policy.

The law defines a refugee as someone outside his country of nationality who is unwilling or unable to return "because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion . . ." The State Department notes that a large number leaving Indochina clearly face persecution if they return. But it notes that others, in interviews, "manifest a desire for an improved station in life, and fled primarily because of the economic or social conditions" back home.

The State Department's panel—led by Marshall Green, a former Assistant Secretary of State for Asia—recommended in effect that the 225,000 Indochina refugees now festering in camps be presumed to be proper refugees. But it also contended more generally that a proper refugee policy "must distinguish between those who fled out of a fear of persecution . . . as against those who seek to emigrate to ameliorate living conditions."

It seems to us that what a proper refugee policy really ought to do is take cognizance of the fact that economic persecution is just as bad as any other type of persecution, and it's one of the specialties of the type of Communist government that's running Indochina these days. Being denied the right to profit from your work strikes us as no less oppressive than being denied the right to pray or speak. And if Indochina's refugees are fleeing so they can get to a place where they can keep the fruits of their labors, we ought to write a law that is generous toward them.

America has special obligations in Indochina, obligations going far beyond any we might have toward refugees from trouble, oppression and poverty in other parts of the world. The U.S. shares in the responsibility for Indochina's plight. America asked for and won the faith of millions in Vietnam, Cambodia and Laos. It failed them in war. But it need not fail them in defeat, and is faced now with the opportunity of demonstrating the nobility that has been all along in its cause.●

TRIBUTE TO RABBI SAMUEL I.
PORRATH

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. LaFALCE. Mr. Speaker, I rise to pay tribute to a truly outstanding citizen and public servant whom I proudly represent in Congress, Dr. Samuel I. Porrath.

Rabbi Porrath is celebrating his 50th anniversary in the Rabbinate on the Niagara Frontier. He will be honored at a banquet September 13, 1981, sponsored by Temple Beth El of Greater Buffalo and Temple Beth Israel of Niagara Falls. I ask my colleagues today to join me in honoring this most respected member of our community.

There is reason for celebration. Rabbi Porrath has had a distinguished career and a significant impact upon the lives of so many, both through his religious and secular teachings and involvement. The words of the prophet Jeremiah have special meaning when applied to Rabbi Porrath: "He shall be as a tree planted by the water, and that spreadeth out her roots by the River."

Rabbi Porrath was born in Jerusalem and is a 16th generation rabbi. He is proud of his heritage and delights in sharing stories about his rabbi family with his congregants. They are stories about his roots that have influenced the thinking and activities of many in our community and throughout the Nation.

Mr. Speaker, Rabbi Porrath possesses a special warmth and vitality. Throughout his 50 years as a rabbi, as a Hebrew and Bible scholar, he has shared that vitality from the pulpit, from the lectern, in writing, and through travel. His congregants are honoring him because he has so positively influenced their lives, by spreading out his roots and because they are so proud of his accomplishments in the rabbinate.

Mr. Speaker, all of us have reason to be proud of Rabbi Porrath. He is one of those individuals who seeks new horizons and creative involvement to better serve society.

He is a founder and former trustee of Niagara County Community College as well as the founder of the innovative Institute of Transportation Travel and Tourism at Niagara University. His curriculum for a new career program in executive and managerial skills has been copied in many colleges and universities throughout the country.

Rabbi Porrath has been a motivating force in numerous local and national organizations and is the recipient of many awards and citations for his civic work, including the Niagara

Falls Rainbow Award. He has been a leader in the community for furthering interfaith and interracial relationships and, as such, has been the recipient of the B'nai B'rith Interfaith Award.

Mr. Speaker, I know my colleagues join me in extending the heartiest congratulations to Rabbi Porrath on this special occasion. Rabbi Porrath has led the way for so many. He is an inspiration to all of us.

Again, quoting Jeremiah, "Stand ye in the ways, and see, and ask for the old paths, where is the good way, and walk therein." Rabbi Porrath brings us the treasures of the "old paths," has pointed so many to the "good way," and has influenced all he has met to "walk therein." ●

MONETARISM—BROKEN
RUDDER OF REAGANOMICS

HON. BRUCE VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. VENTO. Mr. Speaker, on May 12, 1981, I placed in the RECORD a statement discussing the need for more economic information about capital needs. Recently, the Wall Street Journal published an article entitled "Monetarism—Broken Rudder of Reaganomics" that again highlights our need to know more facts so that money and credit can be directed efficiently to productive purposes. I recommend the article to my colleagues.

It was written by Eugene Birnbaum of Intercontinental Casualty Insurance Co., a senior fellow with the Wharton EFA world economic program and Philip Braverman, vice president and monetary economist for the Chase Manhattan Bank. While these two gentlemen credit the Reagan economic program and the tight money policy of the Federal Reserve for some moderation of the inflation, which I feel is of questionable validity, the main import of their article is a dire warning against rigid adherence to a pure monetarist approach. I believe this article deserves our close study.

They say, concerning the money supply instability affecting not only our economy but European economies as well.

The cornerstone assumption of monetarism is that as money goes, so goes the economy. If that ever was an accurate assessment, recent experience refutes it.

Changes in the money growth rates have had anything but a stable relationship with corresponding changes in economic activity. This relationship gyrates wildly as shown in the quarter-to-quarter data covering more than a decade.

Money supply instability is an outgrowth of shifting seasonal patterns and changing depositor and borrower preferences, which are strongly influenced by continuous struc-

tural changes in the global financial environment. These changes set off Fed interventions to stabilize the money supply, which pummel the money and bond markets, foreign exchange markets, equities markets and commodities markets. The monetarist obsession with stabilizing only money growth is a prescription for destabilizing the economy.

Strict monetarist policies based on assumptions that inflation is possible only with spurts in money supply, they suggest, are futile and potentially dangerous also because the quantity of money relative to total economic activity has declined significantly. At the turn of the century the money supply was 40 percent of the GNP. Now it is 15 percent. They conclude that effective control of monetary aggregates, while theoretically possible, is not practicable. They reason that injecting or withdrawing reserves from the banking system according strictly to the dictates of monetarist theory would produce uncertainty that could lead to wholesale calling of loans and financial panic.

