EXTENSIONS OF REMARKS

MORTGAGES TO MEET THE HOUSING CRISIS

HON. STAN LUNDINE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. LUNDINE. Mr. Speaker, the problems of the Nation's housing industry have reached crisis proportions. According to figures compiled by the New York Times, less than a million new homes will be constructed this year, half the number constructed last year and less than 40 percent of the Nation's estimated annual demand for new housing. Sales of existing homes are running more than 8 percent below last year's disappointing level. The inability of potential home buyers to secure mortgages at reasonable rate has not only dropped housing demand to record levels, but has caused the first significant decline in housing prices since World War II.

This decline in housing activity has put hundreds of thousands of Americans out of work. Reported bankruptcies among general building contractors during the first months of 1981 increased nearly 50 percent over last year. The failure rate among smaller subcontractors was up 150 percent. Unemployment in the construction industry is currently 16.3 percent, over twice the national unemployment rate. A more far-reaching effect has been the closing or reduced operation of lumber dealers and sawmills throughout the Nation. This has resulted in the laying off of more than 100,000 sawmill workers in the Western States alone.

The slump in the Nation's housing industry has undermined efforts to revitalized the Nation's economy and guarantees that housing shortages and record-high housing costs will continue. Current conditions will also limit our ability to meet future housing demand even if interest rates drop dramatically. The loss of capacity represented by the closing of hundreds of building firms and lumber yards means that several years will be required just to bring the industry back to full production.

Most economic analyses attribute the current housing crisis to continued high interest rates. Such explanations, however, should be taken a step further. At fault is the practice of adjusting mortgage interest rates to anticipated levels of inflation and adding this cost to every monthly payment throughout the life of the mortgage. This leads to a faster amortization of debt and larger than necessary initial mortgage payments. The high initial payments on current fixed-rate and adjustable-rate mortgages, more than actual housing construction costs, are the most important factor pricing housing out of the reach of potential buyers.

During the past year, I have been studying an alternative home financing concept known as price-level adjusted mortgages, or simply "real dollar" mortgages. The concept has been proposed as a solution to the problems posed by the limited availability of mortgage funds and the inability of prospective home buyers to meet initial home financing costs. The concept is a simple one: Instead of adding the cost of anticipated levels of inflation to the mortgage interest rate, the real cost of inflation would be added over time to the principal of the mortgage. Mortgage payments would begin as if no inflation existed and would be adjusted annually according to changes in a selected price index.

For the buyer, this would provide a low initial mortgage obligation and monthly payments that would remain below current fixed-rate levels for the first 10 years of the mortgage. These mortgages would also eliminate current disincentives for making mortgage financing available, since it guarantees that money borrowed would be repayed in "real" dollars at any point in the life of the mortgage.

Real dollar mortgages would substantially reduce initial financing costs on housing loans, enable tens of thousands of households to reenter the housing market and provide a needed stimulus for the housing industry. It would do this without Government subsidies and with a substantial reduction in the Federal tax revenue now lost to mortgage interest deductions.

Where once I had reservations regarding the additional risk these mortgages might pose to borrowers, I am now convinced that there is no risk, even 20 years into an inflation adjusted mortgage, that is not present in current high-interest, fixed-rate and adjustable-rate mortgages. The real dollar mortgage concept may offer one of the only answers to the current situation in which housing is not being constructed, financed, or purchased.

Having come to these conclusions, I was pleased to find in the October 27 issue of the Washington Post an article advocating price-level adjusted mortgages. The article, jointly authored by Harvard economist Martin Feldstein and his wife, Kathleen, offers one variation of the inflation adjusted mortgage concept. I insert this article in the RECORD and recommend it to the attention of my colleagues.

THERE'S A BETTER WAY TO PAY A MORTGAGE

(By Martin and Kathleen Feldstein)

An unprecedented surge in long-term interest rates has carried mortgage rates to 17 percent, an increase of nearly six percentage points in just two years. The resulting jump in monthly mortgage payments has cut back sharply the demand for new homes. The home construction rate has dropped to less than 1 million units a year, only half the 1978–79 rate.

With figures like these, it's not surprising that potential home buyers and sellers alike, along with the construction industry, are turning in protest to their representatives in Washington. The temptation will be strong for Congress and the administration to try to force the Federal Reserve to ease credit or even to try some form of credit controls or direct intevention in mortgage markets. Any such move would weaken the administration's anti-inflation program without resolving the fundamental prcblem in the financing of homeownership.

The plight of the potential home buyer is a serious one. Even for relatively affluent families, the usual method of financing a home purchase can impose prohibitive initial carrying costs.

It would certainly not be unreasonable by conventional standards for a couple with an annual income of $40,000 to aspire to an $80,000 home. But with a normal down payment of 20 percent and a 17 percent interest rate on the loan of $64,000, this couple would be spending $11,000 a year on mortgage payments alone—more than one fourth of their annual income.

It's true that the federal government would assist this couple by allowing the deduction of these interest payments in the calculation of taxable income. But even after a tax saving of $3,200, the net annual mortgage cost of $7,800 would still take nearly one-fourth of the couple's income net of federal and state taxes.

Furthermore, even if a couple is willing to take on this burden, they often find it impossible to obtain credit. Banks and savings and loan associations are frequently unwilling to take the risk of lending to a couple for whom meeting the monthly payment represents a serious financial strain. The financial institutions understandably fear that if the couple experiences even a temporary loss of income or large unexpected expenditure, the mortgage might be thrown into default.

But serious as the problem is, it would be wrong to seek a solution in artificially low mortgage interest rates. Imposing a ceiling on the interest rate that could be charged on mortgages would simply dry up all of the supply of mortgage funds as lenders turned to the corporate and government bond markets instead. Similarly, a return to the old regulations limiting the interest rate that banks and thrifts can pay for their funds would not only distort savings incentives but would induce an outflow of funds from which the savings banks and the S&Ls might never recover.

Alternatively, a direct government subsidy that lowered mortgage rates and thereby permitted home buyers to borrow at a lower cost of funds than businesses would mean that too much of the nation's savings would flow into housing and not enough into investment in plant and equipment.

The correct solution to the problem is to reduce the borrower's monthly repayment burden without distorting the cost of borrowed funds. Fortunately, it is possible to alleviate the heavy initial carrying cost without creating wrong incentives for savings and investment.

The real problem for the home purchaser is not the high mortgage interest rate in itself but the flat monthly payments for interest and amortization. Monthly mortgage repayment under current home financing arrangements is spread in equal dollar installments over a period of up to 30 years. But equal dollar installment may mean very different payments of real purchasing power when inflation reduces the value of a dollar very substantially over a period of two to three decades.

With the usual method of constant monthly payments, most of the real value of the loan is actually repaid in the first few years even if payments continue for 30 years. For example, at 7 percent inflation, the annual payment of $11,000 referred to earlier declines in terms of purchasing power from $11,000 in the first year to $5,600 a decade later, less than $3,000 in the 20th year and only $1,500 in the final year. If the couple's real income just keeps pace with inflation and enjoys no real growth, a constant monthly payment mortgage that took a very burdensome 25 percent of income in the first year would take a very moderate 10 percent of income 15 years later. And if the couple's income growth exceeds inflation by 2 percent a year, it would take only a decade to reduce the mortgage payments to 10 percent of income. The problem is, therefore, to avoid the heavy burden of the first few years by shifting more of the repayment to later years.

In place of the present system of fixed monthly payments, mortgage payments should increase gradually with the general rise in prices and incomes. In this way, the purchasing power value of the repayment installments could remain constant or even increase as real income grows.

The principle of gradually increasing mortgage payments could be incorporated into any of the currently available types of mortgages. A bank might, for example, issue a 30-year mortgage with a 17 percent interest rate, but, instead of a constant monthly repayment, might use a repayment schedule that starts low and then rises at 6 percent a year. Such a change would permit cutting the annual mortgage payment in the first year from $1,000 to $7,000 or, net of the benefits of tax deductibility, from $7,800 to $4,800. this reduction of nearly 40 percent in first-year payments shows how much relief could be achieved without distorting interest rates.

Permitting monthly payments to increase at an annual rate of 6 percent over the entire life of the mortgage does run the risk that they will become too high relative to income in later years if inflation falls sharply. This risk can be greatly reduced by using a mortgage in which monthly payments increase only for a limited time and then remain level. Fortunately, a 6 percent rate of increase limited to the first decade and followed by constant montly payments would still succeed in reducing the $11,000 first-year mortgage repayment to only $7,900 (with a correspondingly smaller net-of-tax amount).

In the last few years, banks and thrift institutions have introduced "variable rate" mortgages in which the interest rate is periodically adjusted up or down in response to the general movement of interest rates. A variable interest rate could easily be combined with a graduated payment schedule. Indeed, a variable rate may be necessary to induce lenders to accept the greater risk that is associated with slowing the rate at which the loan is repaid. It is unfortunate, therefore, that the government still restricts the use of variable rate mortgages. By doing so, it discourages lenders from offering the kind of graduated payment mortgages that could substantially ease the burden of home buying. The government's restrictions on the use of variable rate mortgages have been eased in recent years, and the remaining restrictions should be eliminated as quickly as possible.

It is crucial for the government to avoid the temptation to lower mortgage interest rates by an inevitably futile policy of easy money. Such an increased growth of the money supply would only add to inflation and thus ultimately raise interest rates. Let's hope that Congress and the administration have instead both the wisdom to eliminate the restrictions that are impeding change and the patience to allow the market to solve the mortgage problem.●

CHIEF FIRE MARSHAL JOHNSON TO RETIRE

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. RUSSO. Mr. Speaker, in the midst of our budget battles and foreign policy questions and the construction of tax bills, we can get caught up in a whirlwind of problems that seem endless. It is easy to forget the day-to-day substance of this country and to overlook the people that manage quite nicely in maintaining our values and forming a strong and durable fabric that holds together in the roughest times.

So much of our greatness as a land is due to countless dedicated people who are quietly going about the business of leading their lives and working in the service of others. Occasionally we need to stop and be grateful, and to say "thank you."

Such a citizen from my district is retiring this month after 25 years of service for the city of Harvey. Chief Fire Marshal Robert Johnson is an outstanding example of the dedicated public servant and thanks to his efforts, he is leaving behind one of the finest fire departments in the south suburbs.

Many people will be gathering to honor Chief Johnson on November 29 and it is a tribute well deserved. Through the years he already has received various awards and certificates of commendation from several community organizations for his commitment to the community. He has, to cite one example, been actively involved in the Optimists organization, both on the local and the State level, where he became State Lieutenant Governor in 1978.

And in maintaining his own high degree of professionalism in his work, he has concentrated on training for himself and on improving the unit. He received a technical certificate in fire science from Prairie State College—one of the first such certificates awarded not only to a member of the Harvey Fire Department but one of the first awarded by Prairie State. He received certification as a fire prevention officer from the State fire marshal's office. He was one of the first people to complete the 240-hour course for this certification and there are currently less than 200 certified fire prevention officers in the entire State.

For 4 years, Chief Johnson served on the inspectors ad hoc committee of the State fire marshal's office. In 1977 he was instrumental in the passage of State legislation allowing the Harvey Fire Department Arson Investigation Unit to act as peace officers in the State of Illinois—the first such unit to have such powers and now many communities in Illinois are using the Harvey Unit as a model to establish their own similar units.

He has received the Illinois Fire Inspectors Association award as outstanding fire investigator in recognition of his involvement in the development of the Harvey Arson Investigation Unit and his contributions to the field or arson investigation throughout the State. For the last 4 years he has served on the South Cook County Emergency Medical System board of directors.

Chief Johnson is a man who cares, who brings his best to his work and who has an impact. Such men are the backbone of our country. He has given much and he deserves the best in his retirement in Florida. I know my colleagues join with me in thanking him for a job well done.●

ITALIAN EARTHQUAKE RELIEF WORK PROGRESSING

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. BIAGGI. Mr. Speaker, on November 23, 1980, Italy was ravaged by a massive earthquake which left more than 3,000 persons dead and another 300,000 homeless. In response to this enormous tragedy, the United States, under the terms of legislation which I cosponsored, provided $50 million in relief and rehabilitation aid to the Provinces of Salerno, Naples, Potenza, and Avellino. Approximately $5 million was spent on relief while almost $40 million has been committed for the construction of some 12 schools.

I traveled to Italy last December to meet with the Italian Government officials who would be involved in the rehabilitation effort. In addition to the aid provided by Congress, thousands more dollars in donations have been raised by various private organizations thus demonstrating this Nation's generosity to those less fortunate.

I wish to share with my colleagues an article which appeared in the October 29 edition of Il Progresso outlining the progress which has been made in the all-important effort of providing housing for those who were left homeless by the earthquake. The news is indeed encouraging and I commend the work of Director Zamberletti.

DIRECTOR PRAISES GOVERNMENT'S WORK IN EARTHQUAKE ZONE—70 PERCENT OF 23,000 HOMES BUILT

(By Marc Ferranti)

ROME.—The Italian government has done a good job of getting people out of huts and into houses in the area devastated by the Nov. 23, 1980 earthquake, according to Giuseppe Zamberletti, director of the earthquake recovery operations.

Zamberletti is responsibile for supervising reconstruction projects in the area the giant 1980 earthquake hit hardest—the rugged stretch of land that runs from Naples through the region of Campania down to Basilicata.

Zamberletti was interviewed by journalists as he presented a consignment of prefabricated houses to the towns of Serino and Montorio, a few kilometers away from Avellino, south of Naples.

"The state has done its duty," Zamberletti said, "No other part of the world has ever experienced so vast a project undertaken in so short a time, in an area ten times bigger than Friuli (a northern Italian region hit by an earthquake several years ago). The challenge that the earthquake presented society with has met a precise response."

The Italian state has already committed two trillion lire, about $1.8 billion, to reconstruction projects in the south. Zamberletti reports that 70 to 80 percent of this money has already been spent. And what has been done with the money?

According to a census taken by the Extraordinary Commission for Campania and Basilicata, 1,200 construction units have been set up in the earthquake zone. About 25,000 workers took part in the reconstruction efforts. In addition, the census indicates that 70 percent of the 23,000 prefabricated houses destined for homeless people are now ready.

The plan to reconstruct the earthquake-stricken south has four main objectives:

The construction of 13,000 prefabricated houses in 35 towns situated in the center of the earthquake area. These houses will be tested to assure they will last for at least ten years.

Construction of another 10,000 houses of the same type to be placed in 85 towns outside the epicenter of the earthquake. Two thousand special services buildings will also be built in this area.

The transferral of 12,000 mono-block houses, or "containers," to the earthquake area (including Naples).

Repairs on houses not seriously damaged by the earthquake.

"The tent cities are gone and in a few weeks we will eliminate the campers as well," say Zamberletti. "The south can be proud of this reconstruction."●

COMMENDING KAWASAKI HEAVY INDUSTRIES, LTD.

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. BEREUTER. Mr. Speaker, some months ago I included in these proceedings a commendation of the Kawasaki Heavy Industries, Ltd., plant in Lincoln, Nebr. That plant, under American management and with an American labor force, had achieved quality and productivity ratings that equaled or exceed those of its Japanese counterparts.

Once again the management of Lincoln Kawasaki plant has won acclamation, this time for its innovative and public-minded approach to a temporary need for reduction in its work force. The actions of the management of this mid-American plant are evidence that a government-private sector partnership is indeed possible and I hereby, call their experience to the attenton of my colleagues.

[From the Lincoln, Neb., Star, Oct. 22, 1981]

KAWASAKI WORKERS SHIFT JOBS

(By Mike Butler)

Eleven new employees will be working on special renovation projects for the city of Lincoln starting Monday, but they'll be on Kawasaki Motors Corp's payroll not the city's.

Kawasaki's personnel director Bob Summers, at a news conference with Mayor Helen Boosalis Wednesday, said there's no need for those 11 employees—possibly more—because of a slack production period.

Summers declined to say at just how far short of production capacity Kawasaki is operating, but he did say the good times aren't exactly rolling along.

When that has happened in the past, Summers explained, Kawasaki has shifted its production people into maintenance and other plant departments to keep them on the payroll

"The selfish aspect," he said, "is we get our employees back when we need them, and we have retained the skills in case of an immediate start-up."

If the 11 employees who will be picked to work for the city were to go on unemployment instead, Summers said, the most the company would have to pay out in compensation benefits would be $106 a week. Some of the selected city crew will continue to earn salaries as high as $280 a week.

"This is positive," Summers said, "whereas unemployment is a negative drain." He said it was unclear at this time whether the company might get a federal tax break from the program.

The program has attracted another eye of the federal government, however.

In a telegram to Kawasaki President Kichiro Ando, made available to reporters Wednesday, President Reagan commended the company for developing such a program. Reagan said: "Kawasaki's commitment to maintain a constant level of employment, thereby eliminating layoffs, reinforces the company's commitment to the community. This alliance is precisely what I'm encouraging throughout the country."

Reagan reiterated those sentiments in a separate telegram to Mayor Roosalis.

The mayor said she thought the project reaffirms "the public-private partnership that has existed in this community for years."

She emphasized that the Kawasaki employees will be doing special projects for the city and that no civil employees' jobs will be taken. Although the Kawasaki employees will choose projects they'd like to tackle from a list, possible examples were restoring the old City Hall, installing motorcycle trails, helping maintain city parks and renovating the pump house at Holmes Lake.

How long they'll work for the city depends on business, according to Summers, who said it could be several months.

Kawasaki's plant at 6600 N.W. 27th St. is the corporation's American headquarters. The U.S.A. division employs nearly 600 persons and produces more than 60,000 motorcycles yearly.

[From the Lincoln, Nebr., Journal, Oct. 23, 1981]

KAWASAKI, CITY PARTNERSHIP MAY BE NATIONAL PACE SETTER

Congratulations are being passed around like popcorn at the flicks, and why not?

Kawasaki Motor Corp. fully deserves the credit it is receiving for taking innovative steps to prevent or mitigate work force layoffs caused by changing economic conditions.

It was the executive management of Lincolns Kawasaki plant which initiated the idea of keeping 11 assembly-line people on the company payroll, but allowing them to work on City of Lincoln projects instead of at the 200,000 square foot factory complex north of Lincoln, where there just are not enough industrial jobs at the moment.

That action at once helps the workers, obviously assists the municipal government and is beneficial for Kawasaki in at least two ways—a reserve pool of skilled blue-collar workers is instantly available, and costs involved in training future new employees need not be spent.

Eleven people are not all that many, and at some point, Kawasaki may be compelled by circumstances to look at balance sheets. But this creative solution to a painful problem is welcomed for its precedential value.

It's also one which already has attracted much national interest. Anyway, that surely was one swell, uplifting telegram of congratulations sent by President Reagan to the parties concerned.

[From the Omaha World Herald, Oct. 30, 1981]

KAWASAKI PLAN DRAWS PRAISE

The Kawasaki Motor Corp. and the city of Lincoln have come up with an unusual answer to an employment problem caused by falling snowmobile sales.

Kawasaki, which also makes motorcycles and jet skis in Lincoln, had more employees than it needed when snowmobile production was cut back.

But rather than firing, the company loaned 10 of them to the city government. Kawasaki, the subsidiary of a Japanese firm, will continue paying their salaries. The city has given Kawasaki a list of projects to work on and Kawasaki is assigning its workers to them.

A Kawasaki spokesman said this will insure that its workers will be available when production goes up again. It will be cheaper to have experienced workers ready rather than having to train new employees, he said.

The innovative plan has drawn national attention. The New York Times carried a story and picture in its business section last week. President Reagan said of the plan that such cooperation between the public and private sectors "is precisely the kind of effort I am attempting to encourage throughout the country."●

NEW CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 36 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans.

Sheng Mei Lee, Severino Portuges, Subramanyasastry Ramamurthy, Yoon Bae, Gustayo Castro, Chenarong Suphavejkornukij, Saardchitt Suphavejkornkij, Young Hee Park, Chang Yeol Park, Rupert Terrelonge, Elaine Terrelonge, Rakesh Chandra, Sun Chang, Myung Shin, Teck Shin, Ali Ehteshami, Carlo Alinsod, Chae Song, Byong Song, Adelmo Marana, John and Diane Griggs in behalf of their daughter Christa, Efthalia Karagiorgos, Szu Shan Lee, Anna Ferrara, Erika Focht, Victor A. Khouzami, Marie-Louise Khouzami, Kon Chaing Lai, Margaret Taggart, Sushila Patel, Chimanlal Patel, Liba Rifkind, Hyo Chong, Ding Thornton, Seyed Majedi, and Fateme Namini.●

CONTRIBUTION OF ROBERT KLEIN TO BLACK PROGRESS AND RACIAL HARMONY

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. GRAY. Mr. Speaker, at this point in our history when various forms of racial bigotry and misunderstandings regularly come to our attention, I believe it is appropriate to recognize the positive contributions of one man to the cause of racial progress, peace, and prosperity in the city of Philadelphia. The contributions of this man, Robert Allen Klein, have taken many forms. Over the course of more than 30 years, Bob Klein has demonstrated, by deed as well as word, a continuing concern for the needs, and the well-being of others.

After his service during World War II, Mr. Klein earned two university degrees. Thereafter, he commenced what would become an extended career of service with radio stations WDAS and WDAS-FM in Philadelphia.

Bob Klein was named general manager of the stations in 1951. In that position, Bob immediately recognized that the growing black population of Philadelphia was virtually unserved by the existing media. From that point forward, he devoted his energies and the resources of WDAS to the service of the community.

Mr. Speaker, it is most important to recognize that this service was not merely in meeting black entertainment needs. WDAS, with Mr. Klein at the helm, consistently broke new ground in naming blacks to executive offices previously unopen to them. In addition to on-the-job training and the upward mobility afforded black employees at the station, Bob Klein directed the station from the outset to be an active member and participant of the black community. Mr. Klein, together with staff members of WDAS, particularly George Woods, sought to go beyond the constraints of entertainment by black performers for the black community. A substantial number of such events were on a nonprofit basis and devoted to charitable causes. Indeed, to help facilitate charitable service to the many diverse needs brought to the attention of WDAS, "WDAS Charities" was created under Bob Klein's direction. This arm of WDAS ultimately raised and disposed of thousands of dollars to local charitable causes.

During the more than quarter century in which WDAS was directed by Bob Klein, the stations were the ombudsmen for black needs and concerns in Philadelphia. Under Mr. Klein's sensitive and responsive direction, the stations served as a rallying point in good time, and as a focal point during the civil rights struggles of the fifties, sixties, and seventies.

During these years, WDAS won many local and national awards for excellence in editorial accomplishment, news coverage, and community service. These included Jim Klash's performance as editorial director of WDAS, highlighted by his nationally recognized and award-winning antidrug campaign in 1972 to "Bust-a-Pusher"; or the time that the resources of stations WDAS and WDAS-FM were concentrated upon the restoration of order while Georgie Woods and other staff members went into the streets to calm the anguish at Martin Luther King's assassination.

WDAS charities sent black children to camp, provided money for food, rent, and clothing to needy families, helped support deprived children, and contributed to the financial support of hundreds of black civic, civil rights, and charitable organizations. No matter what the event, if it involved the community, Bob Klein and WDAS became involved when they were needed most.

To be sure, Mr. Speaker, the success of the efforts of Mr. Klein and others at WDAS were reflected in polls and surveys at that time which consistently placed WDAS far above any competitors. But the activities of the stations during this period of time went well beyond the basic responsibilities normally expected from radio stations.

