

EXTENSIONS OF REMARKS

SOCIAL SECURITY OVERSEAS
BENEFICIARIES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. WHITEHURST. Mr. Speaker, as are most Americans, I am concerned about the future of the social security system and want to do all I can to assure its continued vitality for generations to come. The old-age, survivors, and disability insurance program, commonly referred to as social security, is the largest single program in the budget. Federal outlays for social security are estimated to rise from \$117 billion in 1980 to \$136.9 billion in 1981, about one-fifth of the Federal budget, and pay benefits to over 36 million persons. These benefits are indexed to the cost of living.

As you may recall, in the 96th Congress I led the debate on the issue of extending certain social security benefits to our Nation's prisoners. Considerable national attention was focused on this issue, and my legislation was eventually incorporated into a larger measure that went on to become Public Law 96-473. While the issue is small when viewed in the overall scheme of things, the estimated annual savings nevertheless total many millions of dollars.

In recent months, I have been examining another group of social security beneficiaries who, in my judgment, represent a substantial drain on the system and pose severe problems down the road. I am also pleased that Social Security Commissioner John A. Svahn also has expressed his concern to me and has indicated that he will recommend legislative remedies in the near future.

On Wednesday, I introduced the Social Security Alien and Foreign Resident Limitations Act of 1981, which addresses the growing number of foreign auxiliary beneficiaries living in more than 60 countries. At present, 313,342 persons living abroad receive \$965.8 million annually in social security benefits. Of course, while some of these people are U.S. citizens who have retired to their native countries, the vast majority—nearly 70 percent—are not. I am concerned that this situation is only going to get worse in the years ahead; indeed, there has been a 50-percent increase in the number of foreign beneficiaries in the last decade.

Aside from the dramatic increase in the number of foreign beneficiaries, it

is my sense that opportunists exploit the social security system abroad simply because of the inherent difficulties in administering it. Among the most highly visible problems are the following:

The overseas beneficiary population is growing rapidly (from 98,791 in 1960 to 313,342 in 1981).

Benefits are obtained through fraudulent means.

The high number of undocumented workers in the United States raises the specter of massive increases in future benefit claims. For benefit purposes, the Social Security Administration does not keep statistics on the number of workers here legally or illegally. It is estimated that 8 million of these individuals are workers.

Benefits are lucrative compared to local income levels in some countries.

Little risk of prosecution for receiving benefits fraudulently.

As the General Accounting Office noted in a report 3 years ago that was never published:

Overall, dependents and survivors represent approximately 40 percent of the general population of Social Security beneficiaries. However... in the five countries with the most beneficiaries, dependents and survivors range from 45 percent in Canada to 73 percent in Mexico. We believe this disproportionate number of dependents and survivors is an indication of the magnitude of program inequities and abuses.

At my request, the GAO is updating its findings and will provide me with a summary in the near future.

As with the prisoner issue in the 96th Congress, the issue of foreign auxiliary beneficiaries has been one that has received scant attention in recent years. In my judgment, the ramifications of our social security laws applied abroad have not been fully appreciated. But after reviewing numerous case histories and examining the administration of the social security program abroad, there is no question in my mind that serious problems exist that must be dealt with by this Congress.

As an example, in the cases of four families of illegal aliens whose combined contributions to the social security system totaled \$910, as of last month they have collected \$81,026. Of the total, the primary wage earners have received \$10,694, while their dependents and survivors have received \$79,032—none of whom has ever been in the United States.

In its study 3 years ago, the General Accounting Office provided the Immigration and Naturalization Service with the names of 111 aliens obtained from a sample of 175 beneficiaries re-

siding in Canada or Mexico to determine the number of undocumented workers receiving social security benefits. It was determined that 39 of these individuals, or 35 percent, could be undocumented workers.

In a letter to my colleagues in the House explaining my legislation, I noted two other areas of abuse:

ITEM

In May 1978, there were 2,070 Mexican students enrolled in public universities receiving social security student benefits. According to several studies, the average tuition costs in Mexican public universities in 1978 was \$10 per year. Even so, the average monthly social security student benefit at the time was \$93.

ITEM

Because there is a limited number of nursing homes in the Philippines, it is not uncommon for a Filipino to return to the Philippines upon retirement and marry a young woman to care for him in his later years. In exchange for her taking care of him, the woman, and any children they may have, are financially provided for after his death. In one case, a 70-year-old man married a 17-year-old woman, and fathered three children before his death at age 75. Even though his widow and three children will probably never set foot in the United States, they will collect many thousands of dollars in social security benefits.

Mr. Speaker, during this past recess when most of us returned to our districts, I think it is fair to say that among the most frequently expressed concerns of our citizens is the future of the social security system. If the Second District of Virginia can be assumed to be a relatively accurate barometer of thought on this issue, I can tell you that many of our citizens are urging this Congress to return the social security system to its original intent of providing a supplementary income when an individual becomes old or disabled.

Of course, we all know that this is not the case today. The Social Security Act has become a Christmas tree of programs with a little bit of something for everyone. Unfortunately, in doing this, our tree's roots have become severely weakened to the point where today we are scrambling to find revenue sources to keep them alive.

The Social Security Alien and Foreign Resident Limitations Act of 1981 would significantly limit the opportunities for abuse of the social security program by beneficiaries in foreign countries.

Specifically, the legislation would do this:

First, prohibit the payment of social security benefits to illegal aliens.

Second, in cases of U.S. citizens who reside outside the United States, social security benefits would be extended only to those dependents existing at the time of the wage earner's 57th birthday.

Third, in cases of individuals who are not citizens or nationals of the United States, social security benefits would be limited to a single lump sum benefit, equal to the total amount of social security taxes imposed plus interest.

Mr. Speaker, my legislation protects those individuals presently receiving social security benefits, and would not conflict with treaty obligations existing on the date of enactment of this bill.

Finally, Mr. Speaker, I would urge my colleagues to join me in this effort to end what, in effect, has become an international welfare state. At a time when our social security system is hard pressed to meet its commitments in this country, it is difficult for me to continue to support an expansion of benefits to beneficiaries abroad who are not U.S. citizens.

Thank you.●

A TRIBUTE TO MRS. LILLIAN TICHY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. CONTE. Mr. Speaker, I would like to bring to the attention of my colleagues an event that will be taking place in Leverett, Mass., on September 12. On that date, the citizens of the town of Leverett will honor their oldest resident, Mrs. Lillian Tichy, who will be observing her 100th birthday.

Mrs. Tichy is a vivacious and active centenarian. An avid reader, she displays a sense of humor as well as an interest in current national and local events, participates in senior citizen activities and is an accomplished pianist. She is truly a shining example not only to her fellow senior citizens but to our younger people as well.

The residents of Leverett are honored to celebrate this milestone in Mrs. Tichy's life and I would like to join them in wishing her a happy birthday and ever peace and happiness in the years ahead.●

EXTENSIONS OF REMARKS

WE NEED THE VOTING RIGHTS ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. HAWKINS. Mr. Speaker, during this past spring and summer, witness after witness testified before the Judiciary Subcommittee on Civil and Constitutional Rights on the urgent need to extend the Voting Rights Act with section 5 intact. Despite great gains achieved by minorities in the past 16 years, many examples of blatant and more subtle violations of voting rights remain. Carl Rowan points out that without extension of the act, the fundamental right of political participation may remain in jeopardy for millions of our citizens.

Do Not CARRY US BACK

(By Carl T. Rowan)

President Reagan has hinted that he will support extension of the Voting Rights Act of 1965—extension without amendments designed to make this vital piece of legislation meaningless.

Support of the Voting Rights Act would be Reagan's first act of consequence that would say to America's minorities, "I am your president, too!"

Skeptics are saying that Reagan's good intentions will get washed away by the "boll weevils," those Deep South congressmen who figure that the president owes them some favors for their help in the passage of his budget and tax cuts. Others fear that the Justice Department will, at its Oct. 1 deadline, offer Reagan some formula under which areas once guilty of blatant electoral discrimination (9 states and portions of 13 others) can wriggle out from under a requirement that they clear with the Justice Department any changes in election laws, such as the reapportionment of state legislatures.

If Reagan wonders why this piece of legislation is so important to minorities, he need only look at the last 25 years of Mississippi history.

Even with the Voting Rights Act, it took 13 years of court battles before blacks got a half-decent chance of being elected to the Mississippi legislature. Today 17 blacks are among the legislature's 174 members, 10 percent representation, although blacks make up 35 percent of Mississippi's population.

"Look at that progress!" opponents of the Voting Rights Act are saying to the president. "This law is not needed anymore."

Reagan need only look at what is still going on in Virginia to know that not only is the law still needed, but it must be enforced by his Justice Department with diligence and vigilance.

Virginia has a history of trying every trick known to dilute the black vote and to ensure that blacks are not elected to Congress or to statewide office and that very few blacks get elected to the state legislature.

Virginia is 18.7 percent black, but only 3.6 percent of its state legislators are black; one senator out of 40 and four delegates out of 100.

Virginia's game has been to draw district lines so as to split up large, predominantly

black areas in places like Richmond and Norfolk.

Richmond's Mayor Henry Marsh recently told a House judiciary subcommittee that in 1969, when blacks were becoming a majority in that city, then mayor Phil Bagley told public gatherings, "I don't want niggers to take over the city." So he moved to annex portions of Chesterfield County to acquire 44,000 whites and thus dilute the political power of blacks.

Virginia remains so backward politically that electoral injustices would again become commonplace if the Voting Rights Act were allowed to expire next year—or if it were extended without Section 5, the provision that requires the would-be gerrymanderers to pass muster at the Justice Department and before the courts.

The Voting Rights Act was a major factor in ending the violence of the 1960s because it gave people long outside the system reason to believe that, once inside, they could vote their way to justice.

Whatever else this society may take away from its hungry and harassed, it must not take away that hope.●

THE POOR HAVE MANAGED WITHOUT THE HELP OF AN ALL-PROVIDER FEDERAL GOVERNMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ASHBROOK. Mr. Speaker, I would call attention to a recent item in the Washington Post, "Funds Cutoff Fails To Stem Low-Income Abortions" (September 4, 1981).

Despite the denial of Federal funds for abortions—

The first paragraph reads—

95 percent of low-income and other women who might have turned to Medicaid for help have gotten abortions anyway, the Government's Center for Disease Control reported yesterday.

The "poor" have managed to get abortions on their own or with State or local aid, but without the help of an all-provider Federal Government. This would lead one to suspect that the vicious criticism that was leveled against the passage and implementation of the Hyde amendment—criticism which labeled supporters of that amendment as being "insensitive to the needs of the poor" was not really justified after all. One might suspect further that it was just a propaganda barrage to try to gain public support and sympathy, not so much for the poor, who, according to this report, really did not need it, but for the providers of this so-called service.

Since the poor have not actually suffered by the cutoff of funds for abortion under the Hyde amendment, how can anyone seriously claim that a cutoff of funds for abortion under the Federal employees health benefits programs would hurt well-paid Feder-

al employees, even those in the lowest ranks?

I am saddened to note that almost as many abortions are still taking place—unborn human lives canceled out for reasons of convenience or comfort, for reasons of deformity or defect, or for reasons of economy or careers—unborn human lives that might otherwise have been born in a society where someday they will be sorely missed, as the old grow more numerous and the ranks of the young continue to shrink. But I am likewise heartened that the Federal taxpayer role in financing abortions will soon come to an end.

Certainly, now, with this report in hand, we can claim that there is no longer any valid reason for not passing the Ashbrook amendment as well.●

REAGAN'S IMMIGRATION PLAN— AN AMERICAN CASTE SYSTEM

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. GARCIA. Mr. Speaker, I wish to share the following article from Inquiry magazine which points out the racist, unrealistic, and even illegal immigration policy of the Reagan administration.

As the article indicates, this plan makes no economic, political, or social sense. Further, it goes against American historical concepts, that is, we are all immigrants; we or our ancestors took a chance on political freedom and better economic opportunity in America. It made sense then and it makes sense now.

REAGAN'S IMMIGRATION PLAN—AN AMERICAN CASTE SYSTEM

There is nothing quite like the word "immigration" to stir a politician's blood. After all, a lot of the fun has gone out of politicking in the last couple of decades; if you try to give a speech about "shiftless niggers on welfare," you're liable to get in considerable trouble. But talk the same way about Haitian boat people or Mexican immigrants and even the liberals love it. And you don't have to worry that what you say makes even the vaguest sense. For instance, Detroit's black mayor Coleman Young says that contrary to common wisdom, last year's rioting in Miami had nothing to do with the fact that a bunch of white police officers beat an unarmed black man to death and got away with it. What the rioters were really upset about, says Young, was Cuban immigrants. (The only way to tell liberals from conservatives on immigration is that liberals are reluctant to use such conservative totems as welfare in their racist harangues. So Ted Kennedy, instead of repeating the Republican myth that immigrants all go on food stamps, says instead that they take jobs from decent red-blooded Americans.)

The temptations of the immigration issue have proven a bit too much for the Reagan administration. Opening with a properly ominous warning that "we have lost control of our borders," attorney general William French Smith unveiled an administration

"plan" for immigration that steadfastly ignores all the real issues—but does offer grand opportunities for more of the same old political bluster.

The plan entails turning every business in America into an arm of the Immigration and Naturalization Service by forcing them to prove that all their employees are citizens and not some foreign scum. INS itself, possibly the most incompetent of all federal agencies, is to get an extra \$75 million—which, if things proceed according to form, will get misfiled and lost. The hated bracero program, under which Mexicans were allowed into the country as "guest workers" and then instantly deported if they complained about wages or working conditions, is to be revived. The Coast Guard is to swoop down on boats operating on what we quaintly refer to as the "open" seas and hold deportation hearings on Haitians who haven't even gotten here. And the plan's one concession to reality—amnesty for illegal aliens who arrived before 1980—is irredeemably warped by the insistence that most such aliens pay taxes and yet not be allowed to use government services.

What it all adds up to is an expensive, unworkable, and unfair mess. No one has even ventured a guess as to what it will cost businesses to try to verify the status of all their employees. And if the Reagan administration really tries to enforce the proposal the likely result will be massive job discrimination against Hispanics and other minorities at the lower end of the job market. Who will bother to spend a lot of time and money checking the credentials of a potential busboy? Better just to hire someone who's white and indisputably "American."

The other provisions are equally silly. Giving \$75 million to INS is pointless; this agency can't even deal with legal immigrants, much less the illegal ones. Earlier this year there was a near riot at Miami International Airport when 16,000 passengers arrived in a single day and INS couldn't cope. (Of course, when INS does cope, it can be frightening. Some agents of the Border Patrol, an INS subagency, report that the patrolmen routinely carry garrotes, blackjacks, and lead-lined gloves, the better to administer justice. Another popular item is the "throwdown" gun, to be dropped near the body of a murdered fugitive so patrolmen can say they fired in self-defense.)

If the INS can't stop the flow of illegal aliens—and it won't ever be able to, unless we hire the 2.5 million more border patrolmen that it would take to stand shoulder to shoulder along the 2,000 miles between Brownsville, Texas, and San Ysidro, California—then the administration's conditional amnesty plan makes no sense, either. What we have now is a permanent underclass of illegal aliens who are subject to awful exploitation because unscrupulous employers can have them thrown out of the country if they complain. (The bracero program, which operated from 1942 to 1964, was nothing more than an attempt to institutionalize this practice.) Amnesty—even Reagan's bizarre pay-taxes-but-don't-collect-services amnesty—is the only decent way to deal with this situation. But what good does it do to relieve one group of the stigma of illegal alien status while simultaneously creating another one? Most Americans are appalled at India's caste system, and yet our immigration laws have created an appalling caste system of our own.

Underneath it all is a hard core of racism. No one complains that the damn Canadians are sneaking down here and ruining every-

thing. The groups that arouse popular enmity are the Mexicans, the Haitians, the Cubans, and the Vietnamese (although the government applauds Cuban and Vietnamese emigrants as long as they go elsewhere; after all, it's a propaganda coup). But we've faced racist objections to immigration for two centuries and overcome them, and we can do it again—if the political mythmaking about the economics of immigration can be exposed. When conservatives claim that immigrants go on the dole, and when liberals say immigrants take jobs from the deserving poor, they are lying. It's as simple as that. Nearly all available economic data shows that most immigrants work hard, avoid welfare, and do not take jobs from natives.

In 1975, for instance, the average native family paid \$3,008 in taxes. Immigrant families here ten years averaged \$3,564, and immigrant families here between sixteen and twenty-five years averaged \$3,592. At the same time, immigrants—who tend to be young, healthy, and single—make comparatively little use of welfare-type social programs. This is especially true of illegal aliens. A U.S. Department of Labor study found that only 5 percent of illegal aliens use free medical care, 4 percent unemployment insurance, 1 percent food stamps, 1 percent welfare, and 4 percent public schools. "Practically no illegals receive social security, the costliest service of all," says economist Julian Simon of the University of Illinois, "but 77 percent of illegal workers paid social security taxes and 73 percent had federal income tax withheld [in 1975]." Even those who avoid withholding still pay taxes every day; sales taxes, excise taxes, property taxes (through their rent). Meanwhile, a pair of University of California researchers interviewed nearly 1200 unemployed natives in Los Angeles and gave them lists of jobs that illegal aliens typically hold. Some 40 percent of the natives said they wouldn't take the jobs under any circumstances, and virtually none was willing to take them at the minimum wage. The inescapable conclusion is the same one economist Simon reaches: Admitting immigrants, of any kind or color, "improves our average living standard. If we Americans just plain don't want any more 'foreigners' in our midst, let's say so, but let's not justify our xenophobia with unsound economic arguments."

The tragic thing is that Simon or anyone else should have to address the issue. We should know better. Nearly all of us are immigrants; we, or our ancestors, came here looking for a better life—a life with more political freedom and better economic opportunity. In a very real sense, immigration is what this country is all about. How can we deny others the same chance we had? In doing, so, we deny our own heritage—and for all its patrotic trappings, that's exactly what the Reagan administration is trying to do.●

FOCUSING ON ENERGY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MURTHA. Mr. Speaker, in the first 8 months of 1981, I believe we have tended to ignore the remaining aspects of America's energy situation.

For the information of my colleagues, I include two of my "Weekly Columns" which I recently wrote on this issue:

THE BOTTOM LINE READS ENERGY

In 1981 the debate in Washington has focused on the economy and national defense. Missing from the debate, however, has been an issue that links the two together, and without attention could destroy our plans in either area—the issue is America's energy future.

Like the popular ballad where singers remind us of "the good old days" and "the way we were," a summer's oil surplus has cut our memory very short about gasoline lines two summers ago. Naturally, we all would like to return to the days when gas and oil were easy to come by and cheap. Unfortunately, we can not. It is a problem we must face. So far this year, we have not.

A new book on "Energy and Security," by David Deese and Joseph S. Nye, summarizes our problems in a couple of vitally important paragraphs. In the one, the authors note, "Today, nearly two-fifths of the oil consumed by the free world's economy is vulnerable to terrorism, accident, warfare, and extortion. The sudden loss of Persian Gulf oil for a year could stagger the world's economy, disrupt it, devastate it, like no event since the Great Depression of the 1930s." That is the economic link of energy.

As for the national security link of energy, Deese and Nye outline it like this: "The probability of Soviet tanks rolling across the North German plain is much lower than the likelihood of an interruption of oil supplies stemming from various conflicts in the Middle East. Yet our energy plans and our diplomatic strategy do not reflect those probabilities. We are far less prepared for an energy emergency than for a military attack."

Of course, energy policy has proved complex and controversial. Regional differences over the use of natural gas and oil remain; environmentalists worry properly about "acid rain," and other difficulties associated with increased coal use; the debate continues over the role of nuclear power; government research funds are being cut-back from solar and other energy research in the budget trimming steps. When Congress adopted the first National Energy Plan in United States history back in 1978, the key portions passed by only a single vote in the House of Representatives. Congress and the Nation still remain that divided over the best way to proceed.

But to ignore energy will be disastrous. Eight years after the oil embargo we have learned many important things: we have learned Americans will conserve, we have learned Americans want to use our own energy resources, we have learned business and institutions will join in the conservation effort; but we have also learned that there is no magic, all-purpose solution that will make this problem go away; we have also learned that we cannot easily break our oil habit or our need to import foreign oil, and we have learned that switching to coal is costly, cumbersome, and controversial.

In the last three weeks in this space as we have looked at the energy problem, I think we have noted that we can take some pride in the last eight years of energy debate; after all, we have done more on energy in those years than in any other period in our history, but if we fail to continue to act, we will lose everything that we have gained. Moreover, we will throw open to disaster

whatever progress we have made on economic stability and national security.

Those are the stakes in the energy debate. We cannot afford to forget them. We cannot fail to act.

EXPORTING MORE COAL

The road to using more Pennsylvania coal winds through what at first glance appears to be a most unlikely stop—Philadelphia.

When we think of coal, we do not usually associate it with Philadelphia, but last week I was in that city for an announcement that will impact directly on our area's coal hopes.

The meeting unveiled plans for a major new coal storage and handling terminal at Philadelphia's Port Richmond Pier. By 1985 the coal handling capacity is estimated to reach 15 million tons per year, an increase from a present capacity of only about 3 million tons.

By the time the second phase of construction is complete, over \$60 million will have been spent with the result of a loop track arrangement for continuous unloading of unit trains, dockage of ships up to 60,000 tons, ship and barge loading capacity of 5,000 tons per hour, and significant storage of coal, allowing ships to load directly from storage without awaiting rail cars.

Port Richmond has great potential for serving the expanding coal export market. Its east coast location—closest to the coal fields of the Northeast and the coal-burning markets of Europe—can combine with worldwide coal demand and a good competitive pricing situation for U.S. coal, to make the port attractive to shippers and buyers.

That impacts directly on our area and our coal mines. In the short-range (meaning the 1980s), our two best hopes for major increases in coal production remain export of coal and synthetic fuels development.

A major hindrance to increasing our foreign sales of coal has been the transportation bottleneck. The road transportation system out of the mines must be improved, the rail links between the coal fields and the export ports must be upgraded, and the ports like that of Philadelphia must be improved to be more efficient and economical. The need for the improvements is shown by the increase between 1979 and 1980 when U.S. coal exports surged from 65 million tons to 90 million tons. At our Nation's three major coal ports—Hampton Roads, Baltimore, and Philadelphia—ships were delayed an average of 40 days prior to loading, and extra charges of about \$15 a ton were added to the coal cost, because of the delay.

Now, though, American ports see the need for expansion. A Dravo Corporation study concluded that world demand for seaborne coal will grow from 180 million tons in 1980 to more than 600 million tons by the end of the century. A British study estimates that coal importing nations will more than double their imports by 1985, and then double them again by 1990. The U.S. has the greatest potential for supplying this world demand for steam coal.

So, step one is to improve these port facilities. Step two is to work on the rest of the transportation network. Working hand-in-hand with those steps is the third one—to make sure we link the mines of our area to that system so we can play a major role in providing that coal, and so we can put our miners back to work.

In the last month in this space, I have talked about the energy problem our nation still faces. I talked about the need for new technology, the need to reduce our dependence on foreign oil, and the need for a

strong energy leadership role from the federal government. It is proper that this series end with a fourth key element in America's energy plan—making full use of the coal reserves we have, both in our own country, and throughout the world.●

A TRIBUTE TO DR. RANDALL H. NELSON

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SIMON. Mr. Speaker, one of the finest citizens of my district and of this country is the former chairman of the Political Science Department at Southern Illinois University and now professor there, Dr. Randall H. Nelson.

Dr. Nelson served this country in the armed services, sustained serious injury, has provided distinguished leadership to our area and is one of the most thoughtful citizens I know.

Recently, he wrote a letter to me which summarizes in such common-sense terms what we are doing in the Nation that I thought I would share it with my colleagues and those around the country who read the CONGRESSIONAL RECORD.

I urge my colleagues to read this fine letter which raises the fundamental question of whether we are considering what is happening to the quality of life as we debate budget problems:

Hon. PAUL SIMON,
House of Representatives,
Washington, D.C.

DEAR PAUL: I am certain that what you need least is another letter from the hustings, but I am sufficiently concerned about current events to write a few comments. The test of any society, it seems to me, is the quality of life that it can provide for its people. This seems to be the furthest thing from the mind of the present administration. These ideologies are monopolizing the political dialogue. The President simply proclaimed that the economy is in the worst condition since the great depression. That is pure fiction. The unemployed are indeed very bad off, and the unemployment among young blacks is of crisis proportions. However, I do not think that the President's program will remedy either problem. Most people in this country have more in the way of material goods than they ever had any right to expect, but they still do not want to pay taxes and are concerned lest somebody else pick up a crumb or two.

The idea that all that we have to do is to accept the President's program and let free enterprise lead us out of the wilderness is nonsense. Has corporate industry ever done anything that it was not forced to do by law? I can recall a few things such as workers' compensation, the right of workers to organize and bargain collectively, unemployment insurance, social security, air pollution, water pollution, chemical dumping, consumer protection, and safety in the workplace. How much of this is to be lost under the plea of necessity for restoring the economy? I am as concerned about inflation

as anyone. Income in higher education has not come close to keeping up with inflation. However, I do not think that the simplistic proposals of the Reagan Administration are going to cure inflation. Inflation is a worldwide phenomenon. I do not know what causes inflation, but I am reasonably certain that David Stockman doesn't either. Part of the problem, I suspect, flows from the fact that we do not have a free economy. When there is a freeze in Florida, the price of orange juice on the store shelf is immediately raised. That is not what the law of supply and demand dictates. It is what the market will bear. The oil companies are rapidly consolidating control over all forms of energy and are now expanding into other areas. Has Congress ever undertaken a thorough study of the impact of conglomerates on the economic system? The question that concerns me is whether a corporation with excess capital uses that capital to expand or modernize its equipment or whether it merely goes out and buys control of another corporation or a professional sports team. It seems to me, although I hasten to add that I am talking about a subject of which I know nothing, that such practices could have a stultifying impact on industrial growth.

The President himself convinced me that the budget is not the problem. He spoke of a national debt that is approaching a trillion dollars, certainly a frightening figure. However, he then explained that the dollar is worth only thirty-six cents compared to 1960. Simple arithmetic suggests, then, that the debt is only 360 billion dollars in 1960 dollars which is only a modest increase over the Eisenhower legacy. I noted in the *Tribune* last week that the program for eliminating architectural barriers for the handicapped was to be cut back or eliminated because it is too costly. Has anyone considered the cost of not continuing this program? Why not cut out FAA support for private aircraft? I am certain that the cost must be great and the amount of fuel consumed enormous.

I also noted last week that the administration is considering the resumption of domestic surveillance by the CIA. I think that it is imperative that this be prevented. If we need a secret police or intelligence agency to spy on American citizens, the country has a more malignant problem than the economy, and the President should be required to tell us the nature of this malignancy.

Finally, I am tired of hearing about the mandate which the people gave the President. The most disconcerting fact about the last election was the fact that almost fifty percent of the people of voting age stayed home. President Reagan received the votes of less than thirty percent of the potential electorate. That is hardly a mandate. However, I respect Woodrow Wilson's observation that the President has a right to be as big a man as he can. The Democrats need to develop counter proposals based on hard data. We need education in the public sector. How many jobs will the President's program cost? I have not seen that question addressed. Can the defense industry absorb, economically, the amount of new money that will be "stuffed" into it? Who will man the 150 new ships that are to be added to the fleet, the planes, tanks, etc.? Is a new draft inevitable? Is it necessary to deny the poor people of the country the benefits of the Legal Services Corporation so that their rights can be violated with impunity?

It is much easier to write a long letter than a short one, and I have only just

begun. I merely wanted you to know that all Democrats have not abandoned the field to "supply side" economics which I thought had gone out of style with Herbert Hoover. Sincerely,

RANDALL H. NELSON.●

A PATTERN DEVELOPING

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SWIFT. Mr. Speaker, there is a pattern developing. It started with the budget. Estimates were so fuzzily optimistic that Jim Jones warned the administration their programed deficit would balloon. The budget predicts the Federal Government will be paying only 8.9 percent interest starting next month. Ridiculous. The deficit now looks like its going to be twice the size the President assured us it would be.

The House Budget Committee told him so. But he told the Congress, in effect, "Don't listen to them. They will tell you two and two make four. But I tell you two and two make five. Follow me."

Then we came to the tax cut plan. It will benefit the average American very little. Alternatives that would have done a better job for middle America and been more reasonable in many other ways were offered.

But the President went on television and said, "Don't listen to them. They say two and two make four. But I tell you it makes five. Support me."

Now that pattern will hold, I predict. Small businessmen all over America are going bankrupt because of the high interest rate policy of the Federal Reserve. And this President is as enthusiastic a supporter of that terrible policy as has ever sat in the White House.

But you watch. He will soon call on the Congress for power to impound appropriations—the much abused tactic of Richard Nixon—and he will demand another round of cuts in important domestic programs even before the ink is dry on his last set. And, he will do so in the name of fighting—what? High interest rates, of course.

But, let us get it straight right now. The President can affect high interest rates, instead of continuing his support of Chairman Volcker's terrible policy that is bleeding Americans to death.

His impoundment ideas and his further budget cuts should be examined on their own merits. Those policy proposals and any others he may want considered are not tied to high interest rates. To use the agony of millions of Americans caused by that interest rate policy—to use it as a cover for other and unrelated proposals—is not

only cynical; it is worse. Such a linkage will serve to cover more delay by the administration in doing anything about high interest rates. We need something done now. No flimflam this time. Two and two really do make four.●

LOCAL BAR ASSOCIATIONS ENDORSE LEGAL SERVICES

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. FRANK. Mr. Speaker, at the recent meeting of the American Bar Association in New Orleans, the leaders of the major local bar associations throughout the country adopted a statement urging reauthorization of the Legal Services Corporation Act and sufficient funding for this program. The statement noted, and I concur, that the Corporation's programs have provided a major step forward in making equal access to justice a reality for the poor. The statement was signed by the leaders of 28 local bar associations.

The House will today continue consideration of the Commerce, Justice, State, and Judiciary appropriations bill which contains an appropriation of \$241 million for the Legal Services Corporation. I ask my colleagues to support this figure, which represents an amount equal to that which passed the House in H.R. 3480—the Legal Services Corporation Act Amendments of 1981. I also ask my colleagues to consider the overwhelming support of the legal services program by members of the bar as evidenced by this statement, which I ask to be printed in the RECORD.

A copy of the statement follows:

STATEMENT ON THE LEGAL SERVICES CORPORATION

As representatives of major local bar associations in the United States, we strongly urge the reauthorization of the Legal Services Corporation and sufficient funding for legal services to the poor. Most of our associations already provide extensive volunteer services to poor in supplement to the existing federally funded programs, and we know from practical experience that volunteer programs cannot fill the void created by the elimination of, or severe cut back in, the Legal Services Corporation.

Equal access to justice is a basic societal concern, and the programs funded by the Legal Services Corporation have been a major step forward in making such access a reality for the poor. We will continue our efforts, whatever the outcome, but we hope Congress will not dismantle this program.

Raymond Young, President, Boston Bar Association; Joanne M. Garvey, President, Bar Association of San Francisco; Herman S. Palatz, President-Elect, Beverly Hills Bar Association; Martha H. Perin, Executive Director, Cincinnati Bar Association; Thomas L. Dettelbach, President, Cuyahoga County

Bar Association, Cleveland, Ohio; Don McDonald, President, Denver Bar Association; James W. Lamberton, President, New York County Lawyers Association; Robert Russell, President, Detroit Bar; David Butler, President, Atlanta Bar; Wayne E. Babler, President, Milwaukee Bar Association; and Leonard A. Girard, President-Elect, Multnomah Bar Association, Portland, Ore.

Victor H. Beauzay, President, Santa Clara County Bar Association, San Jose, Calif.; Sidney R. Rose, President, Beverly Hills Bar Association; Helen K. Pulsifer, Executive Director, Seattle-King County Bar Association; Roy H. Aaron, President-Elect, Los Angeles County Bar Association; Maryanne S. Freedman, President, Erie County, New York Bar Association; Kevin M. Forde, President, Chicago Bar Association; George M. Burditt, Past President, Chicago Bar Association; and Richard William Austin, Past President, Chicago Bar Association.

Esther R. Rothstein, Past President, Chicago Bar Association; Robert J. Perry, President, Columbus, Ohio, Bar Association; Anthony J. Sestric, President, Bar Association of Metropolitan St. Louis; William R. Delano, Executive Secretary, Association of the Bar of the City of New York; Herbert J. Belgrad, President, Bar Association of Baltimore City; H. J. Kelly, President, Hennepin County Bar Association, Minn.; Jerome Bogutz, Past Chancellor, Philadelphia Bar Association; Miles C. Cortez, Jr., President-Elect, Denver Bar Association; and Ralph E. Mahowald, President, Maricopa County Bar Association. ●

PENTAGON WASTE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ASPIN. Mr. Speaker, the most fundamental waste continues in the Pentagon. Today I would like to cite examples such as a Navy office that holds checks for 11 days before depositing them and an Army arsenal that planned to build tank cannons at four times the rate that tanks could be built.

The new administration took over at the Pentagon intent to root out waste and inefficiency. Let me point out to these officials several examples of clear and simple wastefulness that have been unearthed by auditors within each of the services.

First, an Army recruiting command paid an advertising agency \$323,381 for work that was not performed, \$92,200 for work previously paid for and \$220,979 for work that may have been done but for which documentary evidence of the work was never supplied. The payments were approved and made and no questions asked until Army auditors came in for a routine check.

Second, an Army arsenal laid out plans to expand its production base for artillery and tank cannons. The expansion included a capacity for producing tank cannons four times greater than the capacity for producing

tanks. It also included expansion to produce artillery weapons due to be replaced or phased out before the expansion would be completed. The excess capacity would cost about \$15.7 million.

Third, Navy auditors found one Navy regional finance center was holding checks for an average of 11 days from the time they arrived until they were sent for deposit. The deposits, furthermore, were mailed, adding another 2 to 4 days to the cycle. Navy auditors estimated that that one finance center was costing the Government an extra \$1 million a year by its slow processing of checks.

Fourth, Army auditors looked at 22 medical care items, each of which was being bought from a solitary source without competitive bidding. The auditors said that if the Army had used competitive bidding, it could have saved \$533,000 on those 22 items alone.

Fifth, the Hydrographic and Topographic Center of the Defense Mapping Agency found it had a half million dollars in unspent funds as the fiscal year was ending. So it went out and spent it all on map paper for which it had no plans or need.

Sixth, the Army has spent \$115 million to develop a scout helicopter. The project began in 1974. Seven years later, the Army is no closer to having a helicopter that fulfills that mission. Army auditors said the primary problem was very simple: the agency that is developing the helicopter and the Army's helicopter users still haven't agreed on just what is needed in a scout helicopter.

