

EXTENSIONS OF REMARKS

AMEND INTERNAL REVENUE
CODE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. CONABLE. Mr. Speaker, with my distinguished colleague, JAMES C. WRIGHT, of Texas, I today reintroduce legislation to amend several provisions of the Internal Revenue Code that unfairly deny reasonable retirement benefits to the majority of clergymen and lay employees of our Nation's churches. Victims of an unfortunate oversight in our tax laws, these church servants are inexplicably ignored by Internal Revenue Code provisions that permit reasonable contributions to the retirement annuities of certain other categories of employees who historically are also not well compensated. The bill corrects this omission by granting ministers and lay employees the same right of contribution to their retirement annuities now enjoyed by these other classes of poorly compensated pensions. It represents a large step toward assuring our ministers and lay employees of adequate retirement allowances. We invite our colleagues to join with us in sponsoring this legislation.

Our ministers and lay employees depend heavily on annuities described in section 403(b) of the Code for their retirement benefits. Our churches believe such annuity programs are perfect retirement systems. Most denominations have used them for decades—some for over a century. They are completely portable and let church workers move freely within their denominations without losing retirement benefits.

Some of the section 403(b) annuity arrangements of the churches are defined contribution programs, while others are defined programs. Section 403(b) imposes no requirement that the arrangement be of either kind. Most churches do not purchase retirement annuities from insurance companies. They administer and fund their own annuity programs. Some denominations fund their retirement annuities internally. But most have formed organizations called pension boards to administer and fund their annuity programs. These pension boards are usually separately incorporated to protect pension assets. Whether the provider of pension benefits is separately incorporated or not, it fulfills the functions of the church with which it

is associated in providing retirement benefits for its ministers and lay employees and is, thus, entitled to classification as an integral and inseparable part of the church.

Since 1958, the "exclusion allowance" in section 403(b)(2) has limited the amount that an employer can contribute to an annuity for an employee under this section without income tax consequences. That amount is the excess of (1) 20 percent of the employee's includible compensation for the year times the employee's years of service with his or her employer over (2) the aggregate amounts contributed in prior years that have been excluded from income. Before the exclusion allowance, there were no limitations on contributions to section 403(b) annuities. The exclusion allowance was designed to prevent then-existing abuses by certain part-time employees. Senate Report No. 1983, 85th Congress, 2d session 36 (1958). The exclusion allowance was also designed to permit larger-than-usual retirement annuity contributions late in the employee's career to compensate for the years when contributions were low or not made at all. These are called "catchup" contributions. The capacity to make catchup contributions is extremely important to persons who are poorly compensated.

In 1974, we added a further, and perhaps unnecessary, limitation on contributions to section 403(b) annuities by enacting section 415. We arbitrarily classified section 403(b) annuities as defined contribution plans, whether or not they fit that description, and required that contributions be no greater than the limits under section 415(c)(1). This further limitation on employer contributions to section 403(b) annuities is the lesser of \$25,000 (adjusted by the increases in the cost of living) or 25 percent of the participant's compensation. When we imposed those limitations, we realized that the 25-percent-of-compensation limitation would seriously hinder the ability of poorly compensated employees to make catchup contributions. So we devised in section 415(c)(4) certain elections a participant could make to override the 25-percent ceiling, except in the instance of the "(C)" election in section 415(c)(4), which substitutes the \$25,000-25-percent limitation for the exclusion allowance. The elections permit relatively high contributions late in the career of an employee who typically has a pattern of low contributions in the early stages of his career. Joint Conference Report No. 93-1280, 93d Congress, 2d session 345

(1974). We made these elections available to employees of educational organizations, hospitals, and home health service agencies but completely ignored churches. We failed to realize that churches also use section 403(b) annuities extensively. We believe church employees need the elections as much as those classes of employees who now use them. It would be unfair to lock out the very kinds of people the law was designed to protect.

Few people are more poorly compensated than ministers and lay employees. A minister begins his career at a salary of only \$5,000 to \$10,000. Rarely will his salary exceed \$15,000, or \$20,000—and then only at the end of his career. Lay employees generally earn even less. Missionaries also receive low salaries.

A typical pension of a minister is only \$2,000 to \$3,000 a year. Lay employees retire on less. These inadequate pensions will continue if we do not amend the limitations we enacted in 1974.

Sections 403(b) and 415 create many problems for church employees. The compensation of many of them, particularly foreign missionaries, is so low that even the exclusion allowance makes worthwhile contributions impossible. They spend their lives in the mission field and expect to retire in the United States. But the combination of the exclusion allowance based on compensation and the high cost of living here makes retirement very difficult for these persons.

Second, because ministers and lay employees are so poorly compensated, catchup contributions are vital if they are to be assured adequate retirement benefits. But the 25-percent limitation renders adequate catchup contributions impossible. During the first years of a minister's career, contributions may be a function of salary and, hence be very small. The minister may be employed by a new or struggling church or church agency that cannot afford any plan contributions. Under section 403(b), the minister may take a reduction in salary to permit his employer to purchase annuity benefits. But salary reduction is usually impractical because for many years he will need every penny he earns to feed and clothe his family, and educate his children. When a minister has reached age 50 or so, his compensation may increase enough for him to purchase additional annuity benefits. Only then may his personal and family expenses have declined enough for him to use part of his salary to supplement his retirement annuity. A minister's church

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

may also recognize that he is about to retire with a poor retirement income and, with help from the congregation, may contribute more funds to raise his annuity to an acceptable level. But because the 25-percent limitation of section 415(c)(1) is based on an extremely low salary, it frustrates any effort, by salary reduction or otherwise, to enhance the minister's retirement benefits meaningfully. We consider unfair any rule that denies ministers and lay church employees a chance to build reasonable retirement benefits.

A third problem is that the "years-of-service" factor of the exclusion allowance is limited to years of service with the employee's present employer. In computing the exclusion allowance for any year, an employee is not given credit for any years of service with prior employers. In our hierarchical denominations, an employee may be considered employed by the denomination, even though his technical employer may be another church organization. But in our congregational denominations, each organization is a separate employer. Many ministers and lay employees move frequently from one church to another within their denomination or among agencies of the denomination during their careers. In some denominations, a minister or lay employee will change employment every 3 to 5 years. In computing the exclusion allowance, a minister or lay employee of a congregational denomination is, thus, given no credit for past service with other employers in the denomination. For any such employee with frequent job changes, this rule severely reduces the exclusion allowance and the ability to make catchup contributions.

A fourth problem is an emerging policy in the Internal Revenue Service that only licensed insurance companies may provide annuity contracts described in section 403(b). No provision in section 403(b) limits the provider of annuity contracts described in that section to licensed insurance companies. The Service has agreed with this conclusion in published revenue rulings and private letter rulings to church denominations. Yet a growing judgment in the Service contends that churches and church pension boards should not be permitted to provide section 403(b) annuity contracts as they have for many years. We see no reason in logic or equity for denying churches the right to provide section 403(b) annuities for their workers.

A fifth problem is technical. Like many secular plans, some church plans condition the nonforfeatability of rights on a factor such as continued service for a period of time. Nonetheless, contributions are made to the plan on behalf of the participants during the period of forfeitability. In the case of a qualified annuity plan, it is clear in section 415(c)(1) that

annual additions to a participant's account occur in the year to which a contribution is attributed, rather than lumped in the year in which the annuity contract becomes nonforfeitable. Similar treatment seems appropriate in the case of a section 403(b) annuity. However, in the case of a section 403(b) annuity, it is not clear whether the same rule would apply. It would be unfortunate if several years of contributions were deemed made in the year the annuity became nonforfeitable because of the likelihood the section 415(c)(1) limitations would be exceeded.

It is also unclear whether participants in such plans would have the right to the elections in section 415(c)(4) and the right to contribute the de minimis amount already discussed. We believe the law should be clarified in favor of giving such participants these rights.

Mr. Speaker, an important feature of our bill is that a minimum includable compensation is deemed for church employees. This is related to the income poverty guideline calculated yearly by the Office of Management and Budget for an average family size. This provision insures that a minimum exclusion allowance will be available for a church employee even though his actual includable compensation does not produce one under the present formula.

Our legislation corrects the inequity of the 25-percent limitation by extending the right to make the elections in section 415(c)(4) to employees of church denominations and their agencies. We believe these persons should have the same right to make the elections as employees of educational organizations, hospitals, and home health service agencies. This legislation also provides a de minimis amount of \$10,000, which may be contributed without having to consider either the 25-percent limitation or the section 415(c)(4) elections. This de minimis amount is parallel to the de minimis amount for defined benefit plans in section 415(b)(4). Like other limiting figures in section 415, it is subject to adjustment for increases in the cost of living commencing with the calendar quarter beginning October 1, 1974. The de minimis amount will have a simplifying effect on the Code because the elections are difficult to understand and administer. It is intended that all limitations provided in section 415(c), including the de minimis amount, be subject to the further limitations of section 403(b)(2). Thus, under this bill an employee could not make a "(C)" election under section 415(c)(4)—which substitutes the \$25,000—25-percent limitation for the exclusion allowance—and be permitted a contribution of the de minimis amount. Accordingly, the 1958 legislation establishing the exclusion allow-

ance and subsequent legislation is in no way circumvented. The term "agency" of a church is defined in this legislation by reference to that term in section 414(e)(3)(B)(ii) and means an exempt organization either controlled by or associated with a church or a convention or association of churches.

Our legislation also would treat the service of a minister or lay employee with any church or church agency of a religious denomination as service with a single employer for purposes of computing the exclusion allowance. All years of service of a minister or lay employee for a church or a church agency, both of which must be described in section 501(c)(3), would be aggregated in determining the exclusion allowance for taxable years beginning after 1980. It would make no difference whether the years of service being aggregated occurred before or after 1980. Our legislation will enable section 403(b) annuity contributions to be made on behalf of ministers and lay employees in order to provide them with retirement benefits based on years of service with the denomination rather than with the present employer. This rule will make sure the employees of all the denominations of this country are treated equally in connection with the years-of-service factor.

This legislation also expresses in the statute the longstanding position under current law that section 403(b) annuity contracts may be provided by a church or a convention or association of churches, whether the annuity contract is provided internally by the church or by a separately incorporated entity such as a pension board. A pension board means an organization described in section 414(e)(3)(A). That is an organization, the principal purpose or function of which is the administration or funding of a plan or program for the provision of retirement or welfare benefits for the employees of a church if such organization is controlled by or associated with such church.

This legislation provides that annual additions to a forfeitable section 403(b) annuity are, for purposes of the section 415 limitations, treated like annual additions to a nonforfeitable annuity. Annual additions are, thus, deemed made for the year to which they are attributed, rather than lumped in the year the annuity contract becomes nonforfeitable. This rule is in keeping with that regarding contributions to qualified defined contribution plans before a participant's rights are fully nonforfeitable. This legislation also insures participants in a forfeitable section 403(b) annuity of the right to make the special elections and the de minimis contribution amount.

Finally, we make it clear that constructive receipt is not to apply to section 403(b) annuities by conforming section 403(c) to changes in section 402(a)(1) recently made by the Economic Recovery Tax Act of 1981. By removing the words "or made available" in section 403(c), we eliminate the unnecessary constructive receipt problems caused by them.

Mr. Speaker, we hope our colleagues will support this bill.●

THANKSGIVING: A TIME TO CELEBRATE THE SPIRIT OF AMERICA

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. LEWIS. Mr. Speaker and my colleagues, I have never before placed a column from my office in the RECORD but the following is the inspiration of my press director, Sue Turbes, and I believe it may be of special interest to my colleagues as we share Thanksgiving.

A few months ago the President addressed the Nation to give us a progress report on his four-part plan for the economy. At the end of his speech he spoke about the spirit of America and a people that has developed a proud tradition of generosity and courage. He said:

I believe the spirit of volunteerism still lives in America. We see examples of it on every hand—the community charity drive, support of hospitals and all manner of nonprofit institutions, the rallying around when disaster or tragedy strikes.

Thanksgiving is the day we recognize and pay tribute to the early Pilgrims who founded this country in a spirit of independence and pride that have become a part of each American citizen. Through generation after generation Americans have persevered and found much to give thanks for, just as did our Pilgrim forebears.

As we give thanks for the continuing spirit of our people I thought it would be interesting to look at an individual story—one of determination that exemplifies why our country is the greatest in the world. It is the story of Clara Williams, a 95-year-old black woman in Chicago who had a philosophy reflecting those early Americans.

Her memories are of an all white college, a husband, of hard times on a dusty farm in New Mexico, and three children who were all taught to be special. Clara says of her children:

They were all going to be something. None of them were going to be standing on the corner begging and none would be lazy.

Her zeal and drive were instilled in all three sons, Charles Williams, James Williams, and Jasper Williams—today all doctors. Charles credits his mother for much of his success. He

said that she taught them how to work, how to study, and always encouraged them to keep trying because the sky's the limit if you try hard enough.

One by one, all three brothers moved to Chicago. In 1961, on the south side of Chicago a medical clinic was opened which now is staffed by 62 people. The person who guided its conception was Clara Williams. But the Williams Clinic is more than just the symbol of a mother's influence on her children. The legacy she established continues on with her grandchildren and a new generation—Jasper Williams, Jr., and Charles Williams, Jr.—both in medical school.

As for Clara, she received an honorary doctorate degree from her alma mater, New Mexico State University. And, at last a ceremony to go with it, one she did not have when she graduated back in 1937.

Although this story was originally aired on the NBC Today Show for Mothers Day, it is also a story of what has made America the greatest country in the world—the spirit of our people. The promise of opportunity continues to exist today and individuals like Clara Williams continue to achieve the American dream. That indeed, is something for which we, as a Nation, should be thankful.●

THE PLIGHT OF VLADIMIR TSUKERMAN

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1981

● Mr. FITHIAN. Mr. Speaker, I join my colleagues in expressing frustration and anger regarding the plight of Vladimir Tsukerman, a Soviet citizen who has recently been sentenced to 3 years in a Soviet labor camp for peacefully seeking permission to join his wife and son in Israel. I am disturbed by the increasingly stringent Soviet response to individuals who seek exit visas. And I am concerned for those Soviet citizens who endure harassment and persecution by their neighbors and their government because they choose to practice their religious faith or seek to emigrate from the Soviet Union.

Particularly now, as Thanksgiving and the holiday season approach, many of us think of counting our blessings and giving thanks for all that we have. As Americans, we enjoy freedoms which most people around the world can only dream of. The freedom of worship and the right to emigrate freely are especially precious. I call upon the Soviet Union to honor its commitment to these principles as embodied in the Helsinki accords, and to cease its violation of the human rights

of individuals such as Vladimir Tsukerman.●

DUTY-FREE TREATMENT FOR IMPORTS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. RATCHFORD. Mr. Speaker, today I have introduced legislation to provide duty-free treatment for imports of casein button blanks. It is essential that this House take such action to eliminate a gross inequity for U.S. producers of casein buttons that has resulted in extensive layoffs and financial hardship for the very few American manufacturers that remain.