In the course of the almost 30 years during which Mr. Klein directed WDAS, this country suffered some severe spasms of growing up. Nevertheless, in the midst of riots, assassinations, and a growing militancy in both the black and white communities, there was never any hesitancy on the part of Bob Klein or WDAS to remain involved. The stations could be counted on to do what seemed right and just, and to do them in a sensitive and responsible manner.

In late 1979, Mr. Speaker, stations WDAS and WDAS-FM were sold and transferred to new ownership. However, Bob Klein left in WDAS a strong and permanent institution. He left behind a legacy founded upon service, decency, and a humane resolution of those problems which always beset a complex society.●

SUPPORT BUDGET CUTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. HUBBARD. Mr. Speaker, in reference to the latest round of budget cuts suggested by the Reagan administration, Mr. and Mrs. Steven R. Burgi, of 403 Colonial Terrace, Hopkinsville, Ky., a city that I represent, have written me in support of the proposed cuts. As a family of eight living on a single salary, the Burgis could qualify for various types of Government assistance. However, they have declined that assistance and would rather be helping others. I feel their letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR CONGRESSMAN HUBBARD: I pray every day for President Reagan and those who are trying to lead this country according to the will of God and in honorable and upright paths.

We are a family of eight trying to live on one salary—a self-employed contractor doing small jobs and remodeling. We both have college degrees and are certified teachers. We feel the home is the most influential learning place on earth and so mom tries to stay here and teach.

It is very difficult. There have been times when my husband could have drawn unemployment but we chose not to. We qualify each year for free lunches for our children at school, but we choose not to take advantage of others when we can do without and get by. We would rather be helping others.

Knowing all this, perhaps it will make our support of President Reagan's budget cuts more meaningful. A man is nothing without honor. He is thinking of integrity, the future, self-respect, and honesty. It is hard to pull uphill—easy to continue to slide down. Please support our President in all his efforts to heal our economy.

Sincerely,

DARLENE AND STEVE BURGI.●

TURNING SILVER INTO GOLD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. McDONALD. Mr. Speaker, although many of us have long advocated a return to the gold standard for America, it has only been in the last year or two that the popular press and the serious magazines have seen fit to even discuss the subject. For years, influential people in our Department of Treasury have responded in very condescending tones to anyone who dared inquire about the subject. Therefore, I was pleased to see Leaders magazine, October-December issue, print comments on the gold standard by Louis Lehrman. It is my strong view that a return to the gold standard is a necessary step to real economic health for the United States. Louis Lehrman outlines how this can be done. The article follows:

TURNING SILVER INTO GOLD

(By Louis Lehrman)

President Reagan was elected to end inflation and restore economic growth. His administration moves in that direction; slowing the growth of Federal spending, cutting taxes and eliminating costly government regulations. But the President's program is still missing a critical fourth wheel—a comprehensive financial and monetary policy based on a balanced budget and a gold-backed currency.

Without such a policy, interest rates will come down slowly from twenty percent. Reagan advisers might, however, force a recession and unemployment in order to bring down interest rates more quickly. No sound and compassionate person can desire such a dismal prospect.

On the other hand, a gold-standard policy is the clear implication of the 1980 Republican National Platform which stated: "Ultimately, inflation is a decline in the value of the dollar, the monetary standard, in terms of the goods it can buy. One of the most urgent tasks in the period ahead will be the restoration of a dependable monetary standard—that is, an end of inflation." a Commission to examine the gold standard was authorized in 1980 by Congress. Its task is to examine an institution which is ridiculed by most academic economists and almost all politicians. Their skepticism is quite natural because the gold standard would end the political and bureaucratic manipulation of money. The gold standard would return the control of money to the people and to the marketplace. In free markets, free people should decide between a gold or paper dollar—not the authorities! Free people must in the future determine what is a trustworthy and acceptable dollar. Given a true choice, people will once again choose a gold dollar as the stable standard for their money, just as they will choose a balanced budget at the current level of tax receipts as the basis of any authentic program for financial order.

A true gold standard and a balanced budget will promptly pave the way to four percent interest rates. There is no other way.

There is a compelling case for a gold dollar: gold is found in limited quantities; its production is not susceptible to economies of scale or quick increases in supply; and its marginal cost of production has historically been above or close to its average cost. In other words, the gold standard naturally provides the sort of brake on monetary growth that monetarists seek to achieve through open market interventions of the Federal Reserve System.

Gold also exhibits best another unique characteristic of money; it is an excellent standard, a measuring rod, of economic value. Gold takes a relatively constant rate of application of capital and human labor to produce a constant quantity of gold. Like the yardstick for length, gold is a metering device which gauges the relative productivity, over time, of capital and labor. For this reason, gold money is the best economic measuring rod of the value of other products desired in the market, all of which require capital and labor to be produced. Over the long run, the value of gold is more constant than that of any single commodity or product which could be used as a monetary standard. Stable gold money encourages people to save. The security and plenitude of savings enhances the ability of industry to plan long-range growth.

The only program for enduring financial order must include the gold standard and a balanced budget. Together they establish a stable legal framework, a monetary constitution, within which the central bankers and the prime ministers and presidents must work. Under such a program deficits cannot be financed by printing currency, or by creating false new credit at the bank. Free people would exchange undesired paper or credit money for gold. But under a gold standard, authorities must maintain the convertibility of the currency to which they are pledged by law or the constitution. Hence a balanced budget and equilibrium in the balance of payments follow from the decision to adopt the gold standard. As a result we could also count on permanent low, long-term interest rates.

A STRAIGHTFORWARD TECHNIQUE

The technique President Reagan must use to return to the Gold Standard is straightforward:

First, he would announce that within two years he would propose to Congress a statute which would establish a gold dollar. In fact there would be no price of gold. Properly speaking, the dollar would be redefined in law as a weight of gold. The price, or weight, would be determined largely by market conditions preceding the date of resumption. Two years from the date of announcement, the value of gold in paper dollars would reflect the supply and demand for gold, relative to supply and demand conditions for all other goods. But because the President's announcement and steady Fed policy, the price of gold would be substantially devoid of the inflationary or deflationary expectations that are now included in the fluctuating paper price of gold. All market participants would realize that, with the resumption of convertibility, the fluctuation in the value of paper dollars, and therefore of gold prices expressed in paper dollars, would end. The speculation in currencies in general, and gold in particular, would lose its rationale. One of the virtues of the gold standard is that it suppresses unproductive speculation in currencies and sends the speculators back to producing real goods and services for the market.

During the transition period, in addition to establishing an unequivocal trend toward a balanced budget, at the current level of tax receipts, the credit policy of the Federal Reserve System would have to be cautious and steady. It could not be volatile nor could it be expansionist. The total value of Federal Reserve Bank credit (or the monetary base which is its counterpart) would have to grow slowly at a predictable pace. The Federal Reserve from 1913-1971 operated unhappily under the constraint of the gold standard; it must be required to do so in the future.

An International Monetary Conference would be convoked one year after the President's announcement to plan for the establishment of a true international gold standard. The President would announce that a stable dollar and a stable international monetary system are the enduring bases upon which the policy of economic growth and low interest rates will be established in America and throughout the world.●

FAUNSDALE, ALA., COUNCILMAN RETIRES

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. SHELBY. Mr. Speaker, I would like to recognize Mr. Mims Walker McKee, who has just recently retired after serving on the Faunsdale City Council for 51 years. I believe that congratulations are certainly in order for this loyal public servant and his outstanding record.

Mr. McKee, now 81 years old, is a 1923 graduate of the University of Alabama with a major in French. He was born at the family home known as Cedargrove which was built in 1840. He has been surrounded in the political arena all his life, for his grandfather Mims Walker was a State senator.

During his 51 years of public service, McKee saw and implemented many changes in Faunsdale and Marengo County. His life has been devoted to helping others. He served the county over 30 years as president of the Marengo County Board of Education.

He is now board member emeritus of the Production Credit Association after serving for 16 years. He was also chairman of the board of Watkins Banking Co. for many years and was on the board of Central Bank of Uniontown for several years until he resigned this position.

McKee is an elder in the Faunsdale Presbyterian Church as his father was before him, and his son George is now. Both father and son are partners in the dairy farming business known as M. W. McKee & Son.

He is married to the former Elizabeth Christian of Northport. The couple has one son, George, and four grandchildren, George, Jr., Robert, Elizabeth, and Garland.

Not many people achieve the measure of admiration and respect that Mims Walker McKee has enjoyed. He earned this because he has always truly cared about the people he served and about the welfare of his community. His 51 years of council membership is an outstanding accomplishment in today's standards.

Mr. Speaker, it is indeed an honor for me to share this wonderful story with my colleagues in the House of Representatives. "Times have changed in my 51 years in public office," McKee said. "Now it is time for me to vacation."●

CIVIL SERVANTS: WAR AND PEACE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mrs. SCHROEDER. Mr. Speaker, we must keep former Attorney General John Mitchell's warning to "watch what we do, not what we say" in mind when we view the Reagan administration. While administration officials say they have respect and admiration for the career civil service, their actions belie this claim. Office of Personnel Management Director Donald Devine's frontal assault on the Federal employee health benefit program is merely one example of the Reagan administration's effort to reduce the benefits, responsibilities, and stature of Federal workers.

Murray Comarow, the distinguished seer of public administration, has captured the tension between what the administration says and what the administration does in regard to civil servants in a recent Washington Post article. I ask that it be printed in the RECORD at this point.

[From the Washington Post, Oct. 31, 1981]

CIVIL SERVANTS: WAR AND PEACE

(By Murray Comarow)

At 1 p.m. on Sept. 25, 1981, Edwin Meese III, considered second only to the president in authority, began a speech to a group of senior bureaucrats at a Marriott Hotel in Virginia. Meese said, "I can't think of any more important group in government except possibly the Cabinet * * * I have a real appreciation, as does the president, of the value of this group."

At 9 that evening, in his fifth major television address, President Reagan gibed that some programs benefited "those who administer them rather than those who were the intended beneficiaries," and told a funny story, with bureaucrats the butt of the joke.

Reagan has fulminated against "the advocates of a different philosophy [who] are manning the barricades in those puzzle palaces on the Potomac." He has described "one of the most remote, protected areas of our country: the federal bureaucracy in Washington."

In light of the president's relentless public attack on career civil servants, what are we to make of Meese's words of praise and comfort?

The president and his sheer chutzpah aside, the explanation may be found in an ambivalence about bureaucrats within the minds of our recently elected leaders. Reagan's dominant image is that of bureaucrats who have their own agendas; who are allied with congressional staff and client groups to sabotage political initiatives; who are not that bright or creative (or they'd be out making money, right?); and who are, above all, survival specialists.

The opposite picture of career executives as competent and indispensable is being slowly absorbed by some of the Reagan team as they learn their jobs, gain respect for their staffs and relay their discoveries up the line.

The dominant image—government people as disloyal and incompetent—is the product of ritual-level thinking (e.g., "politicians are crooks," or "Mexicans are lazy") buttressed by undeniable anecdotal evidence. Of course there are government executives who are less than competent. Of course some have conspired with committee staffs and special interests to resist budget cuts. When bureaucrats exceed the bounds of propriety, they should be disciplined or dismissed.

In truth, however, such excesses are infrequent. Bureaucrats want to be trusted; they want their experience to count; they want to be part of the action. When they are appreciated, they are overwhelmingly loyal and effective. Shutting them out, much less maligning them, produces the very mind-set that Reagan and Co. predicted coming in-a classic case of self-fulfilling prophecy.

But what kind of a voice should senior civil servants have? They were not, after all, elected by the 26 percent of the American voters who gave the president his mandate for change. The issue is distorted by Donald Devine, head of the Office of Personnel Management, who says things such as "the task of the civil service is to administer and manage, not to determine policy." He cites with reverence Max Weber, a German sociologist, who half a century ago tended to see employees as interchangeable parts. Public administration today has moved as far from Weber as psychiatry has moved from early Freud, a development that may have escaped Devine, whose own management experience is not readily apparent.

Still, Devine is right: civil servants should not determine policy. Nor do they believe they should, with a scattering of dissidents at the margins. They do believe, however, that their experience should be placed at the disposal of elected and appointed policy makers, and seriously considered. That done, the vast majority will earnestly try to carry out whatever plan is decided upon.

Devine does not just talk. He acts out his limited and unfortunate view of the role of career people. First, he has surrounded himself with a cadre of personal loyalists, a sure sign of insecurity and distrust of career staff, leading to insulation from differing views. And meetings with his senior staff tend to be for the purpose of giving him information, not opinions or alternatives. The staff is generally dismissed without being informed of Devine's reaction or decisions.

Many of Reagan's Cabinet officers have learned that their career staffers are first rate. Among those appreciating the value of senior careerists are the likes of Attorney General William French Smith, Secretary of the Treasury Donald Regan and Interior Secretary James Watt. (Watt? Yes, Watt.)

The combined effects of the Reagan-Devine treatment and the pay cap may be devastating. Many of the best people are leaving. Treasury reported to Congress that it is at a "severe disadvantage in recruiting from business." Interior said it is hard to attract executives; fewer excellent people want in; early retirements are up. At NASA, turnover of senior people in 1979 was 6 percent; it now runs about 20 percent. Less experienced people are monitoring contracts running to billions of dollars and are supervising programs affecting millions of citizens. On the other side of the table are the sharpest minds in industry. Can we really expect inexperienced people to safeguard the public interest?

Or do you suppose that appointed people like Devine can do the job with the half-hearted support of the men and women who have been scorned, excoriated and—the ultimate putdown—patronized by men like Meese who must believe that civil servants can neither read, hear nor remember.●

THANK YOU, SAUDI ARABIA

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. McGRATH. Mr. Speaker, the recent approval of the AWACS/F-15 enchancement sale to Saudi Arabia is the portent of a major shift in the balance of power and U.S. interests in the Middle East. Saudi Arabia now appears to be the "linchpin" of U.S. policy in the Mideast, and Secretary of State Haig has, unfortunately, "welcomed"—presumably for the mere fact of its presentation—a proposed Saudi peace solution which falls outside the parameters of the Camp David accords.

To date, all that has happened since the approval of AWACS has been an increase in Saudi oil prices coupled with a reduction in production, and increased attention to a Yasir Arafat-endorsed solution to the Mideast problem which is unacceptable. To this, I say "Thank you, Saudi Arabia. For nothing."

I insert at this point a thoughtful article by columnist William Safire.

[From the New York Times, Nov. 1, 1981]

ISRAEL AFTER AWACS

(By William Safire)

WASHINGTON.—Exactly one day after its triumph in the U.S. Senate, Saudi Arabia raised the price of its oil by $2 a barrel and delighted the Libyans by curtailing production to keep world oil prices up. The U.S. motorist suddenly discovered who would be paying for the missiles, bomb racks and AWACS in the greatest arms sale in history.

Israel, which had given up its Sinai oilfields six years ago in return for a written pledge from the United States not to deal with the P.L.O., now finds itself pressed three ways:

1. The Future Military Threat. Despite verbal assurances from Mr. Reagan and his aides that Israel would maintain its necessary "qualitative and quantitative edge," the fact is that the edge is being lost.

Arab states are not only being massively armed by the United States, but will also buy from France and England; Libya is sending Soviet-made weapons to the P.L.O., and Saudi Arabia is reportedly financing Syrian purchase of Soviet arms. Israel cannot afford to match that combined buildup; even if it could, our only reliable Mideast ally would have to turn its West Bank into a huge tank-and-plane parking lot.

2. The Psychological Pressure. Suppressed during the AWACS debate was the Syrian victory in keeping its missiles in Lebanon, helping make permanent its creeping annexation of Israel's northern neighbor. America's Habib mission, which promised Israel the restoration of the status quo ante, has been a failure. We treat our restraining of the Israelis as a great accomplishment, but the Arabs under the protection of a cease-fire know that they have inflicted a defeat on the Christians and Jews. The Is-

raelis know that the Syrian missile triumph encourages radical Arabs.

3. The Reagan Diplomatic Shift. Most dangerous of all is the apparent decision to make Saudi Arabia, rather than Egypt, America's Arab linchpin. America's silent acquiescence in the Saudi price hike and production cut is one signal. Another is the new respect being shown by Reagan aides to Prince Fahd's plan, embraced by Yasir Arafat, to establish a P.L.O. state on the West Bank, divide Jerusalem, give up the Golan and otherwise ensure the destruction of Israel.

By "welcoming" the Fahd-Arafat proposals, Secretary Haig torpedoes the Camp David process. Why should any Palestinian Arab accept any autonomy deal worked out by Egypt and Israel if the Americans are hinting at a much better deal available through the Saudis, who revile Camp David? The Reagan Saudis-first, Egyptians-second approach does not induce any Arab to follow Egypt's lead toward peace with Israel; on the contrary, the strange new policy rewards the rejectionists and forces Israel to rethink its riskiest commitments.

In light of these new dangers, and after Mr. Reagan's unforgettably malign news conference admonition not to seek to make U.S. policy, what should Israel do?

First, it should resist its natural inclination to react to the Syrian challenge in Lebanon for at least the next few weeks, or until Mr. Habib can test Saudi willingness to end its support of the Syrian takeover of that country. Israel should let the world know that frustration of the Habib mission by Syria is intolerable; the cease-fire is not a substitute for a solution.

Next, it should explore the degree of substance in the promises of strategic cooperation with the United States. Will the Americans position U.S. tanks and planes in Israel, or warehouses of Band-Aids? Is that talked-about squadron of F-15's for Israel, to equal the Saudi purchase, real or imagined? Is the cooperation between United States and Israeli armed forces to be substantive or cosmetic?

Finally, Israel should await clarification of Reagan's Middle East policy before making any further preparations to return the final quarter of the Sinai to Egypt. If Mr. Reagan's Saudi-first beguilement continues to downgrade the Camp David Accords, Israel would be foolish to hand over the last vestiges of its territorial security. Our State Department is aware that the Israeli Ambassador, dismayed at Saudi ascendency at the expense of Camp David participants, is returning to Jerusalem this weekend to make such a wait-and-see recommendation to his Prime Minister.

Now that Mr. Reagan has expended so much political capital demonstrating his friendship to the Saudis, what should the President do?

Before fear of U.S. irresolution freezes positions, he should unequivocally assert the primacy of Camp David as the only track to Arab-Israeli peace. He should immediately appoint Sol Linowitz to be our representative at the autonomy talks. He should take up former Prime Minister Rabin's suggestion of Camp David II—a Reagan-Begin-Mubarak summit joined by Jordan's King Hussein.

The Saudis, if they felt so inclined, could produce King Hussein. The Saudis could renew financial support of Egypt—which has been suspended since Sadat's trip to Jerusalem—and direct a few U.S. motorists' dollars to Palestinians willing to experiment with autonomy. If our delighted Saudi friends cannot or will not—then what was Ronald Reagan's glorious Awacs victory all about?

CONGRATULATIONS TO VICTORY OUTREACH

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. ROYBAL. Mr. Speaker, I would like to take a few moments to congratulate Victory Outreach of Los Angeles on its 14th anniversary on November 9.

Victory Outreach is an enormously successful drug rehabilitation and prevention program. Both nonprofit and nonsectarian, the program was established 14 years ago by Sonny Arguinzoni to serve the greater Los Angeles area. From that simple beginning, Victory Outreach has now established 37 sites thoughout California, Texas, and New Mexico. It has been credited with helping over 3,000 individual drug addicts.

The focus of Victory Outreach has expanded along with the area it serves. In addition to its drug rehabilitation program, the organization has also been successful in reaching and changing the lifestyle of hardcore and violent gang members. An extensive prison ministry program has also been established, in which thousands of inmates are contacted, both personally and through correspondence, each month at county and State facilities.

This organization reaches out to the community through both literature and its weekly television program, "Treasures Out of Darkness." This program is aired nationwide, and deals with such social problems as crime, suicide, gang warfare, drug addiction, alcoholism, and child abuse. People who have actually experienced these problems and have dealt successfully with them are featured.

Throughout all its many services and programs, Victory Outreach maintains a spiritual approach to help people find a new way of life. The program encourages church attendence and family participation in the program's activities during the process of rehabilitation and resocialization, and constantly encourages those who seek help to help themselves through their own inner strength and resources. For example, drug addicts who are going through the painful detoxification period are not given substitute drugs such as methadone, but instead overcoming their addiction through spiritual strength.

The entire Victory Outreach organization is totally committed to bringing a message of hope to persons in our community who are mired in drug addiction, alcohol abuse, gang activity, or just plain loneliness. Victory Outreach is providing a positive solution to some of our most vexing social problems, and I am sure you will all join me in congratulating this fine organization and expressing best wishes for many more years to come.●

THE AMERICAN SOCIETY FOR METALS AND THE NATIONAL BUREAU OF STANDARDS START VALUABLE ALLOY INFORMATION PROGRAM

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. RITTER. Mr. Speaker, I would like to enter into the RECORD a news release from the American Society for Metals regarding an important program that they have entered into along with the National Bureau of Standards. This program is an information management scheme that will provide metal alloy facts worldwide. As a former practicing metallurgist, I can vouch for the value of this type of information. It should save design engineers many hours of duplicative work and result in better, safer designs that will cost less.

The text of the news release follows:

At a time when Federal budget cuts are reducing or totally phasing out many social and scientific programs, one of the largest American technical societies and the U.S. Government are teaming up on a new and, for the most part, privately funded program to fill in an important gap in modern technology.

American Society for Metals of suburban Cleveland, Ohio, and the National Bureau of Standards, Gaithersburg, Maryland, long the keeper of the nation's exacting technical and scientific standards, jointly announce today the beginning of a new worldwide program to gather, computer-store and disseminate alloy phase diagrams, along with all technical data relating to the generation of phase diagrams.

Alloy phase diagrams have been described as "recipes", "road maps" or "blueprints" to the combination of two or more metals in various relationships and conditions.

Metallurgists describe them as the graphic displays of the thermodynamic relationships of two or more metals at different temperatures or pressures. They are used by engineers as guides in the selection, use, and processing of materials. As one scientist puts it, the utility of alloy phase diagrams for a metallurgist parallels that of Gray's Anatomy for a surgeon.

Phase diagrams are more than 100 years old. The first systematic compilation of diagrams dates back to 1936, the pioneering work of Dr. Max Hansen. Other important contributions were made by Elliot and Shunk in the 50s and 60s. These efforts were not continuous, however, and the ASM/NBS program is the first major international effort to compile this important information and the first computerizations of the graphic diagrams and accompanying data.

Edward L. Langer, Deputy Managing Director of the Society and prime mover of the project says, "This is a most important scientific and technological undertaking and represents a major breakthrough in developing information of incalculable value to industry and research." Dr. John D. Hoffman, Director of the National Measurement Laboratory of the National Bureau of Standards said, "This joint effort fits in beautifully with the business that the Bureau is in, namely, that of providing the industrial and scientific community with standards, methods, and data. We know the program to be timely and needed and consider it to be well worth the effort of all concerned."

Data developed in the program will be valuable in countering product failures resulting from designs based upon unreliable data, unnecessary over design of alloys and metal products, and misdirected or needlessly duplicated research, Langer said.

Following the 1975 discussions of a blue ribbon scientific Ad Hoc Committee at the National Academy of Sciences on the problem of alloy phase diagram information, M.I.T. Professor John F. Elliott commented, "the business of compilation of data on (alloy) phase diagrams . . . is in a state of disarray."

So it became increasingly obvious, officials of both organizations explain, that some agency should do something about gathering and critically evaluating existing alloy phase diagrams, motivating additional research activities, and developing the mechanisms to disseminate quickly this vital information.