These are just a handful of examples of waste that internal auditors and inspectors found in a 6-month period, October 1980 through March 1981.

They are illustrative of problems I have pointed out for many, many years: sloppy planning, poor management, too little competitive bidding, year-end spending binges, and ill-defined ideas for weapons.

Many of these problems entered the Pentagon with the first people to occupy the building 40 years ago. They would not be tolerated for even 1 week in private enterprise. There is no reason they should be tolerated any longer in the largest agency of the Federal Government. If the Reagan administration is eager to make good on its pledges to root out waste, I invite it to start prowling the Pentagon halls now. ●

MAKING A SCHOOL SYSTEM WORK

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mrs. SNOWE. Mr. Speaker, we read headlines in the newspapers almost daily about the problems of our public schools, particularly declining test scores, difficulties in retaining competent teachers, and other roadblocks to providing quality education for our children. In contrast, I would like to bring to the attention of my colleagues an article from the September 9, 1981, Wall Street Journal about the Portland school system in Maine. This article describes the work of school superintendent Peter Greer, and how his competence, commitment, and courage has created a school system which has distinguished itself from national education trends by improving upon its past performance and setting new records for achievement by its students.

[From the Wall Street Journal, Sept. 9, 1981]

MAKING A SCHOOL SYSTEM WORK

(By Bill Bennett and Terry Eastland)

(Mr. Bennett is director of the National Humanities Center in North Carolina. Mr. Eastland is editor of the Norfolk Virginian-Pilot.)

Recent studies on what makes schools effective have all pointed to the importance of good leadership in both the individual school and the school system. This perhaps is obvious, but what may not be so obvious is that good leadership is not a matter of style but requires day-to-day commitment, competence and no small amount of courage.

This is especially true in the public schools, constrained in ways private schools are not. An effective leader in the public schools will find himself involved in skirmishes every day, and at the end, if not of the day, of the school year, he must win more than he loses. One such effective leader is Peter Greer, superintendent of schools in Portland, Maine.

Mr. Greer, previously a full-time teacher, is 40 years old and has been Portland's superintendent for the past two years, having been an assistant superintendent. The system includes 12 elementary schools, three middle schools, two high schools, a regional vocational school and a school for the emotionally disturbed. Many of the 8,000 students come from low-income families. An unusually high 16 percent are enrolled in special education. The system relies heavily on the property tax. The budget this past year was \$20 million. The Portland system is Maine's largest, and nationwide it is of average size.

MR. GREER'S PHILOSOPHY

Earlier this summer Mr. Greer spelled out his educational philosophy. Portland, he said, "must stand for the belief that the widespread despair over public education is a form of self-indulgence we cannot afford. Education must demand something, stand for something, or it has nothing to give. Competence and quality must be recognized,

sought and rewarded. Outstanding teachers must be rewarded in order to encourage first-rate people to choose teaching as a profession. Excellent students must serve as models for other students."

Mr. Greer has emphasized this philosophy to teachers and staff. But his push for excellence has involved more than philosophy.

Faced with budget cuts, and at the same time wishing to institute a program in Latin for the elementary grades, Mr. Greer has succeeded in finding funds for the program from a local bank. He also has instituted a writing program in which all students in all grades participate, and he has instituted a Great Books program.

Mr. Greer hired administrators for his central office whom he describes as parents, taking time, for example, to read samples of the students' writing. Mr. Greer does the same, and also finds time during his more than 70-hour work week to teach a class in American history.

Mr. Greer has established a quarterly periodical called "Excellence." It is mailed to all parents, including those who send their children to non-public schools. The periodical also is placed in hospitals, supermarkets and offices. Excellence highlights the achievement of Portland students, teachers and schools.

As a result of these achievements many parents who chose to place their children in private schools have decided to return them to the Portland system. In 1980-81, for the first time in the past 10 years, the standardized test scores of Portland students were at or above the national norm in all grades, one to 11 and in all seven test areas. Last year Portland students won 35 state and national awards for writing, the highest ever for the city's children.

But everything isn't roses and harmony in Portland. Mr. Greer is controversial. He receives his share of hate mail. "Drop dead," said one recent letter. Another said: "You will be shot dead soon in a lonely (sic) place by the people of Portland due to your unreasonable and unjust demands. You are the most unacceptable person for the Portland public schools system. The time is very short for you to leave Portland to heavenly holiday."

A large part of Mr. Greer's administrative work is absorbed by personnel matters, mainly grievance and arbitration procedures. He estimates he spends two days a week in legal matters. During a recent two-week period he was served three times by the Portland sheriff.

Though he is well liked and widely respected by parents and by most of the teachers in the system, the Portland Teachers Association, the local affiliate of the National Education Association, is hardly a Peter Greer fan club. Some of the system's principals have told Portland citizens that since Mr. Greer became superintendent "it's not as much fun as it used to be."

Mr. Greer frankly admits that they are right. "There are no more long lunches and visits with each other by the principals and teachers every day. There's no more neglect or rejection of test scores. Test scores now are taken seriously, and so is the teachers' work. When the teachers had fun, as before, the students suffered. I firmly believe that superintendents who are universally liked make no decisions or have few to make."

Mr. Greer issues press releases that anger some school personnel and please others. A recent one led with the headline: "Fewer sick days equal higher test scores." Mr. Greer says that "one way to assess school

morale is by considering the number of sick days each staff member uses."

The staff evaluation form Mr. Greer uses has angered some Portland school system employees. The evaluation form's first question asks the reader to say when this person usually arrives at work and usually leaves. The second, third, and fourth questions ask about the employee's pace at work, level of effort and quality of work. Other questions deal with the person's maturity and stability, and there are very direct questions about the person's intelligence, judgment and range of information.

THE MOST IMPORTANT ISSUE

Mr. Greer is serious in using these evaluation forms; indeed, he is serious about getting the best people there are to teach in and staff the Portland schools. He is absolutely opposed to using seniority as the sole criterion for retention. The most important issue in his mind is the quality of the teacher. He thinks that the credibility of teacher associations depends on their understanding this.

One afternoon recently Mr. Greer relaxed with one of his principals over beer and reflected on the pace of their jobs. Like Mr. Greer, this principal works hard, and the two were probing the question of why work so hard.

"The only answer," Mr. Greer said, "is that for some reason we can't stand the educational hustling that goes on. We can't stand the fact that children in certain classrooms are getting mediocre teaching. We know how bad it is to be short-changed in your education—it ought to be a crime. We can't stand to let new and terrific teachers go, while a bozo stays to cheat kids."

Mr. Greer is an example of what it takes today, day-to-day, to be an effective public school administrator. There is no avoiding the fact that the campaign for effective public education is a battle, and it takes conviction and courage on the part of those ultimately in charge of a school system—the superintendents—to wage this battle successfully.●

IN SUPPORT OF REPEALING WINDFALL PROFIT TAX IN THE ECONOMIC RECOVERY TAX ACT OF 1981

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. PEYSER. Mr. Speaker, I am introducing today legislation to repeal those provisions of the Economic Recovery Tax Act of 1981 which extended the credit against the windfall profit tax on domestic crude oil for royalty owners, which reduced the rate of such tax on newly discovered oil, and which exempted from such tax independent producer stripper well oil.

It is my hope that in order to support the President's call for a reduction in the 1982 Federal deficit that we in the House, and particularly those members of the Ways and Means Committee who will be initially involved, will recoup \$11 billion that was given to oil producers as an extra

bonus in the recently passed tax program. I cannot believe that Members of the House would knowingly vote to make additional, unnecessary cuts in programs dealing with education, defense, housing, and so forth without first taking this action, thereby minimizing additional cuts that the President may deem necessary in other programs. Can we truly ask the elderly to tighten their belts and at the same time say to oil producers that we are going to give you an \$11 billion bonus? This is the time when even those Members from oil-producing States should bite the bullet if they are convinced that we must hold down the deficit in 1982. It is my hope that Chairman ROSTENKOWSKI and the members of the Ways and Means Committee will give us the opportunity to act quickly on this on the floor of the House.●

NO COMPROMISE ON JOB OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. HAWKINS. Mr. Speaker, politics is known as the art of compromise. Every day we seek a balance over such issues as resource development versus environmental protection, first amendment rights versus national security needs, et cetera. However, as the Christian Science Monitor so ably points out in its August 28 editorial:

There can and must be no compromise . . . for the Federal commitment to equal job opportunity for all Americans.

The administration's retreat on affirmative action must be countered forcefully. I include this editorial for the Members' benefit.

[From the Christian Science Monitor, Aug. 28, 1981]

NO RETREAT ON JOB OPPORTUNITY

While recognizing the legitimate interest of the U.S. business community in freeing up firms from excessive paperwork—in other words, "red tape"—it is paramount that the federal government not renege on its obligation to women and minorities to ensure equal access to jobs involving federal monies.

In the case of government contracts, after all, employers receive taxpayer dollars—collected from all citizens irrespective of color or gender.

Consequently, how those dollars are disbursed, and to whom, takes on a different aspect than in the free market economy, where contracts involve private funds.

The principle involved here is directly relevant to the administration's new proposal to ease paperwork and other antidiscrimination requirements for federal contractors. Currently, affirmative action paperwork requirements apply to all contractors with 50 employees and contracts worth \$50,000 or more. The administration is proposing reducing the compliance rule for something

like 75 percent of all firms in the U.S. by requiring written compliance plans from only those contractors having 250 or more employees and contracts of at least \$1 million. The new regulations also would reduce the government's definition of the proper number of minorities to be hired by contractors in different parts of the U.S. Despite the proposed changes, according to Labor Secretary Ray Donovan, affirmative action protection will be retained for nearly 77 percent of all women and members of minority groups.

Meantime, all employers having contracts of \$10,000 or more. Mr. Donovan points out, are still required to hire and promote women and minorities, whether or not they file written affirmative action reports.

The proposed new rules, published this week in the Federal Register, are now open for routine comment. After the comments are reviewed by the Labor Department, the final regulations will take effect 30 days from their publication.

Organized labor, women's groups, and civil rights organizations should vigorously use the review process to insist that the changes actually do what one Labor Department official promises, namely, "create incentives for voluntary compliance and put an end to mindless confrontations with employers who have been acting in good faith."

There is little question that many smaller firms find the current compliance processes onerous and costly. For them, some form of relief from the paperwork burden seems in order so long as affirmative action requirements are met. But what must be ensured is that the changes do not serve as a method for retreating from the federal commitment to equal job opportunity for all Americans. About that there can and must be no compromise. ●

VLADIMIR TSUKERMAN

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SENSENBRENNER. Mr. Speaker, I have recently added my name to the list of Congressmen who have given their support to Representative BARNES' vigil for Soviet Jewish refuseniks. I would like to draw my colleagues' attention to the case of Vladimir Tsukerman. Mr. Tsukerman was born in Kishinev, Moldavia, in 1947. He is not a Communist party dignitary or a government official. He is a mechanical engineer. Being a Soviet Jew, Mr. Tsukerman applied to emigrate to Israel in December, 1977. His application was refused, but his wife and son were allowed to leave the Soviet Union. They live in Israel now and have been separated from their husband/father for several years.

After Mr. Tsukerman's first attempt to emigrate, the Soviet authorities let it be known that if he laid low, they would reconsider his application. For over 2 years, Vladimir Tsukerman complied with their wishes and refrained from any so-called anti-Soviet activity. Then, last April, the authorities told him that "a wife who leaves

her husband is no wife," and rejected his application again. He could no longer remain quiet and decided to participate in a demonstration protesting Soviet denial of exit visas, in Kishinev on May 30. On May 29, Soviet authorities placed 48 people under short-term house arrest so that the demonstration could not take place. Mr. Tsukerman, however, along with Mr. Loksins, were arrested and charged with article 203-3 of the Moldavian Criminal Code, better known as article 190-3 of the Russian Soviet Republic Criminal Code. The charge was "joining an organization of or activities participating in group actions which violate public order."

If we recall that several people throughout the Soviet Union have recently been charged and sentenced under article 190-3, we must realize that Mr. Tsukerman's situation is very serious. Having been in solitary confinement since his arrest, if he is tried and sentenced, he faces up to 3 years of internal exile, or prison camp, or both. The fact that he is not a world renowned dissident, but an average mechanical engineer, is all the more reason for us to protest this treatment of Vladimir Tsukerman. We must let it be known that we do not in any way support the forced separation of a family or the unethical detainment by Soviet authorities which he has experienced and may continue to experience for an indefinite period of time. ●

CINCINNATTIAN CONDEMNS
WEAKNESS THROUGH GUILT,
CALLS FOR PEACE THROUGH
AMERICAN STRENGTH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ASHBROOK. Mr. Speaker, after World War II, Japanese leaders told Americans repeatedly that they had decided to attack Pearl Harbor because they felt America was militarily weak and morally unwilling to fight. We paid dearly for the antidefense image we had projected in 1941 by the time the war ended in 1945.

Predictably, leftists have worked hard to twist the lesson we should have learned from our war with the Japanese Empire. Each August, they stage demonstrations, and weep crocodile tears over the dropping of atomic bombs on Hiroshima and Nagasaki in August of 1945. At these gatherings, they demand that America disarm, and leave its enemies in sole possession of nuclear weapons.

As anyone familiar with history knows, the alternative to using those bombs was the invasion of Japan. Millions of people, American and Japanese, are alive today because we used

our nuclear power at that time. Had we been militarily stronger in 1941, all the deaths in that conflict, including those in Hiroshima and Nagasaki, might have been avoided. It was the very policy the weakness-through-guilt advocates demand today that led to the tragedy they claim to mourn.

In response to news coverage to such an August demonstration this year, Mr. Lois Kindley exposed its real motives in a letter to the Cincinnati Enquirer, and explained the historical facts and their implications. Her exposition is clear, sincere, and factual. I insert it below, and recommend strongly that my colleagues read it.

TEARS FOR HIROSHIMA BUT NOT PEARL
HARBOR

TO THE EDITOR: The picture on the front page of the Aug. 7 Enquirer entitled "Rally on the Square" (against nuclear arms and energy) was sad indeed. These demonstrators have a dubious idea. Perhaps we should be grateful to them for reminding us of the events, even though these events were taken out of the context in which they occurred.

They weep and pray over Hiroshima and Nagasaki, but they seem to have no tears for the Americans who died in the Japanese sneak attack on Pearl Harbor Dec. 7, 1941. Nor do they seem to have any prayers for our brave veterans of the war, some still confined to Veterans Administration hospitals. We can mourn the tragedy of the atomic devastation of Aug. 6, and Aug. 9, 1945, but not to the point that we use it as an excuse for disarming America. Who started the war, anyway?

The Japanese made up their minds quickly after Aug. 6 and 9. On Aug. 14, they accepted Allied terms and hostilities ceased. On V-J Day, Sept. 2, 1945, General MacArthur and the allied forces received the formal surrender of Japan on the U.S. battleship *Missouri*. We will—have we—remembered these historic days? This was the victory that bought freedom paid for in "blood, toil, tears and sweat." Our country was determined to survive. Because of our military might and ability, we once again had peace in the world—yes, peace with freedom.

What is the best way to keep peace? Shall we choose peace through strength? Since today another nation (Soviet Russia) accumulates nuclear weapons beyond all rational necessity, shall we stand idly by? The Soviets are dedicated to a system of government that strangles freedom. Some of the "peace" activists are merely misguided, but it cannot be doubted that there are traitors who sympathize with the Soviets and know full well that an unarmed America can easily be conquered.

At Pearl Harbor we weren't prepared to resist aggression. Surely we have learned the lessons of history. To remain free and deter would-be invaders, we need to build the cruise missile, B-1 bomber, nuclear-powered aircraft carrier, neutron bomb and increase our conventional forces. We can be thankful that we now have the Trident submarine, the USS *Ohio*, to protect our shores.

The men in the Kremlin show by their actions as well as their words that they have plans for world conquest. But we have an answer. We have a will to stay free. We elected a President to carry out this will of

the people and we should support his efforts to make America strong again.

As the poet Edna St. Vincent Millay so beautifully phrased it: "Make bright the arrows, polish the shields, against surprise . . ." This is my prayer for peace.

Mrs. LOIS KINDLEY.●

DEFICITS MATTER

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. CONABLE. Mr. Speaker, Vermont Royster of the Wall Street Journal has been writing instructive analyses of the Nation's policies and problems for many years. As he noted in a column of September 9, his conservative views now seem to be regarded as more timely than previously, but he is concerned that they be fully understood. Mr. Royster discussed our spending and defense policies in yesterday's column, and I include it in the RECORD:

[From the Wall Street Journal, Wed., Sept. 9, 1981]

DEFICITS AND DEFENSE

(By Vermont Royster)

If reading this you think me out of time with the times, you won't be the first. For years liberals labeled me an anachronism for my views on everything from government economic policy to the threat of the Soviet Union to world peace.

Now, ironically, I find myself out of tune with some of what's called the new conservatism.

Specifically, I think that deficits matter—government deficits, that is—in their effects on the nation's economy. And after years of bawling the disrepair of our defense ramparts, I find myself uneasy with the idea that we best repair them with a crash program of just throwing money at the Pentagon.

The attitude of the new conservatism, if I read the signs right, is that government deficits don't matter. Or in the words of Representative Jack Kemp, one of the more thoughtful and articulate spokesmen for the new attitude, Republicans as conservatives "no longer worship at the shrine of a balanced budget."

Similar views, less colorfully expressed, have been heard from others on the pages of The Wall Street Journal and elsewhere. Their burden, at least until very lately, is that the Reagan administration need not overly concern itself with the President's promise of a balanced budget by 1984. Shades of Walter Heller and John Kenneth Galbraith!

The rationale for the new conservatism is that government deficits don't of themselves create the inflation which so much plagues us. Moreover we shouldn't worship at the balanced budget shrine because the nation faces another problem, the sad estate of our armed forces compared with those of the Soviet Union.

There is truth in both of these arguments. Inflation, as these pages have long insisted, arises from the excessive creation of money and credit from whatever sources. It would be quite possible to have inflation, even a rampant one, while the government's

budget was precisely balanced between revenue and expenditures. That would happen if monetary policy remained expansionist.

By the same token it would be possible for the government to run a budget deficit with little or no inflationary effects if the deficit was not "monetized"; that is if the government borrowed real savings to finance it, rather than having it "paid for" with money and credit pumped out by the Federal Reserve system. If that were the case a "small" deficit would make no difference.

There remain a few difficulties nonetheless. The greater the government's demand for "real" savings the greater the squeeze on the savings supply, raising the cost (interest rate) for all borrowers, from home purchasers to industry. Even without inflation the economy would have mammoth problems.

Perhaps I'm too cynical, but experience suggests also it is highly unlikely that a deficit of any size would in fact be met by borrowing only "real" savings. The pressures on the monetary authorities against standing fast would be enormous even with the support of a President as tough as Mr. Reagan. Already we've heard mumblings from the Secretary of the Treasury about the present restraint by the Federal Reserve Board, not to mention complaints from business and industry about the prevailing high interest rates.

So I persist in my anachronistic view that deficits do matter. Handled one way they cause one kind of problem, inflation. Handled differently they create all manner of other problems.

The Reagan administration came to office with three main objectives, all worthy and all overdue. To reduce the growing size and cost of government. To lower the people's taxes. To rebuild our neglected armed forces.

The first two were carefully thought out and a splendid beginning made on each. The third hasn't been. The approach was simply to increase the defense budget without weighing its overall effects on the cost of government and, equally importantly, without pause to consider carefully how the money should be spent.

To pinch-penny with our defense is foolhardy. To merely hand the Pentagon money and leave it to decide how to spend it is reckless. No branch of government can waste money easier, or in such large amounts, as the military. We need hard thought on what kind of planes, ships, missiles, guns or troops will be best adapted to the next war, not the last one. If that means difficult decisions by the President, that's what we have one for.

Another thing. One of the reasons we could gird ourselves for World War II with a minimum of strain was that we entered it with no inflationary pressures. The country could absorb huge wartime expenses. The next war, big or little, will bring new inflationary pressures—make no mistake about that—as we should have learned from the half-war of Vietnam. The less strain on our resources at the beginning, the easier we will bear the burden.

So it's with relief I see some cracks in the attitude that of all the activities of government, defense alone should be immune to discipline. Money may be the sinews of war but its use should never be left to generals alone.

I'm relieved too at what seems a recognition that deficits matter after all. Anyway, there are hints the administration will seek to shrink them and won't shrink from a rig-

orous look at all spending, not just part of it.

For the two are related. Military safety depends not only on the ramparts we watch but on the economic strength behind them. Conservatives also need to relearn old lessons now and then.●

NORTHEAST FACES MANY PROBLEMS

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MITCHELL of New York. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial from the Herkimer (New York) Evening Telegram. It is a thoughtful commentary on the difficulties of the Northeast region of our Nation that demonstrates the persisting intensity of local concern for the issue:

NORTHEAST FACES MANY PROBLEMS

The Northeast is continuing to lose population, industry, and economic and political importance for a variety of factors which must be confronted. Some of them are difficult to combat, such as the energy question. When production costs are necessarily higher, because of higher energy needs and costs, a continuing drain of industry is one of the consequences.

In addition, the needs of the Northeast, and to some extent of the Middle West, are being increasingly ignored in Washington. This is a trend which set in in the aftermath of World War II, and has been accelerating. Until the energy crisis, it affected the Middle West to a lesser extent, but the slump of the automobile industry has hit that region harder in late years. Steel production, with aging plants and reduction in demand because of lower automobile output, has been another hard hit industry.

All this requires much greater cooperative effort in the so-called Snow Belt if the present trends are to be halted and turned around. Unfortunately, as economic clout has been declining, so has political strength in Washington. The South, Southwest and Far West, which have been prospering, seem less and less concerned with what goes on to the north and east.

Regional planning may be one of the answers. Declining industries simply cannot be bailed out, a temporary and often counterproductive action. New approaches to old industries and the development of entirely new ones, especially in advanced technology, seem to be the best answer. Massachusetts has been particularly successful in this area, partly because of its large number of high quality educational institutions.

The states involved need to operate on a much more closely integrated basis, especially since there is less and less likelihood of help from Washington. This may be good; it may end the long-time practice of devoting energies to the hunt for federal grants, and divert it to an independent search for answers to our problems.

The situation can be reversed, but this demands greater and better coordinated effort to achieve regional goals. Hand-wringing and adherence to the traditional solution must alike be avoided. We need more of the

old "can do" spirit, we need greater self-sufficiency.●

THE TRUTH ABOUT THE BLACK LUNG PROGRAM

HON. JOHN N. ERLBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ERLBORN. Mr. Speaker, the CONGRESSIONAL RECORD for the past 12 years contains literally hundreds of pages about what the black lung benefits program does and does not do. Now, however, we have an analysis made by someone who spent 2 years working on black lung claims at the Department of Labor and then left to research and write his master's thesis on the subject.

Whether you favor the black lung program, are opposed to it, or just want to be enlightened about it, I urge you and my other colleagues to read the following assessment from Mr. David Nicolai:

CHAMPAIGN, ILL., August 8, 1981.

HON. JOHN N. ERLBORN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ERLBORN: I have been a close observer of Congressional proceedings ever since I was a page in the House of Representatives in 1969, but I have never before sat down to write a "fan letter" to a Congressman or Senator. It is ironic that I should now be writing one to you, as we probably do not agree on very many political issues (my views tend to be somewhat to the left of most "liberal" Democrats). However, after working for two years at the Black Lung Benefits Program in Washington and then doing extensive research on the legislative history of the program for my masters' thesis, I must take the time to commend your singular efforts over the past twelve years to bring some measure of reason to the Congressional debate on this little-understood and scandalous program.

I went to work at the Department of Labor in November, 1977, just before the passage of the Black Lung Benefits Reform Act of that year. It did not take very long after the re-evaluation of claims under the liberalized eligibility criteria established by that Act began in August, 1978, for me to realize what a horrendous mistake Congress had made. The name of the game, as you are well aware, was to reward as many claims and to pay out as much benefit money as was humanly possible, regardless of the evidence in the files; this was made crystal clear to all agency personnel by the top administrators, who knew their jobs depended on placating certain powerful members of Congress. Thus, the findings of the G.A.O. report which you commissioned, concluding that almost 90 percent of the awarded claims contained insufficient evidence of black lung disease, only confirmed what had become obvious to me after examining thousands of claim files.

I was delighted that the G.A.O. report received at least some press attention, but it was not until I began reading through the thousands of pages of floor debate and hearings transcripts that I became aware of

EXTENSIONS OF REMARKS

the role you've played ever since 1969 in regard to this program. I am so impressed by how well informed, fair, and constructive your contributions to the lengthy black lung debate have been. It is remarkable that a Congressman from a wealthy suburban district of Chicago, devoid of coal miners and coal mines, should be the only member of Congress who has consistently offered an honest analysis of where the program was heading. I realize just how difficult it would be to convince a skeptical public that a conservative Republican from Du Page County would argue again and again against further liberalization of the Black Lung Program, not because of an obsession with budget deficits or a lack of compassion for the miners, but because this dishonest piece of special interest legislation raises very basic questions of social justice. It is, in fact, a travesty of justice for all other American workers, very few of whom are able to supplement their often meager retirement income with the \$15,000 to \$25,000 checks that so many black lung claimants have been receiving over the past three years. I also believe that the continual expansion of the Black Lung Program, beyond any reasonable bounds, has jeopardized the prospects for establishing legitimate compensation programs for the many thousands of workers who do genuinely suffer from occupational diseases. Senator Javits emphasized this point during the 1977 debates.

According to a recent issue of the Congressional Quarterly, the Black Lung Program has emerged intact from the past few months of budget-cutting in Washington. I find that shocking, given the hundreds of worthwhile social programs and other federal initiatives which are being severely trimmed or terminated. The American public loves to condemn "welfare chiselers," but what other welfare or benefits program can you name where almost 90 percent of the recipients do not really deserve the benefits? Was the Reagan Administration really that intimidated by the miners' march on Washington to protest the proposed black lung cuts?

One other aspect of the program I should mention is the way it is abused by many of your colleagues on the Hill as a vehicle for both pumping hundreds of millions of dollars annually into their home states or districts and for garnering thousands of votes in the process. It would be hard to overstate the attention paid to the Congressional Inquiries Office, where I worked, by the Department of Labor officials who oversee the program. Prompt processing of claims and courteous treatment of the claimants were of secondary importance compared with answering the thousands upon thousands of Congressional inquiries about constituents' claims. When I was there, the cardinal sin for an employee was to notify a miner or widow of an awarded claim before informing all interested Congressional offices; otherwise, the Congressman or Senator would not be able to claim personal credit for the award. I don't object to Congressional staff members doing reasonable case work, but the Black Lung Program has obviously become a very big and cynical racket.

I suppose I have rambled on long enough, but let me reiterate my great admiration for your eloquent and principled criticism of the Black Lung Program.

Sincerely,

DAVID NICOLAI.●

TRIBUTE TO ROY WILKINS

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SABO. Mr. Speaker, over the last half century great advances have been made in the cause of civil rights in this Nation. Roy Wilkins, a man who for 50 years served as a leader of the movement, and stood at the helm for much of the last 30 years, died yesterday. Wilkins' death means the departure of a leading champion of the cause of civil rights, but we will long be grateful for his spirit, his vision, and his successes.

Roy Wilkins joined the national offices of the National Association for the Advancement of Colored People, the largest and oldest civil rights organization, in 1931. Until his retirement in 1977, Wilkins served as executive director of the NAACP for 22 years, a long and influential tenure.

Many young people today—both black and white—forget the great struggles that took place, and the great and significant distances traveled, on the road toward equal rights and equal opportunities. Roy Wilkins was at the forefront of many of the most significant accomplishments during the last 50 years. When lynchings were occurring in horrifying numbers in the 1930's, Wilkins fought for, and got, antilynching laws. He was there when the landmark 1954 Supreme Court decision banning school segregation was made. He was a leading organizer of the influential 1963 civil rights march in Washington. Working closely with President Johnson, Wilkins again played a leading role in securing the passage of the Civil Rights Act of 1964, which made voting rights, equality in employment, and equal access to public accommodations part of Federal law.

Roy Wilkins' style evoked admiration and respect from followers and adversaries alike. While people were not always aware of the extent of his contributions and influence, his persistent behind-the-scenes work within the system produced successes. He did not need the limelight in the movement. Instead he worked quietly and eloquently—knowing the facts, the system, and the people involved—and always pushing forward.

Minnesotans are especially proud of our special association with Roy Wilkins. Growing up in St. Paul, where he spent most of his young life, Wilkins lived in an ethnically diverse neighborhood. Here he was exposed to a variety of people and conditions. Following his graduation from the University of Minnesota, where he began his career as a journalist working on the Minnesota Daily, he returned to work in St.

Louis. Wilkins' awareness of the contrast between the treatment of blacks in Minnesota and the conditions in St. Louis, ignited his life-long passion for the civil rights movement.

Roy Wilkins truly stands out, not only as one of the paramount leaders in the history of the civil rights movement—alongside Martin Luther King, Jr. and A. Philip Randolph—but also as one of the great Americans of this century. His persistent work helped to enlighten all Americans, of all races, about the plight and conditions of black Americans and the poor and the ills of our society. Roy Wilkins once said that the NAACP was in the business to go out of business. While Wilkins produced great successes in his business, today the NAACP and the civil rights movement still has much to do. Today as we remember and express our gratitude for Roy Wilkins' life and work, let us rekindle our efforts to his goal of equal rights, equal opportunities, justice, and the improvement of the quality of life for black Americans and the poor.●

INJUSTICE DEPARTMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. HAWKINS. Mr. Speaker, many Americans wrongly seem to feel that there is no longer any need to advocate forcefully for civil rights. The legislative successes of the 1960's and the activist stance of the Carter Justice Department have caused many to ignore the fact that divisive and dangerous prejudice continues to fester in our Nation. The Reagan administration, in a change of focus, is unfortunately adopting a Department-wide policy of abstaining from a vigorous enforcement of civil rights. This restrained approach actually reveals a deep dislike of these laws which protect minorities and the handicapped. As Robert Plotkin, an ex-administrator in the Justice Department's Civil Rights Division points out, "the administration is not only turning back the clock, it is also turning its back on millions of Americans." I submit the complete text of Mr. Plotkin's article from the August 3, New York Times.

INJUSTICE DEPARTMENT

(By Robert Plotkin)

WASHINGTON.—President Reagan may be undecided about extending the Voting Rights Act of 1965, perhaps the most important civil rights legislation in United States history. But Justice Department policy across the entire spectrum of civil rights issues reveals a deep-seated hostility toward the laws that protect minorities and handicapped persons.

Attorney General William French Smith has already promised that the Justice Department will not pursue busing orders in

school-desegregation cases, that it will not seek the imposition of numerical quotas to correct employment discrimination, and that it will not impose "onerous" standards upon state and local prisons to correct conditions that violate inmates' rights.

The Attorney General has not said, however, what the Reagan Administration will do in these and similar cases. This silence is not simply the pause of indecision. Indeed, in a Government otherwise tickled by its own ability to seem bold and imaginative, the lack of a coherent civil rights policy is ominous. It masks an antipathy toward civil rights that stretches far beyond particular disputes about effective remedies for discrimination.

This Administration sees civil rights laws as imposing unnecessary regulatory and economic burdens on society, and would like nothing better than ultimately to replace today's tough laws with toothless "tigers." The debate about the voting legislation is simply the opening round in a bout that is sure to go the distance.

Principled civil rights policy-making at the Justice Department has been replaced by the political gamesmanship of Deputy Attorney General Edward C. Schmults. Allies of the new Administration have learned quickly that a telephone call to Mr. Schmults will achieve favorable results and bypass the lawyers of the Civil Rights Division, whom their new bosses see as subversive "liberals."

For example, Senator Jeremiah Denton, Alabama Republican, recently called Mr. Schmults to complain about language that he found objectionable in a legal document filed by the Civil Rights Division in a voting case against the city of Mobile, Ala. Within 24 hours, an amended pleading had been filed at Mr. Schmults' personal direction, removing the offending words. Although the legal significance of the change was inconsequential, its political message was clear: The Civil Rights Division is under control.

The "Denton maneuver" was also executed by the Governor of Texas, William P. Clements. Complaining about a successful prison-conditions suit brought in district court by the Civil Rights Division, Governor Clements wrote to the Attorney General that the court's decision would cost Texas "billions of dollars" to implement, and pointed out that "it makes good political sense" for the department to reconsider its position. The letter was referred to Deputy Attorney General Schmults, who agreed to review the case and wrote to the Federal District Court for the Southern District of Texas asking it to delay further orders. To its credit, the court refused to delay again the eight-year-old controversy, but Mr. Schmults' promised review will continue while the case is on appeal.

Similarly, in a discrimination suit against North Carolina's college system, the Department of Education, without consulting the Civil Rights Division lawyers responsible, negotiated a settlement that failed to resolve important issues in the case. When those attorneys refused to sign the agreement, Mr. Schmults reassigned the case to another division and ordered the compromise to be filed.

The Administration has publicly denied that the Justice Department has moved away from vigorous enforcement of the civil rights laws. Labeling the new course as a "change of focus," Attorney General Smith has promised minority groups that he intends to seek more "innovative and practical approaches" to achieve racial equality.

Significantly, not a single Reagan appointee at the Justice Department has any background in civil rights. Not a single appointee is a member of a racial minority. No special "task force" exists to study controversial civil rights problems, although the Attorney General has made much ado about other task forces he has created, such as the one on violent crime.

If we are to believe that creative new solutions will replace the supposedly outmoded policies of the past, who will devise them? And when?

It is remarkable that the Reagan Administration continues to refuse to admit that the era of civil rights enforcement is dead. This refusal, obscured as indecision, deprives concerned citizens of their right to publicly debate the matter. It also assumes that public dissatisfaction with busing equals rejection of racial equality. The Administration is not only turning back the clock, it is also turning its back on millions of Americans.●

NEED FOR A TRULY FREE WORLD PRESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. STARK. Mr. Speaker, the free flow of information is vital to international understanding and cooperation. For almost 10 years the United Nations Educational, Scientific, and Cultural Organization (UNESCO) has been working to establish a restrictive code of conduct for journalists. This effort must be defeated. In May of this year leaders of the world's free press met at Talloires, France to denounce UNESCO's proposed code and to adopt the Declaration of Talloires which speaks to the need for a truly free world press. The declaration reads as follows:

[From the New York Times, May 18, 1981]

TEXT OF DECLARATION BY INDEPENDENT NEWS ORGANIZATIONS ON FREEDOM OF PRESS

We journalists from many parts of the world, reporters, editors, photographers, publishers and broadcasters, linked by our mutual dedication to a free press,

Meeting in Talloires, France, from May 15 to 17, 1981, to consider means of improving the free flow of information worldwide, and to demonstrate our resolve to resist any encroachment on this free flow,

Determined to uphold the objectives of the Universal Declaration of Human Rights, which in Article 19 states, "everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers,"

Mindful of the commitment of the Constitution of the United Nations Educational, Scientific and Cultural Organization to "promote the free flow of ideas by word and image,"

Conscious also that we share a common faith, as stated in the charter of the United Nations, "in the dignity and worth of the human person, in the equal rights of men and women, and of nations large and small,"

Recalling moreover that the signatories of the final act of the Conference on Security and Cooperation in Europe concluded in 1975 in Helsinki, Finland, pledged themselves to foster "freer flow and wider dissemination of information of all kinds, to encourage cooperation in the field of information and the exchange of information with other countries, and to improve conditions under which journalists from one participating state exercise their profession in another participating state" and expressed their intention in particular to support "the improvement of the circulation of, access to, and exchange of information,"

Declare that:

[1]

We affirm our commitment to these principles and call upon all international bodies and nations to adhere faithfully to them.