Because there has been no domestic production of casein button blanks in this country since 1979, American producers of finished casein buttons have been forced to import casein button blanks primarily from three nations: Holland, Germany, and Italy. Finished casein buttons are then produced by machining, drilling, and finishing the imported blanks. Three northeastern firms, which account for roughly 95 percent of the total annual domestic production of casein buttons from imported casein blanks, are experiencing a tremendous competitive disadvantage with firms that only import finished casein buttons or garments with finished casein buttons since the current most-favored-nation (MFN) rate of duty on these casein buttons is 6.9 percent ad valorem, while that on casein blanks is 24.2 percent.

As a result of the Tokyo round of the multilateral trade negotiations, this same column 1 rate of duty for imported casein blanks will decrease in annual stages to 11.4 percent ad valorem at the beginning of 1987. The comparable rate of duty for finished casein buttons, however, will also decline until it reaches 4.9 percent in the same year. In other words, despite these dramatic reductions, the rate of duty for imported casein blanks will still be more than two times that of imported finished casein buttons—hardly an improvement in the competitive aspect of the market. This situation has resulted in employment terminations and a competitive pricing problem that does not bode well for the future of the domestic industry.

Such an inequity serves only to protect the firm that can import and market finished casein buttons at 30 to 35 percent less than casein buttons of comparable quality, which are domestically produced from imported casein blanks. We must act now, Mr. Speaker, to eliminate this inequity that both costs jobs in an area of the country already experiencing frightening unemployment rates and artificial-

ly drives up the price of finished casein buttons and garments with finished casein buttons. Customs revenue losses would be minimal under this legislation, and the domestic industry would receive a much needed shot in the arm. I look forward to early hearings by the Ways and Means Trade Subcommittee on this bill, and would welcome the support of my colleagues in this important matter. ●

COALITION OF BLACK WOMEN GOES NATIONAL

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mrs. CHISHOLM. Mr. Speaker, I am pleased to introduce the Coalition of 100 Black Women, a new national organization, that has existed locally for 11 years. Originating in New York, the group presently has 825 members in 14 States and the District of Columbia. The coalition's objectives are to be a collective group focusing on the needs of black women and to be a vehicle of communication for black women. The Coalition of 100 Black Women will have a national voice and will address a multitude of issues facing black women. Some of the most troublesome issues to be addressed are the Federal budget cuts, lack of housing, child care, unemployment, and transportation, along with persistent racism.

This Nation, in representing all of its people, is now privileged to hear concerns from a national organization which represents black women. The Coalition of 100 Black Women is in a position to give our Nation guidance in enhancing the rights of all of its citizens. We welcome their input. I have enclosed a recent New York Times article on the coalition for my colleagues' review.

[From the New York Times, Oct. 26, 1981]

COALITION OF BLACK WOMEN GOES NATIONAL (By Nadine Brozan)

Repeatedly, before small groups and large ones, in a soft voice and an impassioned one, Jewell Jackson McCabe said, "We always hear that behind every great man is a woman. I say that in this world behind every great effort is a black woman going unrecognized."

Certainly that was not the case this weekend for the Coalition of 100 Black Women which, with the addition of 14 states and the District of Columbia, was marking its transition from a local to a national association, nor for Mrs. McCabe, who was elected national president. The president of the New York Coalition since 1977, Mrs. McCabe is director of government/community affairs for WNET/Channel 13. Several hundred dignitaries, including many influential members of the public and private sectors, turned out for a party given by the coalition at the Hilton Hotel Friday evening. They included Mayor Koch; City

Council President Carol Bellamy; Representative Charles B. Rangel, Democrat of Manhattan; former Manhattan Borough President Percy E. Sutton; New York Secretary of State Basil A. Patterson, and James D. Robinson 3d, chairman and chief executive of the American Express Company. Mr. Robinson, along with officers of Philip Morris Inc. and other individuals, received awards for financial and moral support of the coalition.

STARTED 11 YEARS AGO

The organization had its genesis in a small band of women meeting in one another's homes 11 years ago to address a multitude of troublesome issues. They chose their name because they hoped one day to have 100 members. The tributes to the group, which now has 825 members in New York, were voluminous and enthusiastic.

As David Dinkins, New York City Clerk and a candidate for Manhattan Borough President, put it: "Influence is power, and they clearly have it. Individually these women are influential in government and business positions, so they are persuasive in the larger sphere."

And now that their boundaries extend to California, Representative Rangel said, "There is no question that this organization will have a national voice. They have become a collective force of women who did not know each other in the past."

Besides throwing a jubilant party and holding a luncheon serious with talk of the goals of black women, the more than 40 women—lawyers, judges, educators, legislators, heads of corporations, social psychologists and community activists—from a variety of geographical areas rewrote and ratified a constitution, composed a resolution stating their mission and elected officers and a board.

Emphasizing that the women fully recognized the achievements of other black organizations, Mrs. McCabe explained the need for the national coalition. "Our biggest problem is that we have no forum; no one speaks specifically on our behalf. The women's movement defines itself by its achievers; why are we defined as domestic workers?"

In fact, when the representatives from each of the states joining the coalition were asked at a discussion to describe the most pressing problems for women in their states, they cited unemployment, Federal budget cuts, lack of housing, transportation and child care, along with persistent racism. But threaded through the problems specific to particular regions was a sense that black women lacked an effective vehicle of communication with one another.

Jatrice Gator, a lawyer and planning associate with the Community Service Council of Metropolitan Indianapolis, said, "Before black women can begin to address issues, they must overcome complacency, lack of organizational skills and conceptualize what things can be done. Legislation for battered women was written in our state by a black woman, but then there was no support expressed for it by black women. We must become aware that we can speak out."

Etrula R. Trotter, partner in a Memphis law firm, said, "There is simply a lack of unity. The only unity that exists in Tennessee is that of ignorant, apathetic, rural white males."

Edith B. King, supervisor of employee development and training for the Gulf Oil Corporation, said, "In Texas black women are auxiliaryized to the extent that they are totally ineffective. Forums are needed to

strengthen them, to help them break out. We could have power, but we have no forum to help us move into power."

Her colleague, Judge Gabrielle K. McDonald of the United States District Court of Southern Texas, who said she was the second black judge of either sex to be appointed to a Federal seat in the South, elaborated: "In Houston, there's a vacuum of women involved in anything but auxiliary roles."

"The feminist movement hasn't hit black women in Texas," in part, she speculated, "because there is still the black-white problem, that keeps women intent on helping their men. They don't realize that you can both act. It's dumb to say that adult women should have role models but that's exactly what we need."

Delia Young, who heads her own public relations firm in Kansas City, Mo., said, "At last we will be structured for action. Until now we've had nothing. It's fine to have prophets; we have an abundance of those, but we need architects, too."

In the view of Yvonne Brathwaite Burke, a former United States Representative from California, who is now a partner in a law firm and was elected to the coalition's national board, the architects must turn their attention to economic advancement. "We are seeing black women move into political power," she said, "but they're missing in the corporate world. With all the outstanding black women, we simply don't have them in high places in private industry."

In fact, she continued, "Economic power has become even more elusive than it was 20 years ago for all blacks. For example, when white insurance companies wouldn't insure blacks, they formed their own companies, but when the white companies did, the black ones lost strength. Meanwhile the white companies haven't brought us in with any impact."

The possibility that budget cutbacks and Federal policies easing antidiscriminatory regulations would indisputably affect the black community was so taken for granted that it was rarely discussed at the meeting. But Mrs. Burke did attack the Reagan Administration strongly in her luncheon address Saturday.

Still the event ended in an optimistic mood that may be typical of the beginning of a mission in which strangers become allies. Evelyn Cunningham, who was director of the women's unit in the office of Gov. Nelson A. Rockefeller and is now senior editor of *Elan*, a monthly magazine that will be introduced in January, was supposed to describe the structure of the coalition for the closing luncheon audience. But when she rose to speak, she said simply, "Nobody is going to want to hear about committees and structure and budgets. This is simply a day of joy." ●

AGAINST IMPORTED SOVIET AUTOMOBILES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SKELTON. Mr. Speaker, I rise today to urge the President to take immediate action to prevent the importing of Soviet vehicles. Our auto industry is experiencing the worst recession

in its history. The devastating effects of imported cars and trucks as well as skyrocketing costs have eliminated many American jobs and forced more American workers to be laid off. Incredibly, however, at what must be the worst possible time, certification procedures are being completed to permit Russian-built trucks to be imported and sold in the United States.

The Soviet Union continues to occupy Afghanistan and continues to take other actions which heighten world tension. I cannot believe that it is in our best interest to reward such behavior by making Soviet workers and the Soviet economy the beneficiaries of our generous, open market policy. Furthermore, we have been working for the past few years with our allies to establish an acceptable policy which curtails their exports to the United States. We cannot, in good faith, turn around now and open a completely new market for Russia.

We must insist that American jobs be protected from Russian imports and I call on my colleagues to join me in requesting that the President take the necessary action to prevent it.●

SPEAKER O'NEILL IS PREVENTING ACTION TO SAVE SOCIAL SECURITY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of the Members of the House of Representatives the November 6, 1981, Baltimore Sun editorial which highlights the politics that Speaker TIP O'NEILL is playing with the social security program.

As the editorial points out, the Speaker does not want to move on legislation which would help salvage the system. In reaction to a bipartisan amendment offered by Social Security Subcommittee Chairman J. J. PICKLE and ranking minority Member BARBER CONABLE which would begin to address the long-range financial problems of the social security system, the Speaker stated, "I do not think we ought to move hog wild." This is in light of the fact that the social security program has been operating in the red since 1975 and continues to lose \$12,000 every single minute. Furthermore, recent information from the social security actuaries shows that with inter-fund borrowing the medicare fund will be exhausted as early as the end of 1983.

A November 5 Washington Post article on the Ways and Means Committee action suggested that the Speaker was determined to prohibit any House consideration of a comprehensive

social security reform bill. The story indicated that Speaker O'NEILL and other Democratic leaders had warned Chairman PICKLE that even if the Pickle/Conable amendment was to succeed in committee, it would never be allowed to reach the House floor.

It should be noted that this is not the first time that the Speaker has stopped the consideration of a social security bill to save the system. Members will recall that at the end of the summer Speaker O'NEILL told Chairman PICKLE not to hold any further Social Security Subcommittee meetings on comprehensive reform legislation unless it dealt solely with inter-fund borrowing. This was after the subcommittee had been working since June in a bipartisan manner, under the leadership of Chairman PICKLE, to act favorably on social security reform legislation.

In light of these actions, it is all too clear that the Speaker and the Democratic leadership do not want to act to save social security program but rather they prefer to hold the social security program on the back burner as a hot political issue.

There is no doubt that some changes in the system will have to be made. But it is imperative that these changes result from bipartisan instead of partisan action. No political brownie points should be sought if it is at the expense of the social security program. We have several alternatives to choose from for social security reform. One can readily see that in the House of Representatives what is preventing any comprehensive reform of the social security system, not to mention any meaningful discussion, are the Speaker of the House and the Democratic leadership. For the sake of the system, I call upon the Speaker to allow that deliberation to occur.

The Baltimore Sun editorial follows:

O'NEILL'S IDEA OF HOG WILD

No stopgap measure involving inter-fund borrowing or the like is going to help the Social Security system out of its current difficulties. What is needed, and needed soon, is a commitment to make the system sound far into the future. A total overhaul of the Social Security system may not be needed, but sensible and modest changes are a must.

What we have in mind is something like the proposal that Representative J. J. Pickle (D, Texas) and Barber Conable (R, N.Y.) put before the House Ways and Means Committee day before yesterday. The central feature is to begin in 1990 to raise gradually the retirement age from 65 to 67, offer workers inducements to stay employed after that and reduce slightly future benefits. These changes would provide an estimated average of \$20 billion annually for the retirement fund for the next 75 years.

That is the sort of medicine a patient like Social Security needs. It won't taste too bad and it will restore health. It would cause present and future retirees nothing like the abrupt distress the Reagan proposals earlier this year would have caused. It would cause almost no distress, in fact. But 18 of the 21

Democrats on the Ways and Means Committee followed the wishes of Speaker Thomas P. (Tip) O'Neill, Jr., and voted against it. It lost 14-18.

"I don't think we ought to move hog wild," Mr. O'Neill said. He said he favored setting up a study commission. Hog wild! More study! Somebody's been spiking his Geritol.

There has been more than enough study for this very modest change to be implemented. As Dwight Bartlett said after resigning as chief actuary of the Social Security Administration in September, "We don't need another study group. It's time to fish or cut bait on this issue." If the Democrats don't like the specifics of the Pickle-Conable approach, the responsible thing is to propose alternative changes now, not say let's wait till another study group can come up with recommendations—after the 1982 elections. Congress ducked the issue in 1980 because there was an election ahead, and 1984 will be ahead after a study commission report is digested.

There will never be an easy time to deal with Social Security's problems. The longer Congress waits, the harder it will be. The public sorely needs some peace of mind on this issue, and that is only going to come after a decision is finally made.●

H.R. 5066

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. CONYERS. Mr. Speaker, today I have introduced legislation—H.R. 5066—to make the Federal Reserve Board more accountable to the Congress and the public in its policy and operations. This bill is the most comprehensive and far reaching of many proposals which have been introduced this session to change the nature of the Fed.

The tight-money, high-interest policy of the Fed has caused substantial dislocation and hardship in key sectors of our economy. Dun & Bradstreet report that the bankruptcy rate is up 42 percent from last year, and if the current rate continues, more small businesses will go under in 1981 than in any single year but one since the Great Depression.

The automobile and housing industries, among others, have been devastated. Third quarter losses for the auto industry totaled \$970 million, including a \$468 million loss by General Motors. The Congressional Research Service has estimated that a 3-percent rise in the average financing rate is associated with a decline in sales of 1 million units. The average financing rate is currently 17.4 percent and there is no end in sight to the auto sales slump. Presently there are 170,000 autoworkers on indefinite layoff. In housing, it has been estimated that each 1 percent rise in the interest rate has placed 860,000 families out of the market for a medium-priced

home. Housing starts for single-family homes dropped to a historic low in October, while total housing starts dropped to a 15-year low. The official unemployment rate in the construction industry is now 16.3 percent. Current monetary policy has, in large part, created the crisis in the automobile, housing, and small business sector.

Monetary policy should be in the domain of elected representatives because it determines, to a great extent, the state of our economy. Citizens are demanding accountability and responsibility for the policies which affect them. It is timely for Congress to participate fully in monetary, as well as fiscal, policy.