In 1978, American Society for Metals joined forces with the National Bureau of Standards, a branch of the Commerce Department in a pilot program to begin collecting and storing alloy phase diagrams.

It was a logical link-up for both organizations. American Society for Metals, founded in 1913, already had computerized the world's largest bibliographic data base of technical papers and other printed material covering the entire field of metals.

As keeper of the scientific weights and measures and technical standards for the nation since 1901, the National Bureau of Standards had established an alloy data center in 1966 and pioneered in the development of technology for computer-drawn phase diagrams and their data bank storage for speedy access.

"The techniques developed during the pilot operation of the program have proved to be very successful", Langer said, "and we are now ready to move into a fully-operational mode."

Coincidentally with the announcement of the full-scale program, Langer also announced the initiation of a $4,000,000 funding effort, led by Mr. William D. Manly, Senior Vice President of the Cabot Corporation, to support the program through the next four years, at which time the program will become self-sustaining. He said the funding program is well on the way toward reaching its goal due to the pre-campaign support committed by a number of U.S. companies and organizations.

To date, pre-campaign support nearing the $1,000,000 level has been pledged by the Cabot Corporation Foundation, Inco Limited, Battelle Memorial Institute, Carpenter Technology Corporation, and National Forge Company.

Support is so widespread for this project, metallurgists explain, because the experimental determination of alloy phase diagrams is very time consuming. The diagrams produced are usually very complicated and sometimes not totally reliable.

One major U.S. metal producer estimates it spends several million dollars of technical staff time each year simply researching the existing literature for alloy phase diagrams to use in its research and production. The cost is so high because only trained metallurgists can do the searching and because there is, as yet, no centralized file of the diagrams.

"The lack of current, critically-evaluated phase diagrams costs the U.S. economy alone many millions of dollars annually. These costs are diffused throughout industry, and in many cases are not readily discernible," Langer added. "It is estimated that the data emanating from this program will save industry 5,000 times the cost of providing this data through the phase diagram program."

These diagrams are essential elements to the many applications of materials science that include: finding substitutes and recycling scarce metals; devising smelting and refining processes to make the most efficient use of metallic ore; and selecting materials for use in harsh environments or in critical applications.

Officials of both organizations point out the phase diagrams are increasingly important to the national defense of this country as they are the building blocks for engineers to find new and different combinations of metals to take the place of some metals already in critically short supply, such as chromium, which come from unstable places in the world.

"The specter of an OPEC-like control over the world price and supply of critically important metals such as chromium, manganese, cobalt, and columbium is very real. Virtually all this nation's cobalt and manganese is imported as is most of its chromium, used in making stainless steel which is used in everything from jet airplane engine fan blades to electric power generating equipment" explains Langer.

"One of the greatest problems today as most scientists will concede," explains ASM's Langer, "is the information explosion. For example, you may have a metallurgist in West Germany about to study a metal combination problem while another researcher in Brisbane, Australia may have just completed an alloy phase diagram of the same two metals. Under the present system, it could be easily two or three years before the Australian phase diagram would show up in the published literature, and by that time, the German metallurgist would have 're-invented the wheel' so to speak."●

TRIBUTE TO LEVITAN-MASPETH POST NO. 673 JEWISH WAR VETERANS OF THE UNITED STATES

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Ms. FERRARO. Mr. Speaker, the Levitan-Maspeth Post No. 673 of the Jewish American Veterans is celebrating their 25th anniversary. For 25 years this veterans post has been a pillar of the community in Queens and I would like to pay tribute to them today.

The individuals who make up this organization represent the true spirit of American service to our country. This post has given years of dedicated service to the veterans hospitals of New York, supporting the veterans hospital in Manhattan and then expanding their services to St. Albans Veterans Hospital in Queens and to Northport Veterans Hospital on Long Island. The servicemen and veterans who have been treated at these hospitals over the years owe a debt of gratitude to post No. 673.

Today Levitan-Maspeth Post No. 673 continues to maintain the burial grounds of the Hebrew Veterans of the war with Spain. Twice a year this post holds memorial services at this burial site and sponsors a gathering for families of the deceased.

The Levitan-Maspeth Post No. 673 was the sponsor of the first CPR course offered in Maspeth, N.Y. and has been among the most active in bringing public recognition to the Maspeth Volunteer Ambulance Corp. for its service to the community.

With other veterans organizations of the New York area, Levitan-Maspeth marches proudly each year in the Memorial Day parade paying tribute to our country's servicemen.

For their dedicated service, we pay tribute today to the Levitan-Maspeth Post No. 673 of the Jewish War Veterans of the United States on the occasion of their silver anniversary and offer our thanks and deep appreciation to the members for their important contributions to the well-being of our community.●

B'NAI B'RITH HUMANITARIAN AWARD

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. PEPPER. Mr. Speaker, distinguished colleagues, and all who read this RECORD, I would like to commend to your attention an esteemed businessman, a respected leader in the banking community, and a most eminent humanitarian of my district in Dade County, Fla., Mr. Stephen Hudson.

Mr. Hudson, chairman of the board and chief executive officer of Flagship National Bank of Miami, will be honored by B'nai B'rith with its prestigious Humanitarian Award at their annual testimonial dinner and ball to be held at the Sheraton in Bal Harbour, on November 21, 1981.

Much more than a businessman, Mr. Hudson is an involved community leader.

As well as being former president of the southeast region of the Cystic Fibrosis Foundation and former director of the Dade County Chapter of the American Red Cross, Mr. Hudson has unfailingly devoted his time to many other community endeavors. In listing just a few of his many achievements, He became a member of the board of trustees of the University of Miami, president of the Greater Miami Chamber of Commerce, vice chairman of the Dade County United Fund Campaign, and director of the Florida State Chamber of Commerce.

In addition, Mr. Hudson was the recipient of the Jaycees highest honor, the Outstanding Young Man in America Award.

You will please let me commend to everyone this capable and responsible citizen of our community, who has unselfishly extended himself over the years beyond his personal interests in the service of humanity. He is an involved community leader who exemplifies the finest in both American and Jewish tradition and I know B'nai B'rith is proud to honor him with this award.●

RAY SLANEY IS CITIZEN OF THE YEAR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. ANDERSON. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues the fact that the South Bay Cancer Foundation is going to bestow the honor of Citizen of the Year on Raymond Slaney. This event will be realized by a dinner in his honor, which will be held at the Seaside Lagoon in Redondo Beach this November 12. I would like to take just a few moments of my colleagues' time to tell them a bit about Ray Slaney, and all that he has done over the years for the entire South Bay community.

Ray's involvement in community affairs is deep indeed. For 9 years he served as mayor and city councilman of the city of Rolling Hills Estates. For 5 years Ray was director and alternate director for the Los Angeles Sanitation District, and also was a member of the State Committee for the League of California Cities' Committee of the Future for 2 years. Additional memberships involved the State league as well as the Los Angeles County Committee on Underground Utilities. Ray's active participation in the quality of our environment is evident by his service to the Los Angeles County Special Review Committee on Air Pollution Control as its manager for a year and a half, as well as chairman of the Subcommittee on Scientific Technical Data and Atmospheric Contaminant Trends. Ray has continually contributed to the betterment of life here in the South Bay, and has shared his expertise willingly. Although Ray Slaney is currently vice president of the electronics and defense sector of TRW Inc., a full-time task, Ray not only served the abovementioned organizations, but many more as well.

As president of the Coroner's Building Corp., president of the Redondo Beach Improvement Corp., president of the Prospect One Corp., Ray Slaney has worked tirelessly for all. Additionally, as president of the Redondo Beach Civic Storm Drain Co., and as director of the Redondo Beach Chamber of Commerce, Ray has shown that one man can indeed do it all. Mr. Speaker, Ray Slaney's service to the community has now been well documented, but I am still not finished with all of his affiliations. Ray Slaney's membership on the board of trustees of the Torrance Memorial Hospital is further proof of his devotion to better health and quality of life for everyone. As an active member of the South Bay YMCA board of trustees, Ray was recognized for his fine service with the Layman of the Year Award in 1974.

Yet this dinner in Ray Slaney's honor is not simply a fun affair without meaning; it is a fundraising dinner on behalf of the South Bay District Hospital. So, while everyone will be enjoying themselves, Ray Slaney continues to help; because of him, the hospital will be the recipient of much needed equipment. The South Bay Cancer Foundation could not have chosen a more fitting individual for its tribute dinner. I am pleased to be able to participate in this manner, as my wife Lee joins me in congratulating Ray Slaney and his family and friends for being recognized for his many fine achievements and contributions. Mr. Speaker, I know that you join me as well in wishing Ray Slaney all the best in the future, secure in the knowledge that he will continue to be a most outstanding member of our community.●

100,000 KILLED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. McDONALD. Mr. Speaker, as a medical doctor, I am naturally interested in the development of new drugs that will alleviate pain and suffering and improve the general health of Americans. Much to my dismay, however, I have seen otherwise safe and effective drugs withheld from the American public because of the "Efficacy Clause" of the Food, Drug, and Cosmetic Act of 1962. Quite simply, the clause says that a drug must be proven "effective" before it may be made available to the public.

Query: When is a drug effective? Any physician will tell you that no drug, given in the same dosage, will have exactly the same effect on any two people. If a drug will save the life of 1 person in 10, do we ban the drug and tell the 10th person that we are sorry but the life-saving drug is not available because it was a waste of money for the other 9? Yet, this is exactly what happens.

This scenario is generally given the innocuous title of "drug lag." Lest the title fool you, drug lag is a killer. There are literally hundreds of examples of where drug lag has been responsible for tens of thousands of deaths every year—lives that could have been saved, but because of the FDA bureaucracy, a loved one died because the life-saving drug was not available because it had been deemed "ineffective" or because the FDA failed to act.

The most recent example is the drug propranolol, a drug which has proven itself to be effective in the treatment and prevention of heart disease. The drug went on the market in England in 1965, but in the United States, after years of testing and after an estimated 100,000 people died prematurely while waiting for the FDA to appove the drug, the FDA has finally appoved propranolol, but only for a very limited use.

It was in an effort to remedy this type of situation that I introduced H.R. 983, to remove the "Efficacy Clause" from the Food, Drug, and Cosmestic Act of 1962. Without question, this legislation will reduce drug lag and will save lives.

For more detailed information, I commend the following article, which appeared in the Wall Street Journal on November 2, 1981, to the attention of my colleagues.

100,000 KILLED

A federal agency's announcement last week that its tests show a drug called propranolol can save 6,500 lives annually by warding off second heart attacks may have given some readers the impression a new wonder drug had been found. In truth, propranolol is not so much a success story as a scandal. Doctors could have been saving those lives years ago had the Food and Drug Administration not obstructed the use of propranolol.

Propranolol is indeed something of a wonder drug. It is a member of the family called beta blockers, which act on the nervous system to regulate nervous impulses and smooth heart rhythms. But it is by no means new. One version of it went on the market in England in 1965. Results since then have shown that propranolol and other beta blockers have remarkable success with heart and artery diseases. But to this day, nearly 20 years after the earliest beta blockers appeared, propranolol has not been given FDA approval as a preventive for second heart attacks. It has only been approved, and relatively recently, for relief of angina, irregular heart rhythms, high blood pressure and migraine.

Although there are plenty of other examples of how the FDA's bureaucracy has delayed use of life-saving drugs, the propranolol case is one of the most dramatic. If you use last week's estimates made by the testers at the National Heart, Lung and Blood Institute, propranolol could have prolonged more than 100,000 lives in the U.S. over the last 16 years.

That estimate is no doubt conservative, given the basic statistics on heart disease. Some 300,000 people die of second or subsequent heart attacks in the U.S. each year. Though not all patients can take propranolol, the NHLBI researchers who have administered it to first heart attack victims in three years of "double-blind" tests found that it reduced the chances of a second heart attack by 26 percent. These figures give some idea of the broad national interest in the effectiveness of a drug of this kind.

The beta blockers ran into trouble with the FDA very early. These drugs do have certain toxic possibilities that have to be guarded against in their use, but an early test on mice also suggested that they might be carcinogenic. That finding has not been replicated, one drug scientist says, but the late 1960s and early 1970s were periods when consumerists were making their heaviest political attack on the drug and chemical industry, using the carcinogen banner as their bloody flag. The FDA, demonstrating the typical bureaucratic susceptibility to political intimidation, put a moratorium on anti-hypertensive and cardiac drug approvals, even though heart disease had already become the nation's leading killer.

The fact that foreign tests and usage were showing beta blockers to be effective did not make much of an impression on the FDA. The agency concluded that even where well-controlled studies have been made abroad, two studies must be made in the U.S.

The FDA insists on double-blind studies. That means that the NHLBI, in its tests since 1978, has given propranolol to 1,916 patients and a placebo to 1,921. The unfortunate 1,921 had a 9.5 percent death rate and the fortunate 1,916 had a 7 percent rate. Given that finding we are not surprised that the NHLBI researchers decided to cut the testing short by nine months and report their results, no doubt in the hope that the FDA would approve propranolol before more carnage was committed.

The propranolol history raises a question, unthinkable a few years ago, about whether we should even have an FDA. So far as we know, no one has added up the numbers on the lives that would have been prolonged in the absence of regulatory delays caused by the agency. But we are becoming increasingly convinced that they would far outweigh the number of lives likely to be lost or damaged if the responsibility for safety were merely returned to the drug makers and doctors. It should be kept in mind that drug makers and doctors also have a vital interest in drug safety for their own protection.

It is by now clear that the FDA bureaucrats will never take any risks they can avoid. They have nothing to gain from approving an effective drug and everything to lose from making a mistake. This kind of approach guarantees huge loss of life. How much longer should it be allowed to prevail?●

BROOKS HAYS

SPEECH OF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 4, 1981

● Mr. MICHEL. Mr. Speaker, I am pleased to have this opportunity to join with our colleagues in honoring the memory of our late colleague from Arkansas, Brooks Hays.

Very often, history judges the career of a Congressman by the number of his victories. Brooks Hays had his share of victories, but he is perhaps best known for the way he ended his career, standing for his principles. There is a line in Shakespeare, as I recall, that says, "Nothing in his life became him like the leaving of it." There was quite a bit that was admirable about Brooks Hays' political life—but his "leaving of it" remains for all of us a standard by which our own decisions must be measured.

I know some of our colleagues, especially those from his home State of Arkansas, have placed in the RECORD facts and anecdotes about the life and career of this distinguished man. I will not add to them, except to say he was a fine man and an excellent legislator. He left Congress relatively shortly after I arrived here. I came to know him and always found him a delightful man and, as I said, one of the few persons I have ever known who were able to rise above defeat so magnificently and go on to serve others. His participation in the "Close-Up Foundation" which helps young Americans better understand our system and as a founding member of Former Members of Congress, are only two of the worthwhile activities he undertook after his congressional career was over.●

TRIBUTE TO WILLIAM J. ARMANINO

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, Mayor Dianne Feinstein has appointed William John (Bill) Armanino steering committee chairman of San Francisco's Year of St. Francis, which has the responsibility of coordinating events celebrating the 800th anniversary of the birth of St. Francis of Assissi, the patron saint of San Francisco.

Bill Armanino's drive and dedication make certain an outstanding series of programs.

A San Francisco native, is executive vice president of Armanino Farms, Armanino Marketing Corp., and Armanino International Inc., part of California's vast agribusiness. The Armanino corporations specialize in the production of freeze-dried chives, herbs, and spices for international distribution, and in fresh produce for domestic consumption.

Mr. Armanino's parents, Guglielmo Armanino and Mary Picetti Armanino came to the United States from Italy in 1921. Mr. Guglielmo Armanino, with a vast knowledge of farming, started Armanino Farms.

Besides being a corporate executive, William Armanino has found time to be active in the Greater San Francisco Bay Area communities, building a reputation for his participation with many civic and charitable organizations. Among them are: Carina, Inc. (Home for Italian Aged); Boys' Town of Italy; Italian Welfare Agency; St. Mary's Hospital and Medical Center of San Francisco; California Growers Association; Italian-American Chamber of Commerce; National Italian-American Foundation Council of 1,000 (charter member); St. Francis Hook & Ladder Co. No. 1; Santa Clara University (member, board of regents); World Trade Club; Italian Earthquake Relief Committee (cochairman); American Cancer Society; and many more.

San Francisco Mayor Dianne Feinstein recently appointed Mr. Armanino, chairman and her special representative for the mayor's "The Year of St. Francis Celebration Committee." The committee operates under the auspices of the Mayor's "San Francisco/Assisi Sister City Committee," of which Mr. Armanino is also chairman.

He has received many honors, which include: Order of Merit from the Italian Government (Rank of Cavalieri); the President's "E" Award (for international trade); Sovereign Military Order of Malta (Knights of Malta); and Honorary Citizen of Varese, Italy.

Mr. Armanino is a widower and has four children; three sons, David, 27; Robert, 14; Richard, 12; and a daughter, Deborah Armanino Capurro, 29. His recreation is an active enjoyment of yachting.●

ST. MICHAEL'S PARISH

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. VENTO. Mr. Speaker, this year, St. Michael's Parish of West St. Paul, Minn., is celebrating its 115th anniversary. Throughout its history, this Roman Catholic parish has been an integral part of the community and a vibrant force in the neighborhood.

As the Irish immigrants moved from the east coast, many came to the St. Paul/West St. Paul area to settle. Here they hoped to meet their physical needs by finding jobs, housing, and food.

Physical necessities were not the immigrants' only needs. For these individuals, their spiritual lives were equally important. Thus, in 1866 construction began on a wooden church. The first mass was celebrated at St. Michael's that year during the Christmas season. The founding pastor of St. Michael's was Father John Ireland, who soon after became the first archbishop for the St. Paul Archdiocese.

As the community grew, so did St. Michael. To meet pressing everyday needs, the St. Vincent de Paul Society and other church organizations provided assistance. Adult classes were conducted in the basement of the church to help those who had recently come to the United States.

A school was built and the Sisters of St. Joseph began their long and illustrious association with the parish. Today, the good sisters are still an important part of the parish and community life.

Tradition has been very important for St. Michael. In 1907 a decision was made to expand upon the old St. Michael rather than build a new facility. Thus, while doubling the size of the church, the basic structure remained.

Today, St. Michael's Parish continues its rich traditions. While St. Michael has relocated, it has continued the good works among the local community under the direction of its pastor, Rev. Francis Dudley, Assistant

Pastor Joseph Kennedy, and the Sisters of St. Joseph. From its senior citizens group to its youth group, St. Michael continues its strong commitment to meeting the needs of all people of all ages. The parish is active in the community meals on wheels program and the Neighbors Incorporated effort to provide help for those in need.

St. Michael has been a cornerstone in the West St. Paul community. I salute the members of this parish on the 115th anniversary and wish them success in meeting the challenges of the next 115 years.●

CRIME, VIOLENCE, AND RHETORIC

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. BROWN of California. Mr. Speaker, violent crime is a problem that has plagued our society for years, clearly worsening with each passing year. It is a classic example of those types of problems about which we seem able to do next to nothing. In fact, despite the various postures we have adopted toward the problem over the years, the rate of violent crime in this country has risen consistently and continually.

The difficulties abound: Our control of firearm usage is nonexistent; our laws by turn either too strict or too lax; our implementation of those laws inconsistent; or alternatives to incarceration sorely limited; and our prison facilities inhumanely overcrowded. Preventive measures are rarely taken, and the source of the problem is almost never addressed. What traditionally occurs is a focus on one or another aspect of the problem, but a comprehensive approach to the whole problem is rarely attempted.

One thing we do about it is talk. All of the major weekly magazines have recently contained cover stories of an alarming nature, all pertaining to violent crime. And regarding the findings of the administration's task force on violent crime, the President spoke to the International Association of Chiefs of Police in New Orleans last month. Although basing most of his remarks on the conclusions of the task force, he left unmentioned several principal recommendations. It appears he is caught between a law and order mentality and the budget axe. Left untouched was the major recommendation: The immediate construction of new prisons spurred by $2 billion in Federal aid. Also ignored was the call for stronger controls of firearms. But, most disconcerting was the denial of the relationship between unemployment and crime. All of the statistics confirm that there is indeed a direct relationship between unemployment rates and crime rates, and point to the implied relationship between poverty and crime generally. In the midst of a recession, however mild, and with the dissolution of many programs and budget reductions in the rest, the problem is likely to be exacerbated. The solution is not to ignore the cause and concentrate only on stiffer penalties, but to address equally all fronts of the issue—beginning with preventive measures and ending with humane and adequate punitive measures.

An excellent article by one of our Nation's most respected journalists, Richard L. Strout, appeared in the Christian Science Monitor recently. It addressed the basic weaknesses in the President's approach to crime control, as exemplified in his speech of last month. I would like to call this article to the attention of my colleagues.

The article follows:

[From the Christian Science Monitor, Oct. 23, 1981]

POTSHOTS AT THE CRIME RATE

(Richard L. Strout)

So far as I am concerned President Reagan's speech against crime last month was a flop. He made it before the International Association of Chiefs of Police in New Orleans who applauded warmly. They showed particular enthusiasm for a proposal to end the 77-year old judicially-created "exclusionary rule" under which a case can be thrown out for a law-enforcement error. Fine, if the courts will approve it. But studies by the General Accounting Office indicate that only about 2 percent of all evidence is thrown out for technical reasons, and a far smaller percentage of cases are thrown out altogether for the same reason.

On March 23 Time magazine ran a cover story with a horrendous picture "The Curse of Violent Crime". By a coincidence Newsweek ran a similar story the same day also showing a mean-looking revolver pointed right at you—"The Epidemic of Violent Crime." US News and World Report had a cover story, Oct. 12 (another revolver), "Our Losing Battle Against Crime". It began to look like an anti-crime trend. I have covered half a dozen commissions investigating crime, ever since the original Wickersham Commission. And on Aug. 17, 1981, the attorney general's eight-member Task Force on Violent Crime submitted its final recommendations. Yes, it appeared that reform was looking up.

I do not know of anything on which an American can feel more embarrassment in talking with a European than on our crime rate. It simply is not comprehended abroad. Why do we allow it? They politely ask about it and then change the subject. In Canada in a recent year there were 52 handgun murders; England, Scotland, and Wales had 55; the United States 10,728. The FBI says all violent crime in the US rose 11 percent from 1979 to 1980. But when a timid Congress finally passes a law banning import of handguns it allows the parts to be imported. That way they are assembled here. And that is only a small part of the crime problem.

I thought the Reagan speech at New Orleans was disappointing. Most of his recommendations were based on those of the administration's task force, but he omitted the group's call for stronger controls of firearms, as well as the principal recommendation in the report—the immediate construction of new prisons launched by $2 billion in federal aid. They are desperately needed. Alas, the federal government is retrenching; let us balance the budget first and think about crime later is the attitude.

That is also the view of several of the states; they are cutting back on police to save money. There are about 440,000 law-enforcement officers all together over the country, organized in 17,000 units, up from a tiny sheriff office to the FBI itself. Many are overworked, understaffed, and now they face force reductions. Boston which had 2,500 officers in 1968 is down to 1,620. The situation in American prisons is particularly savage, nearly two-thirds confined in cells smaller than the 60 square feet recommended by experts as the minimum essential. It's unpleasant to read about it and that perhaps has produced a silence: "Privacy is simply unavailable . . . Opportunities for violence and sexual abuse are largely uninhibited."

Mr. Reagan's speech, as I say, ignored this principal recommendation of the task force set up by William French Smith, the attorney general. Mr. Reagan stressed many justifiable subjects of criticism—delays in court, technical flaws, coddling of criminals, overlenient justices. These have been denounced for years, no doubt justifiably. But Mr. Reagan also made some statements that seem questionable. He minimized the effect of poverty on crime: "It's obvious that prosperity doesn't decrease crime," he said and added, "deprivation and want don't necessarily increase crime."