A major dilemma, according to these authors, arises by the pursuit of monetarism. They write as follows:

Whenever interest rates are allowed to weaken, the foreign exchange value of the dollar declines, thereby lessening the restraint on U.S. product prices and sowing the seeds for renewed inflation. On the other hand, if the sharply lower inflation rate is maintained through a combination of such exceptionally high real interest rates and a strong dollar, the formula may ultimately crush the economy—just as a strong pound sterling combined with high interest rates inevitably brought major problems to Britain—a la Thatcher.

Monetarism, which places its sole confidence in stabilizing the growth of some esoteric monetary aggregate to the exclusion of other concerns, is a prescription for calamity.

We are witnessing its consequences virtually everywhere in the Western world. It would be unfortunate if monetarist orthodoxy poisoned the Reagan administration's otherwise strong economic policies.

Mr. Speaker, there is another dilemma these authors do not discuss, and that is the inflationary impact that is likely to arise from the additional "incentives" President Reagan's tax legislation provides for wealthy individuals and giant corporations. Some of the funds from these incentives will no doubt add to productivity. But I fear that most of the funds will merely fuel speculative activity and unnecessary spending in much the same manner as we have witnessed in recent merger activity. Mergers concentrate economic power and will neither create jobs nor increase productivity.

In an economy so short of available credit that it cannot meet its essential capital needs, this waste cannot be permitted to continue. It is a farce when officials of the Federal Reserve and Treasury Department testify, as they did recently before Congress,

that only the free market can determine who should have access to credit. The simple fact is that the free market did not limit the money supply. The Federal Reserve, composed of officials and bureaucrats just like any other Government agency, took the action causing the present crisis. Now, as always in the past, tight money has denied credit to small business, agriculture, State and local government, and homebuilders and home buyers. The Federal Reserve made the tight money decision with full approval of the Reagan administration. That, I submit, is allocation of credit. American genius and American creativity should be able to find a better way to choose.

I ask consent to have my remarks and a copy of the Birnbaum and Braverman article reprinted in the RECORD.

[From the Wall Street Journal, July 23, 1981]

MONETARISM—BROKEN RUDDER OF REAGANOMICS

(By Eugene A. Birnbaum and Philip Braverman)

A near unanimity seems to exist among many commentators that the pronounced moderation of inflation now evident has nothing to do with the Reagan administration. We take exception to this view.

The turnaround in inflation is first of all attributable to the market's favorable response to the reordering of priorities that made countering inflation paramount; this confidence is especially apparent in the foreign exchange markets.

The dollar's rise against foreign currencies is a powerful inhibition against raising the domestic prices of all goods. The sharpened competitiveness of foreign goods strikes across the board, and the vulnerability of U.S. companies to such competition may even stimulate greater productivity.

The second powerful blow against inflation was Mr. Reagan's decontrol of oil prices. Suddenly U.S. consumers joined foreigners everywhere who had to pay more marks, francs, yen or lire to purchase the same \$34 barrel of oil. The resulting global conservation and supply-side impetus contributed greatly to the oil glut and recent decrease in the dollar price of oil.

U.S. economic policy management is not home free, however. A stern adherence to the theories of monetarism can be the undoing of the administration's effort to kill inflation without driving the economy into deep recession.

MONETARISTS' IMPLICIT FAITH

The assumptions of monetarists are heroic. The size of the federal budget deficit or the attendant credit expansion is irrelevant in their view because no speedup of inflation is possible without a companion spurt of money growth. Monetarists also have implicit faith that the Fed can control the growth of the money supply. Though the Fed's focus on the money supply has produced historically high short- and long-term interest rates, these are grudgingly tolerated in the holy war against money growth.

The cornerstone assumption of monetarism is that as money goes, so goes the economy. If that ever was an accurate assessment, recent experience refutes it.

In the first quarter of this year there was a 0.8% annual rate of decline in the much watched and monetarist-preferred M1-B measure of the money supply. Yet during that quarter GNP surged forward at an astounding 19% clip. At the same time the Fed, concerned over the lack of significant money growth, increased reserves through the open market sufficiently to depress the federal funds rate from 19%-plus at the turn of the year to under 14% by late March. Like a bevy of ducklings trailing their mother, other money market rates followed obediently downstream.

The Fed reversed course in April and May, marching the funds rate back toward the 19%-plus area, carrying other short-term rates with it. Why? Because money growth accelerated to a 16.9% annual rate in April, even though the economy had by this time turned sluggish.

Since then, market rates have continued to gyrate, not only in response to what the Fed was doing, but in anticipation of what might come next from a Fed subjected to a relentless barrage of monetarist criticism in and outside the administration. The money supply numbers have recently spurted again, and there's no telling the direction of the next stumble.

Changes in the money growth rates have had anything but a stable relationship with corresponding changes in economic activity. This relationship gyrates wildly as shown in the quarter-to-quarter data covering more than a decade.

Money supply instability is an outgrowth of shifting seasonal patterns and changing depositor and borrower preferences, which are strongly influenced by continuous structural changes in the global financial environment. These changes set off Fed interventions to stabilize the money supply, which pummel the money and bond markets, foreign exchange markets, equities markets and commodities markets. The monetarist obsession with stabilizing only money growth is a prescription for destabilizing the economy.

The monetarists cite reams of historical data to support the central tenet of their faith, that to control money growth is to control the economy. However such observations refer largely to earlier centuries when capital markets were in their infancy and, as a growing supplement to specie, banks became the primary source of money and credit.

The landmark study by Milton Friedman and Anna Schwartz, "A Monetary History of the United States: 1867-1960," found a relatively stable relationship between the growth of the so-called broadly defined money supply and the gross national product.

But a stream of recent financial innovation has encouraged the proliferation and substitution of near-money, credit, or merely assured access to credit, for money. The high degree of liquidity in credit lines, RPs, money funds, jumbo-CDs, Treasury securities nearing maturity, commercial paper, Eurodollars and bankers acceptance is self-evident. Each of these instruments can be readily exchanged for cash.