This legislation will accomplish the following goals: First, coordinate and integrate monetary, fiscal, and budget policy through the budget resolutions; second, render Congress responsible for monetary as well as fiscal policy, along with the President and the Governors of the Federal Reserve Board, and provide Congress with powers to review and veto major changes in monetary policy; third, require that the Federal Reserve Board seek appropriations from Congress; fourth, require the Federal Reserve Board to furnish Congress with the data it employs to make policy and report semiannually on the economic impacts of monetary policies by sector and in the aggregate; fifth, reduce the tenures of Governors of the Federal Reserve Board to 5 years and make the term of Chairman more coterminous with the Presidential term; sixth, require a full and complete audit of the Federal Reserve Board and Open Market Committee by the General Accounting Office.●

THE CHILDREN NOBODY WANTED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SKELTON. Mr. Speaker, last night, my wife, Susie, and I had the privilege of hosting the premiere of a new television movie, "The Children Nobody Wanted." This is a true story about one young man and the children he helped. As a freshman attending Missouri Valley College in Marshall, Mo., Tom Butterfield discovered the problems of fosterlings, who have nowhere to go, and for whom the law makes few, if any, provisions. Boy by boy, he made a life for these homeless youngsters. Led only by his heart and an idea that he could help, Tom fought increasing odds, from the lack of money to outdated laws. Tom Butterfield became the first bachelor and the youngest single adult to become a legal foster parent in the State of Mis-

souri. He and his boys rented a beat up old country club and, in time, turned it into their ranch—a refuge for homeless children. Today, there are four ranches, giving a homelife to over 100 youngsters.

All of us can learn from the perseverance of Tom Butterfield, the encouragement of those who helped him build his dream every day, and the generosity of the town of Marshall. It is a privilege for me to represent this man and this community in Congress.

"The Children Nobody Wanted," is to be televised December 5, at 9 p.m. eastern standard time, on CBS.●

SUPPORT THE U.S. COMMISSION ON CIVIL RIGHTS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. MOFFETT. Mr. Speaker, I rise to draw my colleagues' attention to a bit of unfinished business, before we adjourn for the Thanksgiving vacation. Hopefully, we will be considering the U.S. Commission on Civil Rights authorization when we return. With the myriad executive actions to water down civil rights enforcement, I think it very important that we demonstrate strong support for the Commission and its efforts on behalf of basic human rights.

The Commission serves as our conscience when we assess the state of civil rights in this country. If there was ever a time in recent history when such a conscience was needed, it is today. Voting rights, affirmative action, access for the handicapped, and other fundamental civil rights policies are currently under review by Congress and the administration. We need to continue to hear from our conscience—the Commission—so that our pursuit of social justice remains unimpeded. I urge, therefore, that you all join me in strong support for the U.S. Commission on Civil Rights.

There is a growing concern across the land that the Federal Government is about to bring the wheels of progress on civil rights to a screeching halt. The administration is reviewing vital civil rights regulations and revising vital civil rights laws. Many fear that it will be reneging on the Government's promise to act as guarantor of these vitally precious rights. The issue of a color blind Constitution has been raised as a guiding spirit for insuring these rights. This would be an ideal solution, but it is woefully misguided. The realities of this world require a more aggressive response to centuries of discrimination.

We must see that the Government retains its efforts as watchdog and protector, that it continues systemati-

cally to attack discrimination through the adherence to and enforcement of current civil rights policy. We have a voting rights law and affirmative action regulations, which have benefited countless numbers of minorities and women, because the Federal Government responded with more than a bromide to genuine violations of constitutional rights. Past administrations and Supreme Court decisions have determined that when fundamental rights are violated, appropriate remedies must be engaged, including such measures as affirmative action and the busing of schoolchildren.

As the Civil Rights Commission's Chairman, Arthur S. Flemming, stated at recent hearings:

Discrimination is a self-sustaining process that will persist even in the absence of intentionally discriminatory conduct unless systematically attacked. Discrimination is more than just individual prejudice. Although discrimination is maintained by individual actions, neither individual prejudices nor random chance can fully explain the persistence of national patterns of inequality.

The remedies which have been implemented to fight these patterns of inequality must be maintained, for without them, we will allow the Government's beacon of protection to dim. And, we are not yet out of the dark of social injustice.

Opponents of renewal or continuance of current civil rights policy point at statistics of progress on the parts of women and minorities in areas where they had been previously disenfranchised. The gains in such areas as employment, education, and political participation are remarkable, certainly. But we cannot let up now.

The poet Paul Laurence Dunbar stated, over 80 years ago, that black life in America is a promise and not a fulfillment. We still have an unfulfilled social agenda for minority and women's rights from which we cannot back away. The short time that we have had a civil rights legislation on the books is dwarfed by the centuries during which this Nation suffered legal bondage and legally sanctioned prejudice. Today, we must do more than give lip service to the concept of civil rights for all Americans. We must demonstrate our commitment to that concept by maintaining the teeth in civil rights law, regulation, and enforcement.

We were recently given the opportunity to show that commitment by overwhelmingly approving the Voting Rights Act reauthorization. Let us again display our support for social equality by approving, without weakening amendments, the U.S. Commission on Civil Rights authorization now before us.●

**PARRIS INTRODUCES
WASHINGTON COMMEMORATIVE**

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. PARRIS. Mr. Speaker, today I am introducing legislation which proclaims February 22, 1982, a national day of celebration in honor of the 250th anniversary of George Washington's birth. George Washington was one of America's greatest leaders and who indeed set this Nation on a course of political stability unrivaled in the history of civilization. Each American, in fact, looks to this great Virginian as "the father of our country."

In 1932, the U.S. Commission on the Bicentennial for George Washington's birthday commemorated Washington's 200th birthday by a national celebration. The Mount Vernon Citizen's Association has observed Washington's birthday by sponsoring a ball in his honor for each of the past 35 years and every year the city of Alexandria recognizes his birthday by parades and various celebrations.

Senator WARNER and Senator BYRD are jointly introducing an identical resolution today in the Senate and I am being joined by the entire Virginia delegation in the House in sponsoring this legislation.

I urge my colleagues to join us in supporting this resolution so that we can insure a proper birthday commemoration throughout this Nation for this great man.●

**MINIMUM BENEFIT
CONFERENCE**

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. PICKLE. Mr. Speaker, the President, the House and the Senate have all gone on record in favor of restoring the minimum social security benefit, at least to some degree.

But the fact is that this benefit has not been restored. The law is that this benefit be eliminated for new recipients right now, and for current recipients next April.

Furthermore, as of today we have not made progress toward restoring this benefit. The Senate has been slow to call meetings of the Conference Committee and has insisted on replacing this one misbegotten benefit cut with another.

Meanwhile, the law stays in effect and the conference agreement on reconciliation stipulates clearly that on December 3, three million current minimum beneficiaries are to receive notice that their benefits might be re-

EXTENSIONS OF REMARKS

duced next March. The notice, according to the agreement, is to read as follows:

This is to inform you that as a result of the elimination of the minimum benefit; your benefit may be reduced to some degree beginning with your April check. To determine the extent of the reduction, if any, and your possible eligibility for SSI and other assistance programs you may contact your local social security office.

Now I am told the Social Security Administration does not intend to send out these notices at all in December.

If we had some confidence of prompt action, that might be a humane and rational decision. But given the attitude of the Senate in this conference, I do not have that confidence.

Meanwhile, every old person receiving a small social security check who has heard a newscast, read a newspaper, or talked to a friend knows the minimum benefit was supposed to be eliminated by the Reconciliation Act.

Now they are left in limbo. They have no notice—and they have no action. How long will this go on?

Again and again I have said to this Congress, the worst thing we can do in social security is do nothing. Here is one more example of that fact. No civilization ought to subject its elderly and near elderly to the uncertainty that we have inflicted on ours by inaction in this vital area. What a thankless Thanksgiving and a cheerless Christmas our elderly must look forward to because we do nothing.●

**THE UKRAINIAN ASSOCIATION
OF MARYLAND, INC.**

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1981

● Ms. MIKULSKI. Mr. Speaker, I am pleased to take this opportunity to say a few words about a dedicated group of people and a book they have written which I feel deserves recognition. The book is "The Ukrainians of Maryland" and the group is the Ukrainian Association of Maryland, Inc. Long hours of planning, fundraising, and writing went into this entirely voluntary effort and the result is a significant contribution to the pluralistic heritage of our Nation.

As a second generation Polish American, I feel that books such as these are especially valuable to aid us in understanding the sociology of ethnic groups' experiences in this society. This informative book broadens our knowledge of the contributions of millions of East Europeans in the United States. It is an important scholarly achievement in the history of our culture, and is a worthy model for other areas and people.

The Ukrainian Association of Maryland, Inc., led by Paul Fenchak, is now approaching its 10th year of existence. Other outstanding accomplishments of this organization include persuading the Maryland Bicentennial Commission to place ethnic activities on their agenda and, in concert with the Polish Heritage Association of Maryland, working to bring to Maryland three Slavic Conferences in which dozens of recognized scholars of various disciplines and heritages participated.

I know that you will join me in applauding and supporting this association and others similar to it, in their efforts to bring greater awareness of ethnic contributions to this richly diverse country.●

AVERELL HARRIMAN

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 12, 1981

● Mr. HUGHES. Mr. Speaker, it gives me great pleasure to pay tribute to a patriotic American and a champion of constitutional government, former Governor Averell Harriman. He has served and advised American Presidents for nearly half a century. I can say unequivocally that I know of no other American who has served the Republic with more patriotism, wisdom, and honor. The Governor is indeed an exemplar of courageous public service based on honest convictions. Personal experience has taught him the futility of war, but also the urgency and wisdom of being constantly prepared for war so that it can be prevented. He knows that our strength and the maintenance of peace go hand and glove together. Over the years, the Governor has made a tremendous contribution to the welfare and security of our great country.

The Governor is a fine statesman, a man of singular characteristics—great ability, independent mind, and deep convictions—whose talents have been prized by American Presidents for nearly 50 years.

He has served his country well during his tenure as a State and Federal official. He has worked tirelessly and continues to do so, and now works even harder toward a strong democracy and free America.

I feel honored to be able to state that the Governor is my personal friend. He is a dedicated public servant and a sincere man of strong character, intense convictions, and great tenacity in pursuit of those convictions.

I wish him continued good health, happiness, and success over the years ahead, and a very, very happy birthday!●

SMALL BUSINESS INNOVATION ACT COSPONSORS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. LaFALCE. Mr. Speaker, I am pleased to announce that H.R. 4326, the Small Business Innovation Development Act of 1981, now has over 100 cosponsors. Today, the number stands at 117. I am gratified to see such widespread support for this bill that would stimulate the growing small science and high-technology sector of our economy. I would like to urge all Members who have not yet cosponsored H.R. 4326 to do so. Moreover, I would urge them to read the committee report on the bill which is expected to be filed with the House today.

Those Members who have already joined as cosponsors of this important bill deserve special recognition. I want to extend a special appreciation to my colleagues on the House Small Business Committee for their strong support of H.R. 4326. Following is a list of the cosponsors of H.R. 4326:

1. Parren J. Mitchell, Maryland
2. Neal Smith, Iowa
3. Joseph P. Addabbo, New York
4. Henry B. Gonzalez, Texas
5. Berkley Bedell, Iowa
6. Frederick Richmond, New York
7. Henry J. Nowak, New York
8. Thomas A. Luken, Ohio
9. Andy Ireland, Florida
10. Ike Skelton, Missouri
11. Billy Lee Evans, Georgia
12. Charles W. Stenholm, Texas
13. Romano L. Mazzoli, Kentucky
14. Nicholas Mavroules, Massachusetts
15. George Crockett, Jr., Michigan
16. Charles Hatcher, Georgia
17. Ron Wyden, Oregon
18. Dennis E. Eckart, Ohio
19. Byron L. Dorgan, North Dakota
20. Gus Savage, Illinois
21. Buddy Roemer, Louisiana
22. John G. Fary, Illinois
23. Joseph M. McDade, Pennsylvania
24. Silvio O. Conte, Massachusetts
25. J. William Stanton, Ohio
26. William S. Broomfield, Michigan
27. Dan Marriott, Utah
28. Lyle Williams, Ohio
29. Olympia J. Snowe, Maine
30. Daniel B. Crane, Illinois
31. John Hiler, Indiana
32. David M. Staton, West Virginia
33. Vin Weber, Minnesota
34. Hal Daub, Nebraska
35. Christopher H. Smith, New Jersey
36. Ed Weber, Ohio
37. David Dreier, California
38. Guy V. Molinari, New York
39. Mark D. Siljander, Michigan
40. Daniel Akaka, Hawaii
41. Eugene Atkinson, Pennsylvania
42. Doug Barnard, Georgia
43. Michael Barnes, Maryland
44. Tom Bevill, Alabama
45. Don Bonker, Washington
46. David Bowen, Mississippi
47. Clarence Brown, Ohio
48. William Clay, Missouri
49. William Clinger, Pennsylvania

50. Tony Coelho, California
51. Baltasar Corrado, Puerto Rico
52. Norman D'Amours, New Hampshire
53. Thomas Daschle, South Dakota
54. Julian Dixon, California
55. Jim Dunn, Michigan
56. Bernard Dwyer, New Jersey
57. Bob Edgar, Pennsylvania
58. Walter Fauntroy (D.C.)
59. Geraldine Ferraro, New York
60. Hamilton Fish, New York
61. Thomas Foglietta, Pennsylvania
62. Harold Ford, Tennessee
63. Barney Frank, Massachusetts
64. Sam Gejdenson, Connecticut
65. Newt Gingrich, Georgia
66. Dan Glickman, Kansas
67. Bill Green, New York
68. James Hansen, Utah
69. Frank Horton, New York
70. Steny Hoyer, Maryland
71. William Hughes, New Jersey
72. Dale Kildee, Michigan
73. Ray Kogovsek, Colorado
74. Tom Lantos, California
75. Jim Leach, Iowa
76. Jerry Lewis, California
77. Bill Lowery, California
78. Stan Lundine, New York
79. Matthew McHugh, New York
80. Stewart McKinney, Connecticut
81. Edward Madigan, Illinois
82. Edward Markey, Massachusetts
83. Marc Marks, Pennsylvania
84. David Martin, New York
85. Lynn Martin, Illinois
86. Dan Mica, Florida
87. Barbara Mikulski, Maryland
88. G. V. Montgomery, Mississippi
89. Austin Murphy, Pennsylvania
90. Stephen Neal, North Carolina
91. James Nelligan, Pennsylvania
92. Jerry Patterson, California
93. John Porter, Illinois
94. Joel Pritchard, Washington
95. Nick Rahall, West Virginia
96. Tom Railsback, Illinois
97. Peter Rodino, New Jersey
98. Robert Roe, New Jersey
99. Toby Roth, Wisconsin
100. John Seiberling, Ohio
101. Gerald Solomon, New York
102. Arlan Stangeland, Minnesota
103. Fofu Sunia, American Samoa
104. Bruce Vento, Minnesota
105. James Weaver, Oregon
106. Charles Wilson, Texas
107. Timothy Wirth, Colorado
108. Howard Wolpe, Michigan
109. Antonio Won Pat, Guam
110. George Wortley, New York
111. Cardiss Collins, Illinois
112. Vic Fazio, California
113. Donald Mitchell, New York
114. Roy Dyson, Maryland
115. Louis Stokes, Ohio
116. John Myers, Indiana
117. Dan Coats, Indiana

BEING TREATED UNFAIRLY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. HUBBARD. Mr. Speaker, many people have written to me questioning how the President can reduce or delay social security and other entitlement benefits as a way to help balance the Federal budget. One of those who has

written to me on this important matter is Leona Campbell of Marion, Ky. I feel that her very thoughtful 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 am writing you in regard to President Reagan's program for cutting the budget. I, for one, certainly do not approve of his plans to cut the checks of the people on fixed incomes like myself. We can barely keep our heads above water now.