[2]

We believe that the free flow of information and ideas is essential for mutual understanding and world peace. We consider restraints on the movement of news and information to be contrary to the interests of international understanding, in violation of the Universal Declaration of Human Rights, the constitution of Unesco, and the final act of the Conference on Security and Cooperation in Europe; and inconsistent with the charter of the United Nations.

[3]

We support the universal human right to be fully informed, which right requires the free circulation of news and opinion. We vigorously oppose any interference with this fundamental right.

[4]

We insist that free access, by the people and the press, to all sources of information, both official and unofficial, must be assured and reinforced. Denying freedom of the press denies all freedom of the individual.

[5]

We are aware that governments, in developed and developing countries alike, frequently constrain or otherwise discourage the reporting of information they consider detrimental or embarrassing, and that governments usually invoke the national interest to justify these constraints. We believe, however, that the people's interests, and therefore the interests of the nation, are better served by free and open reporting. From robust public debate grows better understanding of the issues facing a nation and its peoples; and out of understanding greater chances for solutions.

[6]

We believe in any society that public interest is best served by a variety of independent news media. It is often suggested that some countries cannot support a multiplicity of print journals, radio and television stations because there is said to be a lack of an economic base. Where a variety of independent media is not available for any reason, existing information channels should reflect different points of view.

[7]

We acknowledge the importance of advertising as a consumer service and in providing financial support for a strong and self-sustaining press. Without financial independence, the press cannot be independent.

[8]

We recognize that new technologies have greatly facilitated the international flow of information and that the news media in

many countries have not sufficiently benefited from this progress. We support all efforts by international organizations and other public and private bodies to correct this imbalance and to make this technology available to promote the worldwide advancement of the press and broadcast media and the journalistic profession.

[9]

We believe that the debate on news and information in modern society that has taken place in Unesco and other international bodies should now be put to constructive purposes. We reaffirm our views on several specific questions that have arisen in the course of this debate, being convinced that:

Censorship and other forms of arbitrary control of information and opinion should be eliminated; the people's right to news and information must not be abridged.

Access by journalists to diverse sources of news and opinion, official or unofficial, should be without restriction. Such access is inseparable from access of the people to information.

There can be no international code of journalistic ethics; the plurality of views makes this impossible. Codes of journalistic ethics, if adopted within a country, should be formulated by the press itself and should be voluntary in their application. They cannot be formulated, imposed or monitored by governments without becoming an instrument of official control of the press and therefore a denial of press freedom.

Members of the press should enjoy the full protection of national and international law. We seek no special protection nor any special status and oppose any proposals that would control journalists in the name of protecting them.

There should be no restriction on any person's freedom to practice journalism. Journalists should be free to form organizations to protect their professional interests.

Licensing of journalists by national or international bodies should not be sanctioned, nor should special requirements be demanded of journalists in lieu of licensing them. Such measures submit journalists to controls and pressures inconsistent with a free press.

The press' professional responsibility is the pursuit of truth. To legislate or otherwise mandate responsibilities for the press is to destroy its independence. The ultimate guarantor of journalistic responsibility is the free exchange of ideas.

All journalistic freedoms should apply equally to the print and broadcast media. Since the broadcast media are the primary purveyors of news and information in many countries, there is particular need for nations to keep their broadcast channels open to the free transmission of news and opinion.

[10]

We pledge cooperation in all genuine efforts to expand the free flow of information worldwide. We believe the time has come within Unesco and other intergovernmental bodies to abandon attempts to regulate news content and formulate rules for the press. Efforts should be directed instead to finding practical solutions to the problems before us, such as improving technological progress, increasing professional interchanges and equipment transfers, reducing communication tariffs, producing cheaper newsprint and eliminating other barriers to the development of news media capabilities.

Our interests as members of the press, whether from the developed or developing

countries, are essentially the same; ours is a joint dedication to the freest, most accurate and impartial information that is within our professional capability to produce and distribute. We reject the view of press theoreticians and those national or international officials who claim that while people in some countries are ready for a free press, those in other countries are insufficiently developed to enjoy that freedom.

We are deeply concerned by a growing tendency in many countries and in international bodies to put government interests above those of the individual, particularly in regard to information. We believe that the state exists for the individual and has a duty to uphold individual rights. We believe that the ultimate definition of a free press lies not in the actions of governments or international bodies, but rather in the professionalism, vigor and courage of individual journalists.

Press freedom is a basic human right. We pledge ourselves to concerted action to uphold this right.

Immediately following the conference at Talloires, I introduced House Concurrent Resolution 137 which condemns UNESCO's attempts to control the press and endorses the sentiments of the Declaration of Talloires. Hearings were held on House Concurrent Resolution 137 this past July. Freedom of the press must be protected. I heartily endorse my colleague's amendment.●

MORTIMER GOLD—65 YEARS OF GIVING

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ADDABBO. Mr. Speaker, it is indeed a great pleasure for me as I rise today to call to the attention of my distinguished colleagues in the House of Representatives Mr. Mortimer Gold, a truly wonderful human being who has spent a good portion of the past 65 years helping to raise money for charities and hospitals throughout my borough of Queens, N.Y. A man I have known for a great many years and a person revered and loved by all who know him, Mortimer Gold is proof positive that age should never be considered a barrier to contributing to society. As he approaches his 83d birthday in a matter of weeks, countless citizens of Queens and the rest of the city whom he has touched will long remain grateful for his work.

Too often we read that people just do not care anymore except about themselves. How many times have we heard someone say they are "too busy" or "too tired" to give an organization trying to raise money a few hours of their "valuable" time. To Mortimer Gold however, the only real "valuable" time is serving on the boards of 15 charities. To Mortimer Gold, the only real "valuable" time is

spent producing fundraisers, a total which reached 271 a few weeks ago in Flushing, N.Y., for the benefit of one of my great loves, Jamaica Hospital. It was an event in line with his past productions, done with great style and aplomb, a show to help a hospital which over the years has become a vital, thriving institution in the community.

Thank you Mort, thank you for always having the time and energy to come to the aid of others less fortunate. I know that you show no signs of slowing down and would like to be one of the many to wish you a happy and healthy birthday and may this year in your life be just as rewarding as the others have been.

Mr. Speaker, at this time I would like to request permission to have an article which appeared in the New York Daily News of August 21, detailing the work of Mortimer Gold, inserted into the RECORD.

HIS GIFT FOR GIVING IS PURE GOLD TO OTHERS

(By Gus Dallas)

Mortimer Gold, who is about to produce his 271st fund-raising show in 65 years—this time for a Jamaica Hospital building fund—is known around Queens as “Mr. Charity” or “Mr. Benefit,” all because of a distressing incident back in 1914.

On Mortimer's 16th birthday, his mother told him he was going to have a special birthday party.

“Great,” said young Morty.

Indeed, said his mother, Eva. “We’re inviting some underprivileged children and you’re paying for the party out of your bar mitzvah money.”

To this day, Gold recalls blurring out: “Hey, wait. No sir, that’s my money,” or words to that effect.

However, his mother wanted him to learn to help the neighborhood’s poor children. So, young Morty shelled out \$25 of his own for a party for 16 kids. And even though he could hardly bear at first to eat such precious ice cream, he was impressed by what a good time the youngsters were having.

Gold, who will be 83 on Oct. 27, has been tossing parties on his birthday for underprivileged or institutionalized kids every year since then.

He produced his first fund-raiser for an institution at the age of 19, which coincidentally was for the Jamaica Hospital.

This year’s benefit will be staged on Sunday at 2 p.m. in Colden Auditorium at Queens College, 65-30 Kissena Blvd., Flushing.

The program will be a vaudeville show, with comedian Henny Youngman as headliner. Tickets are a tax-deductible \$20 and may be obtained at the box office on a first-come, first-seated basis.

The hospital, at 89th Ave. and the Van Wyck Expressway in Jamaica, has been offered \$54 million in government loan guarantees to erect a new medical center, provided the hospital can raise \$5 million by the end of this year.

Gold produces his shows mostly from a cluttered dining room table in his Jamaica Estates apartment. He has difficulty getting around and uses a cane. A hip injury from a nearly fatal auto accident 26 years ago never really healed.

Among the heaps of papers and notebooks on the table are scores of programs and bills from previous benefit shows.

“What do you think of these fees for top talent?” he asked, displaying a bill from a talent agency that was dated Nov. 23, 1938, for show folk who appeared in one of Gold’s shows at about that time.

Henny Youngman’s name was on the bill, for a fee of \$125. Actress Betty Hutton was noted for \$65, and pianist Vincent Lopez apparently performed for \$125.

“Don’t be fooled into thinking Henny got a whopping \$125,” Gold said. “He pocketed \$75. The rest went to the agent.”

Gold recalls getting a young comic named Jackie Gleason from a Jackson Heights cellar club in 1940 to be master of ceremonies at a five-night benefit for a total of \$50.

Gold has produced many benefits for the Jamaica Hospital since his original effort in 1917.

He volunteered for that first production because his father was on the hospital’s board of directors, Gold remembered.

His family operated a cemetery in Howard Beach, which was called Bayside Cemetery. A lot of mourners wound up in Bayside, Queens, looking for their funeral, Gold recalled sadly.

He had a lot of time to produce benefits during the winter. “Our biggest business was not burials, which you would think, but constructing and erecting monuments, and maintaining the flowers and landscaping of the cemetery, which are mostly summer jobs.”

Gold is on the boards of 15 charitable agencies, such as the Jamaica Hospital, United Cerebral Palsy, Multiple Sclerosis, Children’s Shelter and institutions that mostly care for children.

Most of his events and vaudeville productions are staged to raise money for such institutions. ●

TAX CUTS MEAN MORE THAN POCKET CHANGE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. GINGRICH. Mr. Speaker, I would like to call my colleagues’ attention to an article by Dick Williams which appeared in the Atlanta Journal-Constitution on August 15, 1981. Williams explains the bipartisan tax rate cut we recently approved will, in the long run, increase the savings and investment rates in this country. He notes the effects of our tax legislation have to be looked at in a cumulative, long-term way—just as proponents of the bill argued during debate. The fact is, as Williams illustrates, this Congress has given middle-income earners a real tax break, the financial means to plan ahead, save and “take stock in America.”

The article follows:

TAX CUTS MEAN MORE THAN POCKET CHANGE

A man I know, liberal to moderate and traditionally suspicious of Republicans, was pooh-poohing the tax cut the other day.

“Nickels and dimes,” he was saying. “How can \$3.50 a week to the average wage earner fuel the economy, put the inner city to work

and light the fires of a thousand blast furnaces?”

Most of us under 50 who work for a salary view our earnings in terms of our take-home pay. We don’t think of that part of our salary we never see. We curse a 10-buck raise because we figure all we’ll take home is \$4.50. We figure tax shelters are for rich guys with six-figure windfalls.

We figure our budgets on our take-home pay and maybe hope for a tax refund after April. That’s money, of course, that has been in the government bank at no interest.

When we get a chunk of money together, by payroll deduction or hard savings, the smarter among us buy a home or sock it into a money-market fund or maybe even buy some stocks. But we rarely think cumulatively.

Which seems to me the message of Ronald Reagan’s tax cut. It’s not just \$3.50 a week.

Given our tax structure and our reliance on H&R Block, most of us know that the three-year, five-percent, 10-percent, 10-percent plan can’t possibly mean anything. But there was a simple calculation formula in last Saturday’s newspaper that caused several men I know to rethink their cynicism about the recent congressional action.

By Herbert Hoover, we might just have rolled back the onerous burdens of the New Deal.

I checked the attitudes of several acquaintances and then, begging their indulgence, used my trusty calculator on their weekly federal withholding figure—state taxes and Social Security aside.

By any standard, the men I know who would allow me to be privy to their weekly withholding figure are of moderate income. None was a high-roller, their deductions were representative of most of white-collar metro Atlanta and none can afford to live in Dunwoody.

With one exception, the men I know were surprised, if not greedy, upon arrival at the bottom line.

The exception was a fellow with five dependents. When the tax cut is fully effective, his take-home pay will increase by only \$40 a month, but he is also accustomed to generous tax refunds, his major savings plan.

The rest of the men I know found that by July 1983, their take-home pay would increase by more than \$100 a month, exclusive of any raises before then.

That, I submit, is more than bill-paying money—if those of us at the middle of the economic ladder can increase our spendable income by \$150 a month, it would mean another \$1,800 a year. And for a two-income family, the prospects are delicious.

At that rate, taking stock in America—private America—is accessible.

What’s needed here is for the investment industry to teach profligate, borrowing America how to save and invest again. The folks who survived the Depression know how. The next generation has been resigned to “here today, gone tomorrow.”

A person claiming one exemption and earning \$300 a week, will be taking home \$55 a month more by June 1983. As a weekly figure, it’s not much, but planning for it will give that figure long-range power.

Here’s a plan, for example, with a long view. David Fischer of Brandeis University, analyzing the Social Security system, points out that if every newborn American had \$1,300 to start and it were invested at a modest 8 percent over 65 years, the proceeds would net a retiree an annual pension of \$18,000.

That's not a pipe dream, given the other changes in the tax laws allowing more than that annual figure to be put into tax-deferred IRA and Keogh plans.

The men I know can get government off their backs now, but they'll have to start thinking long-term and forget "buy now, pay later." How about "save now and relax later?"

**CALL TO CONSCIENCE 1981:
NAUM TSELESCIN**

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. FRENZEL. Mr. Speaker, again this year the Congressional Vigil for Soviet Jewry will try to focus world attention on the plight of all Soviet refuseniks. We are interested in every one of them, but the one I shall discuss today is Naum Tselescin.

Mr. Tselescin and his parents, both of whom are elderly and in poor health, wish to go to Israel to be reunited with Naum Tselescin's mother's sister. They have repeatedly requested permission to emigrate.

Over the past several years I have attempted unsuccessfully to help Mr. Tselescin in his efforts to obtain permission to emigrate from the Soviet Union. I was again saddened to learn that he was recently denied this permission for the fifth time since 1977.

Mr. Naum Tselescin holds a doctorate in powder metallurgy. Until he applied for an exit permit in 1977, he had been the chief of the Department of New Materials in Leningrad. He now has been transferred to a menial factory job.

I am told that the reason given for refusing permission for emigration is that Mr. Tselescin has knowledge of military secrets. However, Mr. Tselescin completed a 2-year military obligation over 9 years ago, was not an officer, and would probably not have been privy to any classified information.

Once more, I request that Soviet authorities allow Mr. Tselescin, his parents, and all other Soviet refuseniks like them, to exercise their right to free emigration as agreed to under the Helsinki accords.

**WALL STREET AND THE
BUDGET**

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. LOWERY of California. Mr. Speaker, since Congress reconvened yesterday, we have heard a great deal about the high level of interest rates that we are all experiencing. There is no doubt that these interest rates are certainly damaging to our economy,

and certain segments—housing, the thrift industry, agriculture, and small business—are particularly hard hit. We have heard talk of credit controls, reorganizing the Fed, and wage and price controls. Under these circumstances, I would commend the following editorial from today's Wall Street Journal to the attention of my colleagues. I certainly concur with the premise of, first and foremost, giving the President's economic program an opportunity to take effect.

WALL STREET AND THE BUDGET

President Reagan has returned from the West to discover that it's the White House, not Santa Barbara, that the Apaches are circling. They're all uttering the same blood-curdling cry: "Look what's happening on Wall Street!"

We hope the President and his troops continue to avoid panic because this may prove to be the biggest test yet of their nerves. It calls for a cool-headed look at why Wall Street was so unimpressed with those July budget and tax victories.

One reason is that Wall Street knows the July budget reconciliation victory was only a battle, not the war. There's still plenty of fighting to be done to make the budget cuts real. For example, even though the reconciliation bill calls for cutting some \$4 billion in Social Security benefits, the House has already passed and the Senate will soon consider a bill that would restore minimum benefits, the one important thing the administration had thought it had won.

Another reason is that the positive side of the Reagan program, lower tax rates, has not yet taken effect. The air still is full of doubts and conjecture and will likely continue to be until after October 1, when the cuts begin to have impact on the economy.

And finally, Wall Street, for all its accuracy in recording and playing back economic signals, is not a one-track tape. Capital markets are international and Wall Street has some interest, to say the least, in places like Gdansk, Moscow, Paris and New Delhi. What it sees is risk, and the possibility that some disaster will someday be met by a new inflationary outpouring of dollars.

All that considered, however, the economic situation is not nearly as bad as the politics of Washington would have us believe. The economy is indeed flat but one could hardly say it has been pole-axed by the extended period of high interest rates it has had to endure. Indeed, auto sales in August were relatively strong. Steel production, retail spending and durable goods orders continue to run well ahead of a year ago. Most economic forecasts are for real economic growth for 1981.

Moreover, there is a good side to those high interest rates. Small savers, by means of money market funds and the gradual removal of savings account interest ceilings, are finally being allowed to earn market rates. We already are seeing signs of a revival of personal savings, which had been dried up by the combination of inflation and interest rate ceilings. One thing happening on Wall Street is that the attractiveness of money market funds has transferred a lot of the action out of the securities markets and into the banks, but there is every reason to believe that this will be a temporary phenomenon if the Fed continues to wedge down money growth and inflation.

The renewed attack on the White House is in fact a continuation of the old attack by

the President's opponents in Congress. The aim is to put the President into a box. If he admits to concern about the high interest rates and flatness of the economy, it can be said that he has lost confidence in his own program (the one, keep in mind, which hasn't yet gone into effect). If he professes no concern, his leverage for holding the budget ground he has won and winning more is weakened.

The President has only one course. He must keep up the budget battle until it really is won, while at the same time displaying no loss of confidence in his program. There are still large areas of federal spending that are ripe for cutting if the President can overcome congressional opposition. As we have said here before, we would even be willing to suffer a trimming of projected military spending if we could see evidence of a coherent defense strategy. It should be kept in mind that Wall Street has heard September promises of tight budgets too often in the past. It will begin to believe when it sees how the budget looks next March.

It's a healthy sign that so many people are suddenly taking Wall Street seriously. It's too bad they didn't start years ago, when stock and bond prices first started to falter under the impetus of soaring federal spending and rapid money creation. Back in 1965, after all, the Dow was near 1,000, equivalent to 2,540 in 1981 dollars. While no one in Washington was watching it plunged to 950 a month ago. Now because of another 100-point tick in the last month, the conventional wisdom is that Ronald Reagan, who has done more to cut the budget than any President in 20 years, has been too timid.

This is of course an opportunity for Mr. Reagan. By all means he should cut more. The new proposal for impoundment powers is a good one. Something has yet to be done to get a grip on the entitlements programs. All this should be done, but without panic or apology.

**SHELBY WELCOMES NEW
INDUSTRY TO DEMOPOLIS**

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SHELBY. Mr. Speaker, I would like to take this opportunity to welcome the Bergeron Barge Co., to the city of Demopolis and the Seventh Congressional District of Alabama. In this day of economic developments, the news that a multi-million-dollar industry is coming to town is quite something to announce.

Construction on an 88-acre site near the Demopolis airport should begin early sometime next summer. According to William T. Bergeron, president of Bergeron Industries, Demopolis was chosen because of the "attractive labor force, its strong belief in the work ethic, and development of the Tennessee-Tombigbee Waterway."

The Bergeron facility will construct steel river barges, approximately twice the size of barges currently on the Tennessee-Tombigbee Waterway.

These barges will be 260 feet long and 52.5 feet wide, with an expected cargo capacity around 3,000 tons.

Finished barges are to go down the Tennessee-Tombigbee Waterway to Mobile, then over to the Mississippi River and up the river to transport coal from either Kentucky or Illinois. The coal-loaded barges would then go back down the Mississippi and eventually to Florida.

Employment opportunities with this new industry are overwhelming. It has been estimated that around 95 percent of the employees will be local labor. The Alabama industrial development training program is also planning to help prepare workers for their jobs.

Congratulations are certainly in order to all those who were involved in this project. Many people from local concerned citizens to the Marengo County Commission to the Governor's office played a vital role in bringing Bergeron to the community. Demopolis Mayor Hugh Allen and Demopolis Industrial Development Board Chairman Kim Mayton put many untiring hours into this project.

I also feel both city and county officials are very fortunate to have a State representative such as Rick Manley, who really cares about industrial growth and will devote the time and effort in an industry's locating process.

This outstanding example of industry expansion is what this country needs to turn our troubled economy around. It is indeed a pleasure for me to share this news with my colleagues in the House.

I know Bergeron Industries will have much continued success by their decision, and I am looking forward to having this industry in the business community of the Seventh Congressional District. ●

THE STATE DEPARTMENT AND GENERAL MIHAIOVICH: A STUDY IN TIMIDITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MICHEL. Mr. Speaker, I recently received a letter from three former American airmen who, during World War II, were rescued after being shot down by the Germans in Yugoslavia. These airmen and many others owe their lives to the heroism and the dedication of the late Yugoslavian leader, Gen. Draza Mihailovich. The National Committee of American Airmen Rescued by General Mihailovich, Inc., has been formed to erect a memorial on public land in Washington, D.C., to Mihailovich. This memorial would be erected at no expense to the taxpayers, expressing the grati-

tude of those whose lives he helped to save.

You would think that nothing would be simpler or more appropriate. Here we have American veterans who were the direct beneficiaries of Mihailovich's aid asking nothing more than that they be allowed to erect a simple monument, at private expense, to a man posthumously awarded the Legion of Merit in the degree of Supreme Commander by President Harry S. Truman in 1947.

Let me quote from the letter that was sent to me by the committee:

Legislation supporting our petition has been approved by the eight-agency National Capital Parks Advisory Committee on Monuments, by the Senate Rules Committee, and has twice been passed without dissenting vote by the United States Senate. Our efforts have also had the endorsement of the National Convention of the American Legion, of AFL-CIO President George Meany, and other national organizations.

But, despite the fact that we now have almost 70 sponsors in the House, our efforts have been held up there for reasons that are no secret. We have been told frankly by the State Department and by others that, although they sympathized with our motivation, it was an unfortunate fact that Marshal Tito was extremely sensitive on the issue of General Mihailovich and that the State Department could not afford to offend his sensitivities. We were never able to understand this attitude because it did not seem right to us that the likes or dislikes of any foreign dictator should affect the outcome of a purely domestic legislative issue involving 500 American airmen and the U.S. Congress.

Now that sounds like an open-and-shut case, doesn't it? Ordinarily we might say so, but the fact is that the Department of State is opposed to erecting this monument on public ground. Let me offer you the reasoning of the Department of State, as it was expressed to me in a letter from Richard Fairbanks, Assistant Secretary of State for Congressional Relations on August 18, 1981:

Yugoslavia's leaders perceive General Mihailovich, who rescued hundreds of American airmen during World War II, as having collaborated with the German occupiers of Yugoslavia. They would surely interpret the building of a statue to General Mihailovich on Federal land in our Nation's Capital as an unfriendly act calling into question the sincerity of our policy.

The Department feels strongly that we should not risk the damage to our security interests in Europe and the Mediterranean which construction of a monument to General Mihailovich on Federal land would entail * * *

Our opposition to construction of a monument is based solely on the fact that it would authorize the use of public lands for the purpose. A monument on private land would not directly involve the foreign policy of our Government.

It appears to me that the State Department is confusing two kinds of action. The first is a deliberate insult to another country for the direct and sole purpose of breaking or straining relationships with that country. No

one is asking that the United States engage in this sort of action against Yugoslavia.

The second kind of action is one undertaken in good faith and for good reasons by one country, but which may cause hard feelings in another country.

The erection of the Mihailovich memorial, it seems to me, falls into this second category of action and, as such, must be judged entirely on its merits and its probable outcome. It seems to me highly improbable that Yugoslavian leaders are going to break relationships with the United States or act in such a way that our security interests on NATO's southern flank are threatened simply because American citizens who owe their lives to Mihailovich have erected a statue to him on public land.

While I admire and recognize the necessity for diplomatic caution and prudence, there are times when caution and prudence can gradually become timidity and, eventually degenerate into moral cowardice. I think the State Department has reached the "timidity" stage of this deplorable process and should be rescued before it descends to the depths of abject capitulation to the perceptions of others.

Mihailovich was fighting Nazis while Tito, at that time slavishly devoted to his Communist master, Josef Stalin, was not even in the field. Perhaps it is impolitic to bring up this fact but if the State Department is going to make policy based on what some Communist leaders of another country happen to "perceive" about certain incidents in World War II, let us get all perceptions into the debate.

I fully understand the sensitivities involved. I know that the official Yugoslavian Communist Party mythology about the events of the Second World War has a deep emotional basis to it. But at the same time I also recognize that General Mihailovich was perceived—to use the same word—by Americans as a hero during and after World War II. Have we come to a point where we are allowing those of other nations to tell us who we may publicly honor? If we cannot allow American citizens to publicly praise a hero on public ground, what have we come to?

I hope that President Reagan, an admirer of Mihailovich, will reverse current and longstanding policy of the State Department on this issue. More is at stake than the question of Mihailovich's place in history. President Reagan was elected because a majority of Americans wanted new direction and pride in our Nation. We should not allow longstanding bureaucratic "perceptions" to interfere with the President's admiration for Mihailovich's actions. As to the question of whether Tito or Mihailovich better

served the principles we honor, let history judge.●

NASSAU COUNTY DEMONSTRATES THE TRUE SPIRIT OF AMERICA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. LENT. Mr. Speaker, the image of Americans as warm and generous people, who respond with help for people in distress, was greatly enhanced this summer by events in my home county of Nassau, N.Y.

The hand of international friendship was extended to a group of Belgian tourists who were found stranded in our county through no fault of their own. Thirty-two people, half of them handicapped, were located on a university campus, where they had rooms, but no agenda for touring, no meal plan, no guide, and little hope of achieving their dream of a long look at New York and its environs.

They had been sitting in virtual isolation on the university grounds, penned in by the barrier of language communication, the difficulties of mobility for the handicapped, and limited funds.

Nassau County Executive Francis T. Purcell learned of their plight and quickly initiated a rescue project for them. The last 6 days of their scheduled stay became a whirlwind of excitement and activity as Nassau County agencies, people, and businesses extended all manner of invitations and assistance.

Sabena Belgian World Airlines, the carrier which brought the visitors to New York, offered services and the help of an interpreter, although it had no responsibility in the matter. Sabena officials sponsored and paid for what became a 17-hour tour of Manhattan and included visits to Times Square, the United Nations, the Statue of Liberty, the Empire State Building, and Chinatown.

The Metropolitan Suburban Bus Authority provided a free tour bus and drivers for the group for all 6 days. Gus and Claire Garnier, who operate the Ambassador Diner in Hempstead, Long Island, fed the entire group four complete breakfasts, a sumptuous dinner, and a lavish bon voyage luncheon without charge. William Miller opened the gates of his Adventureland Amusement Park in Farmingdale, Long Island, to the group for a free afternoon of rides, games, and refreshments.

Mr. and Mrs. Joseph Bindles of Nissequogue, Long Island, made their home available to the tourists for an evening including dinner, refreshments, and the use of their pool. Mrs.

Anne Bindles, a native of Belgium, spoke the Flemish language and answered many questions about life in the United States.

Roosevelt Raceway in Westbury, Long Island, opened its doors to the 32 for an evening at the races and dinner and named a race for the group's sports club in Geraardsbergen, Belgium. The New York Racing Association hosted them at Belmont Park Race Track in Elmont, Long Island, for lunch, racing, and a major concert afterward.

Many individuals came forward with offers to take group members touring, to take them to their homes, and to interpret for them. Other business concerns supplied meals, tours, and visits.

Nassau County agencies responded to the request by County Executive Purcell by providing a day at the beach and sailing on Long Island Sound, a visit to a park/museum which recreates a colonial community, and the opportunity to attend a symphony concert and ballet performance.

County Executive Purcell's staff members stayed with the group during their 6 days and the county executive personally greeted them on several occasions, including his participation in their farewells at Kennedy Airport.

The tourists' gratitude was strongly expressed through interpreters and through the language barrier.

They took a powerful message back to their homeland and expressed it on European television: that Americans—in this case Long Islanders—are the greatest in the world.

I urge my colleagues in the Congress, and all in the executive department of the U.S. Government to take note of this outstanding example of American generosity, hospitality, openhanded, and warmhearted friendship toward visitors from overseas who faced unexpected problems. It shows the true spirit of Americans. I believe that Nassau County lit a candle for international friendship and deserves our congratulations for its contribution to a better world understanding of Americans.●

OIL SHALE MINING

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. PARRIS. Mr. Speaker, during the recent recess it was my privilege to inspect the Oil Shale Corp., mining facility near Parachute, Colo. This is the first commercial oil shale project in the United States. This operation and many more like it to come, will surely represent an important part of our Nation's effort to reach energy independence and lessen our dependence on foreign sources for petrochemical products.

The President recently approved, and on August 6, 1981, the Department of Energy executed a Federal loan guarantee financing package, a summary of which follows. It is my hope that my colleagues will find this information useful and informative.

SUMMARY OF THE LOAN GUARANTEE TRANSACTION

The U.S. Department of Energy and Tosco Corporation have executed a federal loan guarantee financing package under which the Government has agreed to guarantee borrowing by Tosco's wholly-owned subsidiary, the Oil Shale Corporation, to pay for 75 percent of Tosco's 40-percent share of construction expenses for the Colony Shale Oil Project.

The project, which will be the first commercial oil shale project in the United States, is located in northwestern Colorado and will produce 48,000 barrels per day of hydrotreated shale oil and associated products when the plant is operating at full capacity. Exxon Corporation, which holds a 60-percent interest in the project, will fund its share of the project costs entirely with private funds. Exxon did not participate in the application and will not share in any way in the guarantee.

Tosco applied to DOE for the loan guarantee in response to a competitive solicitation issued pursuant to the Defense Production Act of 1950 ("DPA"), as amended by the Energy Security Act of 1980. The DPA amendments created a "fast start" interim program for the most advanced and commercially ready synthetic fuel projects capable of making the earliest contribution to the national production goal of 500,000 barrels per day established by the Congress.

Under the terms of the loan guarantee commitment, Tosco will fund 25 percent of its share of the project construction costs (approximately \$440 million) from its own revenues and will borrow the remaining 75 percent (approximately \$1.1 billion) in the private sector. The loans are to be repaid by Tosco's share of anticipated revenues from the Colony Project. Tosco will also pay the federal Government an annual guarantee fee. To secure the guarantee covering 75 percent of its share of project costs, Tosco has pledged 100 percent of its interest in the project to the Government.

In connection with the loan guarantee, Tosco has made a long-term commitment to supply the Department of Defense with 10,000 barrels per day of military specification fuels at prevailing market prices as determined by DOD. The Government can, at its option, reduce or terminate the deliveries of fuel from Tosco. Tosco has also agreed to make its proprietary oil shale technology to be used in the Colony Project available for future oil shale projects.

No price subsidy or direct federal role in project construction or management is involved in the transaction. If commercial production of shale oil is achieved at the Colony Project as anticipated, there will be only minimal Government involvement beyond the guarantee of private sector borrowings and no expense to the Government in achieving a significant breakthrough under the Energy Security Act in the development of the United States' vast oil shale reserves.

The procedures used for the loan guarantee agreement are similar to the financial procedures successfully relied upon by the Government for more than 30 years under

the Maritime Administration for commercial ship financings. The Maritime Administration program has more than \$7 billion in guaranteed obligations outstanding. As a result of the guarantee fee charged, the program has been completely self-sustaining and, in fact, has made money for the Government over the years.

In a manner similar to the Maritime Program, the loan guarantee for Tosco will involve the issuance of United States Government Guaranteed Synthetic Fuel Financing Bonds. These bonds will be issued by The Oil Shale Corporation and guaranteed by the United States Government. They will be sold to the private investment community through normal investment banking channels. This method has proved highly successful in the shipping area and has attained wide acceptance by the investment community.

The synthetic fuel financing bonds will be repayable over a period of twenty years commencing with the completion of the project. The bonds will be issued from time to time during the course of the project as needed to finance construction.●

AMERICAN NATIONAL SECURITY SAYS NO TO AWACS SALE TO SAUDI ARABIA

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. FITHIAN. Mr. Speaker, I rise today to protest the proposed sale of the AWACS and F-15 enhancements to Saudi Arabia because such a sale is not in the national security interests of the United States.

For decades American leaders of both political parties have valiantly sought a permanent and lasting peace in the Middle East. Since the 1967 war, Presidents Johnson, Nixon, Ford, and Carter have tried to find a peaceful solution to Middle East problems. The Camp David accord was an important step in resolving the problems that emerged from the 1967 war and laid the foundation for resolving the remaining disputes. Saudi Arabia, however, has refused to recognize the Camp David accord, and has, in fact, opposed this peace attempt in the strongest possible manner. Rather than encouraging initiatives for the peaceful settlement of disputes, Saudi Arabia has openly criticized Israel and Egypt for their part in the Camp David agreements. At the same time, Saudi Arabia financially supports the terrorist Palestine Liberation Organization with almost \$400 million yearly. By these actions, Saudi Arabia has been an impediment to peace in the Middle East. In my judgment, it does not make any sense to reward Saudi Arabia with billions of dollars of sophisticated military hardware as long as it continues to be a roadblock to peace in the Middle East.

American national security interests in the Middle East are best served by

promoting peace in the Middle East, rather than by further escalating the arms race in the world's most explosive region. During the decade of the 1970's about half of America's foreign arms sales were shipped into the Middle East. The further shipments of billions of dollars of equipment to Saudi Arabia will not enhance peace but could upset the balance of military power in the region. It could also establish a set of circumstances in which Saudi Arabia could become involved in a wider Middle East war. By possessing the AWACS and its sophisticated radar systems, Saudi Arabia could become a target for a preemptive attack by Israel, leading to a wider, general war in the Middle East.