No wonder any of the officially designated money supply measurements can stagnate even as economic growth may be accelerating rapidly. Conversely, just let concern develop about the safety or liquidity of some near-money substitute, and the official money supply numbers will balloon, even in a period of economic decline.

The declining importance of the quantity of money relative to the economy is also ap-

parent in the reduction of the ratio of the money supply to the GNP. At the turn of the century this ratio was 40%. It is only about 15% now.

The various money supply measures can and do move in opposite directions, with respect to each other and with respect to nominal GNP. When Fed policy is predicated on countering "aberrant" money growth, the result is the chaotic gyrations we are witnessing in every market. The monetarist policy approach to guiding the economy, depending as it does on tenuous linkages, is like trying to walk a dog with a leash a block long.

The truth is that effective control of the monetary aggregates is achievable in theory, but not in practice. In theory the Fed could indeed inject or withdraw reserves from the banking system with no holds barred and on an unswerving course. The problem is that this would produce much uncertainty over the availability of reserves. A misstep could lead to a wholesale calling in of loans and a spiraling descent to financial panic.

This is why every week the Fed understandably acts in such a way as to fully accommodate the reserve requirements of the banking system (whatever these may be). The Fed can never refuse to provide the required reserves unless it would deliberately risk setting off a spiraling contraction of credit. So it contents itself with choosing between channels—open market operations or the Federal Reserve discount window—to supply the requisite reserves.

The more reserves provided through the open market, the lower the federal funds rate will be and the less the banks will need to resort to the discount window. Conversely, holding back on reserves through the open market pushes up the funds rate to a level where banks move to the discount window.

The point is this: The Fed does not control the quantity of bank reserves—monetarist prattling to the contrary notwithstanding. Rather it controls the level of the funds rate by its choices of the channel through which to meet predetermined bank reserve needs.

It is of course thought that higher interest-rate levels eventually dampen the economy, slowing borrowing and lending sufficiently to achieve longer term money-growth goals. But the Fed has been forced to use dramatic increases and decreases in interest rates in the attempt to achieve such money growth objectives.

To reemphasize a critical distinction: Money growth-goals are one thing, but economic performance is another. In the 1930s the Fed tried to get the banks to lend but found that piling up excess bank reserves was like pushing on a string. In the current era we have the opposite condition: Since reserve needs must be met, trying to restrain, excess money growth by actions which force up the funds rate is about as effective as pulling on a limp noodle.

COSTS CAN BE PASSED ALONG

The underlying conventional theory holds that higher interest rates are deflationary, since they increase costs that may prove difficult to pass along. However, just as banks can keep lending in the knowledge that reserve needs will always be met, borrowers take a similar view of higher interest rates; they assume those costs can usually be passed along and so are not dissuaded from borrowing until rates are at astronomical levels.

That brings us back to where this article began: We are witnessing a sharp restraint on U.S. inflation, as the strong dollar allows the extraordinarily high interest rate levels to bite. The pursuit of monetarism, however, has brought policy to a major dilemma.

Whenever interest rates are allowed to weaken, the foreign exchange value of the dollar declines, thereby lessening the restraint on U.S. product prices and sowing the seeds for renewed inflation. On the other hand, if the sharply lower inflation rate is maintained through a combination of such exceptionally high real interest rates and a strong dollar, the formula may ultimately crush the economy—just as a strong pound sterling combined with high interest rates inevitably brought major problems to Britain—a la Thatcher.

Monetarism, which places its sole confidence in stabilizing the growth of some esoteric monetary aggregate to the exclusion of other concerns, is a prescription for calamity.

We are witnessing its consequences virtually everywhere in the Western world. It would be unfortunate if monetarist orthodoxy poisoned the Reagan administration's otherwise strong economic policies.●

LEGISLATION TO PROMOTE EPIDEMIOLOGICAL RESEARCH

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. MOFFETT. Mr. Speaker, I am today introducing legislation to improve the ability of the National Institute for Occupational Safety and Health (NIOSH) to root out the causes of illnesses contracted by workers. Our colleagues Representatives FORD, SCHEUER, DOWNEY, and WALGREN are joining in this effort.

Last year, the House Commerce Subcommittee on Oversight and Investigations produced an excellent report titled "Data Transfer Restrictions Impede Epidemiological Research." The report described, with the utmost detail and care, the problems which frustrate scientific researchers who attempt to discover the root causes of occupation-related diseases.

Our former colleague, Bob Eckhardt, wrote at that time:

All of us have been touched directly or indirectly by the harsh reality of occupational disease—cancer, respiratory illness, birth defects. All of us ask questions: How did this happen? What was the cause? How can this human tragedy be avoided in the future? Unfortunately, many of these questions cannot be answered fully at the present time.

The report which Bob and our subcommittee produced disclosed that the Internal Revenue Code barred the release of certain critical information to the National Institute of Occupational Safety and Health. And, if these restrictions were modified—in a manner which was consistent with the 1974 Privacy Act—health research and disease prevention would be immeasurably enhanced.

Our amendment to the Internal Revenue Code to authorize the Social Security Administration to disclose to NIOSH the information needed to further this research. Let me again quote the subcommittee report to describe how such an amendment would be helpful:

Assume that NIOSH determines that there is an unusually high incidence of bladder cancer in County A. NIOSH also learns that several of the bladder cancer victims have been previously employed by Plant X, and the agency concludes that they should evaluate whether occupational factors at Plant X might be related to the increase in cancer incidence.

Although all of the cancer victims might have also worked at Plant Y, NIOSH researchers might not readily identify this common factor under current methods of epidemiological research. This is because the agency could not rapidly receive the detailed employment histories available under the proposed amendment. Rather such employment histories would only be available after months of research (and possibly not even at that point). Without the proposed amendment, employment histories can only be acquired by conducting lengthy interviews with next of kin or by obtaining Social Security records from the Administrator, trustee or executor of an estate. This amendment is crucial if we are to supplement information from animal studies with sound epidemiological research.