I have worked hard all my life—66 years. I have always been honest and more than fair in all dealings. I try to treat everyone the way I would like to be treated. I do not think I am being treated fairly in this matter.

It is plain to see his program is geared to help the rich get richer and the poor get poorer.

Congressman, don't you think we (the poor) have the right to a decent standard of living?

I get my social security check in the amount of \$284.00 a month. I don't see how I can survive much longer at this rate of inflation. Take my word, it is very depressing.

I hope you can understand my circumstances and will be ready to stand up for us on this matter.

Thank you for taking the time to read this.

I remain respectfully yours,

LEONA CAMPBELL.●

IN PRAISE OF CARL GARRITANI

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SCHUMER. Mr. Speaker, I am proud to have the opportunity to honor an individual who has devoted himself to the betterment of his community: Carl Garritani. Mr. Garritani is that special kind of individual whose service to his fellow citizens in my district in Brooklyn has been matched by few. His contributions to the people of Brooklyn have stretched over many years, and range from fighting crime to serving as a State committeeman.

Carl's concern for his family and for all the citizens living in the community led him to establish the United Community Association of Flatlands, an umbrella group of 40 block associations involving 3,000 families. Carl has worked for our youth in establishing the night youth center and the summer youth employment program; he has worked for our senior citizens by creating the outreach program for senior citizens, which serves the entire Brooklyn area. Carl also established the United Community Association of Flatlands real estate program, which provides free real estate services to prospective buyers. In addition, he is a member of community board No. 18, and serves on the advisory board for Community School District No. 22.

In 1978, Carl was elected to the position of State committeeman. He has served as a full-time committeeman, and has gained the respect of civic and community leaders throughout the city.

As a police officer and detective, Carl has worked actively toward solving problems of crime in our Brooklyn neighborhoods. He has received 24 medals for bravery, including two exceptional merit citations.

In spite of all the time Carl Garritani has devoted to his community, he is a model family man, dedicated to his wife, Amelia, and his children, Carl Anthony and Gina.

On behalf of all of those whose lives have been touched, and improved, by his selfless generosity, I would like to take this opportunity to salute Carl Garritani. Be it as a police officer, community activist, or district leader, Carl has always risen to the top of his field. We in Brooklyn are proud to call him one of our own. ●

—AVERELL HARRIMAN

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 12, 1981

● Mr. PEYSER. Mr. Speaker, it is a great privilege to honor a fellow New Yorker and an outstanding American—W. Averell Harriman. For over six decades, Governor Harriman has served his beloved country and State of New York during an unprecedented career as a statesman and public servant.

To articulate the one greatest achievement of this man's life would be difficult. Yet, the most noble may simply be his decision as a young man to dedicate his life to public service.

Since the 1930's, "The Governor" has served with highest distinction every American President both at home and around the globe. In 1954, he won the Democratic nomination for Governor of New York. In this capacity, he tackled the problems of New York with the same wisdom and insight he possessed with national and international affairs. Governor Harriman was a rare man in that he constantly sought new, innovative ideas instead of being complacent with the status quo.

Mr. Harriman has served his country as Ambassador to Russia and to Great Britain, Secretary of Commerce, Undersecretary of State, Governor of New York, and adviser to five Presidents. This list continues to grow. As President Kennedy aptly stated: "He has held as many important jobs as any American in our history, with the possible exception of John Quincy Adams."

It is difficult to express a fitting tribute to this extraordinary man. As

in so many other instances, my best guidance comes from Ambassador Harriman himself, who once said: "In our short time on Earth, we have a choice about the kind of world we leave behind." To apply this to Mr. Harriman's 90 short years, he has given us a sense of patriotism, a standard of excellence for public service, and sense of a world at peace. In short, Mr. Speaker, he enkindled within this Nation a dedication to achievement, achievement of a better world. ●

—NAMIBIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my foreign affairs newsletter for the month of November into the CONGRESSIONAL RECORD:

NAMIBIA

The protracted effort to bring independence to Namibia (South-West Africa) has moved forward after years of stalemate. Although there is reason for pessimism about a settlement in one of Africa's longest struggles for independence, there is also hope.

South Africa has ruled Namibia since 1920 when the League of Nations granted it a mandate to govern the former German colony. South Africa extended its domestic policy of apartheid to the territory, and that policy has become increasingly restrictive. Namibia has one million black inhabitants and 100,000 whites, yet political, economic, and social power remains in white hands. Hospitals and schools are largely segregated. The government budget for white schooling and health is ten times higher than that for blacks. South Africa has established a system of homelands in Namibia which separates the races and confines large numbers of blacks to small areas of poor, arid land. Due to the system of contract labor that South Africa has imposed, the ratio of white to black wages is 12 to 1.

In large measure because of such policies, the United Nations General Assembly revoked South Africa's mandate in 1966 and established the U.N. Council for Namibia to administer the territory until independence. South Africa ignored the action, stayed in Namibia, and refused to let members of the council into the territory. In response to South Africa's refusal to leave Namibia, Africans organized themselves into political parties, the most important of which is the Southwest African People's Organization (SWAPO). SWAPO began armed action in 1966, and today it has more than 5,000 troops in the field. South Africa, however, has some 40,000 troops in Namibia.

A 1971 advisory opinion of the International Court of Justice held South Africa's occupation of Namibia illegal. In 1976, the U.N. Security Council demanded a U.N.-supervised election in the territory. The United States has supported the actions of the U.N. and the court. South Africa countered these moves in 1977 with the Turnhalle Plan, a constitution drawn up by selected ethnic groups in the area, but which excluded the participation of SWAPO. The Turnhalle Plan was rejected by the U.S., Great Britain, France, West Germany and

Canada, who believed that a lasting settlement could not be secured without the agreement of South Africa and SWAPO, the two parties engaged in armed conflict. Progress seemed to be possible when South Africa and SWAPO accepted a western proposal which included an election under U.N. supervision, a ceasefire, phased withdrawal of South African troops, and restriction of SWAPO forces to their bases. South Africa later balked at the plan of implementation while SWAPO and the other Namibian political parties accepted it. Current efforts of the five-nation group have focused heavily on creating new movement toward implementation of their proposal.

The present atmosphere for a settlement is as positive as it has been at any time during the years of tangled negotiations. The western five have put forward "constitutional principles" to protect white inhabitants and property rights. South Africa and the internal parties it supports are on one side while SWAPO and its African supporters face them on the other. The western group seeks agreement on constitutional principles, various transitional arrangements, and a date for the election; but even under ideal conditions an election could not take place until 1983. Moreover, the extent of white and South African resistance is not yet clear. Although both sides have agreed in principle to a ceasefire and an election, implementation would be difficult because they disagree about the size and function of a U.N. peacekeeping force and the details of the election. South Africa's objection to what it regards as U.N. bias remains a serious obstacle, as does the disposition of Walvis Bay, a port critical to the economic well-being of Namibia.

Our involvement in the negotiations is significant. The U.S. has important interests in southern Africa. It wants to prevent the further expansion of Soviet influence in the area. Large deposits of key minerals are located there, and oil from the Middle East is transported around the Cape of Good Hope. Because of the importance it attaches to the region, the U.S. has also taken the lead in the search for a peaceful resolution to the Namibian conflict. It has discouraged investment in Namibia, and provides no aid for it. An important element in our policy has been the attempt to maintain improved relations with black-ruled African states which strongly support Namibian independence.

The U.S. has not recognized Angola. It argues that The Angolan government lacks effective control of the country and allows 20,000 Cubans to remain there. As one of the "frontline" countries where SWAPO bases are located, Angola has said it cannot reduce the Cuban presence as long as it is threatened by South African invasion and by South African support of UNITA, the main opposition to the Angolan government. The U.S. has dropped its demand for withdrawal of the Cuban troops from Angola as a part of the settlement, but it does say that it would facilitate a settlement.

The reason for some optimism at the moment is that no party appears to desire a breakdown of negotiations on constitutional questions. South Africa's willingness to negotiate in order to reach a settlement remains unclear. Many observers think that South Africa may simply be maneuvering for time, expecting rewards from the Reagan Administration in nuclear and military cooperation, while never intending to relinquish Namibia to African nationalists.

The U.S. can play a constructive role by fostering momentum in the negotiations and pressing for a final settlement. ●

CONNECTICUT FAMILIES AND THE REAGAN BUDGET

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. MOFFETT. Mr. Speaker, this morning's Wall Street Journal provides compelling human testimony about the effects of the administration's economic program on family life in Hartford, Conn.

"Thank God my parents got divorced," says Holly Koch, a student from the University of Hartford. She recognizes that she could not receive the same level of financial aid if her parents were still married.

Danny Salb aspires to be a veterinarian. Now, he is in the ninth grade. A year earlier, he nearly flunked out of school. But, he was saved by the financial and personal rewards that flowed from his part-time CETA job. His work improved markedly after entering the "work experience" program with a job at the town of Vernon dog pound. His job has been terminated by the CETA cuts.

Evangie Bernal is a disabled, former practical nurse who has been told that she must vacate her apartment by its new owners. Although she desired to contest this action, the Legal Services budget has been so savaged that tenant eviction cases have been discontinued.

These case studies demonstrate the inhumane consequences of the administration's decision to cut programs regardless of their value to society and to the people served by them. Instead of useful benefits—benefits which merely keep these individuals in the ballgame instead of having them fall through the cracks—these people are asked to settle for promises. These promises include asking these citizens to wait until some indeterminate time in the future when the Reagan economic magic will take effect.

In the interim, the New England winter is approaching; the budget director admits the program is seriously defective; and, these Hartford citizens are asked simply to wait.

The article follows:

BUDGET CASUALTIES: IN HARTFORD, THE POOR ALREADY FEEL EFFECTS OF THE REAGAN BUDGET: BOY LOSES JOB, AND A MOTHER WAITS LONGER FOR HOME; THE WORST IS YET TO COME

PRESIDENT ATTACKED, PRAISED

(By Timothy D. Schellhardt and Burt Schorr)

HARTFORD, Conn.—Nationwide, President Reagan's budget cuts add up to a great deal of money—\$1 billion less for welfare, \$1.3 billion less for food stamps, \$6 billion less

for job training, and so on. They also add up to a great deal of difficulty for countless individuals.

In and around this capital city, budget cutting in Washington means that:

15-year-old Danny Salb has lost his \$3.37-an-hour job feeding homeless dogs at the pound.

Cynthia Huff and her two children, living for the past four years with her sister's family in a cramped cottage, will have to wait three more years, at least, before they can get a government-subsidized apartment.

College junior Holly Koch must work five hours more a week to earn the extra money needed to stay in school.

59-year-old Evangie Bernal, practically crippled from a bone disease and living on a low income, can't get free legal aid to try to avoid eviction from her apartment.

Former welfare recipients Sixto Moreles, Jessie Arrington and Arsula Little face unemployment again because the furniture-manufacturing company where they work has lost its federal funds and will close at the end of this month.

EASY TO FORGET

"Sometimes it's easy to forget that the budget-cut casualties are people, not simply programs," says Flora Parisky, an urban-policy consultant here. It has been only seven weeks since Mr. Reagan's fiscal-1982 budget ax began falling, but the casualties already are piling up here.

There aren't any firm estimates of how many Hartford's 136,400 residents—30% of whom get some kind of federal assistance, including Social Security benefits—are being hurt by budget reductions. But local and state officials believe they number in the thousands. Miss Parisky estimates, for example, that more than 10,000 youngsters under age 18 have been affected by cuts in child-assistance, job-training and other programs.

For most of this city's middle-class families, which make up the majority, the effects of the federal budget reductions aren't yet easily discernible. Gone, to be sure, is the 12:01 a.m. Amtrak to New Haven, forcing night travelers to catch the 8:41 p.m. train or wait until 3:52 a.m. Nine other trains also stop here no longer. And those who pay for school lunch are being charged a nickel more for it by public schools as officials try to make up for a cut in federal funds. But the main budget casualties are the poor.

SOFTENING THE BLOW

Even for them, local and state authorities say, the full effect won't be felt in Greater Hartford for several months. Officials have been able to make up for some of the cutbacks—somewhat softening, for instance, the blow to programs for expectant low-income mothers. At Martin Luther King Jr. Elementary School, principal Harold Barrow used \$131.20 from his school's activity fund to pay for lunches of youngsters who have been removed from the free-lunch list or required to pay more for reduced-price meal tickets under the Reagan program.

But those resources are drying up fast. "People are going to get less service, and less people are going to be eligible for help," says Stephen Heintz, a state planning official. Echoing him is Marlene Berg, an official of the local United Way organization, which finances 65 Hartford-area agencies. She says: "There's going to be a cold, cold time for social-service agencies."

For many, the cold times are already here, and many of those who have been hurt are

bitter and upset with President Reagan for slashing programs that aid them.

AN ANGRY MOTHER

"There are other things he should be doing instead of cutting able-bodied people who want to work," says Cynthia Huff. The 30-year-old Mrs. Huff, a welfare mother until she took a job as a school-bus attendant, finds her food stamp allotment has been pared by \$22 a month and other federal benefits cut by \$54 a month because of new, higher federal-aid standards.

But not all the budget victims blame the President. Some say the efforts to balance the federal budget are essential to the nation's economic vitality.

"It's got to be done. If Reagan had continued to go along the same old path, the results would have been disastrous," says J. James Asbeck, the President of Maverick Corp., a furniture producer that serves primarily as a job-training employer. Since 1975, Maverick has found other jobs in the area for 650 ex-convicts, welfare mothers and workers financed under the Comprehensive Employment and Training Act, or CETA. A \$1.7 million cutback in its job-training and other federal funds is forcing Maverick to close Nov. 30, even though its sturdy pine bunk beds and accessories "are selling like hot cakes," grossing more than \$525,000 in the first nine months of this year.