Can we as a nation afford to sell our most important, unique, sophisticated weaponry to a nation whose ruling feudal families are so insecure and unstable? Whose government is so fearful of internal rebellion? And whose leaders constantly fear a revolt by thousands of foreign guest workers? Can we afford to allow our weapons systems to fall into unfriendly hands? Have we not fully learned the hard lessons of arming Iran with our most valuable weapons systems? The Saudi regime is vulnerable to internal rebellion from numerous factions. The history of political assassinations and the attack on the holy mosque in Mecca demonstrate the instability of the present regime. I do not feel secure in granting Saudi Arabia these weapons under the present circumstances, for I do not want these weapons to fall into unfriendly hands.

While I strongly believe that America's national security interest dictate that the AWACS and the F-15 enhancements should not be sold to Saudi Arabia, other observers disagree with this conclusion. They argue that the Saudis need these weapons for self-defense, to protect themselves from hostile neighbors or a Soviet thrust into the Middle East. Furthermore, they argue that the arms sales will win the support of the Saudis for an anti-Soviet consensus foreign policy in the Middle East, while at the same time rewarding them for their moderate and restraining oil pricing policy. In addition, the arms sales would increase American military presence in the Middle East.

Under closer examination, however, these arguments do not stand up. First, these weapons are clearly usable for offensive, not defensive, tactics. Second, the availability of these arms will not prevent or repel an invasion by either the Soviet Union or a powerful neighbor like Iraq. Third, the Saudis are already anti-Soviet and are clearly part of an existing anti-Soviet consensus in the Middle East. We do not have to sell them AWACS to convince them that they face a potential threat from the Soviet Union, espe-

cially after Afghanistan. Fourth, the history of Saudi Arabia has been one of strict self-interest, maximizing its oil revenues and buying off possible threats from the PLO and others. Did not the Saudis help form the OPEC cartel and raise its oil from \$2 per barrel in 1970 to \$32 per barrel today? Fifth, if the objective is to safeguard our oil supply from the Persian Gulf and maintain an American presence in the Middle East, why do we not use diplomatic pressure to convince the Saudis to grant us rights to an airbase near the gulf? Sixth, the arms sales would threaten the security of Israel and create an intelligence system whereby information gathered by Saudi AWACS could be forwarded to Israel's more menacing enemies.

We as a nation should not delude ourselves into thinking that our national security would be enhanced by the sale of AWACS and F-15 enhancements to Saudi Arabia. In fact, such a sale would jeopardize not only our own national security, but could well jeopardize the peace process in the Middle East. I respectfully urge that my colleagues in the House and Senate reject the Reagan administration's request for this dangerous arms sale to Saudi Arabia.●

VISIT TO THE UNITED STATES BY VICE PRESIDENT OF NIGERIA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. BROOMFIELD. Mr. Speaker, as the ranking Republican member of the House Committee on Foreign Affairs, I would like to comment upon the recent visit of the Vice President of Nigeria to the United States, and the criticism expressed in the House of the manner in which the administration received this distinguished visitor.

The Vice President of Nigeria, Dr. Alex Ekwueme, led a Nigerian delegation to Washington, September 7-9 for bilateral economic talks held at the Vice Presidential level. I am advised that Vice President Bush met privately with Dr. Ekwueme and hosted a reception in his honor at the Department of State. Additionally, the two Vice Presidents participated jointly in the opening and closing ceremonies.

The Vice President's meetings with Vice President Ekwueme afforded the opportunity for wide-ranging discussion of both bilateral and regional questions. On bilateral economic matters, the Vice Presidents signed two important agreements, one in the health field and the other in education. Significant progress was made on a number of other issues. Among the

matters of regional interest discussed were southern African questions.

I am informed that the President's busy schedule precluded a meeting with Dr. Ekwueme, but that the visit was very productive and the bilateral talks contributed significantly to the continued strengthening of our economic relations with Nigeria. I am also advised that the administrative arrangements for the visit were in accordance with the standard procedures followed on such visits and all customary services and courtesies were extended.●

JUDGE ROBERT WESLEY HAYES

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. HOLLAND. Mr. Speaker, while the Congress stood in recess during the month of August, we in South Carolina lost one of our most distinguished and able stewards of public service in our State, Circuit Court Judge Robert Wesley Hayes.

His many years of splendid public service spanning some three decades is a beacon of example to all of us he left behind.

Judge Hayes' long career included service in the Armed Forces, on Rock Hill, S.C., City Council, in the South Carolina State Senate and on the circuit court bench as a distinguished jurist.

I join his family, friends and many admirers in mourning the passing of this good and great man. I am glad I knew Judge Hayes and I insert in the RECORD this article from the Rock Hill Evening Herald of August 11, 1981, about a man who showed what good government is all about:

A MAN FOR THE PEOPLE

Robert Wesley Hayes knew just about everybody in York County, and he spent 28 years of his life trying to help thousands upon thousands of them.

People—and how they were buffeted about or benefited by other people and events around them—were the abiding concern of the Mullins native who worked his way through USC law school, served as Rock Hill city councilman, state senator and 16th Circuit judge.

"I've had the opportunity, on occasion, to be of some help to both lawyers and clients," he said modestly in January when he retired after 14 years on the bench. There are many who say the judge erred there on the side of understatement. He would, on rare occasion, show his indignation at a vicious crime. But, mostly, his observations from the bench were conciliatory, marked by concern for those brought before him and compassion equally for the victim of a crime and for the family of the offender.

It was a necessity, but as he frequently indicated, not a pleasant nor a vindictive duty to send a husband, father or young son off to prison. His own hurt at an unfortunate turn of events that brought someone before

him for sentence showed through frequently as he spent more time than do most judges trying to reason with and counsel those guilty of transgressions against society. It was not unusual for him to bolster a young errand's courage and try to instill a determination to do better by reminding a defendant of the good, hard-working parents who must now be hurt, too.

When Judge Hayes concluded he must send someone off to prison, people in his courtroom were convinced it had to be the only alternative consistent with his sworn duty—and that it hurt him as much as it did the defendant.

He insisted on dignity in his court, but at the same time maintained a relaxed, cooperative atmosphere where getting at the truth and protecting the rights of those involved were paramount to technicality and protocol. He did not like pompous judges and wanted everyone involved in a proceeding to feel that this judge was approachable to listen to their concerns.

His was a genuine concern for people of all walks of life, and tens of thousands of people came to him with problems when he was on the city council and for the 10 years they elected him to the State Senate. His period in the Senate—at a time when the effective county government was the delegation and the senator was its dominant voice—was a period of population and economic growth, including industrial and hospital expansion.

He did not get to enjoy much of his hard-earned retirement time but that, perhaps, is how he wanted it. Friends had urged he retire earlier because of his worsening health, but he declined. He was not one used to idleness.

Robert Wesley Hayes was a symbol of conservative stability and continuity in government, and of dignity and compassion on the bench. His contributions to the people of York County and the State of South Carolina will long stand as a solid testimonial that he walked this way and helped make things better for his fellow man.●

TO MARK THE 75TH ANNIVERSARY OF LOCAL 437, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mrs. HECKLER. Mr. Speaker, the week following Labor Day is traditionally a time to reflect on the historic contribution that the working men and women of America have made—and are continuing to make—to the building of our Nation. It is especially a time to recognize the strong and vital role of organized labor in our economy, and in our society.

This week, Mr. Speaker, there is an extraordinary reason for the people of Massachusetts to recall the contributions of organized labor. Tomorrow, in the city of Fall River, the members of local 437 of the International Brotherhood of Electrical Workers will mark the 75th anniversary of their local's founding—75 years of progress for

workers, their families, and the city in which they live.

Since 1906, when 12 charter members founded the greater Fall River chapter of the IBEW, local 437 has continually worked to promote the well-being of its members—and all citizens of the surrounding area—through economic and civic development. Always on the forefront of progress, it has demonstrated that the health and prosperity of the working man and woman are the bedrock of a strong and thriving city.

The members of local 437 have not limited themselves to the arena of economic self-interest. The local has been actively involved in community affairs: one of the most dedicated and far-sighted former chairmen of the Fall River Housing Authority, George H. Cottell, was business manager of local 437 for 35 years, and his example of activism and civic concern continues to guide the membership.

Today the 130 members of local 437 are a vital force in a proud and growing community. Under the leadership of local 437's executive board—including President Maurice Chouinard, Business Manager Elwood Robertshaw, Jr., Vice President Paul M. Sousa, Treasurer Arnold Bamford, Jr., and Secretary David H. Tickle—the members continually work to better the lives of all the citizens of their community. As skilled workers in the building trades they contribute, quite literally, to the building of their city and its economy; as involved citizens they are helping to build its future as well, through interest in and support of civic and youth groups throughout the greater Fall River area.

For 75 years, Mr. Speaker, local 437 of the International Brotherhood of Electrical Workers has worked to fulfill the high goals of organized labor, as enunciated by the great Samuel Gompers:

To protect the workers in their inalienable rights to a higher and better life * * * their liberties as men, as workers, and as citizens; to overcome and conquer prejudices and antagonism; to secure to them the right to life, and the opportunity to maintain that life; the right to be full sharers in the abundance which is the result of their brain and brawn, and the civilization of which they are the founders and the mainstay.

These are the goals local 437 has worked to reach, and which it continually labors to preserve. Its members are the guardians of a proud tradition, and they uphold it with honor. I believe the highest congratulations are in order as they celebrate the 75th anniversary of their local's founding; I am proud to salute the leaders and members of Local 437, IBEW, and I ask all my colleagues in this House to join with me in paying tribute to one of the most distinguished local labor organizations in the Commonwealth of Massachusetts.●

CAUTION VOICED ON INTERIM LICENSING OF NUCLEAR REACTORS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MARKEY. Mr. Speaker, the nuclear industry and its supporters in the Congress are pushing for congressional authority to place new nuclear powerplants online before all licensing requirements, specified by Federal law, have been completed. Legislation granting the NRC permission to issue such "interim licenses" is expected to come to the floor of the House in the next few weeks.

This effort is a bold attempt to circumvent safety procedures in favor of economics. Those of us who follow the activities of the nuclear industry with vigilance know that interim licensing will not counterbalance investor dissatisfaction with and citizen skepticism about atomic energy. But in communities across the United States, from New England to southern California, interim licensing poses an ominous threat to the ability of citizens to hold utilities accountable in their pursuit of this costly, dangerous, and increasingly unnecessary technology.

As Congress turns to consideration of legislation granting the NRC fast track licensing powers, I commend to the attention of all Members an article, written by Ralph Nader and Harvey Rosenfield and published in the Boston Globe, August 11, on the perils of interim licensing.

The article follows:

NOW THERE'S A NEW DANGER AT NUCLEAR POWERPLANTS

Once upon a time, we were told that an accident at a nuclear power plant could never happen. Now, it appears, we're being asked to believe one never did. While thousands of gallons of radioactive water in the Three Mile Island reactor vessel stand in mute testimony to the dangerous and little understood technology of nuclear power, Congress is considering proposals to allow reactors that have not yet completed public hearings and other statutory licensing requirements to begin operation under "interim" licenses.

Ironically, it is not the pro-nuclear Senate but the House Energy and Commerce Committee that has produced the most alarming legislation. Under its approach, the Nuclear Regulatory Commission would be allowed to issue an interim license without any evidence that the plant needed one because of regulatory delay. Rather than requiring a careful phase-in from low to full power, the Energy Committee would allow the NRC to grant an interim license for immediate full-power operation.

The legislation provides no expiration date for an interim permit, a reactor could operate in a temporary mode for years with no incentive to complete the legal requirements mandated by the Atomic Energy Act.

Interim licensing is a solution for an illusory problem concocted by desperate busi-

nessmen. The nuclear industry, faced with dozens of cancellations and no new orders in more than two years, is in dire straits. Its Washington lobbyists have been badly stung by lack of cooperation from the Reagan Administration on a federally subsidized waste-disposal program, termination of the Barnwell, S.C., reprocessing facility and lukewarm assistance on funding for the Clinch River breeder reactor. They have thus mounted a campaign to blame NRC licensing proceedings for investor and utility skepticism about nuclear power.

The industry asserts that long delays in the licensing of a handful of reactors will cost consumers millions of dollars in carrying costs and extra electricity charges. But of the nine plants that would be affected by the legislation, eight are not yet completed; the "delay" claimed by the industry is only what they speculate might occur once the facilities are finished.

The existence of delays aside, the broader and more important issue is whether the NRC should put nuclear plant licensing back on the fast track it was on before Three Mile Island. The major conclusion of the Kemeny Commission, which examined that near-catastrophe, argues to the contrary. The commission wrote that "the NRC is so preoccupied with the licensing of plants that it has not given primary consideration to overall safety issues." The NRC has properly diverted more resources to assessments of safety at existing plants in the wake of Three Mile Island. Apparently the nuclear industry has concluded that a little more concern about safety is too much.

Both the NRC and safer-energy activists agree that the licensing process does not always function perfectly. In a series of rulings this spring, the NRC acted to eliminate redundancies in its review process, urged licensing boards to consolidate proceedings and allocated more staff to licensing. Most of the NRC's directives will allow the process to work more efficiently—but without sacrificing the necessary emphasis upon safety.

Citizens across the nation have found the regulatory process to be an important ally in challenging the hasty construction of nuclear reactors in their neighborhoods. Public hearings and intervention in NRC proceedings allow residents and taxpayers to raise critical safety and economic questions about proposed plans.

In many communities such as San Luis Obispo, where an almost-completed plant sits close to a recently discovered earthquake fault, the townspeople have been relying on the hearings process to get the views of their geologists, physicists and attorneys across to the NRC commissioners in distant Washington. They hope to convince them not to license the Diablo Canyon reactor facility.

The new interim licensing authority will allow such plants to go on line before the regulatory process has been completed—effectively negating the right of citizen participation in government decision-making, and aggravating the already tense relationship between the people and their leaders in Washington.●

A TRIBUTE TO SCOTT PLOTKIN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MATSUI. Mr. Speaker, much has been said in recent years about the decline of political parties in our country and the negative effects this trend has had on the quality of government, particularly in the legislative branch. I have joined those who lament the fracturing effect that a myriad of special interest groups have had on our system, displacing the role of our great political parties as guiding forces that traditionally helped shape our national agenda and establish policy around the crucial issues facing America.

For that reason, I have found it particularly gratifying to work with local political leaders at the grassroots level who have tried to build and strengthen our parties, men and women who have recognized that good politics is good government.

In my home county of Sacramento, Calif., we are about to lose the party leadership of one such person, Mr. Scott P. Plotkin, who for almost 3 years has served as chairman of the Sacramento County Democratic Central Committee.

Despite his youthful age of 28, Scott Plotkin has displayed impressive wisdom with regard to the role the political parties should play in our system. In his letter of resignation sent recently to central committee members, Scott Plotkin pointed out the need "to move back to a strong party system—one that enhances the value of the party to assimilate and accommodate divergent points of view and shape them into a consensus that can be used to govern."

Those of us in Sacramento County who are members of the Democratic Party are thankful for the service Scott has rendered in strengthening our party at the grassroots.

Because of professional opportunities, Scott has found it necessary to resign as county chairman, but he will continue to work as a member of our central committee.

I would like to take this opportunity to thank him for his many contributions and to wish him the very best as he begins his new position as assistant director for governmental affairs for the California State University and Colleges. He will be promoting the interests of California higher education in our State legislature.

We need more Scott Plotkins if we are to rescue our political system from some very serious problems it is facing. I am pleased to make my colleagues aware of the efforts of this fine young political leader in California.●

AMERICANS DESERVE ACCOUNTABILITY ON NEW ZEALAND BUTTER SALE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ROTH. Mr. Speaker, I am pleased to note that the Agriculture Committee Subcommittee on Livestock, Dairy and Poultry is holding hearings today on the sale of 220 million pounds of butter to New Zealand.

Export sales of Commodity Credit Corporation-held dairy products have been rightly encouraged by the Congress. These sales act to reduce inventories and develop funds to offset the cost of price support programs. However, we have a clear responsibility to the American people to insure that they get the best terms possible on these sales. That is just "sound business practice."

Clearly, there is ample room to debate the wisdom of the recent butter sales to New Zealand in this regard.

The issue I find most puzzling, is the lack of specification in the contract that this butter or its by-products not be sold to Russia. This ambiguity, coming on the heels of a rejected offer from the Soviet Union to purchase the butter at a price higher than offered by New Zealand, raises doubts as to the soundness of the contract.

Should foreign policy dictate that we not sell products to a particular nation, then our contract sales should reflect this policy.

My own view is that we should have sold this butter to a private concern or another country which would have paid a higher price for this commodity.

As it stands now, New Zealand is free to sell some of this butter or butter-products to the Soviet Union, contrary to our policy dictates, and no doubt at a higher price.

Consistency was abandoned in this sale, and the American people are the losers. I applaud the subcommittee's determination to get to the bottom of this matter, and provide full accountability to the American people for the terms of this contract.●

THE NEUTRON BOMB: TOYING WITH MADNESS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. EDWARDS of California. Mr. Speaker, an excellent editorial appeared in the San Jose Mercury during the recent district work period, and I wanted to share it with my colleagues.

The editorial examines the President's decision to proceed with production of the neutron bomb. Noting the irony of the fact that the President's decision was announced on the anniversary of the U.S. bombing of Hiroshima, this thought-provoking essay points out that once again it is the United States which is escalating this seemingly inexorable rush toward doomsday.

I believe my colleagues will find the article of interest.

[From the San Jose Mercury, Aug. 12, 1981]

THE NEUTRON BOMB: TOYING WITH MADNESS

"A single B-29 bomber flew over Hiroshima, Japan, on Aug. 6, 1945, at 8:15 in the morning, local time. . . . An atomic bomb carried from Tinian Island in the Marianas was dropped. . . .

"The combined heat and blast pulverized everything in the explosion's immediate vicinity, generated spontaneous fires some distance away, produced winds that fanned the flames in Hiroshima's crater-like configuration so powerfully that they burned almost 4.4 square miles completely out, and killed between 70,000 and 80,000 people (flash burns killed 20-30 percent, radiation 15-20 percent), besides injuring more than 70,000 others.

"A second bomb, dropped on Nagasaki, on Aug. 9, killed between 35,000 and 40,000 people, injured a like number, and devastated 1.8 square miles."—Encyclopaedia Britannica.

The coincidence of dates is uncanny.

On Aug. 6, 1981, 36 years to the day after Hiroshima, the administration of President Ronald Reagan decided to notify United States allies that neutron bombs are now being produced by this nation. And on Aug. 9, the anniversary of Nagasaki, newspapers broke that news to the American people.

In fact, the neutron bomb went into production weeks ago, Defense Secretary Caspar Weinberger said Monday. That revelation and others came out of an extraordinary series of seven separate television interviews Weinberger conducted in an effort to sell acceptance of the administration's decision to assemble and stockpile the bomb.

The administration's almost frantic efforts to sell the notion that the neutron bomb is necessary should be a tip-off—a warning that something very dangerous, even deadly, is going on here.

It's not just that the very concept of the neutron bomb—a weapon designed to kill people but minimize property damage—seems inhumane. There is a terrible irony in the very idea of a bomb that would kill humans and other living things slowly and painfully with enhanced radiation while leaving buildings and other structures undamaged by its blast effect. But that's not the principal problem.

It's not just that the administration's rationalization that the bomb is needed to counter the Soviet Union's 45,000 tanks in central Europe may be specious. Indeed it may be; in the current issue of Scientific American magazine, Paul Walker, a member of the Union of Concerned Scientists, argues that the danger of a "blitzkrieg" by Russian armored divisions may be overrated. He may be right, and the neutron bomb may also be less than cost-effective, as Walker maintained in a telephone interview with UPI Monday. But that's not the principal problem either.

It's not just that Weinberger seemed self-contradictory when he argued that it wasn't necessary to consult our NATO allies in advance, because assembling the bomb was an internal U.S. matter—and then went on to say that it could be deployed in Europe in "only a few hours."

It's not just that Weinberger was disingenuous in implying that Congress, and not the Reagan administration, really made the decision to assemble the bomb. The fact is, the fiscal 1981 defense authorization bill directed the president to produce and stockpile all of the separate components of the neutron bomb, but not to assemble them as useable.

It is the Reagan administration, not Congress, which has decided to do what the Carter administration proposed and then vacillated away from—i.e. to assemble the bomb as a usable weapon.

Weinberger tried hard to blur that distinction, by stressing that Carter's inept fumbling "gave the impression of a weak, irresolute America." He's right about that. It did. The Reagan team's projection of a bellicose America isn't necessarily any better, but even that is not the chief reason that Americans should be alarmed.

The real cause for concern is that once again the world has moved closer to nuclear war—and once again it is the West, not the Soviet Union, which has taken another step toward total annihilation of life on Earth.

It was we who began, and it has been at nearly every crucial juncture we who have escalated this seemingly inexorable rush toward doomsday. We were first to develop and test the atom bomb. We were the first to use it, at Hiroshima and Nagasaki. We took the lead in raising the level of destructiveness by developing the hydrogen bomb. We introduced the multiple warhead. And now—although both France and the Soviet Union have developed and tested the neutron bomb—once again it is the United States which has become the first nation actually to produce and stockpile this weapon too.

The awful implication of the neutron bomb is not that it merely adds another layer to a worldwide nuclear arsenal that already exceeds the potential for more than a million Hiroshimas. That would be bad enough, but this latest step is pregnant with an even more bizarre and terrible notion—the concept of that the United States should be prepared to fight—and could expect to win—a limited nuclear war.

The madness of such reasoning did not originate with the Reagan White House. The concept of limited nuclear war has been kicking around Washington ever since the Nixon administration, and the Carter administration brought it out in the open with Carter's own on-again, off-again flirting with the neutron bomb, and with his now infamous Presidential Directive 59, which explicitly abandoned the one absolute commitment that has kept us all alive until now. And that is the knowledge that our very existence depends on nuclear weapons literally serving to deter war, not to wage it—and that approval of new weapons systems must only occur within that context.

Of course a limited nuclear war would be preferable to blowing up the world—if it were possible to have one without the other. But the fallacy is the assumption that once any nuclear weapon is used, it will be possible to limit the escalation of destruction. Former Defense Secretary Robert McNamara put his finger on the flaw in such reasoning years ago.

You can conduct a limited nuclear strike, McNamara said, and you can be perfectly clear in your own mind that that's all you expect in response. But you have absolutely no guarantee that that's all you'll get.

And that's the problem with the current vogue of talking about "precision nuclear strikes"—the very kind of thing for which a neutron bomb would be used. The underlying assumption is that we could cross the crucial threshold between conventional and nuclear war, with both the White House and the Kremlin carefully calculating, even as the missiles homed in on their own troops and bases and silos, precisely what the limits would be on the next strike, and the next counter-strike, and the one after that, and the one after that—with cool heads constantly in control, so much in control that no one on either side would make a fatal miscalculation.

To believe that requires a faith in our own leaders—and in the Russians—that transcends all logic.

Weinberger would have us believe that all opposition to the neutron bomb grows out of a "well-orchestrated propaganda campaign based in Moscow." Certainly there is such a campaign. But one hardly needs to parrot the communist line to question the production of the neutron bomb. One needs only to be sane.

Years ago, just after Hiroshima, Lewis Mumford, the eclectic social historian, planner and prophet, wrote words that come to mind now:

"We in America are living among madmen. Madmen govern our affairs in the name of order and security . . . And the fatal symptom of their madness is this: they have been carrying through a series of acts which will lead eventually to the destruction of mankind, under the solemn conviction that they are normal responsible people, living sane lives, and working for reasonable ends. . . .

"These madmen have a comet by the tail, but they think to prove their sanity by treating it as if it were a child's skyrocket. They play with it; they experiment with it; they dream of swifter and brighter comets. . . .

"Why do we let the madmen go on with their game without raising our voices? Why do we keep our glassy calm in the face of this danger? There is a reason: we are madmen too. We view the madness of our leaders as if it expressed a traditional wisdom and a common sense.

"We view them placidly, as a doped policeman might view with a blank, tolerant leer the robbery of a bank or the barehanded killing of a child . . . Our failure to act is the measure of our madness. We look at the madmen and pass by.

"Truly, those are infernal machines that our elected and appointed madmen are setting. When the machines go off, the cities will explode, one after another, like a string of firecrackers, burning and blasting every vestige of life to a crisp.

"We know that the madmen are still making these machines, and we do not even ask them for what reason, still less do we bring their work to a halt. . . .

"We are thinking only of the next hour, the next day, the next week, and that is further proof that we are mad; for if we go on in this fashion, tomorrow will be more heavy with death than a mortuary."●

CENTRAL RABBINICAL CONGRESS: WELCOME TO WASHINGTON

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. RICHMOND. Mr. Speaker, I know my colleagues will all join me in welcoming the many thousands of dedicated individuals from the Central Rabbinical Congress of the United States and Canada who are in our Nation's Capital today to make their views known on issues of concern to them.

More than 3,000 of my own constituents from the Williamsburg neighborhood in Brooklyn are among the participants in today's activities.

We welcome the participants in this gathering—the first of its kind in Washington.●

JIM LEACH ON EL SALVADOR

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. BEDELL. Mr. Speaker, I wish, to bring to your attention a recent article by our distinguished colleague, Representative JIM LEACH of Iowa, entitled "El Salvador: Can Reagan Save Himself From Reaganism?" Congressman LEACH has followed the events in El Salvador closely as a member of the House Foreign Affairs Committee. His comments are both perceptive and constructive: They focus on the fundamental irrelevance of military aid to the economic and social tensions of developing countries; as well as the danger that our growing military intervention will undermine our criticisms of Soviet military aggression while providing the El Salvadoran rebels with anticolonial legitimacy.

The text of the article follows:

[From the Ripon Forum, August 1981]

CAN REAGAN SAVE HIMSELF FROM "REAGANISM?"

(By Congressman JIM LEACH)

No army, no weapon and no military leader has succeeded in bringing lasting peace to any corner of the globe in modern times. Increasingly explosive international conflicts require regional if not global military balances, but, with few exceptions, solutions to fundamental social problems have little to do with modern soldiers and weapon systems.

Military means are not only the most destructive method of problem-solving; they are in many instances irrelevant. The nuclear arsenals of the great powers are of vital strategic consequence to the United States and Soviet Union, but they are of little value in most Third World settings where internal divisions are rooted in poverty, illiteracy, and social injustice.

A classic example is El Salvador. Violence in this unfortunate civil war has such a tendency to beget more violence that the perpetrators on both sides have lost much of the moral imprimatur that may have justified their original causes. The same applies to the intervention of outside powers. U.S. intentions are honorable, but our involvement is itself counter-productive.

The sending of U.S. military advisers has stamped an increasingly ideological revolutionary movement with anti-colonial legitimacy and helped transform an internecine conflict into a romantic national liberation struggle. The clear effect of treating Third World citizens as pawns in an East-West conflict is to embolden the opposition.

It is true that in the face of recent Soviet adventurism the new Administration should make clear to the world that the introspective days of vacillation and self-doubt that followed our involvement in Vietnam are over. But even our closest allies are concerned that the Administration is overreacting to the military as opposed to the economic dimension of Central American politics. A serious social problem, they have warned us, should not be escalated into a military crisis.

El Salvador may be, as President Reagan observed, an "inherited" rather than a "created" problem, but it can only be described as a "contrived" crisis. Its import comes from the top down, not vice-versa. The American people did not cry out for action; rather a few in the Administration decreed a crisis and mapped out a response. A power play appears to have been attempted by those in our government advocating greater military involvement in Latin America in the power vacuum that occurred at the exact time of the transfer of authority from a Democratic to a Republican President. As former Ambassador to El Salvador Robert White has remarked:

"I think that there is a driving need, which I do not pretend to understand, by the American military to involve themselves on the ground in Central America."

Worthy of public scrutiny is the content as well as the timing of the request of the U.S. military mission in El Salvador to increase substantially our military presence there. Coming at the behest of the Pentagon, this request was submitted to Ambassador White on January 19 and subsequently sent with the Ambassador's disparaging assessment the next day, when Washington was more concerned with the pomp and circumstance of the inaugural than the risks implied with a foreign policy change of this magnitude.

Worthy also of public understanding is the difficulty new foreign policy advisers have in cautioning restraint in the immediate aftermath of an election in which the incumbent President was defeated in part because he was perceived to "blink" when tough decisions were demanded.

Much has been made inside and outside the U.S. of the analogy between Vietnam and El Salvador. Administration spokesmen have been quick to point out the different dimensions of the two conflicts and the contrast between Central American and Southeast Asian culture and politics. But one lesson from the Vietnam experience appears directly relevant. A preoccupation with the domino theory of government toppling led in the 1960s to the emergence of a domino theory of decision-making. In our concern for stopping Communist expansion in Southeast Asia, America's political leaders lost perspective and the ability to control

the decision-making process. Attempts to influence policy in a minor way in a distant country led to a steadily greater involvement. Failed policies did not lead to a reassessment of judgment; rather they sparked appeals to patriotism which precluded rational criticism. The pride of politicians caused successive Administrations of both parties to declare that American policies were not wrong; only their manner of implementation was faulty. What couldn't be accomplished by one level of force, three Presidents asserted, could at a higher level.

Foreign policy in the American system is largely a function of the Executive. Since crucial decision-making is a reflection of Presidential personality, it is important to assess the individual ultimately responsible for establishing government policy in situations like El Salvador.

While clearly not averse to the use of force, Mr. Reagan appears to be at peace with himself, lacking the towering self-esteem with which Mr. Johnson and Mr. Nixon were so visibly afflicted. A unique political personality, the President may be the one individual in the new Administration with sufficient self-assurance to acknowledge mistakes when made, to have the confidence to embrace restraint as a proper foreign policy option. Only Reagan can save himself from "Reaganism."

In this regard, it is important to stress that the commitment of 54 military advisers, while a mistake, may not be irretrievable. The ruling out of further escalation as well as the hints of concern coming from within the White House that the El Salvador issue is taking too much attention away from the economy could represent "light at the end of the tunnel"—not for victory, but for modesty. A mistake appears to be recognized, and hopefully this recognition will serve as a lesson for this young Administration as it addresses other policy concerns.

There are lessons to be learned as well from recent actions of our principal adversary in the world—the Soviet Union.

When Soviet tanks rumbled into Prague twelve years ago to quell a popular revolt, the Kremlin invoked what has come to be called the "Brezhnev Doctrine" to justify its aggression.

In essence, the Brezhnev Doctrine proclaims the Soviet Union's right to intervene to protect socialism in those neighboring states where it had been imposed but was threatened by "counter-revolutionaries" aided by "outside forces." Since rationalizing the crushing of the Czechs, the Brezhnev Doctrine has been invoked to legitimize Russia's ruthless invasion of Afghanistan in 1979 and the menacing of Poland today.

In formulating the Brezhnev Doctrine, the Russians may have believed they were following a precedent set in 1823 by the U.S. when President Monroe promulgated the Doctrine that bears his name. If this is the case, their reasoning is profoundly flawed. The Monroe Doctrine was prohibitory rather than interventionist in intent. Designed to close the Western hemisphere to further colonization, the Monroe Doctrine challenged the right of "any European Power" to further conquests in the New World.

Unlike the Brezhnev Doctrine, which sanctions Soviet colonialism, the Monroe Doctrine upheld the principle of self-determination for our southern neighbors. Rather than providing a philosophical rationale for our intervention in the affairs of Latin America, it was intended to warn others against such intervention.

In policy terms, military intervention is the doctrine of the Soviet Union, not the United States; of Brezhnev, not Monroe. A substantial U.S. military presence in El Salvador would therefore leave us open to the charge of being guilty of the same hypocrisy of which the Kremlin stands convicted. In the eyes of many it would deprive the West of any moral standing to oppose a Soviet invasion of Poland and ironically increase the likelihood of such an invasion.

Colonial interventionism is an idea whose time on the historical clock has passed. It is also an idea that has demonstrably been proven futile. The history of the past half century is the history of peoples demanding their independence from outside influence. Country after country in Africa, Latin America, and Asia have thrown off colonial mantles, and in the last year alone we have seen two of the most extraordinary resistance movements ever recorded, develop and flourish.

In Afghanistan, largely uneducated semi-tribal people are showing total disdain for the tanks and chemical weapons of the Soviet Union. In Poland, a single man who claims never to have read a book, who says his only political philosophy is that the Queen of Poland is the Virgin Mary, is holding 57 Soviet divisions at bay. Military forces may capture capitals and control for a time the machinery of government, but the human spirit cannot be conquered by guns.

That is why we have so little to fear of Soviet hegemony over our neighbors to the south and why American policy is better served by the Peace Corps than the Green Berets in Latin America.●

A TRIBUTE TO JAMES V. RYAN

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. YATRON. Mr. Speaker, on September 13, the Super Sunday Committee of Minersville, Pa., is paying tribute to the accomplishments of a very special individual, the Honorable James V. Ryan, at a celebration marking the 150th anniversary of the establishment of their community.

Jimmy Ryan's dedication to his community is well known in Schuylkill County and throughout Pennsylvania. It is indeed fitting that he is to receive a tribute from the Super Sunday Committee for his outstanding leadership and his unwavering assistance to the city of Minersville.

Jimmy Ryan has been a leader in the coal industry for many years. He has served as president of the Cass Township School Board for the past 28 years and was appointed a U.S. marshal by President Kennedy. He was also the Democratic Committee chairman for many years and a participant in countless organizations and activities to benefit his community.

He is an inspiration to all who meet him—a strong, forceful, and, above all, a compassionate man who has maintained a reputation for fairness, devotion to his community, integrity, and

honor. He is always there with advice and assistance when anyone in need comes to him. It is because of men like Jimmy Ryan that our community and country are better places to live. I know that my colleagues will join me in paying tribute to this very important Pennsylvanian, my good friend Jimmy Ryan.●

THE RAILROAD LAND GRANT DEVELOPMENT ACT OF 1981

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. WILLIAMS of Montana. Mr. Speaker, in the late 1800's, the Federal and State Governments granted approximately 10 percent of the entire land mass of the United States to various railroad companies to encourage and compel the construction and operation of rail lines through the then undeveloped West.

Today, a century after most of the land grants were made, the transcontinental railroads are in decline; consolidations, mergers, and takeovers threaten ever greater railroad monopolies, offering less and less service and higher and higher prices. The Federal Government has been too cautious in representing the legitimate public interest by demanding corporate responsibility from the descendants of the railroad robber barons.

Congress ought not to sit idle, listening to the continuous litany from the railroad companies about the high cost and unprofitability of providing public service, and about how financial conditions dictate that they abandon service to many communities and raise rates to others. Many railroads have had difficulty identifying operating capital.