This important research information should be available to NIOSH.

Our proposed amendment to the Internal Revenue Code would provide for complete compensation to the Social Security Administration. Thus, the information transfer would not deplete the funds in the social security trust funds in any way. Also, no additional Government bureaucracy would be created by this legislation.

The protection of worker health is still a priority in the United States. By discovering the causes of occupational illnesses, we can make our workplaces safer and more productive at the same time. The amendment we are offering has been recommended only after thorough oversight and investigation by the House Energy and Commerce Committee.

I urge our colleagues to cosponsor and support passage of this legislation.●

MILITARY WASTE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. ASPIN. Mr. Speaker, if the Reagan administration is seriously looking for areas of waste in the military, it does not have to look far. I suggest OMB Director Dave Stockman just look at his plate the next time he dines at the Pentagon. A lunch built around a pastrami sandwich in the private dining room operated for the top

officials of the Defense Department costs taxpayers \$12.

There are five private dining rooms operated in the Pentagon, one each for the three service chiefs, one for the Office of the Chairman of the Joint Chiefs of Staff and one for the Office of the Secretary of Defense. Those five dining rooms were subsidized last year to the tune of \$1,438,322, according to figures given me by the Pentagon in response to my questions.

If we single out the Defense Secretary's dining room, we find the kind of appalling disdain for the value of a dollar that ought to goad any administration into action. The dining room is clearly overstaffed and run with no concern for cost. The worst part, of course, is that the taxpayer is expected to pick up the tab for 81 percent of the cost of the lunches served there.

This private dining room is open to only 100 "selected senior level members" of Defense Secretary Caspar Weinberger's staff. The dining room charges no membership fees. Its a la carte prices include such charges as 55 cents for soup, \$3.55 for a Delmonico steak, \$2 for a hot pastrami sandwich on rye and 50 cents for ice cream. Diners pay an average of \$2.87 for each meal.

The charges cover the cost of buying the foodstuffs. But the wages for the 19 service men and women who staff the place, as well as utilities, maintenance and most other costs are paid for with Government money.

The following figures were supplied to me by the Pentagon in response to specific questions.

DATA ON SECRETARY OF DEFENSE MESS—FISCAL YEAR 1980

(Meals served in fiscal year 1980—26,004)

	Total cost	Cost/meal
Military personnel pay.....	\$278,860	
Other appropriated fund outlays.....	34,728	
Total appropriated funds.....	313,588	\$12.06
Receipts from food charges.....	74,739	2.87
Totals.....	388,327	14.93

I think \$14.93 for a hot pastrami sandwich is a wee bit steep—no matter who you get to dine with. But in this case, the one getting stiffed is not the diner but the taxpayer, who does not even get a glance at the decor of this private dining room.

The total cost of the dining room is not much when you consider the total defense budget this coming year will be \$222 billion. It is the aura of wastefulness right at the heart of the Nation's largest Federal agency that is so disturbing. I do not blame Mr. Weinberger. He did not open this dining room. It has been around many years and he just inherited it. But he does

have the authority to do something about it.

In keeping with the stated goals of the administration, all officials should be turning their backs on decades of wastefulness and generating a new spirit of concern for the value of the dollar. What better place for the Secretary of Defense to begin than at his own dining table. Let us clear the mess from the Defense Secretary's mess-hall; let us have a new ambience, an ambience of parsimony rather than prodigality, of economy rather than extravagance, of savings rather than subsidy. That is what the public wants.●

WARREN-SHERMAN PROJECT

HON. ED WEBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 9, 1981

● Mr. WEBER of Ohio. Mr. Speaker, today I wish to focus attention on the need our country has to create new jobs. The concept of urban enterprise zones has been suggested as a partial solution to the problem of unemployment. Through the promotion of areas with special incentives to encourage private businesses to create jobs in our urban centers, relief can be provided for the people who suffer most because of unemployment. The August 1981 unemployment figures show that 7.2 percent of the citizens of this country are out of work and that 45.7 percent of the minority teenagers are unable to find a job. In 1978, the people of the Toledotrust Corp. in Toledo, Ohio, along with other businesses, started work on a project called Warren-Sherman. This project is an attempt to make the concept of urban enterprise zones work. Over the past 3 years much progress has been made and a major step forward will occur this fall when Magnetic Peripherals, Inc., in conjunction with Scott High School, will start a job training program which provides 90 part-time jobs in a new electronics assembly plant. Efforts such as this must be encouraged by the Congress.

I submit for publication in the RECORD testimony Mr. George Haigh, chairman of the Toledo Economic Planning Council, gave before a subcommittee hearing on the subject of urban enterprise zones in July and letters from both myself and Governor James Rhodes of Ohio to President Reagan in support of the Warren-Sherman project:

STATEMENT OF GEORGE W. HAIGH, CHAIRMAN,
TOLEDO ECONOMIC PLANNING COUNCIL

Mr. Chairman and members of the committee, I am George W. Haigh, chairman of the Toledo Economic Planning Council. I appear before the Subcommittee in support of S. 1310, the proposed Urban Jobs and Enterprise Zone Act, and the Warren-Sherman

urban redevelopment project in Toledo, Ohio, a project consistent with the intent and qualifications set forth in S. 1310. I appear in this matter on behalf of the Toledo Economic Planning Council (TEPC); the city of Toledo, which has given strongest support to the project; the community and neighborhood within which it is located and offering hope to those persons living there; the corporations which have located in the area and created additional jobs by doing so; and the Toledo Trust Company, the principal financial supporter of the project, of which I am also president and chief executive officer.

The subcommittee is to be commended for beginning prompt Congressional hearings on an idea which should become a reality at the earliest possible date. Much is already known about the urban enterprise concept. Competing proposals have been examined in the adversarial context of conferences and academic studies. The Administration, as Congress, has more than one concept under consideration. There have been several projects, like Warren-Sherman, which have yielded evidence on what works. Urban redevelopment could be slowed by any inexplicable delay in Congress setting forth the policy and statutory framework for future urban development.