Whether cutbacks are necessary is beside the point to those—such as Maverick's Sixto Moreles, Jessie Arrington and Arsula Little—who are ultimately hurt by them. A \$150,000 cutback in federal housing funds in Hartford, theoretically justified or not, means that fewer rent-subsidized apartments will be built here. The waiting list for such apartments already exceeds 5,000.

Ineffie Sargent, a Hartford caseworker, says that the federal cuts, or the fear of reductions, have increased "stress and depression" among her low-income clients. The number of mothers asking to have their children placed in foster homes has risen sharply, she says. Turning the pages of her notebook, she counts 23 children whom she herself placed in the past three months. A year ago, she says, her placements averaged only one a month. Reported cases of child abuse in Connecticut, which dropped to a three year low last April, have climbed in recent months.

The federal cutbacks, says Marlene Berg of United Way, have trimmed the staffs at many social agencies, reducing Hartford's ability to measure "internal domestic violence that could become street violence." For example, there is no one to answer the telephone anymore between midnight and 8:30 a.m. for people who call North central Infoline, the special state and United Way emergency number serving Hartford and surrounding communities. Infoline's callers have numbered 31,000 a year and the late-night callers often are potential suicides, runaway teen-agers, people who have overdosed on drugs and those needing emergency shelter. "We don't know how they're getting help," says Cheryl Berger, Infoline's assistant director.

Many Hartford residents no longer are getting the help they once counted on. Here is how the federal budget cuts have affected some of them.

THE JOBLESS TEENAGER

Danny Salb wants to be a veterinarian. That may be more fantasy than reality for a ninth-grade youngster from a welfare home,

but when the soft-spoken, bantam-sized boy says it, you believe him.

Danny's favorite school subjects these days are algebra and earth sciences, and he is doing well in them. Last fall, in the eighth grade, it was a different story. "I was flunking everything," Danny remembers.

One person who worried about Danny's future was his mother, who with her four children lives in an uninsulated rented house where the furnace remains off this chilly Connecticut autumn for lack of oil money. Danny's poor schoolwork, she believes, reflected his "frustration and anger" at being unable to earn money for his family. He was stymied by his inability to find work on his own.

It was Uncle Sam who offered Danny his first paying job. A local community-service agency, with a \$32,000 Labor Department CETA grant, created a "work experience" program for low-income or handicapped people ages 14 to 21. Danny worked two hours a day after school, five hours a day during summer vacation, at the Town of Vernon dog pound.

John Cagianello, a high-school teacher hired to run the project, noted after a few weeks that "Danny felt better about himself." It spilled over to his schoolwork. He saved \$320 from his earnings, giving money to his mother for groceries and using the rest to buy clothes for himself.

Danny knew from watching television news and talking with his mother that President Reagan intended to cut the federal budget. But he didn't connect that with his own life until a few weeks ago when Mr. Cagianello confirmed school rumors that the CETA jobs had been axed. "I was pretty upset," Danny recalls. His mother says he had counted on the income to buy the shoes he needs for this winter.

THE BUSINESSMAN

Teofilio Babun Jr. seems just the sort of voter President Reagan expected to please when he pushed his budget cutbacks through Congress. And the Cuban-born electrical engineer, at 33 well up the American business ladder, indeed thinks that the cuts were a swell idea—except for their effect on his life. That, he says, "was something I needed like a hole in the head."

When Mr. Reagan took office last January, Mr. Babun was pulling down over \$40,000 a year as a marketing manager for Crouse-Hinds Co.'s Arrow Hart division here, which makes electrical switches. But he had bigger plans. Together with two partners, he was negotiating to buy a small electrical relay plant owned by a local unit of Western Pacific Industries Inc.

All he needed was a 90 percent guarantee from the Economic Development Administration for an \$850,000 loan that a Hartford bank had agreed to make to finance the purchase. The federal agency appeared interested. It sent Mr. Babun the first draft of a proposed loan-guarantee pact and followed up with oral assurances of the application's ultimate success. In February, with the closing only weeks off, Mr. Babun gave notice at Arrow Hart.

Then came the bad news: Under White House orders, the EDA had frozen its business-aid programs, including loan guarantees. After unsuccessful appeals to Washington, Mr. Babun's only chance to save the deal was to line up his own financing, which he did—but at a price.

Instead of a single bank, he had four separate lenders to deal with and a variable interest rate that has ranged above 22 percent. (An interest rate on the single-bank

loan hadn't been set but undoubtedly, with the federal guarantee, would have been far lower.) Things are working out okay, for now, with sales running about 250 percent higher than a year earlier. But the four separate loans, which require quarterly reports to each lender, "are expensive and confusing," say Mr. Babun. Looking ahead, he sees complex negotiations with the lenders over additional financing. Looking back, he wonders, "Can you trust your own government?"

THE TENANT

Evangie Bernal, the disabled former practical nurse, has been told she must vacate her two-bedroom \$180-a-month apartment by Dec. 1. A new owner has purchased the house in which Mrs. Bernal lives and wants to raise the rent to \$350 a month, which Mrs. Bernal is unable to pay. The owner says that her own \$891 monthly mortgage and tax payment on the house requires the higher rental income.

Mrs. Bernal asked Neighborhood Legal Services for help, but a 30 percent reduction in the agency's \$600,000-a-year federal funds forced it to stop handling tenant-eviction cases, effective Oct. 15. Mrs. Bernal applied after the cutoff date. She has submitted her case to Hartford's Fair Rent Commission, but the eviction threat remains. A neighborhood Legal Services attorney doubts that Mrs. Bernal, who is somewhat confused by her rent problem, would be able to represent herself effectively in court. Meanwhile, Mrs. Bernal has stopped going out of her apartment for fear that her landlord, who lives upstairs, "might lock me out."

THE WELFARE MOTHER

Bernice Roberts says that these days "all I do is cry." Seated at her dining-room table, the 37-year-old mother of eight sons fingers the letter she received recently from the state welfare agency. "You have been informed," the letter begins, that her public-assistance check this month will be slashed to \$291.12 from \$499.63 because her outside earnings have risen somewhat, thus reducing her federal benefits, and because federal eligibility standards have been raised to cut welfare costs.

Since April, Mrs. Roberts has worked as a home health aide, helping an invalid four hours a day, seven days a week. For that, she earns about \$300 a month. Her welfare check and her salary barely cover her \$220-a-month rent and heat bill, her grocery bill and the cost of her other essentials. "I have \$14 in the bank," she says. The reduced welfare benefits, she says, will mean "there might not be any Christmas." She pauses, then adds: "There might not be a Thanksgiving, either."

THE COLLEGE STUDENT

"Thank God my parents got divorced," exclaims Holly Koch, a junior at the University of Hartford. Miss Koch, a business major, thinks that if her father's income had been considered in weighing her financial-aid request, she wouldn't have gotten the assistance she needs.

Because of federal cuts, Miss Koch's annual basic-aid grant has declined \$50, to \$996, and her work-study grant has been chopped in half, to \$500 from \$1,000, even though her university costs have increased by \$1,530 this year. As a result, she works 15 hours a week in the university's financial-aid office this year instead of the 10 hours or so she averaged last year. "That increase doesn't sound like much," she says, "but it

is when you're carrying a full load of courses."

Of the federal budget cuts, Miss Koch says President Reagan "has good intentions. I don't know what else he could have done." She adds, "We're all willing to scrimp a little around here, but if there's any more, forget it." If she could plan her college career over again, she says, "I'd go two years to community college" because it's cheaper. ●

RINALDO AMENDMENT IMPROVES RIGHTS OF BOARDING HOME RESIDENTS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. PEPPER. Mr. Speaker, I would like to take this opportunity to commend the distinguished ranking Republican member of the House Select Committee on Aging, Mr. RINALDO, for his excellent amendment to the Older Americans Act which has the effect of extending to boarding home residents protections in Federal law which were previously available only to nursing home residents.

Boarding homes are the newest class of institutional occupancy. They were created in effect by enactment of the supplementary security income program in 1972. Even though the Federal SSI provides the lion's share of the funds received by these facilities there are no Federal minimum standards which are applicable to them. The problem has become severe as every State in the Union launched an aggressive campaign to empty their State mental and other institutions and place residents in facilities which offered only board and room with SSI paying the bill.

Our committee has held numerous hearings on this topic. Our early hearings in 1975 and 1976 indicated significant poor care and abuse. Other hearings traced the movement of mental patients and the retarded into boarding homes where they often did not receive the care, services, and therapy that they needed.

In 1978 we held hearings which exposed other examples of physical abuse and neglect. A year later we began to investigate a series of boarding home fires. Some 130 people have lost their lives in such fires in 1979-81. In 1981 we began to focus on the financial abuse which takes place in some boarding homes. The U.S. General Accounting Office helped us document that there is widespread fraud and theft of patients' funds in many boarding homes because of a general lack of accountability.

As a result of these hearings our committee is currently considering legislative initiatives. Some time ago, I introduced legislation to require board-

ing homes to meet certain Federal minimum standards particularly relating to fire safety. We are also working on a proposal to require boarding home residents to file CPA audited cost statements with the Government in order to account for their use of Federal dollars. While this legislation waits for consideration in other committees of the Congress, Mr. RINALDO has found something that we can do which will have an immediate effect on improving the quality of life for residents in boarding homes. His amendment would extend the protections of the federally financed nursing home ombudsman program to boarding homes.

I cannot say enough about the importance of Mr. RINALDO's amendment. Even though the genesis of boarding homes is recent, there are already four times as many boarding homes as there are nursing homes and there are more people in boarding homes than in nursing homes. I would also emphasize that the States are moving the mentally retarded and children with developmental diseases and the handicapped into boarding homes at a rapid rate so that the protections offered in Mr. RINALDO's amendment have application well beyond the elderly.

I anticipated tremendous improvement in the quality of care offered in boarding homes as a consequence of the Rinaldo amendment. What this means is that for the first time a federally funded advocate will be on guard to protect the rights of the disadvantaged. This cannot but have a salutary effect.

Once again, Mr. Speaker, I would like to commend Mr. RINALDO and would like to make it known that I am strongly in support of his amendment. Mr. RINALDO is an extremely valuable member of our committee.●

VINCENNES UNIVERSITY

HON. JOEL DECKARD

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DECKARD. Mr. Speaker, next Sunday, November 29, Vincennes University will commemorate a landmark in the history of the State of Indiana and of the old Northwest Territory. On that date 175 years ago, the first General Assembly of the Indiana Territory, meeting in the territorial capitol in Vincennes, granted a charter to a small frontier school founded 5 years earlier by William Henry Harrison, the first Governor of the Indiana Territory and the ninth President of the United States. That school, known from its founding in 1801 as the Jefferson Academy and from its chartering 5 years later as Vincennes Univer-

sity, would survive to become the first institution of higher learning in the State of Indiana and one of the first west of the Appalachians.

By the turn of the century, Vincennes University had emerged as the first junior college in the United States. It has since earned a high reputation for its imaginative and innovative approach to its educational mission, for the energy and efficiency of its administration, and for the quality of its programs. This is a tribute to the leadership of the college, from its first president of the board, William Henry Harrison, through the long and progressive presidency of Dr. Isaac Beckes, to today's president, Dr. Philip Summers. It is a tribute to the labor of dedicated and loyal faculty and staff and to the support of the people of Knox County. It reflects, finally, the energies and talents of Vincennes University's student body, whose success is the truest measure of the college.●

PAYMENT IN LIEU OF TAX FOR GUAM LANDS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WON PAT. Mr. Speaker, I am today introducing legislation which seeks to correct a situation whereby the U.S. Government has locked up a third of Guam from commercial development and, in the process, denied the local Government valuable tax revenues.

The measure I introduce today will correct this condition by providing for an annual Federal payment to the government of Guam which can be considered in lieu of taxes that normally would be gained from such property.

I have given this problem great attention. We, on Guam, are proud to have major U.S. military facilities on our island and we want them to feel free to use the land presently under Federal control for this Nation's defense. It must be noted, however, that Guam is a small island. We have a total area of less than 212 square miles. The United States owns 31.5 percent, or roughly 42,750 acres of land, on Guam. Much of Guam's most useful land is in Federal hands, as is our only major source of fresh water, our harbor, and most of our flat arable lands. Our inability to utilize these areas for commercial development has badly hindered the island's economic development. We are further constrained by Federal laws and regulations, some of which arise from the presence of military bases on the island, which also hamper our ability to generate local taxes.

My bill offers a solution to this problem by calling for payment of \$3.5 mil-

lion next year and thereafter to Guam. This money is essentially going to offset the lack of tax revenue from the sizable Federal presence much in the same way that the United States provides the District of Columbia with over \$300 million each year.

Several years ago, I was pleased to cosponsor legislation which provided States and the territories with a payment in lieu of taxes for tax-exempt Federal lands within their boundaries. Guam received only \$230 for fiscal year 1981, hardly an amount sufficient to offset the loss of revenues from federally owned tax-exempt property.

While we welcome the Federal Government as our neighbor, we want Washington to recognize that good neighbors do their fair share of maintaining roads, schools, and other facilities. This is not currently the case. It is unfair for the Federal Government to tie up thousands of acres of valuable lands and not expect to compensate the local government in any way. This measure is an important step in this direction and I hope that it will receive fair consideration by the Congress.

Thank you.●

FIRST AMENDMENT RIGHTS ARE THREATENED BY ABUSES

HON. ROBERT MCCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. MCCLORY. Mr. Speaker, there are increasing evidences of abuse of first amendment rights. Indeed, it appears that many misrepresentations projected by the media are known to be false and misleading.

A straightforward and courageous statement of the dilemma the media seems to have created for itself is set forth in a commentary by Mike McClory which appeared in the November issue of the Hill Rag. Mr. Speaker, I am pleased to attach Mike McClory's article "And Now the Noose." I believe his hard-hitting and eloquent words should arouse the media to a greater sense of responsibility at the risk of jeopardizing first amendment rights by reason of deliberate and egregious abuse.

AND NOW THE NOOSE

(By Mike McClory)

Political commentator Jack Anderson, contrary to what some people say, is not the biggest liar in America. But you might have a hard time explaining that to Senators Ted Stevens (R-Alaska) and Mark Hatfield (R-Oregon).

On ABC's "Good Morning, America" the other day, Anderson accused Senators Stevens and Hatfield of "conspiring" against President Reagan. "Conspiring" means "planning secretly with other to do something unlawful or wrong"—like committing a crime. Historically, the most famous con-

spirators were Senators Cassius and Brutus. Thus the term "conspiring" has particularly ugly connotations.

The truth, of course, is that both Stevens and Hatfield, along with many other senators who question some of President Reagan's defense-spending plans, are communicating quietly and reasonably with one another rather than spouting irresponsible rhetoric on network television.