And yet, the railroads and their parent organizations retain title or rights to some of the most valuable land in this country; land under which rich deposits of coal, oil, gas, and other natural resources can be found in great abundance; land which was originally granted to the railroads by the Government. Railroads and their parents have their own pots of gold.

But these great riches are generally not available to the railroad companies to which they were originally granted. The reason is simple: Corporate restructuring in the railroad industry has resulted in a virtual theft of the most valuable assets of our land-grant railroads. The portions of the railroads that held the land grants and their resources have been severed and now are held in subsidiaries reporting not to the railroad but to a nonrailroad holding company. In turn, the land-grant railroads have been made independent subsidiaries that

now must operate without the revenues and resources of the land grant. Thus, the public subsidy given to the railroads to carry out the peculiarly public functions of our arteries of commerce has effectively been redirected to various natural resources and energy companies. Those independent companies have no authority to receive any general public subsidy, need no such subsidy, and are not compelled to perform any service in return for such subsidy.

And now, we find the railroads, or more properly, the railroad holding companies, pressing Congress to provide what will, in effect, become a second land grant and further public subsidy, which may be diverted to the energy companies.

Tomorrow morning, the Senate Committee on Energy and Natural Resources will begin to take testimony on legislation to repeal a provision of the Mineral Lands Leasing Act of 1920 which prohibits railroads from leasing Federal coal.

If this law is repealed, as is highly possible considering the political climate in this Congress, we will throw open the gates to full-scale, unfettered, and uncompetitive coal mining by railroad holding companies.

I propose an alternative, one that may serve not only as an inducement to development of the vast resources of coal held by the railroad holding companies if that is the will of Congress, but also as a source of continued viability for the railroads.

I have today introduced the Railroad Land Grant Development Act of 1981, which repeals the 61-year-old ban on Federal coal leasing by railroads, but couples that repeal with provisions that direct at least one-third of the revenues from development of the land grants to be returned to the railroads as a source of capital and operating income. The bill also requires that one-third of the revenues returned from the energy subsidiaries to the railroad subsidiaries of these holding companies be dedicated to maintenance and operation of railroad branch lines.

A few may say that we are exacting still more public obligation from an industry that believes it has discharged its original duties and obligations in exchange for the land grants. There are, however, those who believe as I do that the public responsibilities of the railroads must be of the same duration as the land grants. As we stand on the brink of unlocking even more chests of the national wealth for the railroad companies, the demand for public service from those companies must be maintained rather than diminished.

If we repeal section 2(c) of the Mineral Lands Leasing Act of 1920 and allow a railroad holding company to lease Federal coal lands, most of which, through the checkerboard pat-

tern of the land grants, are adjacent to the company's lands, we will set up an uncompetitive situation wherein the only likely successful bidder for that Federal coal will be the railroad holding company. Because of the checkerboard pattern, no other company interested in developing a mine in the area of a Federal lease could be expected to obtain a lease and successfully operate a mine, as the railroad holding companies are not likely to be interested in parting with their alternate squares of land. And, without those alternate squares, no company could obtain access to a sufficiently large chunk of land with which to economically develop a strip mine to obtain the coal. Thus, the only successful developer will be the railroad holding companies, which likely will pay bottom dollar for the Federal leases and gain access to valuable Federal coal at a very minimal cost.

That will be the second land grant.

And, it will be a grant that reaps no benefits for the railroad or the public, save the provision of coal.

If we are going to provide that hand-out, let us at least get something in exchange. In this case, the best exchange seems to be that we require some money to be pumped back into the railroads that originally were granted those riches.

Ideally, it would seem appropriate for us to insist that all revenues derived from development of the land grants be returned to the railroad; realistically, such a requirement may be so onerous as to preclude development, thus defeating the purpose.

I would like to close by reciting a quotation from a weary traveler to the west coast who more than 100 years ago was disgusted with the attitudes of the railroads whose routes he had just traveled:

Some day in this country, it will be decided that railroads are to be run for the public, and for their benefit and accommodation. Corporations and monopolies, cliques and combinations may, for a time, oppress and hinder the people; but there always comes a day when the public assert, and asserting, maintain their rights.

Our work to fulfill that prophecy is not yet complete.●

H. P. HOOD REMAINS IN CHARLESTOWN

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. O'NEILL. Mr. Speaker, I would like to commend the H. P. Hood Co.'s decision to remain and to expand its Charlestown, Mass., operations in my congressional district. Hood's decision should be recorded as a vote of confidence in the Boston economy.

Hood, the largest employer in Charlestown, is to be congratulated for this decision, which will enable the continued employment of over 900 employees from the Boston area. Mr. Edward Gelsthrope, chairman of H. P. Hood Co., worked long and hard to bring this expansion to Charlestown and he deserves our appreciation. Furthermore, Mayor White of Boston and I will continue to work closely with Hood, as well as other businesses in Boston, to secure the necessary financing needed to maintain a sound economy for the people of Metropolitan Boston.●

THREAT TO OUR CIVIL SERVICE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. VENTO. Mr. Speaker, earlier this year, I spoke on the House floor on the threats to our civil service employees and the resultant "brain drain" of qualified Federal workers.

It is obvious that unless the inequities and abuse which Government workers now endure are remedied, more and more dedicated, hard working civil servants will leave for jobs in the private sector. The result of this exodus can only harm the American taxpayer and lower the current high level of service provided. A career in the public sector will no longer be an attractive alternative and, as a result, the qualification of job applicants will drop.

Low wages and inadequate pay raises are often cited as the cause for Federal worker dissatisfaction. However, I believe that the problem goes much deeper than that. The American public, encouraged by the demagoguery of some politicians, now believe that every Federal employee is an uncaring, incompetent, lazy bureaucrat. This stereotype is totally untrue. The average Federal worker takes pride in their job and has a deep sense of responsibility to the American people which they serve.

Nevertheless, this new mentality has led to a shocking disregard for the rights of Federal employees. Abuses, both physical and verbal, are dumped on Federal workers from all sides. This attitude and the resultant mistreatment can only lead to a decline in quality services by the Government.

It is the responsibility of Congress and the President to correct the public's misconceptions about Federal employees. Where there is abuse or waste, we must correct those problems, but we cannot allow the continued abuse of dedicated civil servants.

At this time, I would like to draw to my colleagues attention a recent U.S. News and World Report article detail-

ing the new incivility toward civil servants:

THE NEW INCIVILITY TOWARD CIVIL SERVANTS

A dog warden in Pulaski County, Ky., had the back window of his pickup truck shot out not long ago by an angry pet owner and frequently receives threatening telephone calls in the middle of the night.

In Oakland, Calif., a city employee was struck in the face and knocked off her chair after she told a man that he would have to wait a few minutes for a job interview.

A claims examiner at a state unemployment office in North Newark, N.J., was stabbed and critically wounded by a 22-year-old man who became enraged when told he did not qualify for extended benefits.

In one city after another, government workers—often accused of a callous or lackadaisical attitude toward the public—find themselves on the receiving end of verbal and even physical mistreatment from angry, frustrated citizens.

Special targets. "The abuse of government employees is becoming more and more of a problem in all public-contact jobs," says Linda Lampkin, director of research for the American Federation of State, County and Municipal Employees. "For some reason, people feel justified in saying and doing things to a public worker that they would never say or do to a grocery clerk."

Attacks on public employees are becoming so widespread that, in some cities, officials have trouble keeping certain jobs filled. Security is being beefed up in some government offices. A few government workers even demand "combat pay."

"Life in the front lines of the municipal infantry is never dull," says John Teipel, director of street and sanitation services in Dallas.

Behind this ominous trend, officials say, is a growing frustration with government in general and a widespread feeling that public workers are "inept bureaucrats."

"The illusion the public has about public employees is that they are underworked, overpaid, inefficient and ineffective, and this makes some people mad," explains George Masten, executive director of the Washington Federation of State Employees. Adds Don Svedman, deputy commissioner of the Colorado Department of Agriculture: "Let one government worker become known as a deadbeat, and the rest of us end up paying for it."

At times, anger vented toward a low-level government worker has little, if anything, to do with the worker. "People are tense and bitter about the cost of living and looking for a way to talk back to the government," explains Lt. Bill Rell of the Denver Police Department. "Sometimes we're it."

Many people believe that, as taxpayers, they are entitled to make heavy demands on public employees. "The rudeness usually takes the form of the 'you work for me' syndrome," says Bob Currie, executive director of AFSCME Council 6 in St. Paul. Adds Joe Welkerth, assistant director of Houston's Civil Service Department: "So often we hear people say, 'We pay your salary; I pay my taxes; so you work for me, and I deserve better treatment.'"

The most common form of abuse of public employees appears to be rudeness and verbal mistreatment. "I've been here for 30 years and I guess there's nothing in the book that I haven't been called," remarks Melvin Cox, superintendent of the Danville, Ky., water-meter department.

Other public-utility employees report that customers frequently blame them for high bills. Clerks in Houston's water department are allowed extra time away from the telephones to get a breather from the verbal abuse hurled at them by irate citizens. Out of the 1,500 to 2,000 calls per week, about 50 are considered hostile, says a water-department official, who adds: "They really get you going."

Meter maids are frequent targets, too. One in Evansville, Ind., recently returned to her vehicle after writing a parking ticket and found a dead snake in the back. Another saw a man who had received a ticket smash a parking meter with a sledgehammer. Obscenities are common. "You have to have a pretty good sense of humor to handle a job like this," says Monnia Hudson, who has been a meter maid in Evansville for eight years.

But sometimes the public's wrath turns ugly and violent. A New York City welfare recipient, when told that her check was delayed, picked up a chair and hit a clerk over the head. Hospitalized with a brain concussion, the clerk couldn't return to work for more than a year.

Such violence has become so common in New York City that union contracts now provide for 18 months of leave with pay after an assault. "Our people are being threatened constantly," says Sheila Davidson, a senior clerk at the state unemployment office in Peekskill, N.Y. "It is a growing problem that we have had in the city, and now it is spreading to the suburbs."

Fire-department paramedics also are frequent targets of personal assault, either by delirious victims or friends or relatives of the injured.

"Rudeness and violence are almost an everyday affair for the type of work I'm in," says Larry Matkaitis, a Chicago paramedic. In 1980 alone, he says, there were 56 assaults on paramedics in Chicago.

The reason for the attacks? "Some people associate our uniforms with the police department," says Matkaitis. "A lot of people don't understand what our job is."

A victim of one such attack was Tom Guzik, an ex-Marine who suffered a disabling back injury when he was assaulted three years ago by the husband of a woman hurt in an accident. "I was more scared in the ambulance in the Chicago ghetto than I was in Vietnam," says Guzik.

Violence against paramedics has had serious repercussions in Chicago. In two separate incidents, paramedics—afraid to enter public-housing projects without police protection—waited 10 to 15 minutes for police to arrive. In both cases, the patients died. However, medical examiners later ruled that the delays were not factors in the deaths. Today, paramedics are equipped with portable two-way radios whenever an emergency requires that they leave the ambulance.

Assaults on employees of New York City's water department became so common that police officers now routinely accompany them whenever they enter rundown neighborhoods during hot summer months to shut off spewing fire hydrants.

Abuse of public workers poses other problems both for employers and employees. Richard Brawner, manager of water-customer services for Houston, says job turnover in his department is 40 percent each year. "Other utilities provide bonuses for their phone operators because it is such a hard job," Brawner says.

Stressful job conditions can result in ulcers and other physical ailments, say em-

ployers. "The climate today encourages people to express anger," says Edward Post, chief of the Colorado Department of Revenue's collection force. Workers who regularly answer telephones in his office, he says, "have to be tough as nails."

In Los Angeles, employees of the water and power department often "are not prepared for the stress" of dealing with irate customers, says Lloyd Herbs, customer-relations director. Sometimes they are moved to other jobs.

Some employers and unions have begun offering special training for workers in jobs where abuse is likely. Employees are taught how to handle irate people and to defuse tense situations. "Essentially, we're teaching them how to communicate without getting assaulted," says AFSCME's Lampkin. Some unions are demanding higher pay for public employees who hold high-stress jobs.

Both unions and employers are concerned that the problem may grow worse before it gets better. Budget cuts at all levels of government are likely to mean fewer employees to handle growing workloads. "That means longer lines and shorter tempers," says Lampkin. "And as unemployment benefits, food stamps and other federal relief programs are cut back, government employees will become more and more the bearers of bad tidings."

A lucky few public workers are able to have the last word. The U.S. Postal Service, whose letter carriers have a long history of encounters with angry dogs, wants to bite back. Specifically, the Postal Service is helping carriers assemble evidence for personal lawsuits against owners of pets that cause injuries. As matters stand, the service already spends more than \$250,000 a year on dog repellent.

But most employees are philosophical. "There are some people who aren't going to like whatever service they get," says David Truly, director of the Dallas Civil Service Department. Teipel, director of street and sanitation services in Dallas, offers this advice for public employees: "It's like Truman said, 'If you can't stand the heat, stay out of the kitchen.'"

CARL KARCHER: AN AMERICAN SUCCESS STORY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. DANNEMEYER. Mr. Speaker, the focus of the 97th Congress has been on the future of our Nation's economy. In our own way, each of us has endeavored to promote policies that will foster economic growth and expansion. The debate over the size and nature of Government that is implicit in the battle over the budget comes down to the basic question of from what source or sources does economic and spiritual success accrue to an individual. Should we look to Government to provide for our wants and needs, to protect us, shelter us and secure happiness for us? Or is it our responsibility and our mission to work hard for ourselves and our families?

Those who criticize the latter route and choose government often doubt that an individual can get ahead in our private sector, free enterprise economy. Those of us who favor a reliance of individual initiative and responsibility are sometimes guilty of speaking in generalities about the opportunities that our way of life offers to all Americans. This is an especially timely subject in today's economic climate. Mortgage rates near 20 percent are a source of uncertainty and discouragement to the young newlywed trying to figure out if a home is just a dream. The same applies to Americans young and old, but especially to those who are entering the work force for the first time.

To all Americans I wish to take this opportunity to present as a testimonial of the opportunities of our private enterprise system, the case of Carl Nicholas Karcher—a man whose life is an American success story.

Carl arrived in California in 1937 and worked in an uncle's feed store in Anaheim. He learned the rigors of hard work at this early age of 20 by putting in 12-hour days, 6 days a week for a wage of \$18. Just 4 years later, Carl—who had never gone beyond the eighth grade—borrowed a little over \$300, using his Plymouth automobile as collateral, added \$15 in cash of his own money and purchased a hotdog cart at the corner of Florence and Central in Los Angeles. He later added two more stands. All the while his wife Margaret helped with cooking and helping customers. Forty years later, in 1981, Carl Karcher Enterprises—based in the congressional district I represent—is the largest privately owned, nonfranchised restaurant operation in the country. Current sales are over \$200 million annually and Karcher Enterprises employs more than 11,000 people.

The story of Carl Karcher's 40 years in business in southern California—the 40th anniversary is being celebrated this year—is proof that an extensive formal education and inherited wealth are neither necessary nor sufficient ingredients for success. What counts are determination, hard work, sacrifice, patience, and a willingness to take risks in the marketplace. Carl Karcher has exhibited all of these characteristics throughout his life. Beyond that, Carl and his family have not confined themselves solely to their business enterprises. Carl, true to the spirit of selflessness, has been a community leader over the years in Anaheim, where he and his wife Margaret reside. Civic posts and affiliations include the following: Providence Speech and Hearing Center; St. Jude Hospital; Braille Institute of America; California Angels; Cerritos College Self Employment Committee; United Way; Orange County Council of the

Boy Scouts; and, South Coast Repertory Theater.

One important measure of an individual is the esteem with which he is held by his peers. An award is a symbol of this expression. Carl was named one of three humanitarians of the year by the Orange County Chapter of the National Conference of Christians and Jews. He was honored by the Freedoms Foundation at Valley Forge in 1980.

It is only fitting that the House of Representatives join with friends in California and elsewhere to take note of the 40th anniversary celebration now in progress. I take great pride in pointing out Carl Karcher's accomplishments for the RECORD in recognition of his contributions to the growth and success of the free enterprise system.●

OIL COMPANY TAXES: MYTH AND REALITY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. MARTIN of North Carolina. Mr. Speaker, in the past there was an annual purported exposé about American-based international companies' taxes. The exposé routinely involved comparing their worldwide income with their U.S. taxes. Normally, that showed U.S. taxes quite low compared to income, a comparison that had constituents assuming that the companies were avoiding taxes on a massive scale. That old annual exposé used an incorrect comparison. You should compare worldwide income with worldwide taxes, or you should compare U.S. taxes with U.S. income. Doing it otherwise would be akin to comparing a nationwide U.S. company's nationwide income to the State income taxes paid to North Carolina. That's a meaningless comparison.

The old exposé appeared again this year in a story by UPI. It was countered by an ad placed by Mobil Oil Co. Both seemed a bit strained. The article stated that the effective tax rate for oil companies was 12.4 percent, a lower tax rate than is paid by many factory workers. Mobil disputed that and contended that the article and the branch of the Energy Department that produced the data in the first place had consciously misstated the facts. I had more faith in Secretary Edwards than that and wrote the Energy Department for clarification and an assessment of both the UPI story and the Mobil ad. The answer follows. The fact is that the oil companies pay 42.7 percent (not 12.4 percent) of their worldwide income in worldwide taxes. It also turns out that Mobil's ad was not 100 percent perfect,

in that DOE's report—on which the story was based—contained the correct data, data that was available to the authors of the old annual exposé, reborn.

I offer this only to assure that the truth be printed somewhere, if not in the journals that dutifully carried the mistaken exposé, then at least in the CONGRESSIONAL RECORD. This correction will not of course guarantee that the same mistake will not be repeated next year. Indeed if you make wagers, put your money on the sure thing. Namely, that next year will routinely be treated to the same phoney discovery that U.S. oil companies pay a small U.S. tax as a percentage of income, again without clarifying that the income base is worldwide and taxed accordingly.

DEPARTMENT OF ENERGY,
Washington, D.C., August 4, 1981.

HON. JAMES G. MARTIN,
House of Representatives,
Washington, D.C.

DEAR MR. MARTIN: This letter is in response to your July 16, 1981, letter inquiring as to the appropriateness and accuracy of the financial reporting system (FRS). I am also providing comment on the United Press International (UPI) and the Mobil Corporation (Mobil) Newspaper items concerning oil industry profits and taxes.

THE UPI ARTICLE

It is our opinion the UPI article is misleading, although factually correct in most instances. The Energy Information Administration (EIA) will not attempt to address its conclusion—that the oil companies do not pay a fair share of taxes—but we can comment upon the data and methodology used to arrive at that conclusion.

First, the headline states "Energy firms tax rate put at 12.4 percent." In fact these firms pay taxes at a 42.7 percent rate, worldwide. The headline as it stands implies that the total tax rate is 12.4 percent, whereas this is only the U.S. tax rate paid on worldwide income. The rest of the article does go on to clear up the initial misimpression.

Secondly, we also find misleading the comparison made of the 12.4 percent effective U.S. tax rate for the energy firms to that paid by an individual earning \$20,000. Such a comparison seems to reinforce the impression given by the headline that the 12.4 percent is the total tax rate, since the \$20,000 wage earner pays no foreign income taxes.

Thirdly, and as noted by Mobil, the 12.4 percent U.S. tax rate is based upon a worldwide income figure, which is subject to substantial foreign income taxes as well as the 12.4 percent U.S. taxes. UPI does make mention of the foreign taxes paid, but this is left to the latter half of the article. In our opinion, total communication of the facts would require mention of the foreign taxes up front in the article.

Lastly, UPI quotes critics of the industry who take the position that the foreign income taxes paid are not really income taxes, but are a form of royalty, and that the U.S. taxpayers are subsidizing foreign governments with the tax credit allowed against the U.S. tax bill for foreign taxes paid. They state that the foreign tax credit makes the domestic rate "grossly low." This is incorrect, since the foreign tax payments can only be used to reduce U.S. taxes due on

foreign earned income subject to U.S. taxes. UPI apparently missed the distinction between U.S. taxes levied on income earned in the U.S. and U.S. taxes on income earned worldwide.

THE MOBIL AD

The Mobil ad, as you know, recommends that U.S. taxes be compared to U.S. incomes, or worldwide taxes be compared to worldwide income. However, Mobil also strongly implies that the FRS report is misleading in the same manner as the UPI article.

Such an implication is quite wrong. Even a casual reading of Chapter 2 of the FRS report, "Performance Profiles of Major Energy Producers," will bear out the fact that the type of income tax presentation that Mobil feels is appropriate, was in fact used in the FRS report:

Table 7 (page 28) compares worldwide taxes to worldwide pretax income of the FRS companies and the Standard & Poors (S&P) 400 for 1979. This table and the accompanying text, indicate total tax expense of 50.8 percent for the FRS companies, including 42.7 percent being paid currently and the difference of 8.1 percent being deferred for payment in later years. The table further contrasts the 50.8 percent tax rate of the FRS companies with the somewhat lower S&P 400 company rate of 45.5 percent.

Table 8 (page 29) provides greater detail on worldwide taxes and pretax income, but only for the FRS companies. Among other things it provides a breakdown by geopolitical area of the 42.7 percent taxes paid: 28.1 percent foreign; 12.4 percent U.S. federal; and 2.1 percent state and local. This table was the source of the 12.4 percent figure used by UPI.

As you can see, both tables compare worldwide taxes to worldwide taxable income.

CONCLUSION

In summary, we are disappointed that UPI used FRS data out of context, as they were not only furnished a copy of the report, but a member of the FRS staff reviewed the tax tables with them in detail. Likewise, we are disappointed with the Mobil ad because Mobil, too, had a copy of the report.

Enclosed is a copy of the FRS report. You will find that it covers many other aspects of the energy industry, in addition to taxes. If there are any questions, Arthur T. Andersen is the director of the FRS program, and can be reached at 633-8806.

Sincerely,

J. ERICH EVERED,
Administrator,
Energy Information Administration. ●

JUSTICE: OUT OF CONTROL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. McDONALD. Mr. Speaker, in recent times, there is no department that has had a more pervasive influence on the every day lives of our citizens than the Department of Justice. The record of its interference and intrusion into private lives and local concerns is extensive and need not be expounded upon here. So it was with

great anticipation that I, together with a number of my colleagues, awaited President Reagan's announced intention to revamp the Justice Department.

However, those announced intentions have not come to fruition, nor are they likely to unless the administration takes control of the Justice Department. I use that phrase, for in the words of White House Chief of Staff, James Baker, the Reagan Justice Department is in fact "out of control."

For my colleagues who may not be aware of the situation at the Department of Justice, what follows is an article from Human Events of August 15, 1981. I ask my colleagues to read the article and compare the current situation with those intentions announced by President Reagan. It becomes obvious that the current situation is the very antithesis of the President's announced intentions.

It is for that reason that I ask my colleagues to join me in urging President Reagan to take immediate action to rectify the situation that exists at the Justice Department.

The article follows:

[From Human Events, Aug. 15, 1981]

JUSTICE DEPARTMENT "OUT OF CONTROL"?

At a recent meeting with some conservative leaders, White House Chief of Staff James Baker startled those in attendance by remarking that the Reagan Administration's own Justice Department was "out of control."

"Out of control" is, in the eyes of many, an understatement for a department which has drafted memos declaring Reagan campaign promises unconstitutional, has forwarded a Supreme Court candidate without thoroughly researching her views on abortion and has continued to actively pursue the liberal agenda of a policy-making staff largely held over from the Carter Administration.

Speaking on the House floor, Rep. Larry McDonald (D-Ga.) summarized the problem when he noted: "The Department is consistently taking positions in both domestic and foreign affairs areas that are totally alien to what was promised the American people in the election of 1980 . . . leftists are still with us in the Justice Department. It also appears that the President at best is being tendered misinformation that is causing deep consternation among that majority of the American constituency that elected him."

Among the more recent anti-conservative efforts by the department are two draft memoranda which were prepared and given limited circulation within the Administration. One would have declared tuition tax credits unconstitutional. The other would have held that Congress is unable to remove jurisdiction to prevent federal courts from issuing controversial rulings promoting abortion and forced busing and prohibiting prayer in public schools.

This latter draft opinion was prepared in spite of the fact that the Constitution clearly subjects the Court's jurisdiction to "such Exceptions, and such . . . Regulations as the Congress shall make." Because of intense anger from Reaganite conservatives, the Justice Department now refuses to confirm or deny the existence of either of these opinions.

But these are just the most recent in a series of controversial Justice Department positions. From information gathered from a variety of reliable sources, we have learned of Justice Department position papers that would:

Declare the legislative veto unconstitutional. (This opinion, which was apparently prepared by a Carter holdover using language taken from a Carter Administration opinion on the same subject, would divest Congress of one of the most important tools for controlling a runaway bureaucracy.)

Holding the Helms anti-busing amendment unconstitutional. (Robert McConnell, the Department's chief lobbyist, had to be prevented from lobbying in favor of racial busing by White House intervention.)

Finding that an anti-affirmative action amendment in the House was unlawful because it constituted "legislating" on a "money bill." (If the anti-affirmative action amendment is unlawful, then presumably so is the Hyde Amendment, which has been upheld by the Supreme Court.)

In fact, another Cabinet-level Reagan Administration official has stated privately that the Justice Department had to be bludgeoned into compliance with the Reagan Administration's policy against forced busing.

Because of these activities, it does not surprise observers that the Justice Department did not regard as important Judge Sandra O'Connor's positions on abortion and the Equal Rights Amendment. The Justice Department also continues to resist a suit to declare the ERA extension unconstitutional, which would bury the amendment once and for all.

Ironically, the White House's problem can be traced back to its refusal to get involved in Justice personnel decisions.

Conservatives on the White House personnel team were prohibited from forcing conservative, politically astute candidates on the Justice Department, on the grounds that Atty. Gen. William French Smith was himself a conservative and was, after all, Ronald Reagan's personal attorney. When Smith delegated staffing functions to non-conservative Deputy Atty. Gen. Edward Schmults—a Wall Street lawyer with no interest in social issues—that paved the way for non-conservative staffing in all of the Department's highest positions.

There is, for example, the Assistant Attorney General for Lands, Carol Dinkins. A member of the Sierra Club for many years, Dinkins has been described by a member of her own staff as having little expertise and few opinions on the environmental issues which her 300-man division is charged with litigating. In the meantime, division employees are continuing to leak confidential information to liberal environmentalist groups, according to reliable conservative sources.

Then there is Jonathan Rose, Assistant Attorney General in charge of the Office of Legal Policy. A confidant of former Atty. Gen. Edward Levi confides that Rose was removed from the same position by Levi and transferred to a job where his principal function was speech-making.

Rose has retained a Carter holdover, Deputy Assistant Atty. Gen. Ronald Gainer, to push for recodification of the federal criminal code.

Gainer startled conservatives during the 96th Congress by advocating a recodification bill which would have watered down federal pornography laws, massively increased penalties for regulatory offenses by legitimate businessmen, decriminalized

marijuana and generally reduced penalties for many drug offenses, repealed a major portion of the Hatch Act and created a new abortion funding program (in the "technical amendment"). Now, Gainer is back with a slightly updated version of the same bill. The situation is made even worse by the fact that the department's commission on violent crime is prepared to issue recommendations for stringent new gun control laws, according to sources close to the gun lobby.

William Bradford Reynolds, who has been appointed to lead the Department's Civil Rights Division, is another appointee who was opposed by many conservatives. Reynolds, who had no significant experience in the civil rights area prior to coming to Justice, has apparently been totally co-opted by the radical holdover elements within that division.

Within a very short space of time, the Department (1) rejected the Chicago school integration plan is insufficiently far-reaching, (2) vetoed Virginia's redistricting plan because it failed to maximize black voting strength in Norfolk and (3) conducted a straw poll on Capitol Hill in order to determine the Department's position on extending the Voting Rights Act. This was the same division which, just before Reynolds arrived, agreed to a court settlement invalidating a federal employment test for upper-level bureaucrats on the basis of a high failure rate by minorities.

Finally, the Reagan Justice Department has:

Forced the conservative Washington Legal Foundation and 16 conservative senators out of a suit in which they were attempting to defend federal government aid to El Salvador against challenges from liberal representatives.

Come out in opposition to an amendment sponsored by Sen. Dale Bumpers (D-Ark.), which would shift the presumption and burden of proof which currently favors government agencies in suits against private parties.

Reportedly attempted to "take a dive" on the case challenging men-only registration, with Justice insiders telling *U.S. News & World Report* that Department employees favored constitutionally overturning the registration law that was eventually upheld by the Supreme Court.

Continued a suit to force the building of low-income housing in Yonkers on sites chosen by the Justice Department on the grounds that Yonkers violated the Constitution by building low-income housing on HUD-approved sites which subsequently became residentially black.

In the words of one Capitol Hill conservative who closely follows Justice, "No one in the Carter Administration—not Sam Brown, not Joe Califano, not Carol Tucker Foreman—had done as much damage to the conservative movement as the Justice Department has during the first six months of the Reagan Administration." ●

MINERSVILLE, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. YATRON. Mr. Speaker, on Sunday, September 13, the people of Minersville, Pa., are celebrating the 150th anniversary of their town. To

mark this important occasion, the Super Sunday Committee, which has organized celebrations in Minersville for the past 4 years, has planned a block party to pay tribute to their town and to one of their leading citizens, the Honorable James V. Ryan.

Minersville was incorporated into a town in 1831 through a bill signed by Gov. George Wolf. The town got its name because of the chief occupation of its citizens at that time—coal mining. The first election of borough officers was held on May 1, 1931.

English and Welsh immigrants familiar with coal mining in their own countries began to settle in the community. German and Irish immigrants also arrived and by 1845 the population of Minersville was 1,265. By 1850 the town had almost 3,000 citizens.

In 1844, Minersville revolutionized the anthracite coal industry by establishing the first anthracite coal breaker, the forerunner of the process used today. The first breaker was able to prepare 200 tons of coal a day, a major achievement at that time.

Between 1864 and 1871, Minersville established four fire companies, the Mountaineer Hose Company, the Good Will Hose Company, the Independent Hose Company, and the Rescue Hook and Ladder Company. In 1872, Minersville had its own newspaper, the Schuylkill Republican.

The post-Civil War period resulted in the formation of new civic and veterans organizations. The first veterans group was the Lawrence Post No. 16 of the Grand Army of the Republic, the first in Schuylkill County. Other groups included the Ancient Order of Hibernians and the Frugal Savings Fund.

The first telephone was installed in Minersville in 1888. The 1880's and 1890's witnessed Minersville's industrial expansion and union organization. Railroads were constructed to the coal fields of the individual collieries in the early 1890's and the trolley came into existence along with electric lights.

The First National Bank was erected in 1896 and the Union National Bank in 1902. More immigrants began to settle in Minersville of Italian, Lithuanian, and Polish heritage. As Minersville moved into the 20th century, it had a population of 5,000.

The influence of the United Mine Workers of America grew in the early 20th century under the leadership of Johnny Mitchell. After several labor struggles the miners were given a 9-hour working day and a 4-percent wage increase. More important, the foundations were laid for all subsequent wage agreements between operators and mine workers which are the basis of the agreement governing labor relations within the industry today.

Other industries tried to establish themselves in Minersville, but for the next two decades coal mining re-

mained the principal occupation. The city of Minersville valiantly worked through World War I and was hard hit by returning troops who brought with them an influenza epidemic that caused the death of over 500 citizens. During the depression several years later, the town suffered severe hardships and many of the collieries closed down and never reopened.

In the 1930's garment factories were established in Minersville and during World War II they manufactured uniforms for our troops. In the 1950's when coal mining was reduced, other industries were attracted to Minersville. Today, the city is a very important community in Schuylkill County with a long and proud history of work and dedication to their town and their country.

Mr. Speaker, I know my colleagues will join me in saluting the town of Minersville, Pa., on its 150th anniversary and wishing its citizens our very best wishes for the future. It is indeed important to remember our past and the ancestors which made it possible for us to live in freedom today. ●

BILL GREEN ON THE TAX BILL

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. GREEN. Mr. Speaker, Congress recently completed action on the tax bill known as the Economic Recovery Tax Act of 1981. This important piece of legislation reduces taxes for individuals and businesses by almost \$749 billion over the next 5 years and is the largest tax cut in the history of the United States. There has been a great deal of debate over who will benefit by the tax cut and whether it will help curb inflation and encourage more rapid growth in our economy. I thought it would be useful if I explained some of the problems I had with all the alternatives the House had before it, why I voted for the administration bill, and some of the important provisions in that bill. Given that the Udall-Obey-Reuss substitute provided inadequate tax cuts for individuals and that both moderate Democrats and Republicans were unable to rid the Ways and Means bill of tax cuts to particular "distressed" industries and the oil industry and the administration bill of even greater tax cuts to the oil industry, I felt, on balance, the administration bill was superior. Most importantly, it contains a 3-year tax cut and tax indexing that will be better for almost all persons, regardless of income. It contains a mass transit provision which I had added to the legislation which will help public mass transit systems acquire new equipment. A charitable deduction is

included for those persons who do not itemize which will be of particular benefit to many residents and institutions of New York City. Finally, it makes a number of changes in the Tax Code which will help a cross-section of the population: capital gains reduction; marriage tax reform; investment tax credits for rehabilitation of non-residential property; eligibility for individual retirement accounts (IRA's), and increasing limits on IRA's and Keogh plans; and broadened incentives for research and development.

HOUSE VOTE

On Wednesday, July 29, the House of Representatives approved the administration's tax package by a vote of 238 to 195. I voted for the administration's bill—known as the Conable-Hance bill—in preference to the Ways and Means Committee's alternative. Without question, there were several ill-conceived provisions in both bills. The committee's bill contained a "bail-out" provision granting six so-called distressed industries unused investment tax credits accumulated since 1962, while the Conable-Hance version contained some major tax breaks for the oil industry above and beyond the excessive tax breaks already given that industry in the Democratic bill.

UDALL-OBEY-REUSS SUBSTITUTE

Some may argue that the "liberal" Udall-Obey-Reuss substitute bill—a third alternative—was a reasonable option. But, on inspection, it was not and had too many weaknesses. It contained just a 1-year 5-percent tax cut to occur only late in the year, not enough to offset inflation and resultant "bracket creep" even for that single year, so that it would in fact have meant a tax increase for most taxpayers.

Capital gains tax relief has proven to be a boon to capital formation which has contributed to increased productivity and employment. I co-sponsored the capital gains tax reduction passed by Congress in 1978, a very successful piece of legislation. It has produced a significant upturn in venture capital investment and new issues coming to market with no loss in Federal revenues. The Udall-Obey-Reuss substitute, unlike both the Democratic and Republican proposals, had almost no capital gains relief. Furthermore, it did not contain a provision for mass transit that was contained in both other bills, nor did it contain the savings incentives or incentives for low-income housing contained in the other bills.