The Warren-Sherman project, Toledo's successful effort to revitalize its most distressed inner-city neighborhood, provides an excellent model for demonstrating how a city's private and public sectors can join forces to solve urban problems. This project has as its goal the restoration of economic and social stability to a neighborhood that is characterized by high unemployment, poverty and welfare dependency, blighted housing and other indicators of urban decay. Today, Warren-Sherman is well on its way to becoming an attractive and viable neighborhood because of a unique combination of factors.

COMPREHENSIVE REDEVELOPMENT

Perhaps the most important of these factors is the comprehensive nature of the project approach. Previous experience throughout the country clearly demonstrated the futility of one-dimensional attempts to deal with urban development problems. It was recognized at the inception of the project that the ability to effectively coordinate economic, social and physical improvements was a prime requisite of success. Consequently, the project has been oriented toward viable solutions to a wide range of problems, and addresses job creation and job training, enterprise development, redevelopment of commercial services, health care, day care, recreation, and other social support services. Job creation was of immediate concern, since little impact would be expected from other efforts without employment opportunities for the neighborhood residents. Jobs would have to be closely matched with the abilities of the residents, and job training programs were developed for those without skills. Support for the development of small businesses was designed into the project. It was obvious that significant improvement of the housing stock would be a major need, and the project includes development of substantial new market-rate housing, as well as new subsidized housing and extensive rehabilitation. The neighborhood has no local convenience of commercial services, and this is being remedied by development of a neighborhood shopping center and a commercial development. Health care, day care, and other social services are also being dramatically

improved. Essentially, the Warren-Sherman project addresses the need to deal with all of the major problems facing the neighborhood. For example, jobs without improved housing, commercial redevelopment, and social services would lead to further abandonment and blight even if it were initially possible to attract jobs into the neighborhood without these improvements. On the other hand, improvements in social and physical characteristics of the neighborhood without providing mainstream economic participation for the residents is unlikely to lead to a viable neighborhood. While the coordination of this effort is difficult, any approach less comprehensive in scope would not be successful.

TRIAD OF INTERESTS

A second major factor contributing to the success of the project is the unique triad of interests which are working together to bring the plans to fruition. These are the private sector, the public sector and a non-profit developer. The private sector involvement is led to Toledo Trust, the City's largest financial institution, which has been instrumental in obtaining private sector support, investment, and job commitments, and arranging financing for various project components. The bank's willingness to take a lead role and its excellent contacts throughout the business community have been extremely important. Also participating from the private sector are several Toledo corporations which have made commitments to establish light manufacturing facilities in the neighborhood and provide jobs for neighborhood residents. These include Owens-Illinois, Libbey-Owens-Ford, and Sheller-Globe Corporation. Their commitments, along with others now being actively pursued, will provide the employment base for a redeveloped community. Finally, an important private sector actor has been City Venture Corporation, a for-profit marketer of private sector expertise in urban development. One of City Venture's major stockholders, Control Data Corporation is making a substantial neighborhood investment in developing a Business and Technology Center, a small business incubator, and is also under contract to provide unique job training to neighborhood residents. The public sector is represented by the City of Toledo and its Department of Community Development, who have taken responsibility for all public improvements including housing, land acquisition, and street and utility upgrading. The City's strong support for this project, led by the Mayor and the Community Development Director, has ensured that available public sector resources have been directed to the project. The state of Ohio is becoming actively involved in the project and is expected to provide support for several project components. Governor Rhodes recently expressed his strong endorsement of the Warren-Sherman project and its conceptual approach to urban development in letter to President Reagan, and Congressman Weber from Toledo's 9th District, and has taken an active interest in furthering the project. The third partner in the triad is the Toledo Economic Planning Council, a non-profit development corporation, which has served as overall project sponsor and is acting as developer of the 23 acre Warren-Sherman Industrial Park. This organization has served as an important project facilitator by providing a bridge between the public and private sectors who are jointly represented on its Board of Directors. The cooperation of all these partici-

pants has been one of the key ingredients to the project's success which has resulted in over \$30 million of private investment and an estimated 1,500 jobs within 5 years.

NEIGHBORHOOD INVOLVEMENT

The third major factor is the unique way in which residents of the neighborhood have participated in the project. One of the primary concerns in planning the project was to ensure that the benefits accrued to current residents. It was important not to create a situation in which residents would not be able to obtain the new jobs or afford the new housing in the neighborhood. Consequently, neighborhood residents, under the leadership of a strong neighborhood organization, have been extensively involved in the project since its inception. In a continuing series of neighborhood meetings, residents have participated in establishing project goals, planning the project elements, and are taking part in implementing the various components. Early and continuing participation by the residents has not only ensured their acceptance and support but has improved project concept through utilization of their suggestions and desires.

THE ROLE OF THE FEDERAL GOVERNMENT

The combination of the above three major factors provides perhaps the best available model for redeveloping inner-city neighborhoods. The Warren-Sherman approach should be duplicated and, in fact, is being used in two other Toledo neighborhoods at present. Every major city in the United States has at least one neighborhood similar to Warren-Sherman and the elements necessary to follow the Warren-Sherman approach. Cities, by providing leadership, commitment, local planning, and vision, can establish most of the basic conditions necessary to redevelop their inner-city neighborhoods. However, many cities do not have the resources to undertake basic public improvements.

Therefore, the Federal role is crucial. Tax incentives, economic development block grant programs, and targeted job training will provide important assistance in creating possible environments for the attraction of private investment to inner-city neighborhoods. In order to ensure the success of these programs, it is suggested that they would function most effectively if the key components of the Warren-Sherman approach were present. A comprehensive redevelopment effort will ensure maximum impact from each project element; strong partnership between the public and private sector will maximize response to development opportunities; and effective participation by neighborhood residents will assist in creating project concepts that are feasible and accepted.