Words can be weapons, and the word "conspiring" jumped out of Anderson's mouth as quick as a slug from a Saturday night special. According to Dwight Dyer, Staff Director of the Senate Defense Appropriations Subcommittee, "The senators agree on some points, disagree on others. Anderson's report is 100 percent false."

All lies are made of words, and the way that words are manipulated can lead people to believe all kinds of nonsense.

One popular nonsense word is "radical." The Washington Post printed a story a while ago saying that Cuba was trying to sway certain countries in a more "radical" direction, meaning toward the Soviet Union. The next day, the Post and all three networks reported that Polish union leader Lech Walesa was elected president of Solidarity over three candidates who were more "radical," meaning against the Soviet Union. Clearly, "radical" cannot carry both meanings.

Distorting the meaning of "radical," and its cousins "left-wing" and "revolutionary," has been common practice within the American media establishment for a long time. The predictable result is that most of the American public is utterly confused about what is really going on in the world.

"Radical" is generally associated with communism, which in its idealized form is supposed to place the means of production in the hands of the proletariat—the working people. Thus, "radical," "left-wing," and "revolutionary" societies should be those in which people enjoy the opportunity to oppose, and collectively replace, an unpopular government. Unfortunately, precisely the opposite is true.

In the Communist countries—most obviously the Soviet Union and Cuba—people become property. The communist governments operate more like fascist dictatorships or absolute monarchies than the perfect societies Karl Marx envisioned. They are, in fact, no more than self-perpetuating, tyrannical bureaucracies—that is, "right-wing."

In many circles "radical" and "left-wing" have become terms of intellectual approval. Those persons who want to appear enlightened, and who feel that "liberal" has come to mean simply following the political line of the AFL-CIO, will describe their politics as being "somewhat radical" or "leaning to the left." What they actually mean is that their views are "advanced," and "good."

Good guys "lean to the left" and feel sympathy for radical causes. Terrorists throughout the world figured out this "good guy" syndrome a long time ago. Wanton murder in the name of "radical opposition to oppression" is translated into legitimate political activity, and psychopathic criminals become idealistic political revolutionaries.

The good guys actively supported or went along with the "radicals" who overthrew the shah of Iran and formed a "revolutionary" government. Even now, when it is obvious that Khomeini's cruel, ayatollah-controlled government is trying to force upon that nation a hopelessly reactionary medie-

valism, news reports constantly refer to Iran's "revolutionary this" and "revolutionary that."

Distorting the meaning of words is a subtle form of disinformation—the art, long practiced by Soviet propagandists, of portraying the opposite of what is true. But propaganda is only one reason for reporting disinformation. It may also be done for profit. The Washington Post, for instance, recently—and reluctantly—apologized for publishing disinformation about former President Carter's bugging activities.

Jack Anderson's "conspiring" remark is clearly disinformation of a very low order. Now, what do you think the chances are that either Ted Stevens or Mark Hatfield will hear words of apology from ABC?●

VIEWS ON THE DEPARTMENT OF DEFENSE APPROPRIATIONS BILL

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. RAILSBACK. Mr. Speaker, I appreciate the opportunity to discuss my views about defense spending, especially in regard to the MX missile system and the B-1B bomber. While I believe we must support a strong defense and maintain nuclear parity with the Soviet Union, I am concerned about excessive increases in defense programs when important social programs are being cut.

Granted, we are not adequately prepared for either a conventional or nuclear war. However, rather than hoping an increase in spending will help solve the problem, we should encourage wise decisionmaking and procurement policies. Our forces are in need of spare parts and a generally upgraded conventional weapons system. Yet, I often feel the Pentagon puts too much emphasis on very complex and costly weapons. That is why I voted for an amendment to the Department of Defense appropriations bill which sought to reduce funding for military procurement and research and development (R. & D.) by 2 percent, while maintaining funding levels for spare and repair parts and ammunition.

Two items in the appropriations bill are of particular concern to me; namely, the MX missile system and the B-1B bomber:

MX missile: In the past few years, I have had serious doubts about the wisdom of basing MX missiles in a multiple protective structures (MPS) system that could become obsolete if the Soviets add enough missile warheads to destroy all shelters. So, I have consistently supported efforts to require a study of alternative basing modes rather than placing all research and development (R. & D.) money into one. The President is proposing a temporary plan to superharden 100 Titan silos to house MX missiles, while stud-

ies of basing modes are conducted. I agree with this approach and therefore voted against the amendment to delete \$1,913,200,000 for MX R. & D.

B-1B bomber: The B-1B bomber is costly and may not give us enough advantage over the B-52 to warrant the cost. I understand that a CIA analyst indicated during hearings that the B-52 could penetrate Soviet air space until 1991 and, at another time, Defense Secretary Weinberger stated that flying a B-1B into the Soviet Union as early as 1990 would be suicidal. When I consider the fact that the first 12 B-1B's will not be ready until 1986 at the earliest and that the "Stealth" advanced technology bomber could be ready by 1989, I question the need for producing 100 bombers that may eventually be used only to carry cruise missiles and conventional weapons, a mission that could be carried out by the B-52's.

The B-1B's are expensive. In July, the Air Force estimated a cost of around \$20 billion for the program, but I understand inflation could bring the figure close to \$30 billion. That is \$300 million for each plane—almost enough to fully fund the Legal Services Corporation. The House recently cut the budget for Legal Services from \$341 million to \$241 million. At a time when social programs are being cut dramatically, I do not feel a bomber that may only be used at its optimum for a short time should be built. So, I supported the amendment to delete \$1.8 billion for B-1B procurement while maintaining \$292 million for R. & D.●

FIFTH ANNIVERSARY OF THE UKRAINIAN HELSINKI GROUP

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1981

● Mr. ECKART. Mr. Speaker, once again the anniversary of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords is passing by with the hopes of the group's leaders unrealized. While the express purpose of this admirable family has been undermined by the enemies of human rights, the group and its message are certainly not passing unnoticed.

In the free world, the heroic efforts and sacrifices of the Ukrainian group are an example we must remember. Our efforts must reflect their dedication. We must not condone the injustices of Soviet human rights violations through the silence of Congress, the collective voice of the United States. Certainly, the Soviet oppression of Ukrainians, Soviet Jews, Lithuanians, Afghans, and others is shocking, although the Soviet's actions, however

perverse, are not particularly surprising. Constant oppression is a fact of life for dissidents and their families.

Even in the Soviet Union, the efforts and ideas of the Ukrainian group are commanding attention. This fact is apparent in the continuous and diversified attempts to subvert the group's motives. The Soviet leaders must be confounded at the resilience of those under their heavy hand. To those of us whose ancestors and immediate families fought for natural rights, though, the spirit's strength is indomitable.

Mr. Speaker, I am honored to be able to speak for the rights of the people of the Soviet Union. I am even more honored to actively aid in the fight being waged by the members of the Ad Hoc Committee on the Baltic States and Ukraine.●

HUD MISMANAGEMENT IN THE ATLANTA AREA

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. BARNARD. Mr. Speaker, for some time, I have been concerned about the vast amount of waste in many Federal projects. In one area in particular, my colleague, ELLIOTT LEVITAS, has been trying to end poor construction practices in HUD projects in the Atlanta area.

Several years ago, he made a major effort to end this shoddy work in a project in Rockdale County. This work was so poorly done that although it cost over \$5 million by the time it was completed in 1972, it had to be torn down in 1976 because it was unsafe.

After a congressional investigation and a report by the HUD Inspector General, the Department agreed that it has been wrong, and promised to correct the policies. Now, I understand that a new report has been issued that shows few if any improvements, even though over 3 years have passed.

I want to congratulate my colleague on his continued efforts to eliminate Federal waste in Government, and to join his call for a complete investigation and the correction of these abuses.

The following article from the Atlanta Journal of November 5 details some of this controversy, and I would like to bring it to the attention of my colleagues.

[From the Atlanta Journal, Nov. 5, 1981]

LEVITAS' BATTLE WITH HUD

(By Durwood McAlister)

Fourth district Congressman Elliott Levitas is no babe in the woods when it comes to dealing with government agencies; he knows as well as anyone their capacity to resist change.

But even Levitas is astounded by the mule-headed refusal of the Department of

Housing and Urban Development to do something about its gross mismanagement of public housing construction.

Levitas thought he had brought HUD to heel three years ago.

Armed with a "spectacular example of mismanagement" of a multifamily housing project, he had requested an Inspector General's investigation which resulted in a full hearing of the Subcommittee on Housing and Community Development.

That hearing detailed the almost unbelievable story of the Rockdale apartment project in Rockdale County. Almost \$5 million of taxpayer dollars went down the drain because of HUD's failure to perform.

The project, completed and occupied in 1972, lasted only four years. It was totally demolished in 1976, under HUD's order, because it was no longer safe for occupancy.

Investigators told the subcommittee that they found faulty work by construction contractors, inadequate performance by the supervisory architect and improper approval of construction change orders.

All of those deficiencies could have been corrected if HUD inspectors and their supervisors had done their job; but the investigators reported that the inspectors failed to perform.

Stung by the Rockdale case, and by the Inspector General's report indicating that the project was not an isolated case but was indicative of a nationwide problem, HUD acknowledged its failure and promised to correct the situation.

That was more than three years ago. Now, there is a new report from the Inspector General's office and a disillusioned Elliott Levitas is hopping mad.

"We find to our disgust," he said, "that the new report yet again reveals serious mismanagement of funds in the construction and administration of housing projects."

He added, "What makes this situation so outrageous is the fact that HUD has had more than three years to correct these problems in oversight and management, yet has apparently done little or nothing to solve them. The problems were those identified three years ago, which HUD acknowledged and promised to correct, and, yet, the same abuse is still going on."

Levitas has called for new hearings by the Subcommittee on Housing and Community Development to air charges by the Inspector General that 16 housing projects in the Atlanta area have been plagued with more than 600 construction deficiencies.

More than 100 of those are considered serious enough to "adversely affect the health and safety of the residents," according to Levitas.

It is apparent by now that in trying to move HUD to change its ways Levitas is mud-wrestling with a hippopotamus in a gumbo swamp, but he is determined to stick with it.

He deserves all the help he can get.

Those who are profiteering at taxpayer expense and foisting their shoddy failures off on the poor ought to be punished.

And the HUD inspectors who, through carelessness or criminal neglect, have allowed abuses to occur should be fired and prosecuted for their dereliction of duty.●

LEGISLATIVE NEEDS AND USES OF TOXICOLOGICAL INFORMATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WALGREN. Mr. Speaker, the Subcommittee on Science, Research and Technology has a great interest in the use of modern information technology in health and environmental monitoring. I would like to bring to the attention of the House a recent paper, "Legislative Needs and Uses of Toxicological Information," which is very informative on this matter. This paper was presented on September 17 at a National Library of Medicine Symposium on Information Transfer in Toxicology by Gilbert Gude, Director of the Congressional Research Service. Mr. Gude's paper not only reinforces the need for the best available information in the field of toxicology as well as other fields, but also the key role which professional researchers and information specialists play in making subject material most usable to all of us who work in the legislative branch.

There are vast resources of technical and research information available in every field, but its existence does not guarantee it will be used to best advantage, if properly used at all. Congress must have expert help in extracting what is significant and pertinent in every area.

LEGISLATIVE NEEDS AND USES OF TOXICOLOGICAL INFORMATION (By Gilbert Gude)

The Congressional Research Service, one of four congressional support agencies, works exclusively for Congress—for all the Members and all the committees; and CRS work—information, reference and research—covers all subject areas of congressional interest. The inquiries from Members and staff—by phone, letter or in person—exceed 310,000 a year and the number of requests has increased at an average rate of 8.9% each year over the past decade. As in so many areas of domestic and international concern, Congress also has a substantial and growing interest in toxicological information and research.

Responses to congressional inquiries in this subject area are handled primarily by four units: the Reference Division, the Science Policy Research Division, the Environment and Natural Resources Policy Division; and the American Law Division. In addition, the Library Services Division receives some congressional inquiries for bibliographic information, but largely provides bibliographic support to all research and reference divisions and congressional offices through on-going programs.

Requests from the Hill for information on specific toxic materials or situations involving toxic materials can be handled by a reference librarian in one of four Reference Centers, by a telephone discussion with an analyst or by a several page memo prepared in one of the three indicated research divi-

sions; more complex requests requiring professional analysis and some hours, days or even weeks of research time would be assigned to a research division.

The CRS Reference Division handles the majority of inquiries and in most instances responds to the Member or committee office in less than twenty-four hours. A typical request recently received from a Senator's office and assigned to the Reference Division asked for "the official report of the studies made on polycarbonate resin." The question involved one of the Senator's constituents who was concerned that chemicals used in the manufacture of containers were migrating into the beverage. A reference librarian on the Science and Environment Team searched several data bases, including Chemical Abstracts, Scisearch, Enviroline, and Chemname; these searches were fruitless, so the staffer consulted the Food and Drug Administration. FDA staff indicated that the problem had been treated in a Federal Register report on chemical migration contaminating beverages in acrylonitrile plastic bottles.

CRS endeavors to respond to a repetitive number of similar questions with two types of publications—the Issue Brief and the CRS Report—and by means of the data base retrieval system, SCORPIO. Currently, the Service has eleven out of approximately 350 Issue Briefs which deal with particular toxic substances or toxic substance pollution problems.

A typical Issue Brief, "Agent Orange: Veterans' Complaints Concerning Exposure to Herbicides in South Vietnam," was first entered into the Issue Brief System on September 6, 1979; in addition to hard copy distribution, the pages of Agent Orange, like all Issue Briefs, can be scanned individually through the SCORPIO video consoles which are part of the equipment in more than half of the Member and committee offices. Issue Briefs are updated daily, if necessary, to reflect developments, new data, recent congressional activity and any other factors of importance. Agent Orange has been updated altogether sixteen times—the most recent updating was August 3rd of this year.

The Brief provides a detailed definition of the Agent Orange issue and the basis for congressional interest. Following the Issue Definition, a Background and Policy Analysis provides a history of the problems associated with Agent Orange and its toxic contaminant, dioxin (TCDD). The history begins with the summer of 1969 when the first reports of human birth defects allegedly attributed to Agent Orange exposure appeared in Vietnamese newspapers. It continues with the growing awareness of the problems associated with TCDD, and provides toxicity data on the substance for both animals and humans. The analysis also includes in tabular form, by site or location, data on workers who have been exposed to phenoxyacetic acids and their contaminants. The Background and Policy Analysis continues with the history of Agent Orange use in Vietnam with details as to the amounts of TCDD possibly released as a contaminant in various missions and the amount of land area treated by the defoliating herbicides. Included is a discussion of the number of personnel possibly exposed to the herbicide and an analysis of the Department of Defense and Veterans Administration efforts to deal with the problems of military personnel who were exposed or allegedly exposed to the material. The Policy Analysis ends with a succinct series of ques-

tions which highlights the issues confronting the Members of Congress when they consider policy options relating to this toxic substance.