WAYS AND MEANS COMMITTEE BILL

As mentioned earlier, a major reason for opposing the committee bill was a massive tax subsidy limited to six industries that violated all standards of tax policy. Those select industries—autos, airlines, mining, railroads, steel, and paper—would have been able to

cash in unused investment tax credits all the way back to 1962. All other businesses and industries under existing law are able to do that for only 3 years. That carryback provision would simply have been a subsidy, with the companies getting special tax refunds for which no other companies or industries, no matter how distressed, would have been eligible. Even a highly profitable firm, as long as it was included in one of the distressed industries, could have taken advantage of the special refund provision. Other industries and companies equally distressed, many of the type which are located in New York City, would have received no help whatsoever. This \$3.3 billion provision in the Democratic bill was one that we could not afford.

OIL INDUSTRY PROVISIONS

Quite honestly, I felt that the oil provisions in the administration's bill were not in the best interests of the country and New York City. These breaks were proposed just 2 years after Congress provided the industry with deregulation as an incentive for exploration. I joined with other "frost belt" Republicans and moderate Democrats on two occasions to try to remove those special tax cuts for the oil industry. On July 27, 2 days before the tax bill was to be considered, I joined in a letter to the Rules Committee, signed by other moderate Republicans, asking that a separate vote be allowed on the oil tax provisions. Several Democrats also expressed to the Rules Committee their belief in the need for a separate vote on this issue. We were turned down by the Democratic Rules Committee. A second opportunity came on a procedural vote on the rule. Had we prevailed on that procedural vote, we would have proposed a rule allowing us to reduce the Republican oil industry provisions by \$10 billion and to remove the \$3.3 billion six-industry subsidy from the Democratic bill. Again, those of us who wanted a chance to rid the tax bill of those handouts were denied the opportunity to do so by a vote of 282 to 148.

The tax reductions to the oil companies were extravagant. The committee bill provided a \$10 billion tax break while the Republican bill had \$16 billion in saving for this industry.

I was disappointed, to say the least, at the outcome of these proposals. In fact, I wrote the House conferees, both Democrats and Republicans, urging that they agree to the Senate action which would reduce oil industry taxes by \$6.6 billion. The conferees did cut these tax reductions to \$11.6 billion, a figure I still consider far too great.

While we were unable to kill the special treatment for the oil industry, I felt the Conable-Hance bill was the preferable tax cut legislation before the House. It contained tax cuts for individuals which are far better than

the other alternatives and some specific provisions which are helpful to both my region of the country and to the residents of my district.

PERSONAL TAX CUT

The personal tax cut in the administration's bill is better for the average person than the Democratic bill. Inflation is responsible for taking more and more of a worker's income and putting it directly into the U.S. Treasury instead of into the pocket or bank account of the worker. Inflation causes bracket creep, whereby if you make more, you are forced into a higher tax bracket, even if your income, adjusted for inflation, has not increased. As a result, your after-tax income decreases. The only solution to bracket creep is to cut taxes to compensate for bracket creep. The administration's bill does that in different ways. First, it provides for a 25 percent reduction in taxes over the next 3 years for everyone, regardless of income, and then it institutionalizes that tax reduction as of 1985 through indexing. As inflation goes up, tax brackets are adjusted accordingly. Without indexing, Congress would, as it has been forced to do in the past, tinker with the Tax Code on a frequent basis to try to cope partially with inflation. As many of us know, Congress has not done a very good job at this. The Ways and Means bill did not contain any provision for indexing.

I should also mention another reason why I supported the administration's version of the tax cut. There was much talk about how the Democratic personal cut was aimed at the middle-income household and the Republican tax cut was aimed at the rich. That simply was not the case. First, let me state that the Republican bill was for 3 years with a cumulative 25-percent tax cut while the Democratic bill was for only 2 years and 15 percent with the possibility of a third year tax cut triggered in if certain economic targets were met. Even at first glance, it is hard to deny that the Republican bill would be better for all persons, even with the skewing in the Democratic bill, after implementation of the third year of the tax cut and with the indexing in the succeeding years.

The Library of Congress Congressional Research Service, an impartial party in this debate, published a study of the personal tax cuts. First, it stated that it was probable that the third year trigger in the Democratic bill would not go into effect. Second, without that trigger, the study maintained, the Republican bill would provide larger tax cuts and lower marginal tax rates to nearly all taxpayer in 1984. Even in the first 2 years of the tax cut, 1982 and 1983, the reported tilt in favor of middle-income taxpayers in the Democratic bill accounts for

only a few dollars per week for moderate-income taxpayer and, according to the Library of Congress study, extend only up to the \$35,000 income level and the difference on tax liabilities in this income range may be smaller than has been surmised. Indeed, it amounted to only \$2 per year for a taxpayer who earned \$20,000 in 1980 and whose income grew commensurate with inflation. With the provision for charitable deductions in the administration's bill, such a family will almost certainly come out ahead under the administration's bill.

MASS TRANSIT PROVISIONS

I negotiated an addition to the Republican tax bill which will assist the Metropolitan Transit Authority and other mass transit agencies in their acquisition of new rolling stock. According to the MTA, over the next 10 years, more than 20 percent of the subway cars will pass their designated 35-year lives. The administration has proposed that its mass transit capital subsidy program be shifted toward upgrading existing systems rather than creating new systems. My provision, while not the only solution to the problem, is a useful one and a reason to support the administration bill. I expect that the Federal Government will be providing less funds for the purchase of this type of equipment in the future and it is certainly obvious to anyone who has ridden on a subway in New York City recently that new cars are needed.

CHARITABLE DEDUCTION

Many New Yorkers are apartment renters without the benefit of deductions for mortgage interest and real estate taxes, a situation I am seeking to alleviate in my Tenants Tax Justice Act, and they are more likely to take the standard deduction than suburbanites at the same income level. With the reduction in gift and estate taxes contained in both the Democratic and Republican bills it is possible that legacies to charities will decrease. Providing this deduction will be an important incentive to low- and moderate-income persons to contribute to charity. It is also a break for low- and moderate-income households that the Democratic bill did not provide.

OTHER PROVISIONS

There are many other provisions in the Republican bill which I support. In some cases, similar provisions were also contained in the Democratic bill. The top rate in long-term capital gains tax will be reduced, an incentive for increased investment which should increase the productivity of our economy. There is a major reform in the marriage tax which will do a great deal to minimize the unfair tax situation of married couples without increasing taxes for singles. The investment tax credit for the rehabilitation of nonresidential buildings will be in-

creased. This should be helpful in encouraging business to remain in the Northeast. I should add that this shift in the administration's tax proposals was a major victory for Northeast-Midwest Republicans in our negotiations with the administration on the tax program.

An important savings incentive is the increase in the limit on IRA contributions from \$1,500 to \$2,000 and Keogh plan contributions from \$7,500 to \$15,000 for the self-employed. For the first time, participants in private pension plans also will be allowed to participate in IRA's up to a limit of \$1,000. Another provision is one for broadened tax incentives for research and development. The bill would provide for a 25-percent tax credit on qualified research and development expenditures. I am particularly excited about this provision, as I was one of several Republicans who wrote the President urging him to expand the Republican version of the tax package to cover that, something that was ultimately done. According to an analysis done by the bipartisan Northeast-Midwest Coalition, a primary factor in the drop in productivity in our region has been the fall off in research and development expenditures. Expanded incentives for more research are needed to insure rapid growth in our high-technology businesses and modernization on our basic industries in order to match much of the success of our foreign competitors.

I join all my colleagues in the Congress in hoping this tax cut will be as successful as claimed by the administration. It is a major change in our tax policy and, while still containing too large a tax break for the oil industry, a better plan than the one offered by the Ways and Means Committee. My support for it was premised basically on what it would do for the individual income tax and tax indexing should help all persons keep up with inflation.●

MEDICARE SUPPLEMENTAL BENEFITS PROGRAM FOR CLINICAL SOCIAL WORKERS, CLINICAL PSYCHOLOGISTS, AND PSYCHIATRIC NURSE SPECIALISTS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. FITHIAN. Mr. Speaker, I rise today to support H.R. 3373, a bill to amend social security to provide more adequate coverage of the services of mental health specialists—clinical social workers, clinical psychologists, and psychiatric nurse specialists—under the medicare and medicare supplemental benefits program. This

much needed legislation would insure that qualified mental health providers and specialists will be directly reimbursable under these social security programs, without any Federal requirement of physician supervision or referral. Senator DANIEL INOUE has introduced a companion bill on the Senate side, S. 123.

The existing law allows a medicare or medicaid beneficiary to obtain mental health services only from a physician—who may not have even been trained as a mental health specialist. The three other core mental health specialists are excluded—clinical social workers, clinical psychologists, and psychiatric nurse specialists.

As in so many other areas, the States have demonstrated the leadership in establishing programs that allow a beneficiary to have freedom of choice in selecting his or her mental health specialist. Several States including Idaho, California, Colorado, Maryland, Utah, Wisconsin, New York, and Virginia have enacted freedom of choice laws mandating coverage for the services of clinical social workers in all mental health insurance programs.

Many private insurance companies have issued policies providing coverage for social workers as mental health specialists. In addition, many of the most important government employees organizations recognize the need to reimburse social workers for their mental health services. For some time the Department of Defense's CHAMPUS program has been directly reimbursing clinical psychologists for mental health services, and last year implemented a pilot demonstration project for independently reimbursing psychiatric nurses and clinical social workers for their services.

We as a nation must recognize that the mental health delivery system has changed drastically in the last two decades, with States and private insurance companies providing the leadership. Now the time has come for the Federal Government to recognize the need to make a fundamental change in the social security system by broadening and expanding coverage to include direct reimbursements to all of the mental health specialists.

The 1978 President's Commission on Mental Health recommended that all existing private and public health insurance systems, including medicare, as well as any future national health insurance program, should provide for mental health care in the "most appropriate and least restrictive setting; and the consumer should have a choice of provider and provider systems." Certainly the reimbursement of clinical social workers, clinical psychologists, and psychiatric nurse specialists makes available a wider range of therapeutic services. Nondiscrimina-

tory coverage of all four core professions would give the elderly and the poor the same freedom of choice which is enjoyed by CHAMPUS beneficiaries. The present system of financial reimbursements clearly works at cross purposes with other Federal efforts to improve the mental health delivery system.

The underserved mental health populations—rural residents, small town dwellers, the urban poor and racial and ethnic minorities—are particularly impacted by the existing system of financial reimbursement for mental health services. As a Congressman from northwestern Indiana—largely small towns and rural areas—I can directly attest to the limited mental health resources in these communities. Many towns are without a doctor, and a psychiatrist is many miles away. Under these circumstances it only makes sense to utilize the other mental health services which are available. Why should a patient seeking mental health services be forced to drive many miles to a distant town simply because it is the only way under the existing law to get reimbursement for these services.

The present system of financial reimbursement for mental health services includes only physicians who are the least available and the most costly. Although physicians and psychiatrists play an important role in the mental health system—since they alone can prescribe medication—they treat only a small portion of beneficiaries. Clinical social workers provide more psychotherapy to individuals and groups in a variety of settings, including hospitals, outpatient clinics, community mental health centers, health maintenance organizations, private and public agencies and in private practice. In fact, clinical social workers provide services to many more patients than psychiatrists, clinical psychologists, or psychiatric nurse specialists. A 1978 survey of mental health manpower, published by National Institute of Mental Health, found that 42 percent of all mental health treatment in federally funded community mental health centers was provided by clinical social workers. The time has come to recognize those mental health specialists that provide the bulk of the services and establish a system that allows them to be directly reimbursed for their services.

Importantly, H.R. 3373 legislatively defines at the Federal level the professional standards and the type of educational requirements that are necessary for each of the four traditional mental health disciplines under which they can practice independently. I have specifically spelled out the proposed definitions of clinical social workers, clinical psychologists, psychiatric nurse specialists, and psychiatrists. By adopting these strict educa-

tional requirements, as well as State licensure and/or certification, I am confident that only highly qualified practitioners will become reimbursable under the law.

Again, many of the States and professional organizations have taken the lead in establishing licensing and certification laws, as well as minimum requirements for education and experience. Clinical social workers, for example, are subject to State licensing and certification laws in 26 States, containing a majority of the Nation's population. The professional organizations are actively working to establish a minimum standard for independent unsupervised practice of at least a masters degree in social work plus 2 years of postgraduate supervised clinical experience. In addition, the National Registry of Health Care Providers in Clinical Social Work and the National Association of Social Workers Clinical Registry certifies clinical social workers who meet these requirements of education and experience. Is it not time that the Federal Government implement the same strict standards that already exist in numerous States across the country?

Most importantly, increasing the availability of mental health services to our Nation's social security recipients by including clinical social workers, clinical psychologists, and psychiatric nurse specialists will not result in huge cost increases for the program. In fact, there is every indication that the overall cost of our national health care programs would decline. How is this possible in an age of rapidly escalating prices and inflationary pressures? First, the utilization of less costly outpatient psychotherapy has been shown to decrease the need for more costly inpatient psychiatric care. It simply costs much more to treat people in a hospital setting. Second, psychiatrists simply charge more for their services than other mental health specialists. If we as a nation could further utilize these other core mental health providers, we could reduce the cost of psychotherapy. A recent survey of Psychotherapy Finances concluded that of 1,284 respondents the highest percentage of psychiatrists report charging "\$60 or more" for individual psychotherapy sessions, while clinical social workers charge \$40 per session, and clinical psychologists charge \$50 per session. Consequently, the reimbursement of clinical social workers and clinical psychologists actually costs less than psychiatrists.

Third, a recent study by the National Institute of Mental Health pointed out that the utilization of mental health services resulted in decreased utilization of physical health services. This data is not shocking news. General practice physicians have long been aware of the high percentage of pa-

tients who are suffering physical symptoms; for example, spastic colon, migraine headaches, caused by underlying nervous and mental disorders. Other studies confirm these findings. A pilot study conducted by the Group Health Association of Washington, D.C., revealed that patients who received short-term outpatient psychotherapy reduced their usage of general medical services and of X-ray and laboratory services by approximately 30 percent. Another study by Kaiser-Permanente over a 16-year period with mental health benefits concluded that patients who underwent short-term psychotherapy showed a reduction of almost 75 percent in medical utilization over a 5-year period. Consequently, it is possible to decrease physical health services which have become exceedingly costly.

Fourth, it is possible to increase coverage to include other core mental health specialists without raising overall costs. A study by the Union Labor Life Insurance Co. of New York City and Bankers Life Insurance Co. of Des Moines, Iowa, demonstrated that it was not necessary to raise premiums because of their inclusion of social workers as core mental health specialists. In fact it is possible to obtain more services for less money.

Fifth, the use of other core mental health providers would reduce the cost of hospital, medical and surgical costs while stimulating worker productivity and increased profits in private industry. A pilot program conducted by a clinical social worker at a Kennecott Copper plant in Salt Lake City, Utah showed the cost-effectiveness of an onsite, outpatient mental health program. Over a 1-year period, the employees involved showed a significant reduction in absenteeism—from 5.8 working days per month to 2.93 days, a drop of 40.5 percent—and in hospital, medical and surgical costs—from \$109.04 per person per month to \$56.91 per person per month, a reduction of 48.7 percent. Over the same period the control group—those not involved in the outpatient mental health program—showed a 2-percent increase in absenteeism and a 7.7-percent increase in hospital, medical, and surgical costs. Consequently, we as a nation can actually reduce the overall costs of our mental health programs while expanding the scope of mental health services and fully utilizing other core mental health specialists.

The existing mental health delivery system includes four core professional groups, but Medicare and Medicaid does not recognize these contributions because it only directly reimburses physicians. Ironically, it reimburses the least available, the most expensive, and the smallest group of mental health specialists. We as a nation must take advantage of the mental health

services provided by clinical social workers, clinical psychologists, and psychiatric nurse specialists. We cannot continue to neglect these fundamental human resources within our communities across the country. The time has come to directly reimburse these other mental health specialists for their services under medicare and medicaid.

For much too long, mental health programs in general have been relegated to second-class status and the contributions of clinical social workers, clinical psychologists, and psychiatric nurse specialists have been ignored and forgotten. The general public has not known or understood the complex mental and emotional problems experienced by millions of Americans nor appreciated the services provided by mental health specialists.

We must now remove these inequities in the law by amending the existing medicare and medicaid programs. I respectfully urge my colleagues in the House to join me in cosponsoring H.R. 3373 and supporting its passage in the 97th Congress. A copy of the bill is reprinted as follows:

H.R. 3373

A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a) other than (a)(2)(A), section 1835 except (a)(2) and (b)(1), and subsections (j), (k), (m), and (o) of this section, a mental health specialist, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such in the State in which he performs them".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Mental Health Specialist

"(bb)(1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of mental health service providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health

service, at least one year of which is postdegree.

"(3) The term 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by a duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861(r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfully completed a minimum of three years of approved graduate medical training in psychiatry."

(c) Section 1833(c) of such Act is amended by striking out all that follows "purposes of subsections (a) and (b)" and inserting in lieu thereof "no more than \$1,000".

(d) The amendments made by subsections (a) and (b) of this section shall be effective in the case of services furnished after the date of enactment of this Act, and the amendment made by subsection (c) shall be applicable in the case of services furnished in any calendar year after calendar year 1980.

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph:

"(17) services of a mental health specialist (as defined in section 1861(bb)); and".

(b) Section 1902(a)(13)(C)(ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".

LEGISLATION TO AMEND EXCISE TAX ON TRUCK PARTS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. BRODHEAD. Mr. Speaker, today, I and my colleague, Mr. VANDER JAGT of Michigan, are introducing legislation to amend the manufacturers excise tax on truck parts and accessories. This legislation is necessary to help remove competitive disadvantages within the industry that have been caused by the current structure of the excise tax, and to alleviate the heavy burden of complying with certain complicated provisions of the law which yield very little revenue to the Federal Government.

The legislation has three main provisions. First, it repeals the excise tax on light-duty truck parts. The vast majority of these parts are already exempt from taxation under the current law. The costs to the industry of keeping track of the remaining few, which are used as replacement parts, are very high. The tax is also easy to avoid, and is often not paid, a fact which puts careful, honest manufacturers at a competitive disadvantage as compared with those who do not monitor carefully which of their parts are taxable and which not. Because of concerns that the outright repeal of the tax on light-duty truck parts might lead to certain parts for heavier trucks escaping taxation, I considered including special authority for the Secretary of the Treasury to promulgate lists of parts considered taxable under the statute. However, I became convinced that this authority already exists under section 7805 of the Internal Revenue Code, and we anticipate that it will be exercised.

Second, the bill corrects an unfair situation created by the current law, in which manufacturers of truck bodies or chassis who combine a body or chassis with one or more of a specified list of parts or accessories must pay a tax of 10 percent on the entire unit, while a nonmanufacturer who performs the same operation is liable for only an 8 percent tax on the part or accessory. There is no good reason for this discriminatory tax treatment, which creates an arbitrary disadvantage for manufacturers of bodies and chassis.

Last, the bill expands the list of items which are not subject to the 10-percent tax merely by reason of the combination. The tax status of one of these proposed additions to the list—the mere lengthening or shortening of a truck body or chassis—has been a subject of considerable litigation and of confusion within the industry. The amendment would end the confusion as to what constitutes a taxable operation. The second addition—a lift axle—is considered within the industry to be an accessory, rather than further manufacture, as it is presently treated. In addition, the tax is often not collected on the addition of a lift axle, since this operation is often carried out after title to the truck transfers to the ultimate purchaser, and he, rather than the person hired to do the work, is responsible for paying the tax. In many cases, the customer is unaware of his liability for the tax and it goes uncollected. Thus, little revenue loss would result from bringing the tax into conformance with industry practice, and a burden on those parts distributors who install a lift axle before the ultimate sale of the truck would be lifted.

It is my view that these changes would be of great help to an already distressed industry, yet would have such a small revenue effect that they would not preempt ongoing efforts to develop a comprehensive solution to the financing of the Highway Trust Fund. I hope that my colleagues will lend their support to this measure.●

H.R. 3789: THE FREE MARKET GOLD COINAGE ACT—FREEDOM OF CHOICE IN CURRENCY

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. DANIEL B. CRANE. Mr. Speaker, the fundamental principal of our economy and perhaps of our entire society is the right to freely choose—freedom of choice in the marketplace. We who sit in Congress have been so honored because our fellow citizens exercised their right to freely choose their representatives. As our pledge to the Constitution makes clear, we have the responsibility to uphold this most basic of rights for all citizens.

While we endorse the peoples' right to choose in the marketplace, however, we deny them what many believe to be the most fundamental choice of all. That is the freedom of choice in currency.

Many people in our country want the economy to be based on the gold standard. They argue that gold is sound money and that it would be anti-inflationary. President Reagan has reportedly said that no nation that cut its ties to gold has survived. Others, though, don't believe that a gold standard would be an asset to our economy. They point to many potential problems, such as the availability of supply and the difficulty in fixing the price.

Mr. Speaker, I think that the only solution consistent with the ideas of free society is to let those who wish to commerce in gold be free to do so. That is why I have introduced H.R. 3789, the Free Market Gold Coinage Act. It calls for the establishment of gold coins as an alternative lawful tender without abandoning the dollar and without fixing the price of gold. It thus overcomes the primary objection of those opposed to gold coins while permitting freedom of choice to all concerned—those who want a gold standard and those who do not.

Naturally, there have been many questions about my proposal. In order to address the most often asked questions, and to introduce the idea to my colleagues who have not had an opportunity to study it, I am hereby publishing the text of H.R. 3789, followed by some of the most common questions. I hope my colleagues will seri-

ously consider supporting this measure, as it brings to our currency what is cherished in the rest of the economy: freedom of choice.

H.R. 3789

A bill to provide for the minting of United States gold coins

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 "Free Market Gold Coinage Act".

POLICY OF THE UNITED STATES

SEC. 2. (a) It shall be the policy of the United States to promote the free coinage of gold at a free market price.

(b) Nothing in this Act shall be construed to prohibit or to discourage the manufacture or circulation of gold coins by persons, organizations, or agencies of the several States, nor to restrict the free importation or exportation of gold coins for either monetary or nonmonetary purposes.

PUBLIC COINAGE

SEC. 3. (a)(1) The Secretary of the Treasury shall offer the gold bullion reserves of the United States for sale to the public, except that such sales shall only be in the form of gold coins which are minted in accordance with the provisions of this Act.

(2) All such gold coins shall be minted from .900 fine gold of a standard coin alloy which shall be determined by the Secretary.

(3) The weight of each such gold coin, as specified in subsection (b)(1)(A), refers only to the gold content of such gold coin and not to the weight of the standard coin alloy involved.

(b)(1)(A) The Secretary shall mint—

(i) gold coins which weigh 1 troy ounce (31.103 grams);

(ii) gold coins which weigh 1 ounce (28.349 grams);

(iii) gold coins which weigh 10 grams (154.321 grains); and

(iv) gold coins which weigh 5 grams (77.161 grains).

(B) Not less than half, as measured by weight, of all such gold coins minted and sold under this Act shall be of the weight specified in clauses (iii) and (iv) of subparagraph (A). After conducting public hearings, the Secretary shall determine the proportion of gold coins described in clauses (i) and (ii) of subparagraph (A) which shall be minted under this Act.

(2) One side of each gold coin described in paragraph (1)(A)(i) shall bear the likeness of John F. Kennedy in left-profile, and inscription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall surround the inscription "One Troy Ounce Gold" which shall be not less than one-half of the diameter of such gold coin in both height and width.

(3) One side of each gold coin described in paragraph (1)(A)(ii) shall bear the likeness of Abraham Lincoln in right-profile, an inscription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall surround the inscription "One Ounce Gold"

which shall be not less than one-half of the diameter of such gold coin in both height and width.

(4) One side of each gold coin described in paragraph (1)(A)(iii) shall bear the likeness of Thomas Jefferson in left-profile, an inscription of the year in which such gold coin is minted, the inscriptions "Liberty" and "In God We Trust", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall subject to the following sentence, surround the inscription "10" which shall be less than one-half of the diameter of such gold coin in both height and width. Immediately below the inscription "10" shall be the inscription "Gold Grams"

(5) One side of each gold coin described in paragraph (1)(A)(iv) shall bear the likeness of Adam Smith in right-profile, an inscription of the year in which such gold coin is minted, the inscriptions "Liberty", "In God We Trust", and "Adam Smith", and an appropriate mint mark which shall be determined by the Secretary. On the other side of each such gold coin, the inscriptions "E Pluribus Unum" and "United States of America" shall, subject to the following sentence, surround the inscription "5" which shall be not less than one-half of the diameter of such gold coin in both height and width. Immediately below the inscription "5" shall be the inscription "Gold Grams"

(c) The edges of all gold coins minted pursuant to this section shall be milled in a manner which will discourage shaving of the edges of such gold coins.

(d) No seigniorage shall be charged by the Secretary for any gold coin minted under this Act, except that the Secretary shall charge a production fee whenever a gold coin which is minted by the Secretary under this Act is sold by the Secretary for the first time or is offered by the Secretary for the first time in an exchange under section 5(a) for gold bullion or gold coins which contain less than .900 fine gold.

(e) Gold coins may be minted by any State or local government or by any person, whether or not such person mints such coins in the United States, except that such gold coins shall not bear the inscription "United States of America".

FREE MARKET PRICE OF GOLD

SEC. 4. (a)(1) In accordance with regulations which shall be prescribed by the Secretary, the Secretary shall establish a formula for determining on an hourly basis the competitive market price of gold.

(2) The Secretary shall collect information on gold sales from the organized gold exchanges in London, England, Hong Kong, New York, New York, Chicago, Illinois, San Francisco, California, and the standard metropolitan statistical area in which Los Angeles, California, is located. The Secretary shall use such information together with such formula to determine the competitive market price of gold.

(3) In using such information with such formula, the weight given to the information received from any such gold exchange shall be equal to the ratio, expressed as a percentage, which the total amount of gold sold on such exchange during the period involved bears to the total amount of gold sold on all such gold exchanges during such period.

(b) The competitive market price of gold as determined under this section shall be the conversion rate between dollars and

gold (hereinafter in this Act referred to as the "Official Conversion Rate").

PURCHASES AND SALES OF GOLD

Sec. 5. (a) The Secretary shall exchange gold bullion or gold coin from any source for its equivalent weight in gold coins minted under this Act. The production fee shall be waived if the gold bullion or gold coin offered for exchange contains not less than .900 fine gold. At the election of the person offering such gold bullion or gold coin to the Secretary, any difference in units of weight shall be paid in dollars at the Official Conversion Rate.

(b) All purchases and sales of gold by the Secretary shall be made at the Official Conversion Rate prevailing at the time of entering into the agreement to buy or sell gold even if the delivery of such gold does not occur at the time of entering into such agreement.

(c) Neither the United States nor any State—

(1) shall impose an excise or transaction tax upon the use of gold or upon banking services that involve the promise to pay with gold; or

(2) shall restrict the convenient transfer of any ownership or equity interest in gold, such as checking or savings accounts, or certificates of deposit or promissory notes stated in terms of gold.

(d) If any party to a legal action before any court or administrative agency of the United States or of any State or territory within the jurisdiction of the United States elects to pay or receive any judgment, award, or penalty in gold, the rate of conversion of gold into dollars or dollars into gold shall be the rate that prevailed at the time that the claim or cause of action accrued. The Official Conversion Rate on public record at such time shall be conclusive evidence of such rate.

PROMOTION OF GOLD COINS

Sec. 6. The Secretary shall take all appropriate actions to encourage the public to recognize and use the gold coins minted under this Act.

REGULATIONS

Sec. 7. Not later than six months after the date of the enactment of this Act, the Secretary shall promulgate such regulations and take such other actions as are necessary to carry out the provisions of this Act.

DEFINITIONS

Sec. 8. For purposes of this Act—

(1) the term "production fee" means a fee equal to the cost of minting and selling a gold coin, including labor, materials, dies, use of machinery, overhead expenses, and the current market value of any metal, other than gold, contained in such gold coin; and

(2) the term "Secretary" means the Secretary of the Treasury.

The "Free Market Gold Coinage Act" does four important things:

1. It creates a new official gold coinage (Section 3).

2. It prevents the U.S. Treasury from manipulating the free market price of gold (Section 4).

3. It requires the U.S. Treasury to buy and sell gold coins at a free market price (Section 5, parts a & b).

4. It guarantees that citizens can use the gold coins for all kinds of business and legal purposes, and the courts will enforce their right to choose gold instead of paper dollars (Section 5, parts c & d).

This bill is a major challenge to the monopoly power of the Federal Reserve System over the United States currency. Since the Fed has abused its monopoly power and caused inflation, it is time to give Americans the freedom of choice to avoid future inflation by using gold coins.

ANSWERS TO SOME OF YOUR QUESTIONS

Why should the United States have a gold standard?

Throughout history, gold coins have been recognized as "honest money." When President Roosevelt forced Americans to surrender their gold coins in 1933, he set the stage for the Great Inflation of the 1970s.

If Americans had enjoyed the freedom of choice to use gold coins in business and for the protection of their savings, the terrible inflation would not have occurred. A gold coinage is necessary to give Americans back their Constitutional rights to honest money.

Why doesn't the bill include a Gold Dollar coin, as well as coins denominated in ounces and grams?

The idea of a gold coinage requires each coin to be a clear and accurate weight of gold. A "dollar" is not a unit of weight. The origin of the dollar goes back to a large, high-quality silver coin that circulated in the Thirteen Colonies at the time of the American Revolution. Because there was no international system of weights and measures in 1776, the United States just adopted the most common coin and made it the standard unit. In our modern gold coinage proposal, we need to use the same units of weight that the National Bureau of Standards specifies for everything else in business and world trade.

Also, if you think about it—"a gold dollar coin" would be a coin with a fixed price, and it would not circulate as money. An old economic rule known as "Gresham's Law" would drive all of the "gold dollar coins" out of circulation.

Why should there be coins in both ounces and grams, instead of just ounces and half, quarter, and tenths of ounces?

Since the new coinage is denominated in units of weight, it is important to have representative units from each of the common systems of measurement. Since even the smallest gold coin would be too expensive for use as pocket change, it is more important to have full-sized units instead of fractional units.

The fundamental principle of the new gold coinage is the freedom of choice for individuals—yet some people want ounces and others prefer grams. The Free Market Gold Coinage Act gives everybody freedom of choice to weigh their gold coins in any manner they choose. People who prefer a decimal coinage will want grams, and people who prefer a traditional coinage will want ounces.

Does the "Free Market Gold Coinage Act" fix the price of gold or make the dollar convertible into gold at a fixed price?

No, that would cause financial problems for American business. The main problem with the classical gold standard, like the one in the 19th century, was the fixed price of gold. Price-fixing always causes problems in a free market economy.

Under the 19th century gold standard, there were often bank failures and business cycles. This modern proposal for freedom of choice to use gold if you—individually—want to, will not cause any financial problems for business.

Why does the "Free Market Gold Coinage Act" say that private corporations and agencies of State governments can mint gold coins?

The free market is the best way to determine how many gold coins should be in circulation. If the U.S. Treasury had a monopoly over the gold coins, then there might be too many or too few coins in circulation. By permitting anyone to mint honest-weight coins, we can guarantee that there will be no problems with the supply of coins. No U.S. mark, though, would appear on the private coins.

The four coins that H.R. 3789 calls for are not the only coins that can be minted, either. As long as the weight of a coin is clearly stamped on the back of the coin, you could put anybody's picture on the face of it. This is an important part of "freedom of choice in currency" too.

How will the "Free Market Gold Coinage Act" take away the monopoly of the Federal Reserve System?

A monopoly is defined as a "single seller" of a product. The product in this case is money, and all current U.S. money is Federal Reserve Notes. If anybody can manufacture and issue gold coins, then there is no longer a monopoly.

Just as important, but slightly more technical, is that the cause of inflation has been too much money in circulation. As long as there is only one kind of money, due to the monopoly, people in business are not able to tell the new, excessive money from the older money they may have received the previous year. If they could tell the difference, they might recognize that the new money is worth less than the old money.

Under the "Free Market Gold Coinage Act," prices of goods and services quoted in terms of gold coins will be much more stable and predictable than prices quoted in terms of dollars. When the prices in terms of dollars increase, it will be clear that the Federal Reserve is making mistakes in its monetary policy. That is an important aspect, also, of eliminating its monopoly.

Would the oil-producing nations of the Middle East, or the gold-producing nations, like the Soviet Union and South Africa, be able to manipulate the price of gold?

No, because the Secretary of the Treasury would gather his information about the price of gold hourly from gold markets as widely separated as London, New York, Chicago, Los Angeles, and Hong Kong. Nobody could possibly manipulate all those markets. The Soviets and South Africa don't produce enough gold each year to cause its price to change. The beauty about gold as money is that most of the gold mined since the days of Adam and Eve still exists. Gold does not rust or corrode. The people who have caused the price of gold to jump up and down so violently in recent years are governments and central banks. Under the "Free Market Gold Coinage Act" no country or group or individuals could possibly manipulate the price of gold.

If people had the right under the "Free Market Gold Coinage Act" to use both gold coins and paper dollars in business, wouldn't that cause confusion?

People are never confused about real economic values, only about technical or legal things. If the contracts or financial papers are confusing today, individuals ask for the advice of experts. The experts would have no trouble with this proposal to use gold, and we think that the average person would have no trouble either.

Since the value of the smallest gold coin would still be relatively high, at today's price of gold, the coins would not be very common at the grocery store. People would still prefer folding money to carry in their

pockets, but for their savings or for larger purchases, they should have the right to use gold.

Can you provide the names and addresses of other places for information on the gold standard?

The following are non-profit, tax-exempt sources of reliable information about gold and money:

Committee for Monetary Research and Education, Postal Box 1630, Greenwich, Connecticut 06830.

U.S. Choice in Currency Commission, 325 Pennsylvania Avenue, SE., Washington, D.C. 20003.

Foundation for Rational Economics and Education, Postal Box 1776, Lake Jackson, Texas 77566.●

FEDERAL HIGHWAY PROGRAM

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. ALBOSTA. Mr. Speaker, the House of Representatives has today taken a major step forward in approving H.R. 4209, a bill making appropriations for the Department of Transportation in fiscal year 1982. This important bill obligates \$8.2 billion for the Federal highway program which covers interstate, primary, and secondary roads as well as Federal bridges. Without an effective highway system, farmers are unable to move goods to market efficiently, business cannot ship products as cheaply, thereby holding down the cost to consumers, and finally people cannot travel as easily around this great country.

As a member of the Public Works and Transportation Committee, I strongly support the Federal highway program that has evolved during the past 30 years. We need to improve upon the present system and make sure it does not deteriorate through inadequate funding. I also want to pay tribute to America's roadbuilders who have worked so effectively with the Federal Highway Administration and the State departments of transportation around the country to build and maintain our Interstate Highway System.