The proposed Urban Jobs and Enterprise Zone Act will be a key component in maximizing the benefits from the Warren-Sherman project. The tax incentives contained in the Act will ensure a rapid and significant response by Toledo's business community to the opportunities now existing in Warren-Sherman. As successful as the project has been to date, incentives such as those contained in the Enterprise Zone Concept are still necessary to overcome initial resistance and provide a sound future basis for healthy private sector growth. Warren-Sherman, because of the preparatory work now nearing completion, will, in fact, provide a very useful model to demonstrate the positive impacts of tax incentives on urban development.

Using the Warren-Sherman model, other cities and states could program proposed

economic development block grant funds to provide public improvements, organize effective partnerships, and utilize the tax incentives contained in the Urban Jobs and Enterprise Zone Act to attract private investment to inner-city neighborhoods.

While my comments have been necessarily brief, I am appending a more completed description of the project for your examination. Please feel free to call on Toledo if there is any way in which we can be of assistance.

Thank you.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 10, 1981.

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

DEAR MR. PRESIDENT: I wholeheartedly support the concept of urban enterprise zones as a means of urban neighborhood revitalization.

The Warren-Sherman Project in Toledo, Ohio is a shining example of successful application of the theories and principles of urban enterprise zones. Because Toledo's public and private sectors have worked together to make this project succeed, it stands as a model for cities wishing to undertake a similar program.

Until recently, Warren-Sherman was considered "a hopeless case." The population of this 300-acre area faced more than 30 percent unemployment, severely limited job opportunities, high crime rate, low-level formal education, and property deterioration due to arson and vandalism. Of the 3,500 residents, 90 percent were Black and 40 percent earned less than \$5,000 per year. There seemed no way out.

The formation of the Toledo Economic Planning Council, consisting of private and public sector representatives, established the bridge that was needed in order to allow the entire community to work efficiently to solve the problem of Warren-Sherman. It hasn't been easy. The work has been arduous and the workers dedicated; as much has been learned through our mistakes as our successes.

The people living and working in Warren-Sherman were skeptical at first about the depth of community commitment to the revitalization of their neighborhood. But as work continues and there is steady progress in rebuilding and job development, relations between Warren-Sherman residents and the entire Toledo community continue to improve.

The Warren-Sherman Project would be an excellent model for other cities as they attempt similar programs. After urban enterprise zone legislation is enacted Warren-Sherman, if selected, would be several steps ahead of other selected sites and could provide valuable guidance and experience. I am proud of what has been accomplished in this once-blighted neighborhood.

Sincerely,

ED WEBER,
Member of Congress.

STATE OF OHIO,
OFFICE OF THE GOVERNOR,
Columbus, Ohio, July 2, 1981.

HON. RONALD W. REAGAN,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: You have made the economic recovery of the Nation your highest immediate domestic priority, and the people of Ohio support your effort. It is most encouraging that the recovery plan in-

cludes a clear-cut plan to return the residents of inner cities to the mainstream of America's economy. I refer, of course, specifically to your intention to create jobs for urban area residents through the establishment of enterprise zones.

Consistent with your philosophy of government, Ohio's private sector has never abandoned its commitment to create jobs. The private and public sectors in Ohio have worked closely together to foster the climate required for creating jobs for its citizens. Partnership with the private sector is a must to insure success for a governmental venture aimed at improving the economic status of a specific group of residents. I want to mention to you an example of cooperation that shows what can be accomplished in urban redevelopment.

This is the story of Toledo's Warren-Sherman neighborhood, a 100-year old section that is home for 3,500 people. Until recently, this neighborhood was a mirror image of decaying areas found in cities throughout America.

Warren-Sherman is an area of 300 acres, adjacent to Toledo's downtown. Of its 3,500 residents, 90 percent are black and 40 percent earn less than \$5,000 a year. The jobless rate in this area surpassed 30 percent, with job opportunities very limited. Forty percent of the residents had not finished high school and crime was rampant. In short, there was little hope that conditions would improve, and there was less hope that anyone outside the area really cared.

Some people, however, did care. A few at first, and then many joined after a well-defined, workable program to help Warren-Sherman emerge. Through the leadership of Toledo Trust, a Toledo Trustcorp bank, support of the private and public sectors at all levels was harnessed. The basic concept was simple: banks are members of their communities, they are not institutions set apart. They have a very real stake in everything that happens in their cities and neighborhoods. So, too, do the businesses which, in the absence of a healthy economic environment, consider locating elsewhere.

The Toledo Economic Planning Council was formed to focus the community's commitment, and the private sector stepped forward with its contribution. Today, Owens-Illinois Inc., Libbey-Owens-Ford and Control Data Corp., have agreed to build facilities in the Warren-Sherman area, creating new jobs where they are needed the most. Toledo Trust has invested \$5 million in loans and investments in the neighborhood.

Warren-Sherman is a story that the Nation should hear. It wasn't easy, but the results are worth the hard work. Warren-Sherman exemplifies what can be accomplished in America's urban areas; helping the most disadvantaged help themselves to become productive members of society. Warren-Sherman need not be an isolated success story. Its experience can be the model for other cities, showing that urban enterprise zones are the building blocks needed to restore economic health.

Warren-Sherman can play an important role in proving that the enterprise zone is not only a concept, but is a reality. Warren-Sherman can be the showcase to which you can point in urging Congress to enact enabling legislation. Warren-Sherman can also be the one zone that has sufficiently progressed so it can be a reference point to other cities that decide to use this approach to fight economic blight.

I therefore not only support the urban enterprise zones proposal not being finalized

by your office, but urge the inclusion of the Warren-Sherman project among the zones selected by your administration. Warren-Sherman can be the ongoing model upon which others can look for help and guidance.

Sincerely,

JAMES A. RHODES,
Governor. ●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 10, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 11

- 9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed extension of the temporary limit on the public debt.
2221 Dirksen Building
- 10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
Business meeting, to mark up H.R. 4144, appropriating funds for fiscal year 1982 for energy and water development programs.
1114 Dirksen Building
- Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.
3110 Dirksen Building
- Environment and Public Works
Business meeting, to mark up an original bill authorizing funds for the municipal wastewater treatment construction grants programs of the Clean Water Act.
4200 Dirksen Building
- Judiciary
To continue hearings on the prospective nomination of Sandra D. O'Connor, of

Arizona, to be an Associate Justice of the Supreme Court.