The Issue Brief itself concludes with a summary of congressional action in the 96th Congress and the citation of specific legislation introduced in the 97th Congress to deal with Agent Orange problems; a list of congressional hearings, reports and congressional documents; and finally, a short list of additional reference material. Altogether the Agent Orange Issue Brief is only 25 pages in length, but it provides a legislative assistant or a Member of Congress, in just a few minutes reading, a good overview of a complex subject. As is the case with all CRS work the author or reference librarian who prepares the material is always cited so a Member or staffer can make easy contact with a knowledgeable source of information.

The CRS Reports, like the Issue Briefs, also deal with subjects of some general congressional concern or interest. Reports are produced in hard copy but are not available through the SCORPIO system; the subject matter is of such a nature that only occasionally are they revised. They generally examine one aspect of an issue or problem in greater depth than an Issue Brief and they do not have a structured format with such items as legislative histories and bibliographies. Reports may run from 15 to as high as 300 pages in length.

The Report, "Food Safety Policy Issues"—made available to Congress this last June—is typical of this type of CRS product; it deals in part with toxic substances. It was authored by two analysts—one from the Science Policy Research Division and one from Environment and Natural Resources Policy Division—and a Congressional Science Fellow working in the Science Policy Division. In addition to food regulations and laws and the administrative structure of Federal food agencies, the report also deals with toxic contamination of food. The document examines matters dealing with setting tolerance levels for animal drugs, pesticide residues, and environmental contaminants in food, and discusses the detection of violations and enforcement of standards. The section dealing with toxic contamination also provides the reader with an excellent overview of matters or questions concerning the food safety issues upon which Congress might legislate, or about which constituents might contact their Members.

For issues or subjects of intense congressional interest or public concern, the Reference Division often combines Issue Briefs and/or CRS Reports with other relevant material in a kit called an Info Pack. Currently the Reference Division maintains approximately 110 infopacks; eleven of these pertain to toxic substances or related problems. For example, the Air Pollution Info Pack includes the Issue Brief, "Clean Air Act: An Overview," a committee print on the progress against air pollution; a League of Women Voters report—"Blueprint for Clean Air"—and a concise bibliography on air pollution. Research and Reference Division staff work together to assemble the highest quality, most pertinent, and most succinct material so that the Info Pack which CRS provides give a balanced and comprehensive picture of the subject matter.

The Service distributes CRS Reports, Issue Briefs and Infopacks only to its congressional clients but Members use these CRS products in performing part of their representative function—providing informa-

tion requested by their constituents. However, a substantial amount of Congressional Research Service information and research work enters the public domain when published by the Government Printing Office as committee print reports, or as documents of the Congress. This activity is usually carried out by Service analysts and researchers who work very closely in conjunction with the staff of congressional committees. CRS staff often support committees in organizing hearings; they may assist in selecting appropriate witnesses, providing background material on the subject to be examined, drafting questions for the various witnesses and finally preparing the committee report.

CRS staff can be involved in the production of other types of committee publications which are designed to provide information or direction without benefit of a hearing. For example, "An Overview of Research in Biogeochemistry and Environmental Health" provides a comprehensive view of these science activities and makes recommendations as to executive department action. Published in March of 1979, the report was prepared for the Subcommittee on Science, Research and Technology of the House Committee on Science and Technology. A CRS senior specialist, an assistant chief of the Science Policy Division, a CRS visiting scholar, and two analysts of the Science Policy Research Division were involved in the preparation and review. The overall study was directed to the influences of the biogeochemical environment on human health and disease; it was to provide information background on the field of biogeochemistry, a summary of Federal research in biogeochemistry, an analysis of major unresolved problems, and an identification of the non-Federal agencies which provide funding for biogeochemical research. The report also provided a preliminary discussion of research objectives and priorities which the Subcommittee might appropriately examine.

In examining biogeochemistry and environmental health research, the report looks at the question of toxic effects of biogeochemical agents, particularly as to their role in disease causation and toxicological, mutagenic, teratogenic, carcinogenic, and genetic effects. The study concludes that there is less national coordination and emphasis being placed upon research in methodology and epidemiology in biogeochemistry than in biology, toxicology and nutrition. In particular, the conclusion notes, there seems to be little cooperation at the national level of the priority process determination and a potential for interdepartmental cooperation in project findings, particularly in ecology, biology and toxicology.

An example of another type of committee publication, designed for use in reference to pending legislation, was the report: "Six Case Studies of Compensation for Toxic Substances Pollution: Alabama, California, Michigan, Missouri, New Jersey, and Texas." This report was to provide information in connection with proposals dealing with the compensation of victims of toxic substance pollution and was prepared by the Washington D.C. Environmental Law Institute under a contract with CRS. Three CRS divisions suggested the analytical framework of the report and reviewed the final product. Specifically, the research was directed to achieve the Committee's objective by examining several incidents of toxic substance pollution and the adequacy of the legal framework. In each instance the study

delineates the existing State legal mechanisms which provides compensation to victims in the incidents; shows whether the parties that caused the incidents were held or could readily have been held liable for damages sustained; assesses the adequacy of compensation obtained; and identifies some legal and non-legal barriers to recovery in the cases reviewed. The toxic substances covered in the report include mercury; PCB's; pesticides such as DBCP, alpha-BHC and Lindane; radioactivity in ground water; chlorine; toxic chlorinated hydrocarbons; dioxin tainted oil; lead; and kepone.

Although a substantial segment of Congressional Research Service work goes into several types of publications—tailored to the various needs of Members, committees and their staff—a large amount of information and research transfer is carried on in a verbal mode. Researchers and analysts may provide the necessary information in telephone conversations, or briefings of Members and staff on a personal one-to-one basis. More formal oral information transfer takes place at CRS-organized workshops and seminars. Seminars and workshops are tailored to the varying needs of Members and committees and the breadth of the subject matter involved. Good examples are seen in two seminars which took place earlier this year—one on acid rain and one on perspectives on current food safety policy. Members and legislative staff are invited to these seminars, usually held in CRS facilities. CRS analysts served as moderators for both of these seminars; both were scheduled for three morning hours and employed panels of outside experts. Panelists in the Food Safety Policy program included officers or representatives of the Food and Drug Administration, the Department of Agriculture, the Community Nutrition Institute, the Grocery Manufacturers of America, and a law firm engaged in practice involving food safety laws and regulations. The acid rain seminar included distinguished experts from EPA, the Department of Agriculture, NOAA, and CEQ. Seminar presentations always have questions and answer periods and the opportunity for Members and staff to obtain other Reports, Issue Briefs, committee prints and materials on the subject area. Some seminars are open to Members only; they are scheduled either as breakfast events or dinner events, depending on the pace of business on the Hill.

On occasion seminar or workshop formats are opportunities for the preparation of TV or audio cassette presentations which can be utilized by Members and Hill staff. For example, one CRS audio cassette involves a 30-minute discussion of the background and present level of knowledge concerning the acid rain problem. These audio tapes can be played over the House closed circuit system or made available for Members or staff to play on home cassette players.

In supporting Congress with reference and information materials and research, the Congressional Research Service maintains a unique role in the interface between the world of information and research and the legislative milieu of Congress.●

PERSONAL EXPLANATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. McDONALD. Mr. Speaker, during the past 2 weeks I had the privilege to tour 19 cities in my State as a participant of the Georgia Chamber of Commerce's Prelegislative Forum. Because of this commitment, which was made when the House originally intended to adjourn the first of November, I regrettably missed various votes. I was paired on each vote but failed to receive a live pair on each vote. Therefore, in order to set the record straight, I would like to take this opportunity to explain how I would have voted had I been present.

"Yes" on rollcall No. 297, a motion to recommit the conference report on H.R. 4035, Interior and related agencies appropriations for fiscal year 1982, to the committee of conference. A live pair was received.

"No" on rollcall No. 299, ordering the previous question on the rule, House Resolution 271, to House Joint Resolution 357, making further continuing appropriations for fiscal year 1982. A live pair was received.

"No" on rollcall No. 300, the rule, House Resolution 271, to House Joint Resolution 357, making further continuing appropriations for fiscal year 1982. A live pair was received.

"Yes" on rollcall No. 305, committee amendments to H.R. 1797, authorization of coastwise trading privileges to the vessel *Capt. Tom*.

"Yes" on rollcall No. 309, the conference report to S. 815, the Department of Defense Authorization Act of 1982.

"No" on rollcall No. 310, passage of H.R. 4482, to establish a U.S. circuit appeals court and a U.S. claims court. A live pair was received.

"Yes" on rollcall No. 311, the conference report to H.R. 3454, the Intelligence Authorization Act.

"No" on rollcall No. 312, the conference report to H.R. 4522, District of Columbia appropriations. A live pair was received.

"No" on rollcall No. 313, a motion offered to the conference report on H.R. 4522 that the House recede from its disagreement and concur, with an amendment, to Senate amendment No. 42. A live pair was received.

"Yes" on rollcall No. 314, the rule, House Resolution 275, to H.R. 4995, Defense appropriations for fiscal year 1982.

"No" on rollcall No. 315, an amendment to H.R. 4995, to delete \$1.79 billion in funding for Air Force aircraft procurement.

"No" on rollcall No. 316, an amendment to H.R. 4995 to delete \$1.8 billion in funding for the B-1 bomber. A live pair was received.

"No" on rollcall No. 317, an amendment to H.R. 4995 to delete \$1.9 billion in funding for the MX missile and its basing mode. A live pair was received.

"No" on rollcall No. 318, an amendment to H.R. 4995 to reduce by 2 percent funding for military procurement and research and development, excepting spare parts. A live pair was received.

"No" on rollcall No. 319, an amendment to H.R. 4995 to reduce by 2 percent funding for military procurement and research and development, excepting spare parts, repair parts, or ammunition. A live pair was received.

"Yes" on rollcall No. 320, passage of H.R. 4995, Defense appropriations for fiscal year 1982. A live pair was received.

"Yes" on rollcall No. 321, House Concurrent Resolution 224, expressing the support of the Congress for the President's initiatives for peace.

"Yes" on rollcall No. 322, the conference report to H.R. 3413, Department of Energy national security programs authorization for fiscal year 1982.

"No" on rollcall No. 323, House Resolution 280, the rule to H.R. 3663, Bus Regulatory Reform Act of 1981. A live pair was received.

"No" on rollcall No. 325, passage of H.R. 3663, Bus Regulatory Reform Act of 1981. A live pair was received.

"No" on rollcall No. 326, House Joint Resolution 349, authorizing United States participation in implementation of the Egypt-Israel Peace Treaty. A live pair was received.●

NEW BREED OF ACTIVIST
BUSINESSMEN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1980

● Mr. HYDE. Mr. Speaker, there is an ever increasing role that businessmen are playing in helping shape not only our economy, but our political institutions as well. This role has heretofore confined to labor leaders and academics and the differing perspectives of businessmen are providing a needed balance to this important area. I share with my colleagues an excellent article by Columnist Bob Wiedrich, in the November 8 Chicago Tribune, dealing with this new development:

UNION DECLINE OPENS DOOR FOR
BUSINESSMEN TO TAKE OVER

The declining membership and political clout of American unions are creating a new breed of activist businessmen.

Instead of waiting around for somebody else to make things happen, they are moving to make things happen themselves. Instead of serving as docile whipping boys for many of the nation's economic ills, they are starting to fight back.

If ever the day comes that politicians treat businessmen at least as equals with

labor leaders, prosperity may be just around the corner.

That is the message being spread by Calvin A. Campbell Jr. president of Goodman Equipment Co., a heavy mining machinery manufacturer on the South Side.

He is advising fellow private enterprise practitioners to stand up and be counted instead of cowering in the face of unionized political power, which he contends is rapidly becoming a myth.

Campbell said union workers have declined by 19 per cent in the last decade. There are fewer strikes than in recent years. There are more union decertification elections and more are being sustained.

"That's a trend," Campbell asserted, "and without the public worker unions, that percentage would be even dramatically less. . . .

"Further, there is a lot of union-breaking going on. There are private consultants to advise businessmen on how to prevent unions from being formed and how to get rid of them.

"The consultants put on seminars. They are flourishing. And the unions know it. So I'm suggesting that unions should change to prevent further erosion of their membership and strength.

"The thing that amazes me is that politicians, particularly liberal and Democratic Party politicians, continue to hold on to the view that unions have as much political clout as they once did. I don't think they do. And I don't think they'll hold on to what they have unless they reform.

"Coincidentally, the three industries that have had the toughest and most powerful unions are the industries in the greatest economic trouble today—the automotive, steel, and rubber industries."

Campbell maintains that he is not antiunion. He said his firm has good relations with the United Radio and Electrical Workers of America that represents more than 300 of his 500 employees.

Campbell believes unions have done much good for American workers and will continue to do so. But, he argued, union leaders and politicians must change their attitudes if the nation is to emerge from its economic morass.

"They have to recognize that businessmen are the people who create jobs," he said. "They have to recognize that if a businessman is successful, these jobs will become more secure and higher paying and will increase in number.

"That's why I believe the businessman will emerge as a stronger political force in relation to labor leaders. In the past, businessmen have commanded few votes. Now, the businessman will become a political activist.

"I see him advising his employees how to vote on certain issues that are in their best interest. He will speak out in behalf of his company and industry.

"In the last 30 years, the businessman has not contributed much politically. He has sat back and let labor leaders be vocal. He has been afraid of customers, employees, stockholders, and organized labor. Now, I believe the businessman recognizes he is the primary source of job creation.

"Labor has a role to play that is equally important. That's why I am not antiunion. And that role is teamwork and cooperation while still pursuing the goals of unionism.

"Let's assume I want to build a plant. Unions have to start promoting causes that will permit me to build that plant and create jobs. In years past, unions have supported a lot of causes that have worked to

the detriment of business, tough occupational safety and health and environmental regulations that have stifled the desirability and profitability of building or expanding a business.

"Unions should assist in promoting the need for such expansion. I'm not asking them to compromise principle.

"I don't believe wages should be scaled back. What needs to be given up are certain job descriptions, the numbers of people assigned to certain jobs, as well as time worked and work rules. Job pay should be given up only when economics demands it for survival.

"What I'm talking about is things that inhibit cost-effective operation and bloat payrolls, which decrease productivity and destroy competitiveness.

"Labor leaders have to recognize that these changes have to be made. I believe many workers already recognize that reality. But the union leadership has to support these changes if American industry is to be competitive with itself and the rest of the world."●

THE MUSEUM FOR THE BOROUGH OF BROOKLYN, SHELLY MEHLMAN DINHOFFER, DIRECTOR

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SCHUMER. Mr. Speaker, I rise today to pay tribute to the newly developed Museum of the Borough of Brooklyn at Brooklyn College.