Well, I disagree. The Federal Bureau of Prisons reported, for example in 1975, that since the 1950s the size of the federal prison population has been directly related to the national unemployment rate. Increases in one are accompanied by increases in the other. Mr. Reagan can see the tables if he wants to. Research by the Joint Economic Committee estimated that one percentage point increase in the unemployment rate increased state prison admissions by about 4 percent.

That's the latest report on the crime front. The nation's weeklies have reminded us again of the situation. Handguns are omnipresent in America and one of them nearly killed the President. (There are 10,000 dealers or pawnbrokers who sell them.) At the same time the attorney general's task force urges a big prison building program to relieve intolerable conditions and some judges are letting offenders out of the overflowing jails early rather than crowd them anymore.

Mr. Reagan in his crime speech declares in his summary that crime "is a problem of the human heart" and that we must ultimately recast "our deep moral values."

Who will deny that? Meanwhile the rate is increasing.●

NUCLEAR POWERPLANTS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. STARK. Mr. Speaker, I would like to express support of my distinguished colleagues' amendment to strike section 12 of H.R. 4255, the provision allowing interim operation of nuclear powerplants while public safety hearings are still incomplete.

My support is based largely on a report that was released October 20 by the Subcommittee on Environment, Energy, and Natural Resources. The report, entitled "Licensing Speedup, Safety Delay: NRC Oversight," is a very thorough accounting of nuclear plant safety problems. It lays to waste industry claims that NRC regulation delays plant operation. The subcommittee should be applauded for an outstanding piece of work.

Public hearings have not caused delays in plant startups. These delays have resulted from poor planning on the part of industry, industry's inadequate attention to public safety, and financial realities. Public hearings are used as a scapegoat.

These hearings are useful and necessary. Joseph Hendrie, former chairman of the NRC, testified to the subcommittee that "wide public participation in the nuclear licensing process is something that is mandated in the Atomic Energy Act of 1954 and that the agency supports." NRC Commissioner Peter Bradford recommended to the committee that the public hearing process be expanded. To pursue "the direction of more effective public participation," he suggested, "intervenor funding and an Office of Public Counsel, that sort of thing which we have not been considering."

One expert testifying before the subcommittee cited three instances where intervenors' testimony in public hearings led to revelation of safety problems that were later rectified. These examples involved the Seabrook plant in New Hampshire, the North Anna plant in Virginia, and the Northern States' Prairie Island plant.

As the subcommittee points out in its report,

> There were a number of contexts in which citizen groups tried to raise emergency planning before Three-Mile Island. They argued repeatedly that an emergency plan should be required as a precondition to the operation of the plant.

Unfortunately these calls went unheeded.

The report shows that delay of operating licenses due to NRC regulation and money lost as a result is nowhere near as great as industry spokesmen claim.

Furthermore, the report shows that where there has been delay, it has resulted from safety problems. The blatant disregard for public safety shown by operators of the McGuire, Zimmer, Commanche Peak, and Diablo Canyon reactors as outlined in the report is shocking.

Nuclear energy may still present a viable alternative to help meet our energy needs. But it will aid our country only if safety problems involved in its production are solved. Section 12 is a slap in the face of public safety. By striking it from the bill, the Moffett-Markey amendment helps solve the safety problems incident to nuclear power generation.●

TRILLION DOLLAR DEBT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, the national debt has reached proportions unfathomable to most Americans. On October 22, 1981, the national debt went over the trillion dollar mark. That 13-digit debt figure is the result of tax and spending decisions made by Congress months or years ago. There have been seven decades of deficit spending by the Federal Government, yet over half of the debt was incurred in the last 7 years.

The national debt grows when the Government spends more than it raises in taxes and borrows money in the private credit market to make up the deficits. The interest payments on the money borrowed will amount to more than $100 billion, another unfathomable figure. That constitutes the third largest item in the budget, just behind social benefit programs. Compared to the size of total national output, GNP, the public debt constitutes about 35 percent. It will take a long time to reduce that debt. Even with a balanced budget for several consecutive years, the amount owed would take years to reduce.

What all of this points up is that Congress must take the necessary corrective action. Bill Zimmermann, of my district, wrote an open letter on the topic, noting some of the problem's facets. I include the text of his letter and commend it to your attention:

STOP INFLATION NOW

> It is reasonable to assume that the 1982 Federal budget treats everyone as fairly as Congress can make it. So, let's agree that the proportions are O.K.
>
> Now we have another problem. Within the next two weeks, Congress must decide whether to raise the Federal debt limit to one trillion dollars. To do this means continuing inflation. That is unacceptable.
>
> A trillion dollar debt is a psychological boundary beyond which lie horrible possibilities; hyper-inflation, for instance, that would ruin our economy.
>
> There is an alternative. It is for Congress and/or the administration to act immediately to cut all Federal expenditures by 5 percent—right across the board, in every department regardless of the squealing. Let everyone share the burdens and the benefits, we're all Americans.
>
> Taken at once, such action will have the support of 90 percent of all thinking citizens.
>
> The future of America demands this action now.●

TITLE IX, EDUCATIONAL AMENDMENTS OF 1972

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, today I am cosponsoring a resolution focused upon the preservation and continuation of title IX of the Educational Amendments of 1972.

This comprehensive program which covers all areas of student life: admissions, financial aid, academic programs, health services, competitive athletics, testing and counseling—was established to rectify some of the inequities existing before its enactment. The progress that women have achieved as a result of the creation of title IX has been unprecedented and I condemn any move to repeal or alter the guidelines.

The initial reason for this amendment was founded upon the Nation's commitment to review accusations of sex bias and ban discrimination in education and other areas.

First. Admissions practices and policies often discriminated on the basis of sex.

Second. Studies had showed that women were less likely to receive financial assistance in the form of scholarships.

Third. Athletic programs were another source of blatant sex discrimination.

Fourth. Student health services were providing adequate services to males but were not attuned to the needs of females.

Providing services on a nondiscriminatory basis to men and women alike does not violate, but sustains our freedom of choice principles. It is an indictment of our society that so-called corrective measures are even being considered. The success and benefits reaped by women in the areas of enrollment, services, activities and employment should not be denied. To deny women equal access in education is to amplify the already staggering statistics. Women have higher unemployment rates than men, but women with 4 or more years of college have a lower employment rate than women with less education. The less education we have, the higher our rate of unemployment.

As the result of title IX, attempts to resolve the most blatant discriminatory policies and practices in education have been noteworthy. Females are now permitted to take courses which were previously male dominated. It has encouraged both females and males to participate in extracurricular and other school activities that were once indicative of the opposite sex only.

I do not think that the public is fully aware of the many positive changes title IX has afforded both sexes in the field of education. There are several sectors of student life which have appreciably changed since the amendments passage: women are treated more equitably in the areas of career and academic counseling, financial aid and health services. Improvements in programs and activities have benefited men as well as women, providing them entrance into courses previously closed to the opposite sex. These areas have also been modified to meet the needs of women.

Two divisions which have viewed the most profound and dramatic changes are admissions and sports. Women are earning increasing proportions of degrees at every level, particularly in professional schools. Athletic scholarships and competitive athletics for women are finally coming into fruition. Media attention is not only confined to male sports, but it expanding to cover female participation.

Employment in education is lacking and still needs improvement. Women administrators, superintendents, and tenured professors still remain scarce.

This resolution simply states the facts and recommends the maintenance of a sound and effective program. Title IX is not only responsive to the needs of women but is cognizant of male demands.

I urge my fellow Members to uphold title IX and access to educational opportunity for all members of society and request that they too support this resolution by cosponsoring it.●

PARRIS URGES THE CONGRESS TO SUPPORT FEDERAL RETIREES

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. PARRIS. Mr. Speaker, 2 months ago, a vast majority in the House voted to restore the minimum social security benefit. I joined my colleagues at that time to correct an inequity which would have adversely affected 3 million senior citizens. Last week, the Senate approved legislation which would also restore the minimum benefit. The Senate added some language, however, which would be just as devastating as eliminating the minimum benefit.

Under the Senate proposal, Federal retirees would have their social security benefits reduced because they recieve Government pensions. These Government retirees would be required to have their social security benefits offset, dollar for dollar, when their Government pension exceeds $300 a month.

This is an unjust proposal which unfairly penalizes about 350,000 senior citizens who have contributed greatly to their country. They should not be asked to bear the burden of the social security system's financial problems.

These individuals took their jobs and planned their retirements with their social security and Government pensions in mind. By changing the rules in the middle of the game, the Federal Government would be breaking a commitment to provide these earned benefits.

There is absolutely no justification in discriminating against a particular group of elderly persons when there are more reasonable alternatives available. If a change in this area must be made, I feel it should at least be phased-in over a period of years and not directed toward those individuals who have retired or are about to retire.

When the House considers this legislation again, I urge my colleagues to reject the Senate language and to support the original intent of the House to restore the minimum social security benefit for all senior citizens.●

GLEN CANYON DECISION SPEAKS WELL FOR SECRETARY WATT'S ENVIRONMENTAL RECORD

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, for 10 months now, Interior Secretary James Watt has been advocating a balanced approach to natural resource management. Although his detractors paint him as a ogre bent on ravaging the national parks and shorelines, his record to date reveals a different picture.

The Secretary has indeed departed from the game plan of his predecessor, Cecil Andrus. Recognizing that extreme preservationist policies of the past have contributed to the country's current dependence on unstable foreign sources for a disproportionate share of our fossil fuels and strategic minerals, Mr. Watt is gradually reopening designated public lands for exploration and orderly development. He argues persuasively that we must methodically inventory our vast energy and mineral resources if we are to avert a crisis that would be catastrophic to the environment. This is consistent with his legal mandate to manage our public lands for multiple uses, for the benefit of all Americans.

Just as many of Mr. Watt's critics have conveniently overlooked the resource development functions on his job description, they've also tended to ignore or downplay his environmental accomplishments. Last week's announcement that the Interior Department had recommended against a proposed expansion of Glen Canyon Dam was another recent example of a low-key reception for a significant Department ruling.

Glen Canyon Dam impounds Lake Powell at the upper end of Grand Canyon National Park. In 1979 Interior's water resources arm, the Bureau of Reclamation, began a 2-year preliminary study to investigate the feasibility of producing additional hydroelectric power at the site. The proposed $200 million project would have added two new turbines to generate supplemental electricity at peak loan periods. Supporters of the project contended the additional capacity was needed to meet increasing energy requirements in the Southwest. Opponents challenged the suitablity of Glen Canyon for the expansion, citing other locations where the economic and environmental risks would be more acceptable.

Critics further argued that additional peaking power would cause the Colorado River flow through Grand Canyon to fluctuate dramatically each day, from 3,000 cubic feet per second to 40,000 cubic feet per second. There was widespread concern that such variations would cause irreversible ecological damage to the canyon floor and sharply curtail recreational activities, particularly river rafting.

Agreeing that the project's adverse environmental impact would exceed its economic benefits, Secretary Watt directed the Reclamation Bureau to seek alternative sites for the expansion.

The Glen Canyon decision comes on the heels of other recent, proconservation rulings by the Interior Department, most notably the Secretary's opposition to the Dickey-Lincoln School Lakes project in Maine, his intention to seek wilderness status for Arizona's majestic Aravaipa Canyon, and his efforts to discourage development on coastal barrier islands.

History will be the final judge of Mr. Watt's policies, but thus far they have proved to be prudent and well balanced.●

BANKING COMMITTEE HEARING IN ST. PAUL, MINN.

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. VENTO. Mr. Speaker, the recent Banking Committee field hearing in St. Paul was a valuable method of giving the residents of the St. Paul-Minneapolis area a chance to express their opinions of the current economic situation. The purpose of these hearings was to get the Committee on Banking, Finance and Urban Affairs, the committee with significant jurisdiction over economic issues, out of Washington, D.C., and away from the professional lobbyists that we, in Congress, hear from daily. Perhaps those Members who are critizing the committee for going directly to the people are more comfortable discussing abstract economic projections and hearing just from Washington lobbyists. Certainly, the testimony the committee heard was unpleasant for those Members who support President Reagan's trickle-down economic policy.

The committee heard more than 70 witnesses including senior citizens, homebuilders, unemployed auto workers, farmers, smalltown bankers, small businessmen and families unable to purchase a home. Both the Democrats and Republicans were given an opportunity to invite witnesses to present testimony. This hearing was not organized solely for the purpose of criticizing President Reagan and those charges fly in the face of the facts. Indeed, we had several witnesses who defended the administration's economic policy. One witness supported the resurrection of the gold standard. Another witness testified that the Reagan's budget and tax cuts were the correct economic medicine. The witness continued that since the patient (that is, the economy) was so sick, the country should take this bitter medicine of high interest rates and high unemployment until the disease is cured. When asked how long that would take, he replied that the Nation may have to wait 5 years. More importantly, most witnesses were nonpolitical—simply people with a message for those willing to listen.

The majority and minority parties of the committee were equally represented by the members at the hearing. In addition, attendance requests of the Minnesota delegation Republicans and Democrats were accommodated. Representatives MARTIN SABO and JAMES OBERSTAR attended the entire meeting.

I am dismayed that an elected official would characterize a responsible congressional field hearing throughout this Nation in which we enlist the views of people—the grassroots, not just lobbyists—as a waste of our time and money. Giving my constituents the opportunity of speaking directly to the chairman, ranking minority member of the committee, and other powerful Members of Congress, is something I am proud to do. These Congressmen got firsthand information on the effect of the Reagan economic policy upon residents of St. Paul and upon our local and State governments. It is time we got out of the shell of the District of Columbia. Hopefully, it will prove valuable when they decide how to vote on many issues including social security cuts, reduced aid to States with large concentrations of refugees, a smaller low-income energy assistance program or the reduction of homeownership programs.

I would like to share with my colleagues, Republicans and Democrats, a report about the dire state of affairs in Minnesota. Today, Governor Quie, a former distinguished Member of this body and a respected member of the Republican Party, went before the people of Minnesota to set forth the growing economic problems facing the State. It is ironic that on the same day, our ranking minority Member takes to the House floor to criticize these hearings for painting too gloomy a picture, the Governor is describing a picture upon which the committee only touched. Clearly, the grave state of Minnesota's economy, as confirmed in today's St. Paul Dispatch article on the Governor's speech, is a confirmation of the folly of Reagan's economic policies.

[From the St. Paul Dispatch, Nov. 5, 1981]

QUIE CALLS DEC. 1 SESSION; DEFICIT IS $767.6 MILLION

(By Robert J. O'Keefe)

Minnesota legislators will be called into a special session Dec. 1 to solve a cash flow problem and a $767.6 million deficit in the state budget.

Gov. Al Quie, in an address delivered on radio and television from the state capitol, said today he will recommend that the cash flow difficulty be handled by temporarily withholding $140 million or more in funds which would be otherwise sent to school districts.

The biggest problem by far will be the huge budget deficit.

The deficit comes about because every major source of state tax funds is expected to produce considerably less than the state Finance Department projected last April.

The fund shortfall is actually $859.9 million, but the budget includes a cushion of $92.3 million, leaving the deficit of $767.8 million. If Quie and legislators want to keep a cushion in the budget, the deficit figure will climb above $767.6 million.

Quie will make recommendations to legislators in about two weeks for facing the budget deficit. He could recommend cuts to state spending, increases in state taxes or a combination of the two.

"I want to assure you that the steps we will take in the coming weeks and months will be in the best long-term interest of Minnesota," Quie said. "There will be—there can be—no quick fixes.

"We will do nothing that compromises Minnesota's future."

Val Vikmanis, acting state finance commissioner, said in effect that he expects the Dec. 1 special session to run into the regular 1982 session that starts Jan. 12. Having the special session, he siad, is the same as starting the 1982 session early.

Quie blamed the national recession for Minnesota's money problems. "These projected revenues are far lower than what was anticipated only a few months ago by anyone, Republican or Democrat, optimist or pessimist," he said.

What makes the situation even sadder, Quie added, is that the nation's economy is likely to get worse before it improves.

To emphasize what $67.6 million means to the state. Quie said in his speech:

"If we were to shut down—completely shut down—for the entire beinnium (two years), all the institutions run by the Department of Public Welfare, including hospitals for the mentally ill: the whole Department of Corrections, including all the prisons: all seven campuses of the Minnesota State University System and all 18 campases of the Minnesota Community College System, we would save less than $500 million.

And this assumes that there shutdowns started not today, but at the start of the biennium last July."

Vikmanis said the state will be $120 million short of the amount needed to meet its expenses in December.

About $170 million, he said, is the amount of school aid payments scheduled to be made Dec. 31. He estimated that the state could retain $140 million to $160 million by withholding the amount that schools don't need because they have reserves on hand.

Later, the money would be repaid with interest, although there is no assurance that the interest paid by the state would be as high as school districts get by investing their funds.

"This plan will not affect the total amount of state aid received by any school district over the current biennium," Quie said. "What it will do is enable the state to meet its obligations during this period of cash flow shortages."

The cash flow problem is expected to ease during early 1982 because state revenue comes in at a speedier clip during the early months of the calendar year.

Despite Quie's statement that total state aid wouldn't be affected over the biennium by his proposed cash flow solution, the rest of the problem facing the state could affect schools.

Vikmanis confirmed that plans to meet the $787.8 million budget shortage could involve reductions in school aid.

As for the cash flow problem alone, the commissioner envisioned the State repaying schools in July or October.

Cutting into school aids in December, Vikmanis said, would permit payment of December aids to other local governments. But a legislative decision is needed, he said, by Dec. 15.

Harold Lofgreen, state economist, said projections of revenue from personal income taxes, corporate income taxes, sales taxes, and the excise tax on new car sales are all down from April.

Personal income taxes, he said, are expected to be down $218 million from the April forecast, sales taxes are expected to drop $225 million, corporate taxes are anticipated at $135 million less than previously, and the auto excise tax is expected to drop $28 million. All of the figures are for the period through June 30, 1983.●

CONCERNS OVER 5-YEAR LEASING PROGRAM

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. PANETTA. Mr. Speaker, I testified before the Subcommittee on the Panama Canal/Outer Continental Shelf on the Committee on Merchant Marine and Fisheries recently to express my concerns about the Secretary of Interior's accelerated leasing plan for our Nation's Outer Continental Shelf areas. I would like to commend the text of my testimony to my colleagues' atttention:

TESTIMONY OF HON. LEON E. PANETTA

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to come before you today to express my concerns about the Department of Interior's accelerated five-year leasing schedule. Although there are many issues regarding this plan which bear scrutiny, I would like to address only two basic concerns: the basic unsoundness of the "planning area" concept, and the counterproductivity of the accelerated plan.

PLANNING AREAS

As you know, Secretary Watt has proposed a new concept in environmental and geologic assessment—a planning area. Contrary to former Interior Department policy of assessing individual tracts and areas with regard to environmental impacts of leasing, oil and gas reserve estimates, and geologic assessments, evaluation of entire planning areas would be called for. Planning areas could range from nine to over 100 million acres in size. Environmental impact statements would be required, but only before tract selection took place, and only for entire planning areas.

In California, for example, the area comprising Lease Sale 73, which stretches from Point Concepcion in the south to the Oregon border in the North, would receive only one Environmental Impact Statement. No site-specific assessments of environmental or other effects would be required. This change could be potentially devastating to coastal areas. In California, for example, the area stretching from Point Concepcion, near Santa Barbara, to the Oregon border, is extremely diverse. In some areas, marine mammal populations would be threatened by development of oil and gas reserves. In others, a billion dollar fishing industry depends on a constant supply of fish. Disruption of the ecology of certain areas of the ocean could severely impact on this vital industry. Finally, a multi-billion dollar tourism industry, worth $11 billion a year to California, depends on a pristine and unpolluted ocean environment to draw tourists to the area.

While drilling might be relatively risk-free in some tracts offshore of this area, it will be impossible to determine the relative risks versus the relative benefits of such action under the Interior Department's accelerated plan. Without tract-by-tract analyses of environmental and economic risks, and without tract-by-tract analyses of resource estimates, no sound basis for judgment will be available. The people who reside in California and depend on its unique natural beauty and resources for a living, expect that at the least, such a basis for judgment be presented to them. Current USGS estimates, for example, indicate that only about 30 days worth of oil lies in the Outer Continental Shelf from Point Concepcion to the Oregon border. While under some circumstances this amount of potential energy would be significant, our current situation simply does not warrant the threat posed to some of the nation's most productive fishing grounds, the pristine quality of some 1,000 miles of coastline, and the economic vitality of hundreds of coastal communities.

If leasing is to be allowed offshore of these areas, the government owes a reasonable explanation of why it is necessary to those who will be directly affected by it, and what it hopes to gain in terms of resources from such action. In addition, specific environmental impact studies should be undertaken for areas which are known to be high-risk. One environmental study spanning the entire 1,000-mile coastline will not possibly be able to address the diversity of environmental and economic factors which play into a decision regarding drilling.

COUNTERPRODUCTIVITY OF THE ACCELERATED PLAN

In addition to my concern about the environmental and economic impacts of the new leasing plan, I am frankly concerned about its ultimate effect on our nation's energy resource development. As you know, Secretary Watt's proposal would result in the offering of 875 million acres in five years, if allowed to go forward as planned. The entire Outer Continental Shelf comprises 1 billion acres, and most of it would be leased by 1986 under this plan.

As you know, some representatives of industry have themselves indicated that this acreage is simply too vast to deal with effectively. Concern have been raised about whether industry can meet the demands of evaluating and developing such large tracts of offshore resources. The vastness of these reserves is hard to comprehend—in the 28-year history of the leasing program, only 20 million acres in the OCS have been leased. Again, this plan would call for the leasing of 875 million acres within five years. Without the government playing the crucial role of evaluating the potential and risks of leasing in specific tracts, industry will be forced to take on this type of assessment itself. For many companies, personnel and equipment shortages will result in spreading their resources extremely thin in order to evaluate and develop this acreage.

Not only will industry not be able to keep up with the pace of this plan in an efficient and concentrated manner, but also greater environmental risks than currently exist in drilling will certainly come about. With resources spread thin over vast areas, the quality of the industry's performance to date is likely to deteriorate. Many cite the relatively good record of offshore drilling to date in terms of creating environmental disasters. While many small spills occur annually, larger spills are relatively few and far between. However, if this plan is put into effect, and companies are forced to reduce the quality of their operations in order to be competitive with other companies, and increase in oil spills and environmental disasters will almost certainly result. Such a result could only raise a public outcry against any offshore development whatsoever.

State and local governments, as well as individual citizens, fear the environmental and economic effects of this plan, due to these reasons. Because their stake in offshore drilling is so high, it is particularly important that these governments not be shut out from the planning process. Already, we have seen an example of a state, California, banding together with other coastal states to litigate for its right to participate in pre-lease decision-making regarding offshore leasing. Under the accelerated plan, states and localities would not know the specific tracts which were proposed for leasing until one month before the final Sale took place. The Secretary of Interior has proposed the virtual elimination of the Proposed Notice of Sale stage in developing a Lease Sale, and has indicated he may not reveal specific tract selections until the Final Notice of Sale stage, 30 days before the actual Sale. Thus, states and local governments will not only have to fear the potential risks of drilling, but will not even be able to plan ahead to deal with these risks, as they will not even know which tracts are to be leased.