1202 Dirksen Building

SEPTEMBER 14

- 9:30 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings to explore the existence of problems relating to the recruitment and retention of Federal senior executives.
3302 Dirksen Building
- 10:00 a.m.
Energy and Natural Resources
To hold hearings on the nominations of William A. Vaughan, of Michigan, to be Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness; Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration; Dallas L. Peck, of Virginia, to be Director of the Geological Survey; Guy W. Fiske, of Missouri, to be Under Secretary of Energy; and Robert C. Horton, of Colorado, to be Director of the Bureau of Mines.
3110 Dirksen Building
- 1:30 p.m.
Judiciary
Criminal Law Subcommittee
To hold hearings on S. 1434, eliminating the bar of the act of state doctrine to adjudication on the merits in certain cases in U.S. courts.
2228 Dirksen Building
- 2:00 p.m.
Appropriations
Business meeting, to continue markup of H.R. 4119, appropriating funds for fiscal year 1982 for the Department of Agriculture and related agencies, and H.R. 4120, appropriating funds for fiscal year 1982 for the Legislative Branch of the Federal Government.
1114 Dirksen Building
- Energy and Natural Resources
Business meeting, to consider the nominations of William A. Vaughan, of Michigan, to be Assistant Secretary of Energy for Environmental Protection, Safety, and Emergency Preparedness; Rayburn D. Hanzlik, of California, to be Administrator of the Economic Regulatory Administration; Dallas L. Peck, of Virginia, to be Director of the Geological Survey; Guy W. Fiske, of Missouri, to be Under Secretary of Energy, and Robert C. Horton, of Colorado, to be Director of the Bureau of Mines.
3110 Dirksen Building
- Foreign Relations
To hold hearings on the nominations of Dominick L. Dicarilo, of New York, to be Assistant Secretary of State for International Narcotics Matters; William C. Sherman, of Virginia, to be the Deputy Representative in the Security Council of the United Nations, with the rank of Ambassador, and Ben J. Wattenberg, of the District of Columbia, to be a Member of the Board for International Broadcasting.
4221 Dirksen Building
- Joint Economic
Agriculture and Transportation Subcommittee
To hold hearings on the importance of agriculture in the U.S. economy.
5110 Dirksen Building

SEPTEMBER 15

- 9:30 a.m.
Governmental Affairs
Business meeting, to resume markup of S. 1080, to improve and modify the Federal regulatory process.
3302 Dirksen Building
- Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building
- Labor and Human Resources
To hold hearings on the nomination of John R. Van de Water, of California, to be a Member of the National Labor Relations Board.
4232 Dirksen Building
- 10:00 a.m.
Appropriations
Business meeting, to mark up H.R. 4121, appropriating funds for fiscal year 1982 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.
1114 Dirksen Building
- Budget
To hold hearings on the proposed second concurrent resolution revising the Congressional Budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building
- Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1516, to provide for the exploration and development of geothermal resources.
3110 Dirksen Building
- Finance
Business meeting, to mark up public debt limit and debt collection proposals.
2221 Dirksen Building.
- 2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building
- Joint Economic
Agriculture and Transportation Subcommittee
To continue hearings on the importance of agriculture in the U.S. economy.
5110 Dirksen Building

SEPTEMBER 16

- 9:00 a.m.
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on East/West economic relations.
4221 Dirksen Building
- Select on Intelligence
Closed briefing on intelligence matters.
Room S-407, Capitol
- 9:30 a.m.
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on State implementation of Federal standards of the Clean Air Act.
224 Russell Building
- Judiciary
Constitution Subcommittee
To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the pro-

tection of certain confidential information from the disclosure requirements of the Freedom of Information Act.

2228 Dirksen Building

*Veterans' Affairs

Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces, and S. 266 and amendment No. 62 of S. 636 (Veterans' Administration Health Care Amendments), measures implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.

412 Russell Building

10:00 a.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

2:00 p.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Governmental Affairs

Business meeting, to continue markup of S. 1080, to improve and modify the Federal regulatory process.

3302 Dirksen Building

Special on Aging

To hold hearings on social security reform and retirement income policy.

6226 Dirksen Building

SEPTEMBER 17

9:30 a.m.

Governmental Affairs

Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.

3302 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on proposed legislation to establish a Commission to plan and develop a program to commemorate the bicentennial of the U.S. Constitution.

318 Russell Building

9:45 a.m.

Foreign Relations

To hold hearings on U.S. foreign policy and the current situation in the Persian Gulf.

4221 Dirksen Building

10:00 a.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold hearings on S. 1457, S. 651, S. 466, and S. 383, bills providing for the

reinstatement and validation of certain U.S. oil and gas leases.

3110 Dirksen Building

2:00 p.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold hearings on S. 1575, proposed Combined Hydrocarbon Leasing Act.

3110 Dirksen Building

Judiciary

Constitution Subcommittee

To hold hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.

2228 Dirksen Building

3:00 p.m.

Governmental Affairs

To hold hearings on the nomination of Charles A. Bowsher, of Maryland, to be Comptroller General of the United States.

3302 Dirksen Building

SEPTEMBER 18

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Robert P. Paganelli, of New York, to be Ambassador to the Syrian Arab Republic, David E. Zweifel, of Maryland, to be Ambassador to the Yeman Arab Republic, Michael H. Nelin, of Maryland, to be Ambassador to the Democratic and Popular Republic of Algeria, and other pending nominations.

4221 Dirksen Building

SEPTEMBER 21

9:30 a.m.

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To hold hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of George S. Vest, of Maryland, to be the Representative to the European Communities, with the rank and status of Ambassador, Jack F. Matlock, Jr., of Florida, to be Ambassador to the Czechoslovak Socialist Republic, John E. Dolibois, of Ohio, to be Ambassador to Luxembourg, and Raymond C. Ewing, of Virginia, to be Ambassador to the Republic of Cyprus.