Today's vote in support of H.R. 4209 will help provide the funds necessary to continue this program in fiscal year 1982. We must continue to support the highway program as we rebuild the American economy in the 1980's.●

THE FARMWORKER BILL OF RIGHTS ACT

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mrs. CHISHOLM. Mr. Speaker, today I am introducing the Farmworker Bill of Rights Act. Despite countless

volumes of testimony, hundreds of existing statutes and regulations, frequent media exposes, and occasional public outcries, migrant farmworkers remain the most exploited and impoverished group of workers in America. My proposed legislation, if enacted by the Congress, could finally put an end to conditions that have been correctly labeled a "Harvest of Shame."

At the heart of the Farmworker Bill of Rights Act is the opportunity for individual consumers, through his or her own purchases, to support decent living and working conditions for migrant farmworkers. Once a farmworker bill of rights is prepared by the seven-member Commission created by this legislation, agricultural products for sale in our stores would begin displaying labels indicating that the items were produced by employees covered by the farmworker bill of rights. Under a purely voluntary system that creates no enforcement bureaucracy or regulatory maze, agricultural employers could seek permission of the Commission to label their products, and consumers could check for the label on the goods they buy. Through this free enterprise approach, market forces would provide the incentive for eliminating the shameful exploitation of America's migrant farmworkers.

The Congress, and several State legislatures, have attempted over the years to address this issue. Unfortunately, the laws have been weak, and their enforcement has been weaker. My bill seeks to provide a comprehensive solution that covers all areas of farmworker needs by mandating that the Farmworker Bill of Rights include provisions on labor, health and safety, education, housing, and access to Government programs.

A few grim facts point out the persistent needs in all these areas:

Most farmworkers are denied the right to join unions or bargain collectively for wages and benefits;

The average family income for migrants is under \$4,000 per year, more than three-fourths live under the official poverty level, and few earn the minimum wage;

Farm labor is the third most dangerous occupation in the country, and health problems are compounded by unsanitary conditions and exposure to hazardous chemicals;

Seventy-eight percent of migrant children never complete high school, and schooling is frequently interrupted as families travel from State to State;

Migrant farmworkers often stay in isolated labor camps lacking clean water, sewer systems, paved streets, and adequate living space; and

The average life expectancy for migrants is just 49 years.

The 1960 documentary, "Harvest of Shame," was recently rebroadcast on

television. Not only was it shocking to be exposed to the plight of migrants some 20 years ago, it was also frustrating and depressing to know that there has been little change or improvement since the film's 1960 Thanksgiving Day airing.

A new generation of excluded Americans still toils in the sweatshops of the soil. They still live as primitive as man can live. They still exist as rented slaves who suffer from bad housing, flies, mosquitoes, dirty beds, dirty toilets, and no hot water for bathing. They still travel thousands of miles each year to work, but still food and cattle travel better. They are still trapped in the stream in an updated version of John Steinbeck's "Grapes of Wrath," and they have nobody in Congress to really represent them.

A recent series of articles by Ward Sinclair in the Washington Post is yet another illustration of our lack of progress. His focus on the "Migrants of the East" portrays the poverty, hunger, illness, ignorance, and exploitation suffered by migrants working just a few hours away on the farms of Maryland's Eastern Shore. We are reminded that it is a life of uncertainty and peril for the thousands of migrants that arrive for the harvest.

Nearly 5 million people in this Nation work to produce the food we consume. Of the 1 million who are migrant farmworkers, over half are Hispanics, a third are black, 100,000 are Native Americans, and the remainder are white. These people, these families, deserve better treatment for the invaluable labor they perform. They deserve decent incomes, decent education, decent health care, and decent living conditions.

They deserve protection by a farmworker bill of rights that will be enforced by the American public which uses what migrant labor produces.

Mr. Speaker, my conscience will no longer allow me to wait patiently for improvement, when no improvement is discernable. It is time for a U.S. Commission on Farmworkers to be established, and time for it to get to work on the drafting and implementing of a farmworker bill of rights. For the sake of the migrants, and for the sake of the conscience of America, I hope the bill is considered and enacted before another "Harvest of Shame" has begun.

Following is the complete text of the Farmworker Bill of Rights Act:

H.R. —

A bill to establish the United States Commission on Farmworkers, to authorize such Commission to draft a Farmworker Bill of Rights, to provide for the labeling of agricultural products to inform consumers that the products were produced in conformity with such Bill of Rights, and for other purposes

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 "Farmworker Bill of Rights Act".

ESTABLISHMENT OF COMMISSION ON FARMWORKERS

SEC. 2. There is established a commission to be known as the United States Commission on Farmworkers (hereinafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

SEC. 3. The duties of the Commission are as follows:

(1) Prepare a Farmworker Bill of Rights establishing minimum standards for the protection of farmworkers which shall take effect unless disapproved by the Congress pursuant to section 7(a) of this Act. Any standard established pursuant to this paragraph shall incorporate, and not diminish, any requirement of existing law concerned with the subject matter of such standard. The Farmworker Bill of Rights shall cover at least the following issues with respect to farmworkers:

- (A) Labor Rights.
 - (i) Collective bargaining and negotiation for wages.
 - (ii) Workers compensation.
 - (iii) Unemployment insurance.
 - (iv) Social Security coverage.
 - (v) Minimum wage protection.
 - (vi) Pensions and retirement pay.
 - (vii) Overtime pay.
 - (viii) Preference over temporary foreign workers.
- (B) Health and Safety Rights.
 - (i) Protection from exposure to pesticides.
 - (ii) Health insurance.
 - (iii) Safe equipment and machinery.
 - (iv) Drinking and washing water in the field.
 - (v) Toilet facilities in the field.
 - (C) Housing Rights.
 - (i) On-farm housing which, when occupied, continuously exceeds any applicable minimum standards set by the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) or regulations issued under the authority of such Act.

(ii) Access to housing camps on farms by visitors of farmworkers during non-working hours.

(D) Education Rights.

(i) School attendance for all children of compulsory school age which is equivalent, in hours per year, to school attendance of children in nonmigrant farmworker families.

(ii) Adult and high school equivalency education.

(iii) Preschool programs for children of ages 3 to 6.

(iv) Day care for children up to 6 years of age.

(E) Government Program Access Rights.

(i) Accessibility to programs provided by Federal, State, and local governments.

(ii) Abolition of or limitations on restrictive residency requirements as applied to farmworkers.

(2) Devise labels to be attached to domestically produced agricultural products to indicate to retail consumers that the agricultural product was (A) produced using farmworkers covered and protected by the Farmworker Bill of Rights, or (B) not produced using the labor of farmworkers.

(3) Establish a procedure enabling growers and producers of agricultural products who employ farmworkers to apply for and receive (A) certification by the Commission that such farmworkers are employed under conditions which meet the minimum standards set by the Farmworkers Bill of Rights, and (B) the right to use the labels described in paragraph (2)(A).

(4) Establish a procedure enabling growers and producers of agricultural products who do not employ farmworkers covered under the Farmworker Bill of Rights to apply for and receive (A) certification by the Commission that no such farmworkers are employed by the applicant, and (B) the right to use the labels described in paragraph (2)(B).

(5) Establish procedures for obtaining such assistance as is necessary to enable the Commission to administer the certification program and to monitor certified growers and producers for continued compliance with the Farmworkers Bill of Rights from Federal departments and agencies which implement the various Federal laws which concern farmworkers, including the Department of Agriculture, the Department of Labor, the Occupational Safety and Health Administration, the Department of Health and Human Services, the Community Services Administration, and the Environmental Protection Agency.

(6) Serve as a national clearinghouse for information on Federal, State, and local laws and regulations which concern farmworkers, and investigate and provide information on the status of compliance, nationwide, with the provisions of the Farmworkers Bill of Rights.

(7) Establish a procedure for periodic review of the laws, regulations, and policies of the Federal government that pertain to farmworkers to determine the effectiveness and the degree of implementation of such laws and policies.

(8) Make recommendations for improvements in Federal programs relating to farmworkers and better coordination between Federal departments and agencies administering such programs.

(9) Develop a reasonable standard definition of "farmworker".

MEMBERSHIP

SEC. 4. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of seven members, appointed by the President by and with the advice and consent of the Senate, from persons who are not officers or employees of any government. One individual shall be appointed from among persons who are agricultural producers or representatives of a growers organization and one person shall be appointed from among persons who are specially qualified in one of each of the following fields by virtue of their education, training, or experience:

- (1) Labor.
 - (2) Health and occupational safety.
 - (3) Housing.
 - (4) Education.
 - (5) Public administration.
- (b) TERMS.—(1) Except as provided in paragraph (2), members shall be appointed for unstaggered terms of five years.

(2) Any member appointed to fill a vacancy occurring before the expiration of the

term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) BASIC PAY.—Members of the Commission shall each be paid at a rate not to exceed the rate of basic pay payable for level III of the Executive Schedule.

(d) QUORUM.—Four members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(e) CHAIRMAN.—The Chairman and Vice Chairman of the Commission shall be designated by the President. The Chairman and Vice Chairman shall not be of the same political party.

STAFF OF COMMISSION

SEC. 5. (a) DIRECTOR.—The Commission shall have a Director who shall be appointed by a majority of the Commission.

(b) STAFF.—Subject to such rules as may be prescribed by the Commission, the Director may appoint such personnel as the Commission considers appropriate.

(c) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—(1) The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(2) The Director and staff shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum rate of basic pay payable for GS-18 of the General Schedule.

POWERS OF COMMISSION

SEC. 6. (a) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony and receive such evidence, as the Commission considers appropriate.

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take.

(c) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman or Vice Chairman, the head of such department or agency shall furnish such information to the Commission.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) SUBPENA POWER.—(1) The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commission. Such attendance of witnesses and the production of such evidence may be required from any place within the United

States at any designated place of hearing within the United States.

(2) If a person issued a subpoena under paragraph (1) refuses to obey such subpoena or is guilty of contempt, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may (upon application by the Commission) order such person to appear before the Commission to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a district court of the United States under the Federal Rules of Civil Procedure for the district courts of the United States.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(g) **IMMUNITY.**—No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpoena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

REPORT

SEC. 7. (a) FARMWORKER BILL OF RIGHTS.—(1) The Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives the report containing the proposed Farmworker Bill of Rights prepared pursuant to the first paragraph of section 3 of this Act by the end of the one year period beginning on the date the Commission is duly organized.

(2) The proposed Farmworker Bill of Rights described in paragraph (1) shall not take effect if within the ninety calendar days of continuous session of the Congress which occur after the date of receipt of the report described in paragraph (1) by the Secretary of the Senate and the Clerk of the House of Representatives, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank space appropriately filled): "That the Congress disapproves the Farmworker Bill of Rights which was promulgated under the Farmworkers Act by the United States Commission on Farmworkers and which was transmitted to the Congress on _____."

(3) For purposes of this subsection—

(A) continuity of session is broken only by an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in paragraph (2).

(b) **LEGISLATIVE RECOMMENDATIONS.**—The Commission shall transmit to the President and to each House of the Congress a report

containing such recommendations for legislative action as it considers appropriate not later than February 1 of each year.

(c) **ADMINISTRATIVE RECOMMENDATIONS.**—The Commission shall transmit to the President a report containing its recommendations for administrative actions whenever the Commission considers such action appropriate.●

ROY WILKINS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, it is with great sadness and an acute sense of loss that I, along with millions of Americans, mourn the death of Roy Wilkins, well-known leader of the National Association for the Advancement of Colored People.

Black America has lost one of its most eminent leaders. Roy Wilkins dedicated more than 50 years of his life to the social, economic, and political betterment of his race. As a civil rights activist, his leadership of the NAACP was instrumental in the Supreme Court's school desegregation decision of 1954. He took his untiring efforts for racial equality and human rights to the streets as well as to the courts. As early as 1934, Roy Wilkins was marching for civil rights. As the years passed, his civil rights marches took him to such landmark cities as Selma and Montgomery, Ala., Jackson, Miss., and Memphis, Tenn.

Roy Wilkins' unselfish humanitarianism has for decades inspired all mankind. He has been praised and revered by people from all walks of life.

Indeed, Roy Wilkins will be sorely missed. We must pick up the torch he left behind and carry on.●

GRATEFUL TRIBUTE TO BEN T. PLYMALE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. KEMP. Mr. Speaker, on August 8, I lost a friend—and the United States lost a patriot. His name was Dr. Ben T. Plymale, a brilliant defense strategist and engineer. Ben's formidable talents were placed in service of the Nation on many occasions: From 1968-72, when he served as Deputy Director of Defense Research and Engineering, and most recently as second in command of the Defense transition team.

Ben's judgment in matters of national security was held in highest regard by his professional colleagues, bringing distinction to the Boeing Corp., which he served with singular dignity and loyalty for 30 years. But his

friends will remember him best for his forthright honesty; his knack for seeing the essence of any issue or individual, and stating his opinions without hesitation or equivocation; and the special touches of humor that could come only from him, reflecting both his sense of realism and the uncompromising principles by which he lived.

While critically ill from cancer and a failing heart, Ben devoted countless hours and bottomless energy to the campaign and transition work for Ronald Reagan. A leading candidate—and my personal choice—for Undersecretary of Defense for Research and Engineering, Ben withdrew his name from consideration for the office because he feared that his poor health might impinge upon his ability to continue to serve in an official capacity. But his advancing illness did not detract from his unofficial, uncompensated service to the Nation, as he completed work on the alternative defense budget President Reagan commissioned his campaign task forces on defense to prepare, and he actively participated in internal debates over the future of U.S. strategic forces. With this, and much more, how can we begin to measure the contributions Ben has made to the security of our Nation?

I am proud to have known Ben Plymale, and to offer this tribute as a token of my gratitude for his advice and friendship and for the high service he rendered the United States.

At my request, just a week before his death, Ben prepared discussion papers on several key issues in the MX-ICBM debate. Now I believe it only fitting that I share this work with my colleagues, that the country might have the benefit of his counsel one more time:

ISSUE PAPERS BY DR. BEN T. PLYMALE

I. LAUNCH ON WARNING OF ICBM'S

"Launch on Warning" is being discussed as one of the possible options to ensure survivability of ICBM's against preemptive enemy arguments related to this option.

The Launch on Warning concept calls for launching our ICBM's following warning information to the effect that enemy missiles are actually on their way, and are aimed at our ICBM launch sites. In this sense, Launch on Warning (LOW) is not preemptive, since it will only take place upon reliable evidence that the enemy has actually fired its first strike.

On the pro side of the LOW issue, one must recognize that if our ICBM's are launched on warning, they will "survive", in the sense that they will destroy the intended targets (subject to the usual attrition factors due to reliability and penetration). It is also possible, although by no means proven, that the improvements in the warning and command and control systems which could make the Launch on Warning concept technically acceptable would result in somewhat lesser overall cost than looking to completely new systems to ensure survivability.

The arguments against the attractiveness of the LOW concept are many and interacting. For reasons of clarity, they are grouped here into four categories: Technical, Military, Policy and Cultural.

1. Technical

The LOW concept depends on sensors to detect that an attack is in progress, on communication links to relay the sensed information, on data processing equipment where sensed information is combined to gain increased confidence, and requires an override (or veto) function, to give the President or National Command Authority the option of circumventing automatic response.

Under many situations, many different types of sensors can be used to enhance strategic warning and increase system confidence. However, we must provide protection against a totally unexpected (surprise) attack or be vulnerable to its consequences. Only satellite sensors and early warning radars are useful in this context. In the LOW context, false alarms, due to equipment failures that report an attack are catastrophic in that they result in an unwarranted nuclear war, so a high degree of equipment redundancy is absolutely required. Failures that result in not reporting an attack when one is in progress are also catastrophic. When the attacker can cause such failure he is motivated to attack rather than be deterred. When these are not caused by the attacker, he may be deterred to some extent, but the survivability feature of LOW has, nonetheless, failed.

In any redundant systems, some form of "voting" mechanism is needed to reject or accept the inputs received from the sensors. While the sensors and communication networks can be made highly redundant, in the end the "voting" mechanism will be the weakest link in the confidence building chain. Within our ability to forecast and plan, the technology state of the art will not support a data processing mechanism with sufficient confidence to chance a nuclear war when one is not called for.

The LOW veto power given to the NCA is more cosmetic than real and may indeed be counterproductive as discussed below. If the NCA had any independent basis on which to execute a veto, such basis would be incompatible with the LOW mechanization to increase its reliability and confidence.

Even though the performance of the warning, command and control system can be tested to a certain degree in the field, the possible destruction by means of enemy attacks on key elements, or the possible degradation by means of enemy countermeasures cannot be accurately predicted or essentially precluded. This introduces a further element of uncertainty in the decision process implied in LOW approach to survivability.

2. Strategic

Our deterrent capability against the Soviet Union is further weakened by allowing the Soviet decision makers any room for doubt about the reliability of our retaliatory strikes. If it is possible for the Soviets to interfere with our warning, command and control systems even for the short time span required for the LOW to offer its alleged advantages, then such doubt becomes possible with possibly catastrophic consequences.

The short period preceding the irrevocable commitment of our missiles in the LOW mode precludes retargeting, i.e., changing the targeted aimpoints prior to launch. This, of course, deprives the ICBM force of

one of its most attractive attributes, flexibility coupled to accuracy.

Retention of a secure reserve force, capable of supporting our national objectives over long protracted periods of nuclear warfare, is considered as a paramount requirement of our strategic posture. To various degrees, the other elements of our strategic TRIAD exhibit deficiencies in regard to this essential characteristic of endurance. Making the ICBMs dependent on LOW for survival would in effect deprive this segment of the TRIAD from any degree of enduring survival.

3. Policy

Our policy is, and is expected to remain, to endure any conceivable attack on our strategic nuclear forces and to decide the appropriate response following careful assessment of our then apparent national interests and objectives. Under no circumstances should the President be faced with the dilemma of either losing significant fraction of all strategic nuclear forces, or launching them against a previously established target set which may not at that time be consistent with our national interest. If for instance our ICBMs are targeted in the "counterforce" mode, they may be simply wasted on empty enemy launchers. If our LOW salvo is even partially aimed at Soviet urban/industrial targets, we may precipitate a Soviet retaliatory strike against our own cities. This could result in excess of 100 million U.S. fatalities. If the original attack was limited to our ICBM force and we survived the attack, assessed damage and limited our response to a counterforce attack we might well be able to terminate hostilities with as little as 10 million fatalities. An automatic LOW response almost guarantees the deaths of half or more of our population.

The LOW concept implies that the President has the capability to effect a massive ICBM launch against Soviet targets by simply not exercising his veto power to stop and otherwise irrevocable LOW process. In effect then, the President can, by default, start a nuclear war on the basis of the (possibly automated) command and control decision process, overlaid by his personal judgment in regard to a matter of such momentous consequences. He may, if there is time, consult his personal advisers, but he is more likely to make the ultimate decision on the basis of his own deeply held standards, convictions and prejudices. The Cabinet may not be at hand on short notice; but consultation with Congress, as required by law in matters of exercising war powers, is certainly out of the question.

4. Cultural

Irrespective of the formally prescribed process for leasing nuclear weapons, the individual exercising the functions of the National Command Authority (NCA) faces a problem of unprecedented nature and magnitude when it comes to commit, or not to veto, the massive use of nuclear weapons. When the decision must be taken in a matter of minutes, when the views of the advisors are confused or conflicting, and when the outcome would result in certain death for tens of millions of human beings, it is almost certain that the NCA's decision will be against the launch of our weapons. This simple fact deeply rooted in our cultural background, is largely independent of the political persuasion of the individuals involved and cannot be changed by additional refinement in equipment or procedures. It is a massive argument against the alleged sur-

vivability afforded by the Launch on Warning concept.

II. BALLISTIC MISSILE DEFENSE OF ICBM'S

Introduction

Solutions to the ICBM survivability question, with major emphasis on basing alternatives, have been studied by the past four administrations, examined in depth by innumerable expert panels and committees, and further reviewed extensively by the Congress. Alternative survivable ICBM deployments were analyzed based on proposals from basement inventors, universities, "think tanks", major defense contractors, and the Armed services.

As a result of this exhaustive public review and the ongoing R&D program, the MX MPS system advantages and disadvantages are well understood. However, an uneasiness still persists with respect to some perceived disadvantages of MX MPS basing—such as the environmental impact. This continuing uneasiness has led to a compulsion to discover a quick and easy answer.

An active defensive system or ABM is now a candidate to solve the ICBM survivability problem. But is the ABM technology ready and can the proposed ABM concept do the job? ABM systems have not been given serious consideration in recent years because of concern over (1) adequacy of ABM technology in the nuclear environment, (2) effectiveness against a reactive threat, (3) MPS shelter proliferation cost advantage over ABM total costs, and (4) ABM treaty constraints.

LoAD's ability to improve MX survivability is doubtful

The LoAD system, proposed to defend MX MPS, may cause MX to fail catastrophically by contributing to compromise in Position Location Uncertainty (PLU) before an initial attack. LoAD also could cause MX to fail catastrophically if a low level "spoof" attack forces LoAD to reveal the MX location, even if pre-attack PLU is not compromised. LoAD was not designed to engage a responsive Soviet threat, which might include maneuvering RV's, anti-radiation homing RV's, jammers, decoys, or a myriad of other potential countermeasures.

The ability of ABM's to protect ICBM's launchers in known locations has not been proven adequately

An ICBM, in a silo of known location, will be subject to saturation attack, not only on itself, but also on any defensive system designed to protect it. The reason that no U.S. operational ABM system exists today is that no one has been able to show cost effectiveness and technological feasibility for such a system.

Abrogation or modification of the ABM Treaty will be done deliberately, not by default

There exists in Congress a significant number of members who look to SALT type treaties to guarantee a stable strategic balance with the Soviets. If the current ABM treaty is to be modified or abrogated, Congress will insist that such action be weighed and argued on its own "arms control" merits rather than backing into such a decision by committing ABM for the defense of our ICBM's.

Conclusion

At this point, it is premature to make a major commitment to ABM defense of ICBM's. However, ABM systems show sufficient promise to warrant aggressive R&D, within the confines of the existing treaty, to resolve the critical technical questions while

the larger national security issues related to ABM under the test of public debate.

III. AIR LAUNCHED MX IN THE CONTINUOUS AIRBORNE ALERT BASING MODE ("BIG BIRD")

1. The continuous airborne alert basing mode for the air launched MX does not satisfy the major mission requirements

The continuous airborne alert basing concept calls for deployment areas over the oceans. Such deployment is, to a considerable extent, vulnerable to surprise attack. The Soviets are in position to develop specifically tailored "reactive threats," including surveillance and weapon delivery, which could, in a time frame well within our planning horizon, preempt the MX force. Typical surveillance systems might be based on land or ship-based over-the-horizon (OTH) radars or satellite radars; weapons could be delivered by long-range strike aircraft equipped with terminally guided air-to-air semi-ballistic or cruise missiles.

The potential Soviet threat to the MX carrier aircraft over international waters does not require the use of nuclear weapons to be effective. Individually targeted air-to-air or surface-to-air interceptor missiles have at present operationally demonstrated short miss distances which result in very high aircraft kill probabilities while using conventional warheads. The potential for attrition and even preemption is a destabilizing factor in the strategic balance.

The continuous airborne alert based aircraft are severely limited in postattack endurance. The airborne endurance of the currently contemplated carrier aircraft is, at best, six to eight days. With less than ten nuclear weapons the enemy can destroy the main operating bases provided for recovery; with a few hundred weapons the enemy can destroy dispersed emergency recovery airfields as well. In both instances, this is a very small price for him to pay to force us either to launch the MX missiles (which may result in immediate escalation to uncontrolled levels of general nuclear warfare, including attacks against our cities), or to lose the whole MX system for lack of usable recovery bases.

Airborne deployment, especially when constrained to slow, low-flying (propeller) aircraft in the interest of fuel economy, has all the disadvantages of placing major nuclear assets over broad ocean areas not under sovereign U.S. control. In this sense, airborne deployment has the disadvantages of submarine basing without the corresponding unique benefits of submarines: relatively long on-station endurance (up to 60 days) and being essentially inaccessible to wide-area surveillance.

2. The effectiveness of the proposed implementation concept(s) is open to question

The current configuration of the MX missile has not been defined in keeping with the requirements for air launch. Its size, range, and payload capability are not even close to that needed for an air launch role. There is no evidence based on test programs to show that an MX-size missile can be launched from the proposed aircraft. No commitment to such a system should be made until this capability is verified by tests.

It is possible, and indeed likely, that other missile configurations (two Minuteman III missiles or several small, single reentry-vehicle missiles in the 20 to 25,000 lb. gross weight range) may be more suitable for the air launch deployment role.

In order to ensure even a minimal level of protection against surprise attacks, major

defensive assets (sea/air based air and anti-missile defense) would have to be diverted from the U.S. general purpose forces. The cost of these defensive assets must be included when assessing the effectiveness of the airborne alert type deployment. Defensive assets will have to be provided from our heavily committed general-purpose forces inventory, if the enemy chooses to increase his preemptive threat against the MX airborne deployment.

The cost for the enemy to preempt an airborne alert based weapon system is considered to be much smaller than the resources required to preempt the MX in their land-based multiple shelter mode. The latter, for sake of comparison, imply the expenditure of 4,600 high-accuracy warheads or, alternatively, remarkably sophisticated intelligence/surveillance, retargeting capabilities.

Air-deployed intercontinental missiles not having access to accurate azimuth references will have delivery accuracy significantly inferior to those associated with land-based ICBM's. This can be remedied at the additional cost of radio beacon based in-flight updating, which in turn introduces its own vulnerability risks.

Relatively low altitude, fuel efficient flight profiles (5,000 to 15,000 ft.) and propulsion techniques are required in order to give a minimum level of airborne endurance (six days). Such flight profiles imply accident rates far exceeding those normally associated with modern jet aircraft, and certainly far in excess of those associated with land basing. Extended deployment ranges may require flight through turbulent atmospheric regions where the accident rate would be higher still.

The MX missile design is not best suited for airborne carriage. In point of fact, the specially developed airplane which is being proposed may not be necessary. It is an open question whether one should design the carrier aircraft for one large missile with ten warheads or for two or three Minuteman III's with three warheads each, or perhaps for several small missiles each carrying a single warhead.

The number of trained crews is significantly larger than the number of airplanes in the air all the time. Six-day continuous airborne missions are beyond the experience to date.

3. The continuous airborne alert basing has a number of undesirable side effects

The number of peacetime takeoffs and landings with the associated risk of crashes involving live nuclear weapons raises the question of environmental impact due to plutonium contamination. The problem could be partially solved by redesigning and procuring oralloy based warheads, but such designs and weapons are not now available in stockpile.

Attacks against the main operating bases or against the emergency recovery bases, aimed at destroying the endurance of the airborne deployment could result in several tens, and possibly hundred, million casualties.

4. A number of technical, schedule, and cost risks are associated with the continuous airborne alert basing

Nuclear hardening of MX-carrier aircraft. Ejection of missile from aircraft, post-launch stresses and flight dynamics.

New navigation/guidance initialization system.

New, dedicated special-purpose missile carrier aircraft.

Design of all-or-alloy nuclear warheads.

All these put an early IOC date at considerable risk.●

TRIBUTE TO MAYOR DAVID SHEPHERD

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. BLANCHARD. Mr. Speaker, this past weekend the people of Oak Park, Mich., and the entire Detroit metropolitan area were shocked and saddened by the sudden death of one of the areas most influential and effective leaders, Mr. David H. Shepherd, mayor of Oak Park.

Dave Shepherd was much more than the mayor of one of the communities in my congressional district. The Detroit News called Dave Shepherd "One of the most powerful Mayors in suburban Detroit during the past 20 years," and they went on to say, "The name Shepherd has been synonymous with suburban politics." He was a leader inside and outside of the community, he was one of the foremost authorities in the country on the issues, problems, and needs facing municipal government, he was someone that I often turned to for advice and counsel on matters affecting local government, and he was a personal friend.

The list of Dave Shepherd's public service activities is virtually endless. Let me mention just a few. He was elected mayor of Oak Park five times and was running again this fall. He was a former chairman of the South-eastern Michigan Council of Governments, a representative on the National League of Cities, the U.S. Conference of Mayors Environmental and Energy Committee, and the board of trustees of the Michigan Municipal League. He won the Tom Bradley Leadership Award from the National Association of Regional Councils as the outstanding policymaker of the Nation in 1978. He was 1 of 10 U.S. mayors invited to China this past year and 1 of 10 U.S. mayors invited to Israel in 1979 to discuss urban problems with Israeli Government officials. If Dave Shepherd had a downfall it was that he was simply too active for his own physical well-being.

Dave Shepherd was recognized and will be remembered as one of the most hard working and respected government leaders in the country. The fact that the mayor of a small suburban community could have attained such national acclaim is testimony to his effectiveness and accomplishments. His loss will be felt whenever and wherever policies and issues affecting local communities are being discussed or determined.

His loss, for me, is also a very personal one. When I first sought election

to Congress Dave was the first municipal official to support my effort. From that time until his death Dave remained a loyal supporter and a trusted adviser. Beyond that he was a dear friend and I will miss him deeply.

Dave exemplified the very best in public service. I know that all of my colleagues in Congress join with me in this special tribute to Dave Shepherd and in extending our most heartfelt condolences to his wife Frances and family.●

**WAYS AND MEANS COMMITTEE
BILL BETTER FOR INDIVIDUALS
AND SMALL BUSINESSES
OF SOUTH CAROLINA**

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. HOLLAND. Mr. Speaker, I believe it will be helpful to Members of the House as well as my constituents for me to explain why I supported the Ways and Means Committee tax bill (H.R. 4242) instead of the Republican substitute (H.R. 4260).

The administration's Conable-Hance bill enjoyed heavy promotion, including a nationally televised speech by the President. However, the available evidence showed that the committee bill was, beyond question, better for the great majority of individuals and businesses of my District. I also believe it would have been better for the overall U.S. economy.

**GREATER TAX CUTS FOR MIDDLE-INCOME
INDIVIDUALS UNDER COMMITTEE BILL**

The tax reductions for individual taxpayers were deeper in the Ways and Means Committee bill—year for year—for all taxpayers with incomes up to about \$70,000.

The Republicans proposed an "across-the-board" tax cut. This means that people of every income level get the same percentage cut. For example, if your tax comes to \$2,000, you would save 10 percent, or \$200. If your tax comes to \$20,000, a 10 percent savings is \$2,000; and at \$200,000, you save \$20,000.

Clearly, wealthy people will be better off under the Republican version of the tax cut. Two days after the House vote, the Washington Post estimated that the wealthiest 5½ percent of the population, those with incomes of over \$50,000, will receive 35 percent of the individual tax reductions. But the average family in South Carolina does not have an income of \$50,000.

I am very proud of the progress my State has made over the past 20 years in raising its standard of living. Our people work hard. The percentage of the population employed within our State has been consistently higher than both the average for the South

Atlantic region and the United States as a whole.

As a result, the per capita income in South Carolina rose from \$1,396 in 1960 to \$2,951 in 1970, a percentage increase of 111. By 1979, it had jumped again, to \$7,027, a rise of 138 percent. That is the good news. But, there is also bad news; these advances still left South Carolina ranked 47th in the Nation, in per-capita income. Only three States were lower.

It seems to me that my part of the State is quite typical. Therefore, most of the people of the Fifth District of South Carolina are not helped very much by tax cuts that are concentrated in the upper brackets. They are, for the most part, struggling to get along and would have had more money in their pockets to pay bills, spend, and save under the Ways and Means Committee bill.

The other difference between the two bills was the safety valve present in the Ways and Means Committee bill, which would have made the out-years' tax reductions depend upon the economy's achieving the goals President Reagan has set for inflation, interest rates and the Federal deficit. The committee wanted to preserve some freedom of action in case they are not met. For example, if inflation and interest rates are still very high, or some completely unpredictable problems threaten to push the budget deficit out of control, people will be hurting, especially those in the lower and middle-income brackets. Under such conditions I feel it would be healthy for Congress and the President to review the situation and be able to adjust the cuts in either direction depending on the circumstances at that time.

The Republican tax bill not only locks us into another 10-percent across-the-board income tax cut for 1983, but additional cuts beginning in 1985 based upon the rates of inflation in those years.

The advocates of the Republican bill argue that the indexing features of their bill will "prevent automatic tax increases caused by inflation." But, there is a real danger that indexing will make inflation worse. If financial markets react to this danger, interest rates will stay at high levels and most people will find it difficult or impossible to buy a house or a car or many of their daily needs.

One Washington newspaper called indexing a step into the political and economic unknown and said that the only certain consequence would be to "greatly reduce political flexibility in dealing with budget questions."¹

¹ "Tax Indexing Is a Leap Into the Unknown" by John Berry, Washington Post, July 20, 1981, p. A4: 1.

The Republican majority leader of the Senate, on national television, described the Republican bill as "a riverboat gamble" with the economy. We wish the President luck, of course. But, I do not believe it is prudent to trust to luck to such an extent, or to commit the country's revenues so far into an uncertain future.

I believe it is wiser to be able to review and revise, if change is called for. The Ways and Means Committee's "trigger mechanism" would have given Congress that flexibility. I feel that made the committee bill better legislation.

SMALL BUSINESSES AND FARMS WOULD HAVE RECEIVED MORE BENEFITS UNDER COMMITTEE BILL

As many people know, the great majority of small businesses are unincorporated. The statistics show that 13 million of the 15½ million U.S. enterprises are either proprietorships or partnerships. The owners of these firms are taxed under the individual income tax schedules.

We have just seen that individual taxpayers earning less than about \$70,000 (including about 95 percent of unincorporated businesses) would have done better under the Ways and Means Committee individual tax rate reductions.

Most farms and businesses in the Fifth District are small. In fact, in the 10 counties of my District, there are only 220 businesses with more than 100 employees. That is 3.31 percent of the business population of 6,639. It should be noted that the 100-employee level is well below the Small Business Administration's definition of 500 employees for a small business.

I know that some businesses were concerned that the trigger would not have gone off, leaving only 2 years of Ways and Means reductions compared to every-year reductions under the Republican substitute.

But the only thing that could have prevented the trigger from firing was if the economy did not measure up to the goals the President set.

If those goals were not met, it would be a pretty clear sign that the economy was in deep trouble. If interest rates hang high, survival would be in doubt for many small firms.

We are beginning to see this come through in the statistics. After about 1½ years of record-high interest rates, bankruptcies for January-April 1981 are already 26 percent above the 1980 rate, and construction industry failures for January and February 1981, are 69 percent above the same period in 1980.

I earnestly hope that interest rates fall quickly, and stay down. However, if they are in the 20-percent range 2 years from now, it will be unbearable for small and independent business. I

think Congress should be making some contingency plans now.