This accelerated plan, then, seems designed to actually *increase* fears about offshore drilling, rather than allay them. Industry's ability to develop offshore oil efficiently and cleanly will diminish. Resource estimates will not be available to compare with environmental risks in specific areas. State and local govenments will have their input into the leasing process, as well as their ability to respond to leasing decisions, curtailed sharply. What possible results will this combination yield except further delay in extracting oil and gas due to litigation? Even former Secretary Andrus' plan, a more balanced approach to speeding OCS development, was sent back to the Interior Department for revision by the U.S Court of Appeals for the District of Columbia. The Court ruled that Andrus' plan failed to consider the relative environmental sensitivity and marine productivity of different OCS areas, failed to strike a proper balance which would include environmental factors—and not just administrative need and economic factors, and failed to quantify environmental costs to the best extent possible, among other failings.

If the Secretary's accelerated plan is implemented as proposed, delays due to litigation will become an ever-increasing occurrence. States and localities will *all* have to fear development off their coastlines, as no specific tract selection information will be available. The precarious balance between development and the environmental and economic status quo will be threatened. Until now, states and the Federal government have proceeded in a cooperative manner toward the balanced development of offshore resources. This cooperation is being seriously jeopardized by this accelerated leasing plan.

In conclusion, then, I would urge the members of this Subcommittee to carefuly weigh these factors in evaluating the accelerated five-year leasing plan. The economies and environment of countless coastal communities, as well as the progress of offshore energy development itself, are at stake.●

FECA ANTI-FRAUD AMENDMENTS OF 1981

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. BEARD. Mr. Speaker, today I am introducing a bill designed to effectively combat waste and fraud in the Federal Employees' Compensation Act (FECA) program, which is the workmen's compensation plan for Federal civilian employees. Under FECA, Federal workers injured on the job are entitled to wage loss compensation and medical expense coverage.

Senate hearings were held in July of this year on the increasing problem of waste and fraud in this program, a program that has seen a 300-percent rise in costs since 1974, despite the growing effectiveness of Federal on-the-job safety efforts. In fiscal year 1980, the cost of this program was almost $800 million.

One of the more startling discoveries at those hearings was the fact that internal controls over medical benefit expenditures are completely lacking as are cost containment measures to limit the fees that providers charge. There was also a striking incidence of medical practitioners submitting fraudulent bills to the program without fear of detection. Department of Labor officials admitted that under current law they did not have the authority to effectively combat this fraud.

My bill will mandate that medical costs will be reimbursed at the same level that similar services are reimbursed under medicare, unless the Secretary of Labor makes a determination in the individual case that a higher level of reimbursement is justified. Medicare rates are based on locally prevailing schedules and are already in existence, thus there will be no need to create a new bureaucratic apparatus within the Department of Labor to set reimbursement rates.

My bill also mandates that those providers found unfit because of engagement in fraud and abuse of the program will be excluded from further participation. This bill, entitled the FECA Anti-Fraud amendments of 1981, is designed to create an administrative mechanism that will allow the Department of Labor to identify and exclude those practitioners who commit medical claims fraud. Examples of such fraud were uncovered in the hearings. In one instance, a physician billed, and was paid, for applying and reapplying the same cast to a patient's wrist over the course of several months. In another case, a doctor received thousands of dollars for stitching a patient's knee on each of over 50 visits. In both cases, treatment was actually provided only once; the Department of Labor did not question whether subsequent treatment was in fact rendered.

The Senate hearings also uncovered instances of former Federal workers who received FECA disability payments during the time they were incarcerated for felony convictions. Last year, Congress restricted the payment of social security disability payments to individuals who were imprisoned on felony convictions. This bill would extend this policy to FECA benefits.

This bill is similar to a bill introduced in the other body by Senators ROTH, NUNN, COHEN, and RUDMAN.●

SOLOMON ENDORSES PRESIDENT'S DEFENSE AND VETERANS PROTECTION PROPOSALS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. SOLOMON. Mr. Speaker, soon Congress will be considering the details of President Reagan's defense proposals. At that time, we will probably be bogged down in the details of the various options and we might be unable to see the forest for the trees. Before the debate begins, I think we should take a step back and see where we have been and consider where we are going.

The election of Ronald Reagan was a great thing for this country. With him in the White House we finally have a President who recognizes the need for a strong defense and who realizes that America must never be No. 2 to any other country.

For the past 15 years, our leaders have been hemming and hawing while the Soviet Union has pursued an unprecedented military buildup that threatens American interests both here and abroad.

Ever since those who view themselves as opinion leaders got it into their heads that we could not win the Vietnam war, they have vigorously worked to decrease American prestige and weaken our military might. American influence and self-esteem hit rock bottom during the Carter administration when those very people who had welcomed our humiliation in Vietnam were appointed to leading foreign policy positions.

And what was the record of the Carter administration?

The production of the B-1 bomber was stopped;

The production of the neutron bomb was delayed;

Our military presence in South Korea was reduced by 47,000 men;

Soviet combat troops were permitted to stay in Cuba;

Our commitments to our NATO allies were cut back so that the Russians now have a 5-1 superiority in both tanks and troops;

Our faithful friends and allies, like Taiwan and the Shah of Iran, were sold down the river for political expediency;

And finally: total, unconditional amnesty was granted to draft dodgers.

Is it any wonder then, that the Russians thought they could get away with invading Afghanistan? Is it any wonder that those madmen in Iran thought they could get away with kidnapping our embassy people?

Those Carter days were the salad days for the Russians. America was giving up right in front of their eyes and they did not have to do a thing except build more weapons. Let us face it, the confrontation between America and the Soviet Union should be explained in terms of America giving up, since the Russians are clearly bent on world domination.

I remember very vividly the scene 20 years ago when Mr. Kruschev took off his shoe and banged on the table at the United Nations, shouting that the Russians would bury the United States of America. "Your grandchildren will be Communists," he told our leaders at the time.

Forty years ago, Stalin had the same goal and 60 years ago, Lenin thought up the idea. What do you suppose today's Soviet leaders think about world domination?

I, for one, believe that ever since Lenin formulated the Communist doctrine of world domination more than 60 years ago, the Soviets have not changed their minds one bit. Their expansionist policies into Cuba, Vietnam, Africa and South America are visible evidence of this.

And how have our policymakers responded to this challenge up till now?

In 1960, the Soviet Union spent 8 percent of its gross national product for its military; this year, the Soviets will spend close to 20 percent. Since SALT talks began more than 10 years ago, Soviet military expenditures have increased more than 50 percent. Meanwhile our defense spending, as a portion of our GNP, has been steadily declining since 1960.

Here are just a few results of what has amounted to a unilateral disarmament by the United States:

The Soviets' military manpower totals 3.7 million while we have just over a million;

The Russians have more than 47,000 tanks; we have just over 12,000;

The Russians have 248 attack submarines to our 80;

And they have almost 4,000 fighter planes while we have only 1,700.

If that is not appeasement, I do not know what is. And has it made us one bit more secure or convinced the Soviets to abandon their arms buildup? Hardly. In fact, President Carter himself acknowledged that we were closer to a major war during his administration than at any time since the end of World War II.

The American people looked at that record last November and made a choice. If Ronald Reagan had any one single mandate last November, it was to strengthen the military, increase American prestige, and stand up to those two-bit countries that had been kicking us around. President Reagan has responded just like he promised—the defense budget has been increased, the American flag is once again respected and there is a new feeling abroad that Americans no longer want to be treated like citizens of a third-rate country.

Let there be no doubt, President Reagan is off to a great start:

He has approved a comprehensive defense strategy that will increase our land, sea, and air nuclear capabilities;

He has ordered the construction of the neutron bomb;

He has told the Soviets that America is willing to engage in arms reduction talks, but only when they stop trying to win an arms race.

Let us not forget what happened when two Libyan jets attacked two American planes. We shot them down without hesitation. Do you think those brave pilots would have acted so decisively under the previous administration?

Perhaps the most important step the President has taken to improve American defense is to sign into law a big pay raise for our servicemen. All the military hardware in the world will not mean much if we do not have capable men and officers to back it up.

An equally important aspect of the country's defense, but one that is often overlooked, is America's moral commitment to its former servicemen. We have also been working to increase veterans benefits during the last 9 months.

The projected spending level next year for veterans programs is $24.1 billion. This includes increases in medical care such as the continuation of Vietnam-era veterans readjustment counseling centers, medical care administration, and medical research. Compensation for vets and their families will increase by more than 11 percent.

The Prisoner of War Health Care Benefits Act of 1981 would authorize a new program of educational assistance for persons entering the military on or after January 1, 1981.

The Veterans Training and Business Loan Act of 1981 has passed the House and is awaiting action in the Senate. This bill would establish a veterans business loan program in the VA for veterans rated 30 percent or more disabled.

One other major medical-related bill which has passed both the House and the Senate is the Veterans Health Care Act of 1981. This bill provides for the continuation of the Vietnam-era veterans readjustment counseling centers for 3 years. Furthermore, the number of these storefront counseling centers will be increased from 93 to 140. Also, veterans who have a disability they believe is the result of agent orange will receive priority treatment in a VA hospital if a VA doctor concurs that the disability may be the result of that exposure.

Between the President's proposals for defense and his budget requests for veterans, I think it should be clear for the world to see there is a new attitude in America.

But even in the face of overwhelming public support for a strong military and a fair veterans program, there are voices in Washington who would gladly cut our defense and veterans budgets and spend the money on giveaway programs.

They are the ones who say we cannot afford a strong military.

Well, I say we can not afford not to be able to protect ourselves.

America is the greatest country in the world and there is no reason it should not stay that way. We just have to work at it—by speaking out for a strong America at every opportunity.

Mr. Speaker, we may not agree with every comma and every semicolon in the President's defense package but it is clear that he is headed in the right direction. We must never return to the days of appeasement and surrender.●

INDUSTRY, LABOR CHALLENGE DONOVAN'S HOMEWORK DECISION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. MILLER of California. Mr. Speaker, on May 5, 1981, Secretary of Labor Donovan published in the Federal Register his proposal to revoke the 40-year-old regulations under the Fair Labor Standard Act, which prohibited the use of industrial homeworkers in seven industries. The proposal shocked both workers and employers in the affected industries, primarily ladies' and children's garments and jewelry. Neither workers nor business people in these industries had sought such a change.

After the Secretary published his proposal, the Labor Standards Subcommittee of which I am chairman, held 2 days of hearings on the proposal. Representatives of the unions which represented workers in those industries testified in opposition to the proposal. They were seconded in this opposition by a broad cross section of the garment industry itself—the major industry associations; small jobbers and contractors; manufacturers ranging in size from the very smallest to industry giants such as the Levi-Strauss Corp.—all joined in strong opposition to the elimination of the ban on industrial homework. Their concerns were amplified by State law enforcement officials who testified publicly—and Federal officials who spoke confidentially—as to the virtual impossibility of enforcing wage and hour standards when work is done in people's homes, and garages, and basements, and tenements.

In the face of this near unanimous opposition to the proposal by all segments of the effected industries, law enforcement officials, five previous Secretaries of Labor, and more than 140 of our colleagues who joined me in a letter of opposition, I thought it wise when Secretary Donovan, in his final rule published on October 9, 1981, retreated from his initial proposal, and decided to retain the current prohibition on industrial homework in six of the seven basic industries. The Secretary's proposal to reverse that policy, and to permit the use of industrial homeworkers in the seventh, the knitted outerwear industry, was puzzling, however. Under law, that decision must be based on the Secretary's conclusion that to do so would safeguard the minimum wage and other Federal labor standards. I could find little in the record which leads me to believe that permitting homework in the knitted outerwear industry will enhance the Secretary's ability to enforce wage and hour standards and safeguard the minimum wage.

I have made concerns known to Secretary Donovan, and have asked him to provide me with certain information about his Department's plans to enforce wage and hour standards once he permits work in the knitted outerwear industry to be performed in workers' homes. That information is essential to the Labor Standards Subcommittee's oversight of this matter.

I have asked the Secretary to estimate the number of homeworkers who will be employed in the knitted outerwear industry.

I have asked for a description of the "concerted compliance effort" which the Secretary says the Department will "undertake" in that industry.

I have asked how that compliance effort will deal with the peculiar problems that can be expected in enforcing the wage and hour laws when work is performed in homes rather than in traditional workplaces.

I have asked for certain information concerning past enforcement activities of the Department relating to industrial homework.

One would expect that all of this information which I have sought would have been considered by the Secretary of Labor in the decisionmaking which led to the publication of his final rule permitting homework in the knitted outerwear industry. With this information readily at hand, the Secretary should have been able to immediately respond to my questions and assist the subcommittee in the performance of its oversight responsibility. Yet, Mr. Speaker, today, more than 3 weeks after I sought this information, I have received no responses to these questions from the Department of Labor.

While the ordinary legislative oversight process requires that the Subcommittee on Labor Standards ask these questions, and evaluate the responses, the workers and manufacturers in the knitted outerwear industry cannot bear the risk of waiting. They are pursuing their remedy through the judicial process.

As they stood together before my subcommittee in jointly denouncing the Secretary of Labor's proposed rule, labor and management have joined together now, in Federal court, seeking to restrain the Secretary from implementing the new rule, and seeking, eventually, to overturn the rules. The United Knitted Manufacturers' League and the International Ladies' Garment Workers' Union have each denounced the new rule. Both labor and management continue to share a grave concern about the devastating impact that the rule will have on their industry, and I ask that their statements be printed in the RECORD:

TRADE ASSOCIATION DENOUNCES LIFTING OF HOMEWORK REGULATIONS

NEW YORK, Oct. 13, 1981.—A spokesman for the major trade association of knitted apparel manufacturers in New York today denounced Labor Secretary Raymond Donovan's recent announcement of deregulation in the knitted outerwear industry.

"This action endangers all progress we have made in the past 40 years in upgrading conditions in shops making sweaters, dresses, suits, skirts, pants and other knitted apparel," said Harold Korzenik, counsel to the United Knitwear Manufacturer's League.

"The 1941 ban on industrial homework was a culmination of prolonged investigation and exhaustive hearings by representatives of labor, management and the public sector," he continued. "We have already lost half our market to foreign imports and have been fighting the reemergence of sweatshop conditions with limited success."

"Mr. Donovan's disregard for the ban and its purpose—to bring order, decency and industrial progress to the apparel trades in

America—seriously threatens our domestic factories, our investment and our workers, and will promote the return of industrial homework to all branches of the apparel industry."

"Homework calls up a vision of contented little old ladies working with hand needles in a pastoral setting," Mr. Korzenik added. "This is not what will happen. Productive knitting machines and sewing machines will be set up in kitchens, basements and garages of homes, attended by multiple members of a family, producing substantial quantities of knitted apparel for the competitive market. There will be no actual records of overtime or any work time; no records of minimum wage or required sanitation; no observed ban on child labor or effective control of any kind."

DONOVAN ACTION THREATENS HUNDREDS OF THOUSANDS OF GARMENT INDUSTRY JOBS

NEW YORK, Oct. 8, 1981.—Hundreds of thousands of workers and billions of dollars of production will be jeopardized by a new regulation lifting the 40-year old federal restriction on industrial homework in the knitted outerwear industry. The announcement of the deregulation, made today by Secretary of Labor Raymond Donovan, has been met with dismay and disbelief by both management and labor.

"Mr. Donovan's action turns American industry's calendar back to the darkest days of industrial exploitation," Sol. C. Chaikin, President of the International Ladies' Garment Workers' Union (ILGWU), said. "By taking advantage of the most deprived members of our society—undocumented aliens, the poor and the unprotected—unscrupulous employers will deprive thousands of American workers, both organized and unorganized, of decent jobs and decent conditions of employment, and they will cheat government out of millions of dollars in revenues."

Mr. Chaikin added that history has proven there is no effective way to police industrial work done in the home and therefore no way of improving these sweatshop conditions.

Noting that efforts to wipe out the practice go back to state legislation enacted one hundred years ago, Mr. Chaikin said these laws were not successful until they were backed by Federal action begun during the New Deal. Passage of the Fair Labor Standards Act in 1938 established the minimum wage with premium pay for overtime, required employers to keep records of wages and hours and regulated child labor.

In 1949, Mr. Chaikin continued, Congress amended the FLSA to incorporate into the law the restrictions on industrial homework in the seven industries in which the practice was most prevalent and most pernicious—knitted outerwear, women's apparel, embroideries, buttons and buckles, gloves and mittens, handkerchiefs and jewelry.

"Now, with one rash stroke, the Labor Department has removed one of the major areas of protection that took American workers and employers more than one hundred years to build. The spillover into the other six areas is inevitable and unstoppable."

Questioning the legality of the new regulation, Mr. Chaikin said, "The Labor Department simply does not have the right to remove restrictions that were imposed by an act of Congress."●

THE RELATIONSHIP BETWEEN ABORTION AND CHILD ABUSE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. LONG of Maryland. Mr. Speaker, Mr. Steve Clarkson of Randallstown, Md., a constituent called my attention to a piece by syndicated columnist Pete Hamill, entitled "The Relationship Between Abortion and Child Abuse."

Mr. Clarkson said several of his coworkers were unable to finish reading the article, and that they turned away in horror after the first two paragraphs. He asked that the article be reprinted in the CONGRESSIONAL RECORD, so that it might widen the tunnel vision of others.

The article follows:

THE RELATIONSHIP BETWEEN ABORTION AND CHILD ABUSE

When the cops finally opened the door, waves of glistening brown cockroaches swarmed around their feet. Flies buzzed and droned. A foul stench assaulted them, a sweet rotting compost of decayed garbage, stagnant water, urine, human feces. The floor was carpeted with a wilderness of dirty clothes, broken bottles, empty food cans, foam mattresses, a toppled lamp, a supermarket shopping cart, paper, diapers, bones, filthy plates and glasses.

Somewhere in there a child was crying.

The cops entered, found a boy who was 2½ years old, another about 15 months. Their bellies were swollen, eyes glazed, skin covered with sores. The cops couldn't see the third child, but they could hear it moaning. They threw the garbage and refuse aside and found a 6-month-old boy wedged between a bed and a wall. He was covered with roaches and flies.

This was on a Sunday. This was on a day when people all over America put on their best clothes and went to church. This was in an apartment in New York, the richest city in the world.

"The mother wasn't around since Friday," said one of the neighbors. "The mother didn't care about them. The roaches would come out from under the door and we were always spraying, and we tried to tell the mother, but she didn't care. She didn't care about nothin'."

The children were taken to Bellevue Hospital to be cleaned and examined and fed; the cops began looking for the mother. On Monday, after stories appeared in the newspapers, she turned herself in. She was 20 years old, unmarried, living on welfare. When the cops and the reporters took a look at her, they knew there was very little to be done. The law could punish her for child abuse or neglect, but that would be only one more blow in what was obviously a bruised and baffled journey through life.

One day she had been a child herself, a schoolgirl, and then suddenly, mysteriously, children were growing in her body and then were born in pain and blood, and then were crawling on the floor beside her, needing food, clothes, love. Needing what she could barely give them, needing what she needed herself and clearly didn't have. There had been nobody, no friend, no relative, to present her with the choice of an abortion. There had been no man, giddy with joy, offering her home, companionship, a shared life. She was alone. She had three tiny children and she was still alone. Human beings have been deranged by less.

Every day more cases of the beating and starvation of children by their parents come across the city desks of newspapers across the nation. Obviously, there are too many Americans bringing children into the world who shouldn't.

Meanwhile, the leaders of our society are ensuring that more and more of these brutalized children will be born. They refuse to pay for abortions for the poor, the very people who need that service most. Characters like Jesse Helms speak through tunnels of stupidity about the sanctity of life, knowing they will never have to live with the results. Nobody who walked into that apartment the other day and saw those children could talk very glibly about the sanctity of life. Helms and the so-called "pro-life" people are wonderful on the rights of the fetus; they're just not very good on human beings who actually live here.

If this society truly cared about human beings it would make some immediate changes in its laws. Abortion would be available to all (the rich, after all, will always find a way). Unmarried welfare mothers would undergo mandatory instruction in birth-control methods and be provided with birth-control devices. Men who abandoned their children would be jailed; if they crossed state lines to avoid parental responsibilities they would be subject to federal prosecution. All parents must understand that they will be prosecuted for all criminal acts against their children.

If something isn't done soon, the flood of unwanted children will increase, with brutalized children having their own damaged offspring, until the horror is general. Those preachers and politicians who talk about "protecting" the family by outlawing abortion, reviving corporal punishment or instituting school prayer are naive fools. They live in a safe, well-defended suburban world, and want to impose movie fantasies on the real world of cities. But they should know this: In that real world, unwanted children starve in the company of roaches and flies. The preachers must share some of the responsibility for their existence and their degradation.●

PUBLIC EDUCATION GETS TOP GRADES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. ROSENTHAL. Mr. Speaker, I am pleased to bring to the attention of my colleagues the recent standardized reading test scores released by the New York City Board of Education for the New York Public Schools. These results show a great improvement over the reading scores of previous years; an accomplishment in which New York City educators, parents, and students can take great pride. More importantly, the scores reflect the fact that quality public education still exists, despite recent claims to the contrary.

I am particularly proud of the excellence demonstrated in the public schools located in Queens, N.Y., my congressional district. School district 26 has all 22 of its schools ranking above grade level in reading achievement. And P.S. 178, located in district 26, goes to the head of the class by scoring highest among all of the elementary schools in the city of New York.

Another, district 25, has all but one of their schools above grade level, and that school has a disproportionately high population of students who are newly arrived immigrants and not yet proficient enough in English to even take the reading test.

While reading scores and national averages are not the only criteria for measuring excellence in education, they are indicators of achievement in the mastery of basic skills and of improvement in performance. These scores are especially gratifying to see at a time when public schools, particularly urban public schools, are being depicted as incapable of educating our children and are being threatened with decreasing public sector financial support.

In Queens, our children are well educated because our public officials, educators, parents and communities have determined that public education can succeed and have dedicated themselves to achieving excellence in education. These schools are a noteworthy illustration that high quality public education is possible when you have the active participation of the local community.

There are still major obstacles to surmount: Funds are being cut; too many children are still achieving below their grade level; some schools are not as safe as they should be. However, these problems exist in other areas of our society and we do not stop trying to solve them. We cannot give up on our public schools. The improved reading scores prove that commitment and hard work can produce success.●

AND YOU THINK YOU HAVE TROUBLES: PART II OF A CONTINUING SAGA

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. FORSYTHE. Mr. Speaker, in part I of the continuing saga on how the FCMA works, I explained how the Department of Commerce would "rapidly" issue final regulations for the submission of data so that a regional fishery management council could decide whether or not to do a fishery management plan. One might be tempted to assume that such a blatant example of delay would be rare indeed. Well, take heart. Here are a few more examples that will make you wonder how we ever get anybody to serve on a fishery management council.

A routine amendment to the Atlantic groundfish plan was submitted to the Secretary of Commerce in September 1979 with a draft supplement to the environmental impact statement for that plan. The amendment was not approved until almost a year later, August 22, 1980. The regulations to implement the amendment were not made final until a year after that, on August 5, 1981. Now that is 23 months. While this delay was unusually long, it is not at all unique. As the chairman of the New England Fishery Management Council testified before the Subcommittee on Fisheries and Wildlife Conservation and the Environment on September 24, 1981, "Other Councils have their own horror stories for comparison." Let me give you a few of those.