4221 Dirksen Building

2:00 p.m.

Judiciary

Juvenile Justice Subcommittee

To hold hearings to examine the impact of media on juveniles.

2228 Dirksen Building

SEPTEMBER 22

9:00 a.m.

Office of Technology Assessment

The Board to hold a general business meeting.

Room S-138, Capitol

9:30 a.m.

Commerce, Science, and Transportation Business, Trade and Tourism Subcommittee

To hold hearings on the State Department's plan to implement a visa waiver program for foreigners who are required to apply for American visas.

235 Russell Building

10:00 a.m.

Governmental Affairs

To hold hearings on S. 1417, establishing a Commission to recommend policies and standards to reduce the risk of criminal assaults against the President, and review the criminal laws relating to the safety of the President.

3302 Dirksen Building

Select on Indian Affairs

To hold hearings on S. 503, providing for the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, North Dakota.

5302 Dirksen Building

10:30 a.m.

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

11:00 a.m.

Veterans' Affairs

To hold hearings on fiscal year 1982 legislative recommendations of the American Legion

318 Russell Building

2:00 p.m.

Governmental Affairs

To hold hearings on the nominations of Charles M. Girard, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and Bruce Chapman, of Washington, to be Director of the Census.

3302 Dirksen Building

Judiciary

Criminal Law Subcommittee

To hold hearings on S. 904 and S. 907, to provide penalties for the assassination, kidnaping, and assault of Presidential, and Vice Presidential staff members.

2228 Dirksen Building

Labor and Human Resources

To hold hearings on the nominations of Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, Edward A. Curran, of Maryland, to be Director of the National Institute of Education, and Jean Tufts, of New Hampshire, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.

4232 Dirksen Building

SEPTEMBER 23

9:00 a.m.

Select on Intelligence

Closed business meeting.

Room S-407, Capitol

9:30 a.m.

Commerce, Science, and Transportation

Merchant Marine Subcommittee

To resume hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
 To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.
 1318 Dirksen Building

Judiciary
Constitution Subcommittee
 To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
 5110 Dirksen Building

Small Business
 To hold hearings to examine the impact of high interest rates on small business, and on their future credit needs.
 424 Russell Building

10:00 a.m.
Energy and Natural Resources
 Business meeting, to consider pending calendar business.
 3110 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
 To continue hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
 Room to be announced

Judiciary
Separation of Powers Subcommittee
 To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
 2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
 To hold oversight hearings on the activities of the Occupational Safety and Health Administration.
 4232 Dirksen Building

SEPTEMBER 24

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
 To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
 235 Russell Building

Small Business
 To continue hearings on the impact of high interest rates on business and to examine the current credit needs of business.
 424 Russell Building

10:00 a.m.
Foreign Relations
 To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T, 96th Cong., 2d sess.).
 4221 Dirksen Building

Judiciary
Separation of Powers Subcommittee
 To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.
 2228 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
 To continue oversight hearings on the activities of the Occupational Safety and Health Administration.
 4232 Dirksen Building

2:00 p.m.
Foreign Relations
 To hold hearings on pending tax treaties.
 4221 Dirksen Building

SEPTEMBER 25

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
 To hold hearings on miscellaneous tax proposals.
 2221 Dirksen Building

1:00 p.m.
Judiciary
Juvenile Justice Subcommittee
 To hold hearings to examine media response of its impact on juveniles.
 2228 Dirksen Building

SEPTEMBER 28

9:00 a.m.
Select on Indian Affairs
 To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.
 S-207, Capitol

9:30 a.m.
Foreign Relations
International Economic Policy Subcommittee
 To hold hearings on international investment policy.
 4221 Dirksen Building

Labor and Human Resources
Aging, Family, and Human Services Subcommittee
 To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.
 4232 Dirksen Building

SEPTEMBER 29

9:30 a.m.
Veterans' Affairs
 Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.
 412 Russell Building

10:00 a.m.
Governmental Affairs
 To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.
 3302 Dirksen Building

SEPTEMBER 30

9:30 a.m.
Commerce, Science, and Transportation
 To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy.
 235 Russell Building

10:00 a.m.
Energy and Natural Resources
 Business meeting, to consider pending calendar business.
 3110 Dirksen Building

Judiciary
Separation of Powers Subcommittee
 To resume hearings on S. 528, to prohibit a Federal court from ordering any student to be assigned or transported to a public school other than that which is nearest to the student's residence.
 2228 Dirksen Building

2:00 p.m.
Judiciary
Criminal Law Subcommittee
 To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.
 2228 Dirksen Building

OCTOBER 1

9:30 a.m.
Labor and Human Resources
 To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
 4232 Dirksen Building

OCTOBER 5

9:30 a.m.
Judiciary
Constitution Subcommittee
 To resume hearings on proposed legislation limiting the jurisdiction of the lower Federal courts in certain cases involving abortion.
 2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
 To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.
 4232 Dirksen Building

OCTOBER 14

9:30 a.m.
Judiciary
Constitution Subcommittee
 To resume hearings on proposed legislation limiting the jurisdiction of the lower Federal courts in certain cases involving abortion.
 2228 Dirksen Building

OCTOBER 15

9:30 a.m.
Judiciary
Constitution Subcommittee
 To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.
 2228 Dirksen Building

OCTOBER 20

9:00 a.m.

Labor and Human Resources

To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA).

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommittee

To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

OCTOBER 21

10:00 a.m.

Commerce, Science, and Transportation Business, Trade, and Tourism Subcommittee

To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings to examine the impact of marijuana on youth, focusing on the areas of health and education.

4232 Dirksen Building

OCTOBER 22

9:30 a.m.

Labor and Human Resources

To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor.

4232 Dirksen Building

OCTOBER 27

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

OCTOBER 28

9:30 a.m.

Labor and Human Resources Labor Subcommittee

To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To continue oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

CANCELLATIONS

SEPTEMBER 10

9:30 a.m.

Special on Aging

To hold hearings to examine employment incentives and benefits for older Americans.

6226 Dirksen Building