COMMITTEE BILL OFFERED CORPORATE RATE CUTS FOR SMALLER COMPANIES

The Ways and Means Committee realized early this year that limiting the business tax cut to the original 10-5-3 depreciation and investment credit proposal would bring enormous benefits among the largest U.S. companies, which make massive investments in heavy machinery and equipment, and bring little or no benefits to millions of smaller businesses that would not be investing very much.

The committee sought to provide greater balance in the bill for the 15 million smaller firms that account for 80 percent of the new jobs, 60 percent of existing employment, 50 percent of the innovations, 48 percent of the domestic output (GDP) and 43 percent of the gross national product (GNP).

The committee bill did this in several ways. Most notably are proposed significant reductions in the corporate income tax. This was designed to help all corporations—large and small—not just the ones making heavy investments.

Most companies cannot raise capital from the national money markets and are therefore dependent upon retaining more of the capital they earn in the marketplace.

The corporate rate cuts proposed by the committee would have helped these companies most. They would have resulted in tax savings of \$11.9

billion for small companies between 1981 and 1986.

In contrast, the Republicans' substitute, on the Friday before the vote, agreed to include in H.R. 4260 a corporate rate provision worth \$2.4 billion during this period.

Thus, for the country's smaller independent corporations, the Ways and Means Committee tax reductions were almost five times larger than the Republican cuts.

MANY OTHER IMPORTANT SMALL BUSINESS PROVISIONS FORMULATED BY COMMITTEE

The committee bill also developed a whole series of additional provisions to benefit both incorporated and unincorporated firms. Altogether, this added up to a business program designed to make it easier for businesses to grow, prosper, and survive. A partial list of these provisions is as follows:

PROVISIONS DEVELOPED BY WAYS AND MEANS COMMITTEE TO AID SMALL BUSINESS

Expansion of current law.—Lower corporate rates for small companies.

Expansion.—Lower individual tax rates for small unincorporated businesses.

New.—Expensing of capital spending.

Expansion.—Increase in investment credit for used machinery; provisions to promote continuity of small and family businesses; increases the unified credit exemption equivalent from \$175,000 to \$600,000, phased in over six years.

New.—Reduction of the maximum estate tax rate from 70 percent to 50 percent; an unlimited marital reduction.

Expansion.—Increases the annual gift tax exclusion from \$3,000 to \$10,000, effective in 1982; decrease from 50 percent to 35 percent in the minimum amount of adjusted gross

estate that must include interests in a closely held business in order to take advantage of estate tax installment payments; increases to 50 percent the amount of a closely held business interest that can be disposed of before triggering acceleration of installment payments.

New.—Reform of inventory procedures for firms using or adopting LIFO accounting; savings incentives targeted to help construction and local businesses; specialized capital formation provisions.

Revived.—Revival of stock options.

Expansion.—Accumulated earnings increase; increase in Subchapter S shareholders allowed; rehabilitation credit for existing structures.

New.—Research and development credit.

Expansion.—Broadening of targeted jobs credit.

After it became apparent that these provisions were sound and popular, many of them—again in the final days of the debate—found their way into the Republican substitute bill (H.R. 4260).

But even after these changes, there were still significant changes in degree. The committee bill remained much more generous to small and independent business.

In the days before the key July 29 vote, the National Small Business Association sent to each Member of Congress an analysis showing the Ways and Means Committee treatment of the four most important small business items would result in tax savings of \$26.6 billion, compared to savings of \$6.1 billion under the Republican substitute.

The table furnished by that association follows:

REVENUE COMPARISONS: POTENTIAL SMALL BUSINESS TAX SAVINGS

(Calendar year tax benefits in billions of dollars)

	1981	1982	1983	1984	1985	1986	Total
House Ways and Means Committee bill:							
Expensing of 1st \$25,000.....	2.9	2.0	1.4	0.9	4.4	2.9	14.5
Rates cuts under \$200,000.....	1.0	1.8	2.9	3.0	3.2	11.9	
Advantages to purchasers of used equipment.....	(1)	(1)	(1)	(1)	(2)	(2)	
Accumulated earnings.....		.034	.037	.041	.045	.049	.206
Totals.....	2.9	3.034	3.237	3.841	7.445	6.149	26.6
Total 1981-86.....							26.6
Conable-Hance II bill, as revised (H.R. 4260) as of July 24, 1981:							
Expensing of 1st \$5,000 to \$10,000.....	1.1	.645	.765	.301	.005	2.810	
Rates cuts under \$50,000.....	.2	.5	.5	.6	.6	2.4	
Increase in used machinery investment credit.....	.1	.1	.1	.1	.2	.2	.7
Accumulated earnings increase.....							.2
Totals.....	.1	1.4	1.245	1.365	1.101	.805	6.1
Total 1981-86.....							6.1

¹ Amount of used equipment treated same as new raised from \$100,000 in 1980 to \$150,000 in 1981, \$191,667 in 1983, \$275,000 in 1984, and \$575,000 in 1985.

² All used equipment treated the same as new.

³ Numbers do not add due to rounding.

Source: National Small Business Association, July 24, 1981.

Some portion of this additional \$20.5 billion in tax savings for smaller firms would have filtered into my State and my district. In my opinion, the entire economy is better served by such an equitable commitment to job-producing, dynamic, competitive small businesses.

EVIDENCE FAVORED COMMITTEE BILL

When the evidence was all in, it pointed overwhelmingly to the Ways and Means Committee bill.

Individual taxpayers in the lower and middle brackets received large tax reductions, and small and independent business enterprises were in a superior position by far under the committee bill. Those are the people I represent.

It is true that the Republican substitute, in the last days, brought in many of these provisions—although at much lower levels of benefits in many instances. They would not have done even this much if the Ways and Means Committee had not opened up the

original narrow bill, H.R. 3849, and developed these provisions.

We certainly applaud the decision of the Republicans to broaden their bill to the extent they did. We only wish they had done more.

I am proud to serve on the Committee on Ways and Means. I commend the chairman, DAN ROSTENKOWSKI, and the other Democratic members of that committee for their courage and their competence in opening up the 1981 tax bill to include the many good

provisions I have described, in the face of opposition from an extremely popular President. The merit of these provisions is indicated by the fact that they were ultimately accepted, in principle, by the Republicans in the House and Senate. The legislative process that the chairman set in motion thus resulted in more balanced legislation than if the bill were confined to the 10-10-10 individual and 10-5-3 business cuts on which the President was relying and insisting.

ASSISTANCE FROM THE NATIONAL SMALL
BUSINESS ASSOCIATION

During the development of this legislation, I became familiar with the National Small Business Association, a Washington-based group with about 50,000 members in all industries.

In March of this year, when the President's proposal was still limited to 10-10-10 and 10-5-3, the NSB testified publicly that the bill should be opened up to provide equitably for businesses of all sizes.

The NSB presented to our committee, and to the staffs of the many offices and committees of the House, a specific 16-point program for equitable treatment of the diverse small business community. The association's recommendations also proposed as much in tax savings as in tax costs.

I was impressed by this NSB package.

It is a tribute to the effectiveness of the NSB that the Ways and Means Committee adopted 13 out of 16 of its suggestions—11 in full and 2 in substantial part.

These 11 included the corporate rate reductions up to \$200,000; direct first year expensing of \$25,000; substantial improvements in treatment of used machinery; major expansion of the estate tax; expansion of the rehabilitation credit; and revival of incentive stock options. This program advocated inauguration of several new concepts—direct expensing, research and development credits, savings incentives targeted to help local businesses, and reform of inventory accounting.

These NSB recommendations became the heart of the Ways and Means Committee small business provisions.

Subsequently, the Republican bill accepted the same 13 concepts, 6 in full and 7 in part, although to a lesser level of benefits.

I do not believe that any committee member would have predicted at the beginning that remarkable degree of success.

The success was earned. The NSB program was well conceived, carefully designed, painstakingly researched, and ably presented.

All three of the revenue-saving provisions—amounting to about \$57.1 billion over a 5-year period—were universally adopted by the Congress, the ad-

ministration, the Democrats and Republicans alike.

The Ways and Means Committee would have allocated about half of those savings back to the small business community in whose name they were proposed. The Republican bill allocates about 10½ percent of those savings back to small business.

In my opinion, the National Small Business Association did an extraordinary job in arguing the case of the small business community during the development of the 1981 tax bill. I am grateful for the assistance that the NSB gave me and my Ways and Means Committee colleagues during deliberation of the Economic Recovery Act of 1981.●

DISCUSSION OF ISSUES AND
WAYS AND MEANS OVERSIGHT
SUBCOMMITTEE RECOMMEN-
DATIONS ON H.R. 4420

HON. CHARLES B. RANGEL

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. RANGEL. Mr. Speaker, over the past several years, the volume of industrial revenue bond (IRB) issues has increased significantly. In 1980, for example, the dollar volume of small issue IRB sales was more than six times greater than it had been in 1975. Moreover, if current law remains in effect without change, CBO estimates that the amount of IRB sales could rise from the \$8.4 billion in 1980 to between \$15 and \$49 billion in 1986.

Although volume in itself need not necessarily be a cause for alarm, the substantial expansion within a relatively short period of time warrants closer congressional attention. Given the fact that IRB's can be used to serve various purposes, the Congress needs to periodically reassess the program to assure that tax-exempt small issue IRB's are serving legitimate public purposes.

The phenomenal growth of IRB issues in recent years is a result of several factors: Soaring interest rates on conventional loans; the greater spread in recent years between taxable and tax-exempt interest rates; the higher \$10 million limit on the size of bonds initiated in 1979; the increased use of IRB's for commercial, nonindustrial projects; and less restrictive State laws governing the use of tax-exempt bonds.

There is a potential for major expansion in the volume of IRB's, particularly if the States continue to issue IRB's on a more aggressive basis in the future. One factor that does seem likely to continue to stimulate the increased use of small issue IRB's is the continuing liberalization of State IRB enabling statutes. Moreover, a second-

ary market is currently being developed for small issue IRB's.

Nevertheless, the trend toward increasing use of tax-exempt small issue IRB's raises a number of policy issues and concerns. Primary among these concerns is the potential effect of IRB sales on Federal revenues. CBO's revenue loss estimates, which have been endorsed by the Treasury Department and the Joint Committee on Taxation, indicate that the Federal Government would realize a gain of \$1.393 billion in fiscal year 1982 if Congress removed the interest tax exemption on all outstanding small issue IRB's.

Because the subcommittee's recommendations would only affect small issue IRB's issued after December 31, 1981, such legislation would result in relatively small revenue gains in the next fiscal year. However, as the estimates below indicate, substantial gains would occur in all subsequent years.

Preliminary estimates indicate that the subcommittee's recommendations will result in revenue gains as follows:

	Millions
Fiscal year 1982.....	\$22
Fiscal year 1983.....	100
Fiscal year 1984.....	300
Fiscal year 1985.....	700
Fiscal year 1986.....	1,200

(These revenue estimates assume an overall increase in "small issue" IRB sales of roughly 15 percent a year.)

While such factors as revenue loss and the effect on local government borrowing were viewed by the subcommittee as significant considerations, other important public policy issues in connection with the current rules regarding IRB financing, such as their effectiveness in stimulating development in economically distressed areas and in assuring financing for projects that create jobs or promote economic diversification, were also considered. Moreover, the subcommittee recognizes, as the testimony submitted at the hearings made abundantly clear, that there are positive aspects to IRB financing. However, the subcommittee concluded, as many witnesses urged, that the current rules regarding IRB financing do not adequately assure the most appropriate and effective use of these bonds and that legislative changes are warranted. Parameters are needed to assure that use of small issue IRB's is channeled into the most productive areas.

The subcommittee's specific recommendations for legislative changes are discussed below. The Subcommittee believes that each of these recommendations warrants the most serious consideration by the committee and that appropriate legislative action needs to be taken promptly.

A. Recommendation: Public hearing requirement.—Provide that each IRB issuing authority shall:

First, conduct a public hearing prior to the approval and issuance of each small issue IRB;

Second, prepare a formal statement of findings following each such hearing which conclude that the proposed bond issue (a) will stimulate the local economy; (b) result in the creation of—or retention of—a significant number of jobs; (c) not create an unjustified competitive advantage as against existing businesses in the area; and (d) that the activity for which IRB financing is sought would not be undertaken in the absence of IRB financing;

Third, certify to the Governor's office, or other designated agency or department, that the issuing authority has complied with the above procedures.

EXPLANATION

The hearing record reflects practically universal support for the application of a public hearing requirement. The subcommittee believes there is a need to further enhance local responsibility for issuing IRB's while, at the same time, provide assurance that all interested parties in the community have an opportunity to be heard on the subject of the anticipated impact of the proposed bond issue. These procedural requirements would be satisfied, for Federal, tax exemption purposes, upon the local authority's certification to the State that the public hearing has been held and the requisite findings made.

B. Recommendation: Reporting requirement.—Provide that each State file with the Treasury Department, by February 15 of each year, a report containing information regarding each small issue IRB closing made in the State during the previous calendar year.

EXPLANATION

Until now, very little information has been available to the Congress and the public generally on the nature and extent to which tax-exempt IRB's have been issued by the States and local governments for the benefit of private firms. One reason for this general lack of information on a national scale is that small issue IRB's are typically privately placed with local lending institutions. The bonds are not generally sold on the public bond market, nor do they normally involve underwriters. Therefore, nationally reported bond figures do not reflect most small issue IRB sales. Moreover, the Internal Revenue Service only collects information on IRB's issued for more than \$1 million. This information is of limited value for purposes of monitoring the volume of IRB sales since approximately 60 percent of the IRB's issued in 1980 were in amounts of less than \$1 million.

The Congressional Budget Office, the Treasury Department, and numerous other witnesses before the sub-

committee expressed the view that the absence of comprehensive information on IRB sales will continue to hamper congressional efforts to monitor the program. Thus, there is practically universal agreement on the need for a uniform, national reporting system. The subcommittee agrees that the Congress needs to have access to comprehensive and accurate information on IRB sales on a continuing basis if any realistic assessments of the program are to be undertaken in the future.

The subcommittee recommends that the required annual State report on small issue IRB sales include the following information:

Name of issuer; bond amount; date of issuance; bond term; interest rate; principal users; assets and previous year's sales of principal user; capital expenditures; prior outstanding issues; bond counsel; type and description of project noting the applicable "Standard Industrial Classification" Code; jobs created and/or retained; location of the facility; and the bond purchaser(s).

C. Recommendation: Target commercial IRB-financed projects.—Provide that commercial IRB-financed projects be located in economically distressed areas.

(a) Economically distressed areas would be defined as areas, within a city or county, composed of contiguous census tracts, block groups or enumeration districts where: at least 2,500 families reside; at least 70 percent of the families have incomes below 80 percent of the statewide median income; and at least 30 percent of the families have incomes below the national poverty level.

(b) Commercial projects would be defined as property used in an activity classified in the Federal Government's Standard Industrial Classification (SIC) Manual under:

Division F—Wholesale Trade;
Division G—Retail Trade;
Division H—Finance, Insurance, Real Estate;
Division I—Services (except 805—proprietary hospitals, 806—nursing homes);

Activities at Central Administrative offices—within the meaning of Appendix A;

Auxiliary establishments would be characterized according to the firm's primary activity, as the manual provides.

EXPLANATION

"Small issue" IRB's were not used to finance commercial projects to any significant degree when Congress created the small issue exemption in 1968. Since the recent surge in IRB sales is attributable in part to the substantially increased use of IRB's for commercial ventures, many Members and State officials have raised questions as to whether such a develop-

ment is fully consistent with the congressional intent and whether IRB financing of certain types of commercial ventures serves a legitimate public purpose.

The subcommittee believes that, in general, commercial projects follow marketplace demands and that, with the sole exception of economically distressed areas where unfavorable market conditions typically exist, the availability of IRB financing is not a crucial factor in site selection. Thus, the subcommittee concluded that a distinction should be made between commercial and industrial projects and that the IRB financing of commercial projects should be limited to economically distressed areas. Current law would be basically retained for industrial—noncommercial—projects seeking IRB funds.

The subcommittee was well aware of the problems involved in constructing reasonable criteria which would operate to identify those areas, both urban and rural, suffering from severe economic depressed conditions. Nonetheless, the subcommittee considers its recommended criteria particularly appropriate for the targeting of commercial projects and believes it will operate in an equitable fashion nationwide. The income and poverty criteria the subcommittee recommends reflects, in essence, the criteria used in the Urban Development Action Grant's (UDAG) pockets of poverty program.

The above-described definition of "economically distressed" would allow the State and/or local government to combine those contiguous census tracts, block groups, and enumeration districts within their city or county for the purpose of designating an eligible economically distressed area. Where necessary, a project could be located directly adjacent to a distressed area if it is determined by the Secretary of Treasury and HUD that a suitable site for the project does not exist in the distressed area and that the project would substantially contribute to the economic development of the distressed area.

Defining commercial activities is also a difficult task. However, the subcommittee believes that its recommended definition will provide both generally acceptable and reasonable characterizations of commercial activity—as distinguished from industrial. So that the States and local authorities will have immediate access to a precise and uniform definition of commercial, the subcommittee recommends that the definition be keyed to the Federal Government's existing, published classification system, the "Standard Industrial Classification" (SIC) manual. Currently, a number of States target commercial types of IRB-financed projects in this manner.

D. Recommend: Other specific restrictions.—First, provide that IRB proceeds may not be used to finance the purchase of farmland; second, provide that IRB proceeds may not be used to relocate existing activities from one State to another.

EXPLANATION

First, the subcommittee is aware that a large number of States are considering legislation that would significantly expand the use of small issue IRB's by allowing the bonds to be used to finance the acquisition of agricultural land. It appears that since the supply of land is fixed, the widespread availability of IRB financing would ultimately drive up such land prices. Current land owners would be the only true beneficiaries of such a use.

The subcommittee's proposal explicitly prohibits the use of IRB funds where the proceeds will be used merely to facilitate the purchase of land or other real property used for farming purposes—as defined in Internal Revenue Code section 6420(c)(3). The proposal would continue to allow the use of IRB financing for the acquisition of farm-related equipment and construction or expansion of farm structures.

Second, since all but three States allow the IRB financing of a wide range of activities, it is not clear that any overall national public purpose is served by a firm's relocation from one State to another. The subcommittee members agree that such shifts in economic activity do little more than benefit one State to the detriment of another. As a matter of Federal policy, such relocations should not be subsidized by a Federal tax-exempt financing tool. Accordingly, the subcommittee recommends that IRB proceeds not be available to firms relocating in another State, but rather that the firm seek any necessary location incentives directly from the benefiting State or local jurisdiction.

E. Recommendation: Future congressional oversight and review.—First, provide that the Secretary of the Treasury, conduct a comprehensive study of small issue IRB's and submit a report to the Committee on Ways and Means by July 1, 1983, to include a summary and analysis of the data supplied by the States, and such recommendations as the Secretary finds appropriate.

Second, provide for a sunset provision with respect to small issue IRB's effective January 1, 1984.

EXPLANATION

The absence of comprehensive and reliable information about the volume and uses of small issue IRB's has severely hampered congressional capacity over the years to clarify public policy in accordance with changing national needs and priorities. With the information that would become available under the subcommittee's recom-

mended reporting requirement, the Secretary would be in position to fully assess the current uses and effects of IRB financing and to provide analysis with respect to the potential future role of this financing mechanism.

In addition, the sunset provision, timed to occur after the committee has had ample opportunity to review the Secretary's report and data, will assure that the Congress undertakes in a timely manner a comprehensive review of the appropriateness of small issue IRB financing and decides whether such tax-exempt financing should be continued. The subcommittee believes also that the recommended sunset provision would provide the States with a meaningful incentive to responsibly develop locally applicable criteria for utilizing IRB financing in ways that legitimately and effectively serve the most pressing economic needs of their communities.●

BUDGET CUTS AND VALUES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 10, 1981

● Mr. SIMON. Mr. Speaker, one of the recent additions to Southern Illinois is Dr. Samuel Goldman, the dean of the College of Human Resources.

Recently, he delivered a talk on "Budget Cuts and Values" to the annual meeting of the board of directors of the Comprehensive Health Planning Group of Southern Illinois, more commonly known as CHIPS.

What he said ought to be heard beyond Southern Illinois, and I am taking the liberty of inserting it in the CONGRESSIONAL RECORD at this point so my colleagues around the Nation can heed his words of wisdom.

BUDGET CUTS AND VALUES

I am very pleased to be here this evening to share with you some of my views and thoughts on matters of interest to both of us. These kinds of meetings give me an opportunity in the early months of our presence here in Southern Illinois to express deep appreciation to all of you, to our friends, to our neighbors, to our colleagues who have opened their hearts in friendship to receive me and my family in this area. There is a great deal to be said about something called rural although it really is a misnomer these days. Mr. Royko who writes for a newspaper in Chicago, believes that rural means country bumpkins. He sees a caricature of somebody in overalls riding a horse or donkey on a country road. Mr. Royko has obviously never lived in an area like this and so he is simply unable to understand the temperament and the nature of the people in this type of environment.

I think it is important that we all begin to recognize that as a consequence of the explosion in technology and telecommunications we have become part of a broader universe of people. That there really is no such thing as rural or urban when it comes to such issues as health and human services. A

great many interests and needs and concerns are held commonly among all people of this country no matter where they are located geographically. It is for this reason that we must understand that whatever happens on a broader geographic level, particularly at the national and increasingly more at the international level has great meaning for all of us.

Daniel Bell, a noted sociologist, in 1968 wrote: "The United States today, for the first time, is genuinely a 'national society.' In fact, many of the domestic problems we confront . . . arise out of a multiplicity of problems—education, transportation, welfare, urban renewal, air and water pollution, medical care and the like—(these) no longer are manageable on the state and local level but are now passed on to the national society for solution. In the last twenty-five years we have become: (1) an intertwined national economy, in which government has become an active regulator of economic activity as well as a partner in many enterprises; (2) a national polity, in which (as demonstrated in the example of civil rights) the government has become an active force for social change and, in consequence of World War II, the Korean War, and the war in Vietnam, there is a permanently mobilized military posture; (3) a welfare society, in which medical care, education, and, in increasing ways, income maintenance for the disadvantaged, have become a responsibility of the central government; and, (4) a national culture, not only through the diffusion of the popular arts through the mass media, but symbolically (if not quite tangibly) through the creation of a National Humanities and Arts foundation which organizes government support for the scholarly, creative, and performing arts."

I believe that Bell has very clearly given us some of the major reasons why the federal government cannot abandon its role in providing for the needs of the American people. We have come too far in our development as a nation for any leader or for any power group to easily unravel the fabric that has made us the society we are.

This thought is fundamental to our understanding of what is being attempted by the current administration in Washington.

Activity on the national scene is extremely unsettling and unsettled. The Reagan administration has had enormous impact in attempting to reverse the course of human service events that has dominated this country over the past half century. A critical question being hotly debated is the degree and nature of the involvement of the federal government in the delivery of human services. The resolution to this question could mark a critical turning point in this nation and we must be sure that we understand the question and that we are involved in its resolution. Let us be certain that we do not confuse what is going on. There is a great deal of discussion, rhetoric and debate concerning the control of inflation, concerning the size of the federal debt, concerning tax cuts. And let me tell you that I will raise my voice and I am sure that you will too, to say yes to legitimate and reasonable moves to cut the budget, to moves that will reduce inflation, to moves that will cut taxes which increase our take-home pay. But while these are crucial, they are not the real issues. For the real issue we are dealing with is a major shift in the values that have dominated this great nation. The current debate initiated at the federal level deals very fundamentally with the values that will guide the relationships between government and the people

and the relationships among people of various social and economic strata.

It hardly seems possible that in a period of just a few months, fifty years of American compassion for its citizens has begun to unravel. Congress is being asked to change, after only very brief review, almost 100 laws that took decades to enact. Current plans call for dramatic reductions in spending levels for over 95 programs ranging from food stamps, to student loans to welfare. The so-called safety net which Roosevelt had begun to weave and which subsequent presidents and congresses had strengthened and raised to humanitarian heights has been lowered to catch the few who are "truly needy."

And how are the truly needy defined—why, by number of course.

The Wall Street Journal, a leading cheerleader for the administration has worked out a formula, using numbers, to define the truly needy. Here is a brief excerpt from an April 30 editorial entitled "Budgets and the Poor".

"In fiscal 1980 there were over 41 million 'poor' persons in the U.S. or about 18.8 percent of the population, if you exclude all government benefits. Once cash transfer payments are included, the number of 'poor' persons is halved to 18.8 million or 8.6 percent of the population. If you add in the value of in-kind transfers, the number is again slashed to under 9 million or 4.1 percent of the population. If you go back to deduct medical care benefits, as a special case, the 'poor' amount to 13.5 million or 6.2 percent of the population, who in the average fall below the poverty level by \$13 a week.

"These numbers are small enough that you must be talking mostly about special cases—the conclusion seems to us inevitable that we have a 'safety net' providing basic support for the unfortunate."

One has to be struck at how easy it is to solve the problems of the poor among us. Just do the calculations right and presto, they go away in very large numbers.

The problem is that poor people are human beings, not numbers. They eat, drink, breathe and live among us in hope of a better world.

The highest form of charity is assisting an individual to be self sufficient so that he or she may live in dignity. But let us remember that the action word is assisting. A hungry child will not attend to his studies while his stomach rumbles for want of food. A handicapped person cannot work unless the work place will receive him. An elderly citizen cannot be healthy if health services are beyond his means. Women will always be second class citizens so long as what they do is not valued equally.

The theme of "getting government off our back" may have more of a musical ring than a societal benefit. For what do we really mean? What do we really want? Do we really want the federal government to withdraw from involvement with its people? Are we really serious when we say that local decision making is far better for a national society? Let us remember that the reason categorical grants emerged with some dominance at the federal level was because the local area was simply unable or unwilling to solve many of its problems. Do we actually believe that block grants will be better than categorical grants? The compounding factor to this situation is that state and local governments don't have funds to continue some of the progress that has been made in the human condition by the categorical grants at the federal level.

I urge you again not to be so caught up with ideas of saving dollars and I ask that you be certain to keep an eye on the values implied by the current actions by our federal government.

In preparing this address, I wanted to put to words the great loss we would suffer if the values currently expressed by the Reagan administration went into effect totally. To do this, I went to find the writings of a President whose beliefs and programs are the object of the Reagan cuts.

I found the Great Society Speech of Lyndon Johnson.

On January 4, 1965, in his State of the Union address before Congress, Lyndon Johnson introduced his concept of the Great Society. In one particularly striking passage he said:

"But we're only at the beginning of the road to the Great Society. Ahead now is a summit where freedom from the wants of the body can help fulfill the needs of the spirit.

"We built this nation to serve its people.

"We want to grow and build and create, but we want progress to be the servant and not the master of man.

"We do not intend to live in the midst of abundance, isolated from neighbors and nature, confined by blighted cities and bleak suburbs, stunted by a poverty of learning and an emptiness of leisure.

"The Great Society asks not how much, but how good; not only how to create wealth but how to use it; not only how fast we are going, but where we are headed."

And with this as an introduction, Lyndon Johnson outlined his proposals for developing and enriching the human resources of this great nation. Johnson proposed a vision for America which he said grew "from the scattered hopes of the American past."

Things went wrong for President Johnson and I'm afraid that many well-intentioned Great Society goals got derailed.

There have been many things wrong with several of the programs of the Great Society. Indeed we haven't heard much about it even in the waning days of the Johnson administration. Many of the programs were marred by corruption, mismanagement and inefficiency. But many good things did emerge and much improvement in the quality of life of Americans can be shown. Let us not turn the hands of our clock back so far as to cancel these gains out.

Today's rhetoric from our leaders in Washington is in sharp contrast to the hopes of the Great Society. And let me quote a passage to you. (Howard, 1978, pp. 39-42.)

"The dream of a more humane society has turned into a nightmare of governmental extravagance and corruption, of unfulfilled promises on a gigantic scale, of foolish, useless counter productive and expensive programs."

Is assisting young people to go to college a useless counter productive program? Is providing adequate health care for the elderly foolish? Is providing for the nutritional needs of our young an extravagance? Is clearing up our environment useless and counter productive?

I don't believe they are. I believe that they are necessary and vital answers to some very critical needs of our people. The current leadership at the national level (and the rush by many at the state level to follow and even out-do this leadership) is fashioning a different vision of America. It is a vision not of hope for the needy among us, but of abandonment. It is not a vision of a

genuine compassion based upon a sense of justice and fair play. It is a vision which denies human feeling and replaces it with statistics.

Perhaps to best illustrate what I mean, let me share a parable with you.

Many, many years ago in a tiny Russian village, a Russian Prince who was extremely wealthy overheard one of the peasants who worked in his fields proclaim how great it would be if he could own some land and be wealthy. The Prince one day approached the peasant and said to him, "I heard of your wish and I am going to grant it to you. This is what you must do. Tomorrow morning at sunup come over here where I am standing and then by walking or running cover land and all of the land that you can cover between sunup and sundown you may keep. The only stipulation is that at sundown you must return to the original point from which you left at sunup." The peasant was ecstatic with joy. At last his dream of land ownership and wealth was going to come true. The night before he could not sleep. He was very very excited. The next morning just prior to sunup he came to the appointed place and the Prince was there. The Prince reminded the peasant that he could keep all the land that he covered either by walking or running provided that he return to the original starting place at sunset. The peasant agreed and at precisely sunup, he started off. Originally he thought that he would run a little bit and he began to run. He was feeling good. Later on the sun began to beat heavily upon him. The heat of the day was beginning to slow him down. But he kept going. Shortly after noon some friends caught up with him they said to him, "Your neighbor is in trouble. He needs your help. Please come and help him." The peasant felt torn, he wanted to help his neighbor, but at the same time he did not want to stop in his quest of accumulating land. And so he said, "No, I cannot go now" but in his heart he said, "Wait until tomorrow. Tomorrow I will be so rich I will be able to help my neighbor with everything. And I will do it, I pledge that I will do it." And so he kept going. Late in the afternoon the sun began to beat down on him oppressively and he began to get weary and very thirsty. But he kept going with firm resolve. His wife caught up with him and she said, "Help, return, one of the children is ill and I don't know what to do. Please, please come home now and help." Once again he was torn, and he didn't know what to do, but he kept going and he said to his wife, "Go home. Tomorrow, tomorrow I will have all the wealth we need and I will take care of the child. The child will have everything that he needs." The peasant kept going. He left his distraught wife behind. He began to realize he could cover more land if he ran some more, so he ran. Then he began to notice that the sun was starting to set. He began to get very anxious. He may have gone too far. He decided that it was time now to start back, so that he could come back to the original starting point by sunset and collect what the Prince had promised. He turned around and began his trip back. The sun was beginning to set rapidly. And he began to panic. He began to ask more of his very, very weary and strained body. He ran harder and harder until he could not breathe. But he kept going. Then at a distance he could see the Prince, but he feared that his goal was still quite a way off so he ran harder. He ran and ran to the starting point. As he approached the Prince, the peasant collapsed and fell dead. The Prince

looked down and said to people near him, "Take him away. Dig him a plot 6 ft. by 4 ft. That is all the land he is ever going to need."

One can draw many lessons from this parable, but I think an appropriate moral is that in our race for economic gain and development, in our pursuit for a one-sided view of economic health, we may be in jeopardy of throwing away the most precious resource that we have, our human resource. We may be in jeopardy of denying to the people of this great nation the kinds of services they must so desperately have in order that they may create, in order that they may work, in order that they may be good citizens.

The past few decades have seen an unprecedented rise in human aspirations among our people. The elderly, the handicapped, minorities, women and others have tasted opportunity never before available to them. They will not be denied. They will demand their due. Any attempt to roll back the gains they have experienced will be resisted. And we will again face turmoil, hatred, brother against sister—another divided America.

Those who wish to lead and are given the responsibility to do so must recognize that it is not enough to proclaim the ideal of life, liberty and the pursuit of happiness.

We must expect of our leaders that they provide some basis—other than through eloquent words alone—for hope that these rights will be secured for all of our people.

In a turbulent world the people have a right to look to their leaders for stability, calm, inspiration and hope, and very importantly, they expect compassion for those less fortunate and those who are out of the mainstream of our society.

We must measure our leaders not only by their acts and deeds. We must measure

them also by their lofty goals and their vision for a better quality of life.

Will there be a consensus among Americans with respect to basic values and issues?

The answer will continue to be no, so long as there are people on either side of the issues who believe that all virtue is theirs and all sin belongs to the other person. No meaningful and lasting resolution can be reached where one side or the other side must perish or totally surrender.

Accommodation is not fatal. Meeting part ways is not a sign of weakness. And showing compassion for the less fortunate among us is not a lack of national resolve.

Reality tells us that the future for America will always be a push and pull in various directions. And so we must protect ourselves and our precious heritage by holding firmly to a set of values and beliefs that transcends political parties, that binds us together in justice, truth and compassion.

(1) We must always have faith that our future will always be better than our past because we want to make it so. And we must never break faith with the less fortunate among us. They must know and believe that no generation will ever cause them to be worse off than they were before. They must not be pushed down any farther.

(2) We must master our own destiny and not permit groups whether local or outside our area to force their will upon us. We must set our values and decide for ourselves what is truly worthy for us and for this great nation.

(3) We must know the truth and live by it.

(4) We should have a very high regard for ethical and moral conduct.

(5) We must have and show compassion that is genuine American compassion that is rooted in an ethic, a morality, a sense of justice and fairplay that is timeless and enduring.

(6) Knowing that resources will be fewer we must learn to manage with less. What some people want to call "managing for decline." Let us do this within a framework that values human life, that cherishes human dignity, and expresses the true feelings of America for all its people.

(7) Let us open our planning and operating processes across larger numbers of institutions which have broad and specific responsibilities for health and human service. Let us speak to each other and then with one voice, let us speak to those who set policy that affects what we do.

I would urge all who hold positions of responsibility for the planning and delivery of health and human services in this region to come together now to decide on a course of action that is in the best interests of our people. And they should make known just what this course of action should be and they should lead in its achievement.

Who are our teachers in this time of searching for values by which to live? Many want to look to the Bible for a path, a direction. The irony is that there are many passages in the Bible with many interpretations. And there are many who wish to use the Bible to support their own biases. We need to be wary of these people for they abuse and misuse the greatest teachings of all time. These abusers speak of getting even, of hit lists containing the names of those with whom they disagree. By ultimatum and intimidation and by religious zeal they seek to destroy all who disagree with them.

The Bible doesn't tell us to do that. It tells us to turn away hatred, to shun arrogance, to be compassionate, to care about people.

The Bible tells us: "To do justice, to love mercy, and to walk humbly with God." Dare we do less? ●