The following are excerpts from statements made by representatives of various councils at the September 24, 1981, FCMA hearings. A member of the North Pacific Fishery Management Council testified:

We have found that it has taken over 450 days to get relatively straight-forward amendments to a fishery management plan implemented after they have gone to the Secretary of Commerce for review. That does not include the time the Council has spent developing, drafting, and discussing, through public review, the plan or amendment. I can cite numerous instances in the North Pacific where regulations opening or closing seasons have not taken effect until well after the seasons were completely over. The same thing is true of regulations which establish catch limits. If it weren't that the State of Alaska's regulations have been generally complementary to those proposed by the Council and that the domestic fishing industry has been willing to follow those regulations in the Fishery Conservation Zone, the situation would be truly chaotic.

A member of the Pacific Fishery Management Council testified:

In 1981, the commercial fishing season (for salmon) began May 1, but the plan was not approved until June 1, and the regulations were not published until June 10. During the absence of Federal regulations, the states regulated the fishery through state landing laws.

The chairman of the Western Pacific Fishery Management Council testified:

The precious coral Fishery Management Plan was approved by the Secretary of Commerce in May 1980, but the regulations have yet to be implemented.

The Gulf Council submitted for the record a copy of a July 1981 letter from the council to the Administrator of the National Oceanic and Atmospheric Administration. This letter noted:

The Reef Fish Plan was submitted to the Secretary for approval. Procedurally, the Secretarial Review was scheduled to end on January 15, 1981. As of this date (July 8, 1981) the Council has not received a Secretarial decision. In fact, the decision meeting on this FMP (Fishery Management Plan) was not scheduled until May 27, 1981. And, the decision meeting is a first stage in the Secretarial review process.

The letter to the Administrator also noted:

In the case of the Shrimp FMP, we formally submitted it to the Secretary on January 31, 1980. The Plan was approved on May 29, 1980, nearly two months after the 60 days prescribed in the (Fishery Conservation and Management) Act. Final regulations were not promulgated until May 15, 1981, almost a year later. Because the shrimp FMP is contentious, we believe the Secretary was most responsive in approving the plan. We do not object to the three months and 22 days used to approve the plan. We do object to the inordinate time that it is taking to promulgate the final regulations, i.e., implementing a Secretarial decision.

The Gulf Council went on to say:

Under the provisions of the Fishery Conservation and Management Act, the secretary of Commerce has 60 days in which to approve, partially disapprove, or disapprove a Fishery Management Plan. We have never received a decision within a 60-day period.

In addition, the council noted its understanding that the NOAA general council is supposed to provide the regional council with a legal review within 30 days after the regional council forwards the draft fishery management plan to the Department of Commerce for an advance review. The council received a legal review on the reef fish fishery management plan on April 14, 1981, more than 1 year after submission of the plan to the Department.

How about another example of the snail's pace at which decisions are made. A Polish fleet came into waters off Alaska and ruined U.S. fishermen's crab pots. In a special regional council meeting, there was unanimous agreement on the need for the Poles to fish in some other area. A plan amendment was submitted to the Department of Commerce in August 1980. That amendment was finally published in the FEDERAL REGISTER in July 1981. As of the September 24, 1981, subcommittee hearing the amendment still was not in effect, and the crab fishery in that area started 15 days before the hearing.

If you sometimes feel frustrated with the glacial progress of legislation in Congress, be happy you do not have the honor of serving as a regional council and watching the seasons go by while you watch your handiwork go from desk to desk in Washington.●

DAY OF SORROW, NOVEMBER 4, 1981

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. WORTLEY. Mr. Speaker, as our Nation grows increasingly concerned about the troubled world we live in, I would like to take this opportunity to remind my colleagues of what took place in the Soviet Union 64 years ago this month. In the fall of 1917, the Bolshevik Revolution brought the world's first Communist Government to power. Since that time, we have watched the cancer of

Communism gain control over many nations and peoples. Almost invariably, this system of oppression has spread through the force of Soviet troops, or armaments, or both.

As we observe the continuing Soviet attempt to subjugate the brave people of Afghanistan, and as the specter of Soviet intervention continues to threaten the growth of freedom in Poland, I would ask my colleagues to consider the following declaration by the Congress of Russian-Americans marking November 7th as a "Day of Sorrow." In submitting this declaration, I would like to thank Benedict Kossovsky, chairman of the Syracuse chapter of the Congress of Russian-Americans, for the fine work of his organization.

The declaration follows:

AN APPEAL FOR A "DAY OF SORROW"

On November 7th the rulers of the Soviet Union will celebrate the 64th anniversary of the "Great October Socialist Revolution". On this tragic anniversary of the Bolshevik takeover in Russia, the Congress of Russian Americans reiterates its continued concern for the condition and destiny of all the people living under Communist rule. Sixty-four years ago a tragedy occurred which scarred not only the Russian nation but also the entire free world: Lenin and his minority party overthrew the democratic Provisional Government of Russia. Two months later the Bolsheviks dissolved the freely elected Constituent Assembly, in which they had polled only 25 percent of the vote and then renamed the nation the Union of Soviet Socialist Republics.

Despite the bitter struggle waged in the ensuing Civil War which lasted more than three years and was followed by numerous peasant and worker uprisings against Communist domination, Lenin and his successors were able to consolidate their iron hold over the people that make up the USSR. Moreover, since World War II Communist leaders have added to their empire most of Eastern Europe. This tyranny has caused millions of deaths and untold suffering in the prisons and concentration camps of the Gulag Archipelago, and has kept life at a subsistence level for most of the population.

The Soviet build-up of armaments in conjunction with foreign policy aimed at spreading the Communist system wherever possible has caused the threat of world war to hang over the United States and the free world for several decades. Furthermore, unsolicited Soviet meddling in the affairs of the developing nations continues to cause serious foreign policy problems faced by the United States and its allies.

For sixty-four years Russian immigrants have repeatedly warned the world of the dangers of Communism. Too often they have been not only misunderstood, but even mistaken for Communists. As a result, the words "Russian" and "Communist" or "Soviet" have ironically become synonymous. Moreover, despite being the first and foremost victim of Communism, the Russian nation is not even included on the list of captive nations.

Thus, in the light of the ever-increasing threat of Communist domination, we appeal to all people of good will to join us in condemning the inhuman and evil practices of Communism, reminding ourselves of all the people deprived of their basic human rights, defending those persecuted for their religious beliefs, and praying for the souls of the millions of victims of Communist terror in all captive nations.

Therefore, we mark November 7th as a "Day of Sorrow" for all free peoples and urge all to become fully aware of the dangers inherent in a Communist form of government.●

GUNS CAN'T BE CONTROLLED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, those who wish to disarm the populace, and who feel criminals are mistreated, never seem to meet reality. "Gun control," a sweeping term meaning Federal confiscation of all firearms to most of the anti-gun crowd not only abridges the constitutional rights of American citizens but is not the proper approach to crime control. When criminals realize that they will face quick and stern retribution from the courts for using a firearm in breaking the law, less violent crime will result and gun confiscation will be unnecessary.

Robert Frisby, a University of Maryland junior, recently wrote an excellent piece in the university newspaper. I commend the article to my colleagues' attention. The article follows:

[From the Diamondback, Oct. 5, 1981]

GUNS CAN'T BE CONTROLLED

(By Robert Frisby)

The attempted assassination of President Reagan has prompted many otherwise sensible people to advocate the confiscation of handguns. A federal handgun ban would be unenforceable and would not have any significant effect on the rate of violent crime. Moreover, serious efforts to enforce such a ban would lead to the violation of fundamental American liberties and could ultimately threaten the very existence of our republic.

Any plan to confiscate the estimated 55 million to 60 million handguns currently in circulation and prevent the manufacture and importation of new ones would encounter innumerable difficulties. Under the best of conditions, the physical collection of so many weapons would severely strain the resources of the nation's law enforcement agencies. Since few handgun owners would voluntarily comply with the law, confiscation is little more than a utopian dream.

Handgun owners have yet to obey the registration laws now on the books. For example, Cleveland police estimated that more than 85 percent of that city's handguns had not been registered, as required by a 1976 ordinance. Evidently, many gun owners refused to register because they saw registration as the first step toward confiscation.

The American experience with Prohibition and current drug laws clearly illustrates the problems of enforcement. Democratic governments cannot enforce laws that a substantial number of people oppose. If people demand a commodity, be it liquor, narcotics or firearms, someone will find a way to supply it. Not even totalitarian governments like Nazi Germany and Soviet Russia have been able to suppress black markets.

Even if government could persuade law-abiding citizens to surrender their weapons, criminals would undoubtedly retain possession of their handguns. People with a history of criminal or violent behavior commit the vast majority of murders in the United States. In fact, 68 percent of convicted murderers have previously been arrested for at least one major felony. The percentage of murderers with a history of violent behavior is actually much higher because many acts of violence involving friends or relatives do not result in arrests. In 90 percent of domestic homicides police had been to the home at least once before to stop a beating. In half of these murders the police had been there five or more times before. People inclined to commit felonies and beat and kill their friends and relatives are likely candidates to ignore a handgun ban.

Proponents of gun control frequently cite the experience of Great Britain and Japan. Both of these nations have strict laws prohibiting handguns and both enjoy low crime rates. Therefore, the reasoning goes, gun control reduces violent crime. Those who argue in this way fail to demonstrate any causal relationship between gun control and lower crime rates.

A closer look at the evidence reveals that cultural factors, not gun control, determine the level of crime. In 1971 Cambridge University studied the British experience and found that the use of firearms in crime was very much less before 1920 when there were no controls of any kind. Although Japanese-Americans have full access to handguns, they have a slightly lower homicide rate than their disarmed counterparts in Japan. Switzerland has a very low crime rate despite the fact that every man between the ages of 18 and 60 is required to keep a handgun or fully automatic rifle in his home.

While implementation of a handgun ban would not reduce crime, it would violate several basic American rights, including the right to self-defense, the right to be free from illegal searches and seizures, and the right to keep and bear arms.

Millions of Americans own handguns to protect themselves, their families and their businesses. To deprive them of their means of self-defense while criminals remain armed is clearly stupid and unjust. Any attempt to enforce a handgun ban would leave many innocent people more vulnerable to crime.

If handgun owners refuse to comply with a ban and the government nevertheless elects to enforce it, the police might resort to indiscriminate and warrantless searches of homes, cars, and places of work. In foreign countries the police enforce gun laws in this way. The potential for abuse of the sacred Fourth Amendment right to be safe from arbitrary searches and seizures is mind-boggling. Searches of this type would undermine the right to privacy as well. In the case of gun control, the cure is definitely worse than the disease.

The nation's founding fathers realized that a well-armed citizenry constitutes an invaluable hedge against tyranny. They recognized that the American Revolution succeeded in part because those who opposed British rule possessed the will and the means to resist oppression. Likewise the authors of our Bill of Rights, rightly distrustful of centralized power, comprehended the danger of a government monopoly on lethal force and wrote the Second Amendment with that danger in mind. Insofar as a ban on handguns might lay the foundation for the eventual confiscation of rifles and shotguns, it poses a very real threat to American liberty.

No evidence exists to support the contention that gun control will reduce crime. A handgun ban would be impossible to enforce. Any serious effort to enforce it would entail violations of basic American rights and could jeopardize the free institutions I, for one, still cherish. In the final analysis, the government that does not trust its people with firearms cannot be trusted.●

PARK FOREST, ILL., RESOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. DERWINSKI. Mr. Speaker, I wish to insert into the RECORD a resolution which was recently adopted by the village of Park Forest, Ill. Park Forest is an outstanding and progressive community, which has twice won the honor of being acclaimed an "All American City." This resolution, in tribute to the peace initiatives of the late President of Egypt, Anwar Sadat, is typical of the vigor and vitality of the citizens of Park Forest and its village board under the leadership of its president, Ronald Bean and the village clerk, Shirley Sullivan. I wish to share this resolution with my colleagues:

RESOLUTION

Whereas, Anwar Sadat, President of Egypt, together with the elected leadership of Israel and of the United States of America, was responsible for important peace initiatives affecting the Middle East and the World; and

Whereas, Anwar Sadat was slain by assassins on Tuesday, October 6, 1981, depriving the people of his country, his region, and the entire world of his leadership for peace; and

Whereas, Anwar Sadat's leadership for peace has importance to the welfare of American citizens, including those residing in Park Forest; people who are committed to the process of winning the peace, a process that was begun by President Sadat, but must be continued in the face and in the aftermath of his death and the world's deprivation thereby:

Now, therefore, be it *Resolved* that the people of the Village of Park Forest deplore the assassination of Anwar Sadat and call upon American and world leaders to renew their commitments to work diligently and vigorously to achieve the fruits of peace, a peace that will be a tribute to the memory of Anwar Sadat, a great world leader, and to the citizens of the Earth.

Be it further *resolved* that the Clerk be and she is hereby directed to send a copy of this resolution to Mrs. Sadat, the President of the United States, to our Congressional delegation, to our State Department, to the Egyptian and Israeli embassies, to the Secretary General of the United Nations, and to the general news media in order that any and all might know that leadership for peace, especially in the face of deadly terrorism, is a fervent interest of the people down to the municipal level and into the very homes of our All-America City.

Adopted this 12th day of October, 1981.

Approved:

RONALD BEAN, *Village President.*

Attest:

SHIRLEY SULLIVAN, *Village Clerk.*●

CONTINUED PAY CAP POSES POTENTIAL THREAT TO OUR NATIONAL SECURITY

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. WOLF. Mr. Speaker, Mike Causey has written a timely article in the November 5, 1981, edition of the Washington Post about the potential threat to our national security as a result of the continued pay cap. I ask that the complete text of Mr. Causey's article be printed at this point in the RECORD.

THE FEDERAL DIARY

WEINBERGER SOUGHT TO LEAD WAGE FIGHT

(By Mike Causey)

Defense Department brass—generals, admirals, and senior civil servants—are hoping to persuade Secretary Caspar Weinberger to become the point man in the battle to upgrade salaries of government executives and military personnel.

They want Weinberger to make the case, to President Reagan, Congress and the public, that sophisticated military weapons and programs are only as good as the officers and bureaucrats who operate them—and that those experts are leaving government at an alarming rate.

Rank-and-file federal workers got a 4.8 percent raise last month, boosting the average white collar government worker here to $26,000 a year. Most military personnel got even larger increases. Top military and civilian bosses, who have been frozen at the $50,000 level for several years, were left out.

Language that limits federal-military career pay at the $50,112.50 level is attached to the continuing resolution financing operations of agencies without approved budgets. The resolution expires Nov. 20. A new one will be needed to keep agencies operating, and pay raise backers hope it is approved with a new, higher pay ceiling for U.S. officials.

The problem is partly fiscal, but mostly political. The average member of Congress would rather have skunk replace bean soup on the Capitol Hill dining room menu than have to deal with top federal pay raises.

House leaders—Democrats and Republicans—generally favor pay raises for frozen federal and military leaders, provided members of Congress (who make around $60,000 a year) get a raise of around 4.8 percent themselves. But the Senate, which recently raised outside income limits for itself, doesn't want any part of a federal-military pay raise that includes members of Congress. Sen. Ted Stevens (R-Alaska) is pushing a bill that would give military-civilian brass graduated pay raises lifting some to around $57,500, but without any increases for members of Congress.

Pay raise backers believe that Weinberger, perhaps Reagan's favorite cabinet member, is the man to sell the raises based on national security needs. Pentagon brass have worked up this set of statistics they hope will impress Weinberger, and the president:

Because of the pay freeze, which also has an impact on retirement benefits, the Navy last year lost 20 percent of its senior executive corps.

Four of every 10 top Navy civilian executives are eligible to retire now.

The retirement rate of Navy civilian executives, which was 17 percent in 1978, is skyrocketing. Last year 95 percent of Navy's executives (many in key research and development programs) retired when they became eligible.

Seven of every 10 top Defense Department civilian executives are in the highly technical R&D fields, which command big bucks in the private sector, especially now that Defense spending is increasing.

Half of the Navy and Marine Corps general officers are now "capped" at $50,112.50 per year and by next year nearly all will be earning the same salary as junior officers and bureaucrats down to the Grade 15 level.

If the freeze continues, every long-service (22 years) colonel and captain—the backbone of the military establishment—will be at the pay ceiling by 1984 and more than 4,000 of them will be eligible to retire.

Senior Executive Association president Jerry Shaw says he has been assured by House Speaker Thomas P. O'Neill (D-Mass.) that the leadership supports pay raises, but it needs bipartisan support and, most of all, words of encouragement from 1600 Pennsylvania Ave.●

THE COMMERCIAL BUSINESS ENERGY TAX CREDIT ACT OF 1981

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. FOWLER. Mr. Speaker, despite the current lull produced by the temporary condition of an adequate international oil flow at relatively stable prices, I remain convinced that the energy problem remains one of the most serious challenges confronting our Nation.

Unless we can bring our energy demand more into line with the supply from absolutely secure sources, we will continue to face the severe national defense problem of needing to defend oilfields halfway around the world from us but right next door to the Soviet Union.

Unless we curb our appetite for expensive and depleting fossil fuels by vigorously pursuing both conservation and the development of alternative energy resources, we will continue to face the economic problems of higher inflation and a worsened balance of trade.

In the simple, theoretical world of economic textbooks we could expect that total reliance on the free marketplace would solve our energy supply and demand imbalance in the most efficient manner. In such a case, Government intervention would be neither desirable nor necessary.

However, we must live in the real world of energy cartels that set price and production levels; we must face the legacy of previous Federal policies which subsidized the production and consumption of fossil fuels through special tax breaks, federally funded research and development, and, in the previous decade, through Government price controls. While we have belatedly moved to revise these policies in light of today's realities, the bias that they have created within our economy against energy conservation and against unconventional energy sources remains.

Therefore, I am pleased to introduce, along with my colleagues JIM MARTIN and CEC HEFTEL, the Commercial Business Energy Tax Credit of 1981. This bill is identical to S. 1288 authored by Senator DURENBERGER and is similar, except in the amount of tax credit offered, to H.R. 4789 sponsored by Representative JEFFORDS. Thus my legislation represents a bipartisan attempt to continue the efforts of recent years to partially offset the decades of subsidies that discouraged energy efficiency.

As the name suggests, the Commercial Business Energy Tax Credit is primarily directed at providing tax incentives to the commercial sector for the purchase of energy-saving equipment.

The retail and other establishments that comprise the commercial sector of our economy are major consumers of energy, accounting for about 15 percent of total U.S. energy demand in recent years. A trip to the neighborhood restaurant or grocery store will confirm this fact. Yet, in spite of their significance, commercial enterprises have largely been excluded from the tax and other energy-saving incentives enacted in the past few years. Thus, it should not be surprising to note that the Department of Energy has estimated that around 40 percent of all the energy used in commercial buildings is waste.

The potential, and the technological capacity, for major energy savings in the commercial sector is large. What has been lacking is the necessary economic incentive to spur these often small and capital-poor establishments to make the conservation investments. According to industry figures, a company now investing in energy saving equipment finds such an investment economical only when the annual reduction in energy costs reaches 40 percent of the investment. Under the 20-percent tax credit provided by my bill, it is estimated that commercial conservation investments would be cost-effective when their average annual energy savings total 32 percent. From this it is calculated that the Commercial Business Energy Tax Credit Act would produce additional energy savings of 119 million barrels of oil equivalent for each year the credit is in effect at a net annual cost to the Treasury of about $665 million. I know of few other opportunities where we can purchase the equivalent of a barrel of oil for less than $6.

The Commercial Business Energy Tax Credit Act of 1981 corrects several problems in energy conservation tax credits that have been created by the Treasury Department's implementation of the National Energy Tax Act and the Windfall Profit Tax Act. Specifically, Treasury has interpreted the congressionally mandated energy conservation tax credit for the commercial sector to apply only to manufacturers, and it has not used its authority to make additional energy-saving equipment—including that which could be employed by commercial establishments—eligible for the conservation tax credit.

Furthermore, under current law neither industrial nor commercial enterprises receive a tax credit for the purchase of insulation material.

In response to these limitations, which have essentially excluded commercial sector conservation investments from Federal energy tax credits and have made these investments less economically attractive than similar purchases by other sectors of our economy, the Commercial Business Energy Tax Act does the following:

Makes the purchase of energy-saving equipment and insulation for an "existing industrial, retail, or commercial process, activity, facility, building or equipment" eligible for the energy tax credits. These changes will remove the exclusion of commercial establishments from the business and insulation tax credits.

Adds to the list of specially defined energy property items which are particularly useful to commercial enterprises in saving energy. Though no one connected with this legislation is particularly happy with the "laundry-list" approach, it is absolutely necessary because the discretionary power to specify additional qualifying energy-saving property has not been utilized.

Increases the level of the conservation tax credits to 20 percent. This figure was chosen as a minimum amount that would provide sufficient incentive to encourage widespread conservation investments by the commercial sector. Higher energy costs will no doubt someday induce such investments, but for the sake of our economy and our national security, can we afford to "let nature take its course"?

Provides the credits for energy property and insulation purchased after December 31, 1980, and before January 1, 1987. They are not intended to be an open ended, permanent Government subsidy, but rather would serve as transitional assistance to help move the capital-starved commercial sector away from the period when we subsidized comsumption toward today's and tomorrow's energy realities.

I urge all of my colleagues to take a close look at this legislation and I would welcome further cosponsorships.

As I stated earlier, it is my strong belief that the energy problem is still with us and I can think of few better investments of Federal dollars than to promote energy conservation. Such expenditures strengthen our national security by making us more energy self-sufficient. They strengthen our economy by reducing our energy import bill and by cutting production costs for American business and industry. They provide jobs for the American workers who manufacture the energy-saving devices. They protect the environment.

The Commercial Business Energy Tax Credit Act will promote energy savings at relatively little cost to the taxpayer. In truth, I believe that we cannot afford not to make such an investment for the future of our country.

H.R.—4912

A bill to amend the Internal Revenue Code of 1954 to encourage greater energy conservation by commercial businesses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Commercial Business Energy Tax Credit Act of 1981".

SEC. 2. SPECIALLY DEFINED ENERGY PROPERTY.

Paragraph (5) of section 48(l) of the Internal Revenue Code of 1954 (defining specially defined energy property) is amended—

(1) by striking out "or" at the end of subparagraph (L), and

(2) by striking out all that follows subparagraph (L) and inserting in lieu thereof the following:

"(M) an energy management or control system or device, including, but not limited to—

"(i) a mixed air, cooling coil discharge, and hot deck temperature reset device,

"(ii) an economizer or enthalpy controls,

"(iii) a thermostatic radiator valve,

"(iv) a computer or microprocessor control system which adjusts lighting, or which adjusts the supply of heating, cooling, and ventilation to meet illuminating or space conditioning requirements,

"(v) automatic equipment settings controls, load shedding devices and relay devices, including associated hardware,

"(vi) variable speed motor control packages combining a microcomputer with an alternating current inverter, and

"(vii) equipment required to operate or convert to variable energy supply systems,

"(N) a heat pump apparatus, cooling tower, condenser or evaporator which modifies or replaces existing components in heating, ventilating, air-conditioning or refrigeration systems,

"(O) an energy redistribution system, device or component for heating or cooling, including a duct, pipe, vent, pump or fan which exchanges the air, gas or fluids within or between rooms to increase or decrease temperature or humidity,

"(P) a furnace or boiler replacement burner designed to achieve a reduction in the amount of fuel consumed as a result of increased combustion efficiency,

"(Q) a device or control package retrofitted to an electric motor to improve its efficiency,

"(R) a mechanical or programable timer or motion detector to turn on or off energy using equipment,

"(S) a meter or submeter which displays or records the cost or quantity of energy usage,

"(T) a replacement, modification or conversion of a lighting system,

"(U) a device which modifies refrigeration equipment, including—

"(i) a compressor or humidity control,

"(ii) a device for automatically defrosting refrigerator or freezer equipment, "(iii) a demand waste heat or ambient air defrost system,

"(iv) a heat reclaim coil,

"(v) a temperature compensated evaporator pressure regulator, and

"(vi) a refrigerator fixture cover or door,

"(V) an energy storage system, including a heat sink,

"(W) equipment used in the preparation, storage, cooking, display, or serving of food or cleaning of dishware which incorporates design features specifically engineered to reduce energy consumption, and which replaces similar equipment of the taxpayer purchased before January 1, 1976, or

"(X) any other property of a kind specified by the Secretary by regulations,

which is installed and a principal purpose of which is reducing the amount of energy consumed, in connection with any existing industrial, retail or commercial process, activity, facility, building or equipment. The Secretary shall not specify any property under subparagraph (x) unless he determines that such specification meets the requirements of paragraph (9) of section 44C(c) for specification of items under 44C(c)(4)(A)(viii).".

SEC. 3. INSULATION PROPERTY.

(a) IN GENERAL.—Subparagraph (A) of section 48(l)(2) of the Internal Revenue Code of 1954 (defining energy property) is amended—

(1) by striking out "or" at the end of clause (viii),

(2) by inserting "or" at the end of clause (ix), and

(3) by adding at the end thereof the following new clause:

"(x) insulation property,".

(b) INSULATION PROPERTY DEFINED.—Subsection (l) of section 48 of the Internal Revenue Code of 1954 (relating to energy property) is amended by adding after paragraph (17) the following new paragraph:

"(18) INSULATION PROPERTY.—The term 'insulation property' means property which is specifically and primarily designed to reduce when installed in or on an existing industrial, retail or commercial building or facility the heat loss or gain of such building or facility, including, but not limited to—

"(A) insulation materials installed as part of the building envelope including the wall, ceiling, floor, and roof,

"(B) insulation materials installed in connection with mechanical system equipment, ducts and piping,

"(C) heat reflecting and heat absorbing window and door materials and reflective and heat absorbing window and door films and coatings,

"(D) storm or thermal windows or doors for the exterior of a building,

"(E) thermal curtains which separate areas of different temperatures,

"(F) vestibules,

"(G) exterior skylights which have one or more sheets of glazing or other type of panel, and

"(H) caulking or weatherstripping of an exterior door, window, or skylight.".

SEC. 4. CHANGES IN AMOUNT AND PERIOD OF APPLICATION OF ENERGY PERCENTAGE.

The table contained in clause (i) of subparagraph (C) of section 46(a)(2) of the Internal Revenue Code of 1954 (relating to energy percentage) is amended by adding at the end thereof the following new subclauses:

"VII. Specially Defined Energy Property.—Property described in section 48(l)(5).	20 percent..	January 1, 1981.	December 31, 1986.
"VIII. Insulation Property.—Property described in section 48(l)(18).	20 percent..	January 1, 1981.	December 31, 1986.".

SEC. 5. EFFECTIVE DATE

The amendments made by this Act shall apply to periods beginning after December 31, 1980, under rules similar to the rules contained in section 48(m) of the Internal Revenue Code of 1954.●

NIAGARA FALLS, 1901

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. LAFALCE. Mr. Speaker, I have the good fortune of representing Niagara Falls, N.Y. in the United States House of Representatives. This fine city, which has been the focus of national environmental concerns, also happens to be the home of one of the world's natural wonders: The falls.

In this morning's Washington Post, a fascinating historical account of the first human being to go over the falls in a barrel—and live—was written as a reminder that the 80th anniversary of this amazing feat has just passed.

In our age of great technological feats, including the journey to the Moon by *Apollo* astronauts and the successful voyage of the *Columbia*, it is worth remembering that conquering nature can often be a staggering and life-threatening endeavor.

Niagara Falls is, indeed, the greatest work of nature in the world. At a time when we grapple with Federal budgets and scientists work to master more of the universe's secrets, it is well worth pausing to reflect on a most amazing accomplishment of another age—the stunning voyage of Annie Edson Taylor on October 24, 1901.

The article follows:

[From the Washington Post, Nov. 5, 1981]

OVER THE FALLS, OVER A BARREL—DARING ANNIE TAYLOR NEVER FOUND THE BIG BUCKS

(By Joyce Wadler)

NIAGARA FALLS, N.Y.—It was noted little at all, not even here, where the deed was done, but 80 years ago last week Annie Edson Taylor became the first person to go over Niagara Falls in a barrel and survive.

Many earlier stuntmen and women here had tried assorted death-defying feats. The great Blondin, whose real name was Francois Gravelet, had walked over the falls on a tightrope. A few had shot the rapids and whirpools on barrels and rafts and such. One woman had—for the public becomes so easily jaded—walked a tightrope across Niagara with peach baskets on her feet. But no one, before the sharp autumn day of 1901, had dared Annie's way of braving what one of the newspapers termed "the greatest and most appalling work of nature in the world."

She'd planned it all carefully, too. She found a carriage maker to make a stout barrel with a harness inside. She put a lead weight at the bottom and a pillow for her head. She even, the day, before, tested her barrel by placing a cat inside and giving it the old heave-ho. Not very nice, particularly as the cat died, but, as we will see, Annie was often not a particularly nice person. She lied. She cheated. The stunt, she herself said, was simply to make a buck. So of course she died 20 years later in the county home dead broke.

And yet, as another paper said at the time, there was "something sublime about her daring."

"I will not say goodbye, but au revoir," she said to the thousands who came to see her off, "for I am confident we shall meet again."

After the stunt, although described in the Niagara Falls Gazette as "a trifle hysterical," she likewise gave a fine conference to the press.

"I made the trip voluntarily, but I would not do it again for a million dollars," she said. Also, "I would sooner walk up to the mouth of a cannon knowing it was going to blow me to pieces than make another trip over the falls."

People do such marvelous things these days—parachuting onto or off of the World Trade Center, reading the new John Irving book on the wing of a plane—that it is easy to assume with our fine technology we must have the only word on dare-devilry, but this is not so. Niagara Falls, before the turn of the century, served as a magnet for stunters—quite a few of them, the feminists will be pleased to note, female. One Martha E. Wagenfluhrer went through the rapids of Niagara in a barrel the month before Annie's venture. The following day another woman, Maude Willard, forfeited her life when she tried the same.

Nineteen hundred and one was a good year for stunters, owing to the presence of the Pan American Exposition in Buffalo, a short trip away.

Into this arena, in late October, came Annie. If you can trust her autobiographical pamphlet—and the people of the Niagara Falls Historical Society caution that Annie liked to exaggerate—she had, even prior to her stunt, led an interesting life. A widow at age 20, she'd survived an earthquake, traveled cross country, been a ladies' companion and dance instructor and taught school. Once, traveling out west by stagecoach, she was attacked by robbers and, according to her account, valiantly resisted their threats.

"Blaze away," she said. "I would as soon be without brains as without funds."

By 1900, when Annie claimed to be 42 and was at least a decade older, she was having hard times. She had been burned out of a home in Chattanooga; she had lost money she had invested with a clergyman. Nor were people willing to help.

"When I was younger and a good deal better looking than I am now, I could make money easier. People are more willing to help a young woman than they are a woman in middle life," wrote Annie of this time in the New York Journal. Nonetheless, she was not prepared to give up.

"Now I am a little proud," she says, "I didn't want to lower my social standard, for I have always associated with the best class of people, the cultured and the refined. To hold my place in the world I must have money, but how to get it?"

The answer came to her one evening while reading the papers. "No one has ever gone over Niagara Falls in a barrel. It will be fame and fortune or instant death. I resolved firmly from that moment to do it."

She sketched a diagram of the barrel, found the carriage maker to execute the plan. She traveled to Niagara from her home in Bay City, Mich., and, though the town coroner came to warn her against the stunt, went ahead with it. After they took her out of the barrel, she had a cut on her head, and later announced to doctors she thought she might wish to cry, but otherwise seemed all right. "Have I rally gone over the falls?" were her first words.

Later on, according to Niagara historian Teresa Lasher, she failed to honor her contract with the carriage maker to go on tour with him and the barrel, hiding out instead in Niagara Falls. Also, in later years, there is evidence she ran a whorehouse and welshed on her coal bills.

She never got rich. Seven years after her stunt she was hawking the story of her life in the streets of Niagara Falls. Twenty years later, she died in the county poorhouse. There was talk of putting her in a pauper's grave, but that never had to happen. Some people in Niagara Falls put up the money for a small pink and white marble tombstone.

They buried here in Stunter's Row, next to the valiant Capt. Mathew Webb, who died in 1883, age 35, after an unsuccessful attempt to swim the rapids, and next to Carlisle Graham, the first man to run the rapids on a raft. Graham, who had helped Annie out of her barrel after her stunt, had been her friend. And on Annie's grave, they wrote a simple epitaph.

"First to go over the Horseshoe Falls in a barrel and live—October 24, 1901," it says, listing, interestingly, not the date of her death but the date of her triumph.●

BROAD SUPPORT EXPRESSED ON CLEAN AIR ACT WARRANTY LEGISLATION

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. LEE. Mr. Speaker, on October 5, 1981, I introduced H.R. 4681, a bill to amend the warranties in the Clean Air Act to preserve consumer freedom of choice to select parts and service of the consumer's own choosing and to promote competitiveness in the motor vehicle aftermarket. Since that time I have received statements indicating united support from several automotive aftermarket associations. These associations represent well over 100,000 small business firms.

For the benefit of my colleagues, I would like to enter in the RECORD these letters so that they can see the overwhelming, united support for this legislation which would return equity to the automotive aftermarket industry. This industry is comprised mainly of small businessmen involved in every aspect of automotive care and maintenance, from the manufacture of parts, through the distribution channels, independent garages—both mechanical and auto body—and retail outlets, down to the smallest service station. The impact of the Clean Air Act warranties has been onerous on this segment of the small business community. Their only goal is to have open competition restored so that the consumer may freely choose where and by whom his motor vehicle will be maintained.

The letters follow:

AUTOMOTIVE SERVICE INDUSTRY ASSOCIATION,
Chicago, Ill., October 22, 1981.

Hon. GARY A. LEE,
House of Representatives,
Washington, D.C.

DEAR MR. LEE: Automotive Service Industry Association (ASIA), the automotive world's largest and most comprehensive organization extends its sincere appreciation for your action in introducing H.R. 4681. We commend you for your leadership role on behalf of consumer freedom of choice and for your recognition of the anti-competitiveness of the present mandated emissions warranties and the harmful impact of such warranties on the consumer and the independent aftermarket.

ASIA is totally committed to support H.R. 4681 which is a fair compromise measure that addresses the anticonsumer and anticompetitive issues created by the Clean Air Act warranties by establishing a mandated warranty that closely conforms to the voluntary commercial warranty now offered by the vehicle manufacturers. ASIA activities with respect to the warranty are closely coordinated with Production Engine Remanufacturers Association (PERA) and the state warranty task forces in the 50 States, each of which also extend full support of H.R. 4681.

Prompt consideration and passage of H.R. 4681 is imperative. Each day that the mandated long-length emissions warranty is in effect, consumer freedom of choice is eroded and the competitive structure in the aftermarket is severely damaged. It's our hope that Congress will act on this bill without delay.

Sincerely yours,
JOHN W. NERLINGER, CAE,
President.

INDEPENDENT AUTOMOTIVE SERVICE ASSOCIATION,
Bedford, Tex., October 29, 1981.

Hon. GARY A. LEE,
U.S. House of Representatives, 322 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEE: On behalf of the 5,000 shop owner members of the Independent Automotive Service Association (IASA) I would like to express our sincere appreciation for your continuing support. We are particularly indebted to you for introducing H.R. 4681.

The future of the entire independent automotive service market is at stake. There are millions of people involved with aftermarket, parts manufacturing, the distribution of these parts, and the repairing of automobiles. Under the EPA-mandated warranty, this important segment of our economy would be placed on "hold" for five years. Considering the fact that independents currently perform 75 percent of the nation's automobile repairs, I do not feel our transportation system or perhaps this country could survive this extensive rearrangement of the marketplace.

Again, we deeply appreciate your understanding and your continued support in Congress. Our members will do whatever they can to support you and H.R. 4681.

Sincerely,
ALLEN RICHEY, *Executive Director.*

AUTOMOTIVE PARTS REBUILDERS ASSOCIATION,
McLean, Va., October 23, 1981.

Hon. GARY A. LEE,
Room 322, Cannon House Office Building, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN LEE: On behalf of the entire membership of the Automotive Parts Rebuilders Association, I wish to express our appreciation for your continued support of the automotive aftermarket and your efforts to relieve the extremely adverse effects of the Clean Air Act on our membership as well as on the entire automolive aftermarket. Our membership is composed of 1,012 companies, mostly small businesses.

We were particularly pleased to note the introduction of your bill, H.R. 4681. Obviously, we very much would have liked to see passage of your original bill, but recognize that practical considerations dictate language more akin to H.R. 4681.

In our testimony before Congressman Waxman's committee on September 23, we expressed support for a bill which would include the 12 month—12,000 mile warranty provision.

As you can well appreciate, the Automotive Parts Rebuilding Industry is highly energy oriented and provides quality parts at a considerable savings to the motoring public. The existing law and the administration of it by the Environmental Protection Agency would cause businesses like ours to virtually disappear. Such a development, including the substantial loss of jobs, is totally unnecessary in the campaign for clean air.

Thus, you may count on our continued strong support in your efforts to solve this very complex problem.

Cordially,
LAWRENCE P. MUTTER,
Executive Vice President.

SERVICE STATION DEALERS OF AMERICA,
Washington D.C. October 30, 1981.

Hon. GARY A. LEE,
U.S. House of Representatives, 322 Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE LEE: On behalf of the 60,000 members of the Service Station Dealers of America I wish to express our appreciation for your leadership in introducing H.R. 4681. At our recent convention a resolution was adopted supporting your efforts.

Should the provisions contained currently in the Clean Air Act and EPA's interpretation of them be allowed to stand, our members face the reality of being unable to service the consumer's vehicle for 5 years or 50,000 miles. For years, as you know, our industry has done the majority of service work in this country by choice of the consumer. All we ask is that we be allowed to continue to compete for this business instead of having the law force that business into the hands of the franchise dealer because the consumer believes he has coverage under the Clean Air Act warranties. H.R. 4681 would correct this misconception by forthrightly addressing the anticonsumer and anticompetitive aspects of the Clean Air Act warranties.

Service is, and always has been, a major portion of our members' business. The ability of our industry to continue to service the vehicles of this nation is in the hands of those such as yourself who recognize the anticonsumer and anticompetitive impacts of the Clean Air Act warranties and are willing to take the leadership in fighting to correct this complex and often misunderstood situation.

We pledge our total support and energies to assisting you in any way we can to assure adoption of your bill.

Sincerely,

JOSEPH J. GRISH, *President.*

MOTOR & EQUIPMENT MANUFACTURERS ASSOCIATION,
Washington, D.C., November 2, 1981.

Hon. GARY A. LEE,
U.S. House of Representatives, 322 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEE: The Motor and Equipment Manufacturers Association, representing more than 750 manufacturing firms throughout the United States, would like to thank you for introducing H.R. 4681, The Automotive Aftermarket Coalition Bill.

As you stated in the preamble, the objective of your bill is "to preserve consumer freedom of choice to select parts and service of the consumers own choosing". MEMA, too, wholeheartedly endorses this goal and to this end, we pledge our strongest support to seek passage of H.R. 4681.

The Motor and Equipment Manufacturers Association represents manufacturers who supply both original equipment to motor vehicle manufacturers and replacement parts to the independent automotive aftermarket industry. Components supplied to the vehicle manufacturers are built, for the most part, to that manufacturers specifications. However, when many of these same companies produce their own branded replacement parts, there is a competitive motivational force for that company to employ technological innovation to improve upon the design; thereby advancing the state of the art, benefiting the ultimate car owner or consumer.

However, if government mandates warranties beyond the normal 12 month/12,000 mile period, it conceivably forecloses an open market for replacement parts, thereby taking away incentives for investing corporate resources for technological innovation except for the vehicle manufacturers. One of the reports prepared for the federal government last year, concluded that survival of the domestic motor vehicle industry depends upon new technology from their suppliers. To put it simply, if government seals the hood of every new car 5 years/50,000 miles, what will be the incentive for a parts manufacturer to develop new technology if that manufacturer has no market to sell?

It is our opinion the amendments you have offered, through H.R 4681, to the Clean Air Act are vital economic changes that will result in greater consumer benefits without defeating the objectives of clean air.

Sincerely,

WILLIAM A. RAFTERY, *President.*

AUTOMOTIVE PARTS & ACCESSORIES ASSOCIATION,
Lanham, Md., October 21, 1981.

Hon. GARY A. LEE,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LEE: Thank you for your recognition of the problems this industry faces as a result of certain provisions of the Clean Air Act, as is evidenced by your introduction of H.R. 4681.

APAA firmly believes that active enforcement of Sections 207 and 209 of the Act distort the competitive balance that exists in the free parts replacement and service market. Federal and California regulations strongly encourage many consumers to return to new car dealers for a broad range of services long after the expiration of the manufacturer's commercial warranty, and long after the time that experience in the marketplace suggests would occur if consumers had a free choice between using new car dealers or independent aftermarket parts and services. They do so either because they hope, usually without a basis, that a problem they have is covered by an emissions control warranty mandated by the Act for a period of 5 years or 50,000 miles, or because of concern that service or repairs performed by independents on nonwarranty work may affect future warranty coverage.

Most cars in need of emission control service or repairs are in that condition because of poor maintenance and neglect by the owner and, hence, are not covered by warranty. The artificial distortion of competition—the true anticompetitive and anticonsumer impact—stems from the fact that extended emissions warranties result in customers going to more expensive, less convenient new car dealers for work that they learn, too late, is not covered by the warranty. In those cases, the aftermarket loses the opportunity to do both the work not covered by the warranty and the other repair or service work that is done while the customer is at the dealer. We project that this will mean a severe loss of business for our industry as 1981 and later model warranted vehicles take over the vehicle population.

The Automotive Parts and Accessories Association is a trade association of 1400 manufacturers, distributors, retailers and independent sales agents who do business in the $60 billion a year automotive aftermarket. As you know, the aftermarket consists of products manufactured for and services provided motor vehicles by companies independent of the new car manufacturers and their dealers.

The 1400 members of this Association join you in calling upon the House to pass H.R. 4681 in order to undo the gross injustices borne by the automotive aftermarket as a result of the 5/50 warranties. We appreciate your support. You can count on ours.

Sincerely yours,

JULIAN C. MORRIS, *President.*

AUTOMOTIVE SERVICE COUNCILS, INC.,
Elmhurst, Ill., October 21, 1981.

Hon. GARY A. LEE,
Room 322, Cannon House Office Building, Washington, D.C.

DEAR REPRESENTATIVE LEE: On behalf of the 5,000 members of this Association and the hundreds of thousands of other independent automotive repair shop owners who do not belong to any national trade association, Thanks.

We hope that you will accept this genuine expression of our appreciation for your understanding and efforts connected with the introduction of the joint automotive trade coalition proposals related to the anticompetitive warranty provisions in the Clean Air Act.

ASC and its members support and applaud your bill, H.R. 4681, to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing.

ASC pledges to work for and to promote constituent support from its members throughout the United States.

Best wishes.

Sincerely,

JERRY B. MCFARLAND,
National Chairman of the Board.

GEORGE W. "BUD" MERWIN,
National President.

TUNE-UP MANUFACTURERS INSTITUTE,
Teaneck, N.J., October 27, 1981.

Congressman GARY A. LEE,
House of Representatives, 322 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEE: I am writing as President of the Tune-Up Manufacturers Institute, a nonprofit trade association composed of manufacturers of automotive parts used in vehicle tune-ups. The members of our association are vitally concerned about the competitive implications of the Clean Air Act in the aftermarket parts and service industries.

We are extremely grateful to you for the introduction of H.R. 4681. This bill is supported by all segments of the automotive aftermarket, including TMI. As citizens we are concerned that clean air be maintained; as manufacturers we are concerned that government rules not arbitrarily upset the competitive structure in the marketplace. Your bill, H.R. 4681, strikes a proper balance in this regard, and consequently deserves widespread support.

On behalf of TMI I pledge that we will support H.R. 4681 and will work for its passage. Again, we appreciate your concern for our industry as well as clean air.

Sincerely,

ROBERT RIDLEY, *President.*

AUTOMOTIVE EXHAUST SYSTEMS MANUFACTURERS COMMITTEE,
Teaneck, N.J., October 27, 1981.

Congressman GARY A. LEE,
House of Representatives, 322 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LEE: I am writing as Executive Director of Automotive Exhaust Systems Manufacturers Committee, a nonprofit trade association composed of manufacturers of automotive exhaust system parts. The members of our association are vitally concerned about the competitive implications of the Clean Air Act in the aftermarket parts and service industries.

We are extremely grateful to you for the introduction of H.R. 4681. This bill is supported by all segments of the automotive aftermarket, including AESMC. As citizens we are concerned that clean air be maintained; as manufacturers we are concerned that government rules not arbitrarily upset the competitive structure in the marketplace. Your bill, H.R. 4681, strikes a proper balance in this regard, and consequently deserves widespread support.

On behalf of AESMC I pledge that we will support H.R. 4681 and will work for its passage. Again, we appreciate your concern for our industry as well as clean air.

Sincerely,

RALPH W. VAN DEMARK,
Executive Director.

AUTOMOTIVE WAREHOUSE DISTRIBUTORS ASSOCIATION, INC.,
Kansas City, Mo., October 15, 1981.

Hon. GARY A. LEE,
Room 322, Cannon House Office Building, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN LEE: On behalf of the entire membership of the Automotive Warehouse Distributors Association, let me take this opportunity to extend our sincere thanks for your support of our aftermarket position on the Clean Air Act by introducing H.R. 4681.

AWDA is in total support of this legislation. As President, I am pleased to tell you that I shall contact our membership immediately urging them to write, wire, or telephone their individual Representative requesting support of H.R. 4681. The members of AWDA are also being encouraged to write Congress requesting urgent action—before the end of 1981—on the Clean Air Act itself. It is vital to the interests of the entire automotive aftermarket that legislation such as you have introduced be made law as swiftly as possible.

Again, Congressman Lee, let me express the sincere thanks of AWDA, its distributor and manufacturer members, for your actions on behalf of the automotive aftermarket. You can rest assured that you have the full support of the Automotive Warehouse Distributors Association in your efforts.

Sincerely,

MARTIN FROMM, *President.*●

UNITED STATES-GREEK RELATIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. DERWINSKI. Mr. Speaker, the recent political developments in Greece have merited the attention by all of us in Government. In view of the long history of friendship between the United States and Greece, I was especially pleased to note the editorial in the Southtown Economist Newspapers, which serve suburban Cook County, Ill. The editorial, appearing in the November 2 edition of that publication, emphasizes the need for stronger ties between our Government and that of the recently elected Greek Government. Certainly, the difficult situation in Cyprus and in the Aegean Sea area complicate United States-Greek relations; however, there are far more areas of mutual interest than there are differences of opinion:

[From the Southtown Economist Newspapers, Nov. 2, 1981]

U.S. SHOULD SEEK FRIENDSHIP OF NEW GREEK GOVERNMENT

The Greeks, who invented ancient democracy but suffered modern dictatorship, used democratic elections recently to usher in Greece's first socialist government.

The new prime minister, Andreas Papandreou, is a Harvard-educated economist and former chairman of the economics department at Berkeley. He campaigned primarily on an economic platform that resembles the moderate socialist program of French President Francois Mitterand. In foreign policy, he called for Greece to withdraw from NATO, to freeze U.S. military installations, and to consider leaving the Common Market. But he stressed moderation and friendship with the United States. He promised a public referendum on the Common Market and said, "We will not lead the country into any adventure."

Washington finds itself in the situation of having a former U.S. citizen—Papandreou became a U.S. citizen during his exile from Greek dictatorship, but renounced it after the Greek dictatorship fell in 1974—leading his country away from America. But perhaps American meddling in Greek affairs may have led Papandreou from the United States. When Papandreou's father was the favored candidate in 1967, the military seized power. Successive U.S. administrations did little to pressure the Greeks to return to democracy, and many Greeks believe that the CIA engineered the military take-over.

How should Washington react now?

We hope the Reagan administration supports the Greek people's decision, and extends the hand of friendship to the socialist government.

Democracy unites the West more powerfully than any position on the constantly swinging pendulum of economic policies. By supporting Papandreou's government now, we can dispel the distrust of many Greeks, and weld Greek-American bonds. Greece has left NATO before, and our military presence can be shifted to Turkey, if necessary.

But perhaps by maintaining cordial relations with Greece despite economic differences, we can forestall Greek pullout from NATO and the Common Market, and keep joint military cooperation, if not U.S. bases.

The Papandreou government has much to decide between campaign rhetoric and pragmatic policy. Democracy is not perfect, but it remains the best way for people to decide their political future. We learned democracy from the ancient Athens, and we must do nothing to take it from the modern Greeks.●

EFFECT OF PAY CAP UPON ADMINISTRATIVE LAW JUDGES

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. WOLF. Mr. Speaker, there are approximately 1,100 Federal administrative law judges nationwide. They are not within the Senior Executive Service. Congress properly excluded them because of their exercise of judicial functions. Bonuses for administrative law judges are improper because bonuses tend to diminish impartiality and independence of judicial action.

Supreme Court Justices, circuit court and district court judges of the United States function under the authority of the Constitution which provides their salaries may not be impaired. Because of this, those judges have successfully challenged the pay freezes imposed on other Federal officials.

Administrative law judges are creatures of Congress. They serve, for the most part, as trial judges for Federal agencies which enforce or regulate Federal laws.

However, they are vested with no less responsibility for maintaining the integrity of our judicial system than the constitutional judges. The Supreme Court, in 1978, recognized in *Butz* v. *Economou*, 438 U.S. 478, that ALJ's are "functionally comparable" to judges employed in the judicial branch and conferred on them absolute immunity for judicial acts. In doing so the Court observed:

There can be little doubt that the role of the . . . administrative law judge is "functionally comparable" to that of a (constitutional) judge. His powers are often, if not generally, comparable to those of a trial judge. * * *

In 1980, the Supreme Court again addressed the role of administrative law judges. In *Marshall* v. *Jerrico, Inc.* 466 U.S. 238, 250 the Supreme Court commented upon the role of administrative law judges. Thus, the Court observed that the independent administrative law judge is one "whose impartiality serves as the ultimate guarantee of a fair and meaningful proceeding in our constitutional regime."

For pay purposes, the administrative law judges are assigned ratings in the Government's GS pay schedule. Their capped salaries cannot compare with the compensation of other trial judges and members of the bar practicing in the private sector. The ranks of the latter serve as an area of recruiting the high-caliber legal abilities and judicial temperament necessary to maintain the Federal judicial administration at optimum capacity. Private sector legal fees are notoriously grossly higher than the present pay cap. Clearly, therefore, to maintain such a cap for Federal administrative law judges is to nurture erosion of their ranks.

Also, such a pay restraint tends to reduce the judicial independence of ALJ's. This independence was recognized by the Supreme Court and by Congress in exempting such judges from the Civil Service Reform Act's bonus provisions. Independence is diminished if one is beset with adverse financial considerations.

Failure to provide pay relief severely impacts to the detriment of equal and impartial justice precepts and loses the virtues inherent in our system of law enforcement.

I ask that an excerpt of an opinion of the U.S. Court of Appeals (third circuit) decision in NLRB against Permanent Label Corporation, decided June 30, 1981, be printed at this point in the RECORD. In relevant part, Judge Aldisert wrote a concurring opinion in which he expressed his views of administrative law judges. The pertinent remarks appear on pages 30 through 33. Those remarks are submitted for further testimony that the pay cap must be removed.

Accepting for purposes of argument that to be impartial judges must be independent of all political or employment pressures, I submit that the view that the ALJs are not sufficiently independent or competent is now so shopworn as to be totally obsolete. To the contrary, ALJs, though not yet annointed with life tenure, enjoy an independence that in my view is plainly sufficient to satisfy reasonable doubts.[10]

[10] *See generally* Lubbers, *Federal Administrative Law Judges: A Focus on our Invisible Judiciary*, 33 Admin. L. Rev. 109 (1981); Admin. Conference of the United States, Federal Administrative Law Judge Hearings 7-20 (1980), *Cf. Nash* v. *Califano*, 613 F.2d 10 (2d Cir. 1980) (ALJ has standing to challenge attempted interference with decisional independence by Social Security Administration).

For example, although ALJs are considered agency personnel, they are selected by the Office of Personnel Management (OPM) independently of agency recommendation or rating, 5 U.S.C. § 5362, and cannot be removed from office without a hearing establishing good cause before the Merit Systems Protection Board, 5 U.S.C. § 7521. Their pay is controlled by the Civil Service Commission. ALJs can be disqualified from a case only upon petition by either the agency or a private party, 5 U.S.C. § 556(b). Similarly, cases are assigned on a rotating basis so that the agency cannot "fix" the result by choice of judge, 5 U.S.C. § 3105. They are not subject to the whim of the agency. ALJs are strictly independent of investigative or prosecutorial personnel in the agency. 5 U.S.C. § 554(d).

Moreover, the selection process for ALJs should inspire more respect for this office than is generally extended by Article III judges; it is a process that requires rigorous inquiries into the background and competence of the candidates. Applicants must supply twenty professional references. A minimum of seven years of litigation experience is required to meet the threshold selection requirement. A test opinion must be drafted and evaluated on the basis of many factors including clarity and conciseness. See Office of Personnel Management, Announcement No. 318, Administrative Law Judge 13-16 (1979). Finally, after the various scores have been combined, applicants considered tentatively eligible are interviewed by a special panel usually composed of an OPM official, an attorney qualified in the field of administrative law, and an agency official. This committee submits a recommendation to the director of OPM who makes final eligibility determinations among qualified candidates. Once appointed to an agency, an ALJ is not subjected to the usual probationary employment period for agency employees, further insuring ALJ independence, 5 U.S.C § 3321.

The Supreme Court recognized in *Butz* v. *Economou*, 438 U.S. 478 (1978), that ALJs are "functionally comparable" to judges employed in the judicial branch and conferred on them absolute immunity for judicial acts. In doing so the Court observed:

"There can be little doubt that the role of the modern federal hearing examiner or administrative law judge within this framework is 'functionally comparable' to that of a judge. His powers are often, if not generally, comparable to those of a trial judge. . . . More importantly, the process of agency adjudication is currently structured so as to assure that the hearing examiner exercises his independent judgment on the evidence before him, free from pressures by the parties or other officials within the agency. Prior to the Administrative Procedure Act, there was considerable concern that persons hearing administrative cases at the trial level could not exercise independent judgment because they were required to perform prosecutorial and investigative functions as well as their judicial work . . . and because they were often subordinate to executive officials within the agency. . . . Since the securing of fair and competent hearing personnel was viewed as "the heart of formal administrative adjudication." Final Report of the Attorney General's Committee on Administrative Procedure 46 (1941), the Administrative Procedure Act contains a number of provisions designed to guarantee the independence of hearing examiners."

438 U.S. 513-14 (citations omitted).

The rigors of the selection procedure and the statutory protections of ALJ independence suggest to me that the federal judiciary need not look down its collective nose at ALJ decisons. *Cf. Eastern Engineering & Elevator Co., Inc. v. NLRB*, 637 f.2d 191 (3d Cir. 1980) (NLRB must respect special competence of ALJ who has the benefit of first-hand observation of witnesses). I am not proposing that the judiciary abandon all distinctions between ALJs and Article III judges when reviewing decisions, for Congress has clearly intended that review be on a different level. Of course, in the review of the choice and application of legal precepts, a judicial function dramatically different from reviewing factfinding, I have not been loath to critize either the ALJ or the agency. *See Allegheny General Hospital v. NLRB*, 608 F.2d 965, 967-69 (3d Cir. 1979). But I perceive that under the legislative schem, at least in the context of factfinding, the difference may well be more tenuous than our decisions in the *Gissel* and *Hargenrader* context indicate.

IV.

I concur in the judgment enforcing the bargaining order in this case, but I reject the standard applied to the Board's decision. I reject the standard because it represents unwarranted interference with choices committed by Congress to the agency and thereby impedes the development of a coherent national labor policy by the NLRB. I also reject the standard because it is a rule applied to achieve results not based on the reasons given. I am convinced that as long as the court continues to anatomize the Board's reasons for imposing a bargaining order, these cases will continue to be self-inflicted wounds that will drain our energies; energies that should be husbanded, not dissipated.

Garth, Circuit Judge, concurring in part and dissenting in part, with whom Judges Hunter and Weis join:

I.

I agree with the majority that there is substantial evidence to support the Board's findings of unfair labor practices. I also agree with the majority's reaffirmance of our precedents which require that the Board articulate its reasons for imposing a bargaining order, Maj. op. typescript at 11; *Hedstrom Co.* v. *NLRB*, 629 F. 2d 305 (3d Cir. 1980) *(en banc) (Hedstrom II); NLRB* v. *Armcor Indus., Inc.*, 535 F. 2d 239 (3d Cir. 1976). I do not agree, however, that either the ALJ or the Board complied with our articulation requirement and thus I would deny enforcement of the bargaining order.

II.

Both the majority and I recognize this court's insistence that the Board explain why it imposed a bargaining order rather than ordering a re-run election. In this respect we are all aware that the Supreme Court has admonished the Board that elections are the preferred way to ascertain whether a union has majority support *NLRB* v. *Gissel Packing Co.*, 395 U.S. 575, 602 (1969): The Second Circuit has summarized the law governing the Board's choice of remedies for employer unfair labor.●

TRIBUTE TO BROOKS HAYS

SPEECH OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 4, 1981

● Mr. O'NEILL. Mr. Speaker, throughout the history of this House we have been graced by individuals who have made a truly special mark and whose example has enriched our Nation. Brooks Hays was such a Member.

I cannot find the words to describe the remarkable essence of this man. He was the consummate story teller and his wit was always warm and kind. He was our trusted friend and colleague and the respect we felt for him was deep and inspiring.

His love of country and dedication to public service were total. After his defeat in 1954, he said:

> My hope is strong now that compassion will be matched by imagination in the arts of government so that our lives that are so interlocked and interrelated may be blessed and may be made secure in God's love.

And he went on to serve his country as a special assistant to Presidents Kennedy and Johnson, and later as a professor lecturing with distinction on government and politics.

His courage and commitment were evidence of his patriotism, his deeply religious principles, and his steadfast belief in the dignity of all his fellow Americans. I am grateful for having had the privilege to serve with Brooks Hays.

Millie and I extend our heartfelt sympathy to Marian and the children in their time of sorrow.●

A TRIBUTE TO W. O. WALKER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 5, 1981

● Mr. STOKES. Mr. Speaker, I take this opportunity to simultaneously mourn the loss and to salute the great spirit and contributions of one of the most revered leaders in the black community and the city of Cleveland—Mr. W. O. Walker. Mr. Speaker, W. O., as we affectionately called him, died last Thursday, October 29, 1981, at the age of 85.

That was a sad day for Clevelanders of all races and all political affiliations. However, we can take solace in the monumental contributions of W. O. Walker, the unselfish character of this exceptional human being and his powerful legacy. Mr. Speaker, W. O. Walker was a tower of strength in the community and made an indelible mark on the city of Cleveland.

In his almost 50 years as a resident of the Cleveland metropolitan area, W. O. Walker was the primary communicator and a dynamic leader on behalf of blacks, the poor, and the disadvantaged.

Mr. Speaker, many people knew him as the man who brought the Call and Post newspaper from obscurity in Cleveland to greatness. W. O. Walker was a dreamer who envisioned a viable newspaper in the black community as a primary tool to justice and progress. He was right.

From that day in 1932 when he took over the Call and Post to his death, he used the newspaper as a mechanism to interpret both the national and local news in terms of its impact on the black community. No other publication in Cleveland can make that claim. Because of his hard work and dedication to seeing his dream become a reality, W. O. Walker gave the black community through the Call and Post, a loud and strong voice that we heard in Cleveland and throughout the State of Ohio.

Mr. Speaker, many people in Cleveland loved and respected W. O. Walker. He, in turn, viewed the community as his children and assumed the role as the patriarch in the black community.

He epitomized the struggle that blacks had to wage to succeed. After succeeding, he took the strength and lessons he gained from those struggles and passed them on to others.

Mr. Speaker, in addition to being a master at his craft as a newspaperman and community patriarch, W. O. Walker was a celebrated politician. He was the first black cabinet officer in Ohio, a city councilman and a member of the transit board. At the time of his death, he was being considered by President Reagan as an appointee as Chairman of the U.S. Commission on Civil Rights.

Publisher, patriarch, politician, leader, and friend—all of these words describe the strong character of the late W. O. Walker. No memorial or tribute to him would be complete without those words.

W. O. Walker's spirit and the lessons he taught the community will never die. The Call and Post newspaper and the community itself stand as lasting tributes to him.

I join with the staff of the newspaper and the entire community in noting the passing of W. O. Walker. I also join with the entire black community in rededicating ourselves to continuing the struggle for justice just as W. O. Walker did every day of his life. At this time, I ask my colleagues to join me in noting the passing of W. O. Walker.

Mr. Speaker, at this time, I would like to insert in the RECORD, articles which appeared in Cleveland newspapers noting the achievements of the late W. O. Walker.

W. O. WALKER DIES; PUBLISHER, LEADER

(By Alma Kaufman]

William O. Walker, influential editor and publisher of the Call and Post, died of a heart attack yesterday afternoon. He was 85.

He collapsed in a corridor of the Call and Post Building and was pronouned dead at 2:45 p.m. at Lakeside Hospital, where a team led by chief cardiologist Robert Batti was unable to revive him.

Walker was one of three finalists under consideration by President Ronald Reagan to become chairman of the U.S. Commission on Civil Rights.

William Otis Walker was a study in contrasts. He spoke softly but published a loud newspaper.

At 5 feet 7½ and 162 pounds, he wore conservative suits but smoked a big briar pipe fired with an aromatic mixture from a silver and blue pouch labeled Three Star.

He worked 60 to 80 hour weeks until he was 80, but was eternally vigilant in the cause of those idled on welfare.

He helped hundreds of men and women in trouble with the law or down on their luck, but said "the worst thing you can do is give a man money. Give him opportunity to help himself."

Walker was a power in Republican politics for a half-century, but supported Democrats like Louis and Carl B. Stokes.

He was the first black cabinet officer in Ohio, a city councilman from Ward 11 and a Republican member of the transit board. Yet he feuded with Republican Mayor Ralph J. Perk and befriended Walker's council successor, Democrat Charles V. Carr.

Walker was regarded by many as the most influential member of the black community.

"If W.O. says no, it won't go," said black and white promoters as they sought interviews with him, but he kept an open door to all, hustler or those in need.

He lived in a $74,000 house on S. Park Blvd., in Shaker Heights but tended a 10-row garden of corn, collards, beans and squash on his 20-acre farm in Hambden Township, Geauga County. He never learned to golf but wound down by fishing for blue gill, crappie or catfish or riding his 12½-horsepower tractor, mowing his two-acre lawn in Hambden.

He worked incessantly, but enjoyed exceptional health and credited it to "picking out healthy parents. My father Alex lived until 73; my mother Annie until 101."

He was born in Selma, Ala., Sept. 19, 1896. His father operated Walker's Cafe at 18 Washington St. there. It is still in business under the same name.

A white minister form Boston was killed shortly after leaving it in the civil rights riots of the '60s.

"I do anything on the Call and Post from selling ads to writing editorials," Walker said. "My father could do anything in his cafe. He really was the manager, but he could substitute for any worker who failed to show up, from chef to busboy. He was an excellent cook and his best dish was the Creole recipe called Brunswick stew."

Walker worked his way through Wilberforce University and Oberlin Business College as a Pullman porter on runs starting from Pittsburgh.

After he was graduated from Oberlin in 1918, Walker worked for a short time with the Urban League in Pittsburgh. He then joined the Pittsburgh Courier and within three weeks was city editor.

A year later, he went to a Norfolk, Va., black weekly as city editor and in 1921 founded the Washington, D.C. Tribune with the Murray brothers, who had begun their printing careers in Cincinnati.

Nine years later, Walker was managing editor, but the older Murray brother died. His heirs bickered so much that Walker resigned and joined the first integrated department store in the land, the Fair Department Store, as advertising manager.

He had been promoted to manager of its Baltimore store when Norman McGhee, a Cleveland lawyer, persuaded him to come here in 1932 to take over the moribund Call and Post, a weekly that had resulted from the merger of a paper founded in 1918 and another in 1926.

It had practically no circulation, few advertisements, two employees and a mountain of debts. It rented offices on E. 53d St., but was printed elsewhere by other firms.

Walker was promised by the stockholders a salary of $35 a week, but for the first two weeks was paid nothing. He had to work seven days a week, 10 or more hours a day, selling enough ads to pay his two employes and the printing bills.

For the next few years, he seldom was able to take more than $10 a week in pay, but slowly he built the business up until today it employs more than 60, has a payroll of $750,000 a year and a circulation near 40,000.

The Call and Post occupies most of a three-story brick building it owns at 1949 E. 105th St. Walker, the sole owner, occupied a third-floor corner suite of paneled offices there, reporting at 8:30 every weekday morning and staying at least until 6.

"Maybe I am a workaholic," he said when he was 79, "and I keep saying I am going to quit doing the things I do. But I enjoy it, and on Wednesday, press day, I will stay here 36 hours straight if I have to."

Walker helped found the Future Outlook League, which boycotted businesses in the 1930s and forced them to hire blacks, foreshadowing civil rights tactics of the 1960s. He counted this his foremost accomplishment.

Walker said he never experienced any overt forms of prejudice because he was black. He continued to use the term "Negro" long after it was out of fashion, because, he said, "I am out of fashion. But I get there as quickly as do the militants, and I get along with them. At least, no one ever called me an Uncle Tom to my face."

But prejudice did force him to invest in other enterprises. When banks would not mortgage a home on Ashbury Ave., in the then-white Wade Park neighborhood, he got the money from a black insurance company.

He then invested in another black insurance business.

After the receivers of the Reserve Building at E. 55th St. and Woodland Ave. refused to lease offices to Robert Shauter for a pharmacy, Shauter came to Walker for help.

"The only ones with money in the black community were numbers racketeers," Walker said. "So I went to two, Benny Mason and Willie Pierson, and asked them to invest with me. We bought the Reserve Building and rented the store to Bob Shauter."

Walker was criticized for working with racketeers and, later, for backing the boycott of McDonald's hamburger chain by "Rabbi" David Hill.

"If you want to influence your community," Walker said, "you cannot work only with the good, but you must also work with the ugly. Mason and Pierce by prejudice were almost forced into the rackets, and they did good with their money."

He said he was not so much concerned with Hill's credentials but "in his cause, and it was just. The McDonald's at 83d and Euclid sold more hamburgers than any McDonald's in the land. Yet, McDonald's said blacks could not have franchises. As a Negro publisher, I had to get into a situation and create order where there might well have been chaos."

He smiled when reminded that Hill left town one jump ahead of the law, driving a Cadillac a woman member of his flock had to pay for.

"Black women have a soft spot for ministers," he said. "They have an obsession to buy them Cadillacs. I tried to dissuade her, but she co-signed, anyway."

He also has been criticized for the strident tone of the Call and Post. The weekly frequently prints such screaming, red-ink headlines as: "Third Triangle Murder Suspect Arrested in Alabama."

"The dailies print sensational crime stories, too," he said. "We'd like to do better, but every time I train a good worker, the dailies steal him or her from me."

Once, he was under attack for printing ads featuring fortunetellers and flimsily clad go-go girls.

"The sheep graze where the grass is," Walker said. "If the department stores advertised in the Call and Post, I wouldn't have to go to the fortunetellers and the nightclubs."

Asked if the fortunetellers did not exploit the superstitions of his community, Walker tamped his pipe, drew on it for a moment, then said,"no more than the state lottery."

Walker was director of industrial relations in the cabinet of Gov. James A. Rhodes from 1963 to 1971 and a city councilman from 1940 to 1947.

He helped found Operation Alert and the Surrogates, two groups of influential blacks, was a coordinator of the Ohio Republican Council and was on the international advisory council of the African American Institute.

He was on the boards of such organizations as the Cuyahoga Community College Foundation, Nationalities Service Center, the Ohio College of Podiatry, the Cleveland Zoological Society, the Legal Defense Fund of New York City and the Cleveland Convention and Visitors Bureau.

The House of Wills is in charge of arrangements, and time of services will be announced this afternoon.

His first wife, Theresa, and he divorced in 1956 after 36 years of marriage. He is survived by his wife, Naomi, and a sister, Josie Waller.

LEADERS RECALL WALKER'S HELP, INFLUENCE

When William O. Walker spoke, people listened.

That is how former Mayor Carl B. Stokes summed up the impact that Walker had on the community during the decades he published the Call and Post newspaper.

"You never think about a man like W. O. passing," Stokes said when he learned of Walker's death yesterday afternoon.

"He was a vital component in getting me elected mayor and while I was serving as mayor," Stokes said. "I could get the message out through his paper when the dailies would only put out the message that they wanted."

Although relations between Walker and Stokes soured in recent years, Stokes said, "I retained my respect for him and the contribution he made to me and to the community. His role was a unique, hand-tailored one he created over the years."

Walker's longtime leadership was also acknowledged by Thomas Vail, Plain Dealer publisher and editor.

"W. O. Walker was a leader in the black community for longer than anyone else in my memory," Vail said. "He participated as well in civic affairs involving everyone, black or white. He was a fellow newspaperman and friend with whom I served on many civic committees.

"The community will miss him very much."

A White House spokesman said President Reagan was saddened when he heard of the death. Reagan, who had considered Walker for appointment to the chairmanship of the Civil Rights Commission, will send condolences to Walker's wife, the spokesman said.

Mayor George V. Voinovich, who was endorsed by Walker when he ran for mayor in 1979 and again this year, called him "my friend and counselor.

"In spite of his success, he never forgot his own struggle or the struggle of his people," the mayor said. "I came to know, love and respect W.O."

City Council President George L. Forbes, D-20, noted that despite his friendship with Walker, "he was not hesitant to hit black political leaders over the head when he thought we did something out of line. He called that 'putting you on the board.'"

Forbes said he thought Walker was most proud of his accomplishments in establishing Operation Alert, a coalition of business and political leaders that meets weekly, in the development of the Leaders Defense Fund that provided money for the legal expenses of councilmen accused in the carnival kickback investigation and his constant attacks on problems in the black community.

"W.O. was an institution. He was an indomitable spirit," Rep. Louis Stokes, D-21, of Cleveland, said in a telephone call from Washington.●