The museum and its archives will be devoted to the cultural and visual history of Brooklyn, to the preservation, conservation, and exhibition of works of arts relating to its past as a flourishing art center as well as its growing relationship to the contemporary art scene. The museum will no doubt become a cultural landmark serving students, professionals, the community, and all of Brooklyn.

The recent success of the museum's first show, "Erie Basin: Turney's View and Today" which focuses on the early work of artist, Winthrop Duthie Turney, can be attributed to the outstanding efforts of Shelly Mehlman Dinhofer. Shelly, an art historian and collector, as well as a devoted resident of Brooklyn, has excelled in her role as coordinator of Brooklyn College's Museum of Brooklyn.

The cultural flavor and ethnic diversity provided by the museum will go unmatched for years to come. Shelly's success in producing the Turney show and in coordinating the museum's programs and studies has already favorably affected the community. It is easy to foresee an extremely important exchange between local artists, historians, and students.

We in Brooklyn, welcome the Museum of the Borough of Brooklyn and commend Shelly Mehlman Dinhofer for her outstanding efforts.●

THE INTRODUCTION OF H.R. 5012 "THE EMERGENCY TIMBER SALE ACT OF 1981"

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WEAVER. Mr. Speaker, high priced Forest Service and BLM timber keeps the western Oregon timber industry from competing in lumber markets, curtailing their operations, and adding drastically to the unemployment of mill workers, loggers, truckers, tree planters, and others.

I believe it is essential that existing high priced Forest Service and BLM timber sale contracts be terminated at the timber sale holders' option, and that these sales be placed up for sale immediately, under terms that would require their prompt harvest.

I am introducing a bill to accomplish this. As chairman of the House Forests Subcommittee, I will call a hearing immediately and will push for fast enactment. While BLM timber is not mentioned in the bill, I intend to add the BLM to the bill in a later stage of the legislative process. The bill reads as follows:

Any U.S. Forest Service timber sale contract holder may elect to terminate such contract without prejudice or damage, by notifying the Forest Service within 40 days of the enactment of this act.

The Forest Service shall expeditiously offer for resale by auction all such terminated contracts, and under terms which require prompt sale completion and harvest of the timber.

I will place in the committee report of the bill the following directions to the Forest Service.

First, that steps be taken to reform the bidding process to disqualify speculators.

Second, that terminated small business set a-side sales be replaced as small business set a-side sales.

Third, that sales processing costs be charged to any purchaser whose sale is terminated up to \$10,000.

Fourth, that bidding procedures be reformed to require substantial guarantees of performance on future contracts.●

A TRIBUTE TO JOHN RAKER

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. JOHNSTON. Mr. Speaker, I want to take this opportunity to salute the great spirit and contributions of one of the outstanding citizens of Davidson County—Mr. John Raker. Mr. Raker was born in Davidson County, and in over 80 years as a resident, he

has truly made a special mark on that community.

Mr. Raker's love of country and dedication to his community are total, and his involvement in local affairs prove this beyond a doubt.

As a businessman, John Raker has taken time away from his business to serve his community as a member of the Civitan Club, the Royal Order of Red Men, the Oasis Shrine, the Masons, and the Junior Order.

After joining the First Reformed Church in 1907, Mr. Raker has served as an elder and deacon of that church, which is now the United Church of Lexington.

In addition to his commitment to the community and his religious principles, Mr. Raker is one of America's great patriots. His steadfast belief in a strong government has been demonstrated time and time again by the fact that Mr. Raker has not missed a State or county convention since 1920.

Mr. Raker has worked tirelessly to enrich his community, his State, and his country. I would like to honor him for his outstanding achievements and inspiring contributions to Davidson County.●

REAGAN'S FRIENDS?

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. GINGRICH. Mr. Speaker, columnist Louis Rukeyser recently wrote an open letter to President Reagan about the Reagan economic program. Rukeyser's advice to the President is this: Rally your troops and stick to your guns, Mr. President.

I insert in the RECORD Rukeyser's column, "Reagan's Friends Doing Him In?", from the Atlanta Constitution of November 16, 1981.

The column follows:

REAGAN'S FRIENDS DOING HIM IN?

(By Louis Rukeyser)

An open letter to Ronald Reagan:

DEAR MR. PRESIDENT: You did a characteristically splendid job this past week of lambasting the opponents of your economic recovery program. Now do you think you could get your supporters behind it, too?

For the discomfiting truth is that your greatest problem right now may be with those who are supposed to be on your own team, but whose display of disarray and pusillanimity threatens to shoot your program in the legs before it gets 12 inches from the starting line.

For example:

It might be well for everyone in your administration to be handed a nice old fashioned sampler, suitable for framing, bearing the words: "A tax increase is a tax increase is a tax increase."

Admittedly, it won't exactly replace Gertrude Stein, but it would be a useful reminder the next time somebody tries to con the American people into believing that a tax increase is suddenly not a tax increase if

you call it something else, such as "loophole closing" or "revenue enhancement."

If money is transferred from the private sector to the government, that's a tax increase. And that's all she wrote. As you yourself have acknowledged, your initial tax-cut program barely offsets the impact of inflation and previously legislated tax increases over the next three years. Any attempt to play games with "revenue enhancement," now or next year, thus leaves the Reagan administration—despite all its fine words—in the position of having imposed one more net tax increase on the overburdened U.S. economy.

And if that prospect makes you more than a little uncomfortable, Mr. President, the time to call a halt is now.

The message to your budget team should be short and unsweet: Your assignment was to reduce the federal government's share of U.S. gross national product from 23 percent to 19 percent—not to alibi your failure to do so—and certainly not to make proposals that would enlarge the government's take even further. Please go back to your offices and get on with your assigned job.

Quick, before it's too late, break the word to the "leaders" in the Republican-controlled Senate that they are in danger of leading you, and themselves, into a political and economic quagmire.

Have a quiet word with Howard Baker about the perils of terming your economic program "a riverboat gamble," announcing in advance that your budget-cut requests can't be met—and, of course, periodically blaming it all on those nasty guys in Wall Street.

That kind of stuff might confuse people as to which party is running the Senate—or should.

Tell the White House staff that, while others may be wavering with each passing wind, you are still a Reaganite.

That means you still want to balance the budget as rapidly as possible, and to do so by reducing spending rather than raising taxes. (You might start by getting to the staffer who recently described would-be budget balances as "Neanderthals.") And that means a much greater, across-the-board assault on federal spending in the budget you will submit in January.

And if anyone who's supposed to be on your team still thinks the way to save the country is to adopt a moralistic posture toward alleged tax "loopholes," I suggest you send him out promptly—for a three-martini lunch.

Your worried friend,

LOUIS RUKEYSER.●

IN OBSERVANCE OF THE 100TH ANNIVERSARY OF RHODE ISLAND'S BLACKSTONE VALLEY CHAMBER OF COMMERCE

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. ST GERMAIN. Mr. Speaker, let it be known that the Blackstone Valley Chamber of Commerce will mark its 100th year on the 23d day of November 1981. In observance of this milestone, the chamber will hold a gala anniversary dinner on this evening, said dinner being the culmi-

nation of events held over the past several months which have mirrored the days of yore when the chamber was first initiated.

The Blackstone Valley Chamber of Commerce is among the oldest and most respected chambers in the country. Far from being antiquated, the chamber has long been known for its quality service and for its advocacy of Rhode Island business and professional communities as well as the public at large.

Included in its long list of accomplishments is the creation and development of two industrial parks in Rhode Island which house 27 firms and have spawned thousands of jobs. The chamber also is responsible for much of the leg work involved in the construction of the Davies Vocational Technical School in Lincoln and also operates the first regional Crime Prevention Bureau ever to be instituted and run by any chamber of commerce in the Nation. All in all, the Blackstone Chamber of Commerce has added significantly to the economic, cultural and civic well-being of Rhode Island, operating both on the State and national level.

The celebration promises to combine aspects of the past, such as a salute to area organizations and businesses which have been in existence since the turn of the century, as well as a look to the future with the sealing of a time capsule, slated for opening in 99 years. The festivities commence at 6 and will be held at Providence's Biltmore Plaza Hotel. We congratulate our colleagues at the Blackstone Valley Chamber of Commerce and look forward to many more years of five-star service.●

AMERICA'S RACE AGAINST ITSELF

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. McDONALD. Mr. Speaker, there is a strange thread that runs through our relations with the Soviet Union. When forced collectivization and the ravages of war and civil war ruined the Soviet farmland, the United States stepped in and saved millions of Soviet citizens with food supplied by the Hoover relief mission. When the Soviet economy started to falter in the 1930's, we recognized their government and opened up trade which resulted in a giant boost for their industry. In World War II when the Soviets had their backs to the wall fighting off Hitler's armies, we supplied raw materials, ships, planes, trucks, jeeps, and food that helped to stave off disaster. Again, in recent years, the United States has supplied

technology to help modernize a faltering Soviet economy as well as food to feed a nation still carrying a badly producing farm sector. As the number one capitalist nation in the world, we have been and still remain enemy number one on the Politburo's list. In effect, we have been working against ourselves. Mr. M. Stanton Evans very precisely described this situation in recent times for the American Legion, October 1981. I commend this article to the attention of my colleagues. Will we ever learn?

[From the American Legion, October 1981]

AMERICAN'S ARMS RACE AGAINST ITSELF

(By Stanton Evans)

In one of the most incredible stories in the annals of diplomacy, the United States for upwards of a decade has been conducting a lethal arms race against itself.

Evidence accumulated by Congressional investigators makes it increasingly plain that the Soviet Union's recent military build-up, seen as threatening our strategic deterrent and survival, has been powerfully aided by U.S. industry. Numerous elements needed to build the Soviet war machine have been obtained, it now appears, from American and other Western business firms—with the approval of our government.

Among the most vivid examples of this process was the Soviet invasion of Afghanistan in December 1979. When Soviet troops rolled into Kabul to subjugate that hapless nation, they did so in vehicles produced at the enormous Kama River truck plant, built for the Kremlin with the help of 80 U.S. firms and an estimated \$350 million worth of our technology.

When completed, Kama River will be the largest truck factory in the world, capable of producing 250,000 heavy-duty trucks annually (larger than the output of the entire U.S. truck industry), plus 100,000 diesel engines suitable for use in tanks. The plant is being built by free world firms as a result of "peaceful" trade between the East and West.

The Afghan invasion focused attention on something previously known to U.S. intelligence, but usually passed over in public debate: Kama River has been systematically used for military purposes. Six months prior to the invasion, it was known that a substantial part of the 50,000-a-year engine production was being installed in Soviet military trucks, armored personnel carriers and assault vehicles, and that Kama products were on line with Soviet military formations in Eastern Europe.

Kama River is one of dozens of examples of supposedly peaceful trade from U.S. and other Western firms being diverted to military purposes by the Soviets. Such diversion has a long history going back to the 1920s. In his monumental study, "Western Technology and Soviet Economic Development," Antony Sutton estimates that 90 percent of the advanced technology needed by the Soviets to pursue their military goals has come from the United States and its allies.

In the past decade, this process has vastly accelerated as U.S. administrations have pursued the notions of detente and bridge building with the Soviets. As a result, the United States and other Western nations have been systematically transferring to the Soviets the advanced technology that once provided the West its military "edge" essential to modern warfare.

Miles Costick, president of the Institute for Strategic Trade, which closely monitors such developments, sums up the process this way: "During the past decade the free world has been the source of much of the Soviet Union's electronic and computer technology and manufacturing 'know how.' Further, the West has supplied the Soviet industrial sector with over \$50 billion worth of efficient machine tools, transfer lines, chemical plants, precise instruments and associated technologies . . . Seldom if ever has a country been able, as the Soviet Union has, to persuade the countries against whom most of its military build-up is directed to finance so much of such a build-up."

Among the items traded to Moscow in this span have been laser technology, high-speed computers, semiconductors, jet-engine technology, advanced radar systems, inertial guidance technology and numerous other items needed to construct a modern military force. Far from applying these to peaceful commercial purposes, the Soviets have systematically used them to build their war-making potential—a situation that has set alarm bells ringing in Congress and caused Senators Jake Garn (R-UT), William Cohen (R-ME) and Henry Jackson (D-WA) to demand corrective action.

A foremost object of Congressional concern is the Soviets' gigantic SS-18 missile. According to U.S. intelligence, this missile comes equipped with 12 independently targetable warheads (MIRV), accurate enough to seek out and hit our fixed-base Minutemen. If true, this means the SS-18s can destroy a major component of our strategic arsenal.

Considering the fact that the Soviets have historically been backward in the technological areas needed for such weaponry, including computers and miniaturization, how could they have devised such an advanced system? The answer is that we provided it to them. Over the strenuous objections of the Pentagon, we permitted the sale of 164 precision ball-bearing grinders needed to manufacture gyros used in MIRVing—machinery capable of tolerances to a 25th millionth of an inch, far beyond the state of the art available to Moscow or anywhere else outside America. As a result, says Garn:

"Not only have Soviet-MIRVed ICBMs reached accuracies previously undreamed of by U.S. strategic analysts, but all Soviet military systems and equipment requiring precision inertial guidance have also reached a new level of accuracy and sophistication. According to official U.S. government sources, we can expect Soviet advances in other areas as a result of the end products of this ill-fated sale that could be most crucial to the strategic balance, including advances in Cruise missiles and ABM technology . . ."

While the SS-18 is the most formidable of military devices apparently made available to the Soviets through technology transfer, there are many other developments in a similar vein injurious to our security interests. While many aspects of this subject have been mantled in official secrecy, transactions that have come to public view include the following:

A corporation in the Southwest has sold, either directly or through foreign subsidiaries, 36 array transform processor systems, needed for the development of advanced submarine detection. According to Costick, these systems are now being installed in Soviet ships used in anti-submarine missions and, along with other technologies provided by U.S. firms, are capable of threatening

the Trident submarine—another key component of our strategic deterrent.

Between 1975 and '79, on the estimate of defense specialist Sean Randolph, U.S. computer and electronics firms sold the Soviets \$300 million worth of computer and related equipment. Computer technology is essential to ICBM guidance, ABM warfare and numerous other aspects of modern warfare. The Soviet "Ryad" system, used in its ICBM and SLBM programs, is based on IBM 360 and 370 computers illegally diverted into the USSR in the early 1970s. The Kama River truck complex contains an IBM 370 computer. In 1976, Control Data sought to sell the Soviets an even more advanced computer—a transaction halted by an outcry in Congress.

In 1974, the U.S. government approved the sale to Poland by a French consortium of integrated circuits based on U.S.-licensed technology—miniaturized systems essential to ICBM guidance. These circuits, Costick notes, are typical "dual-use technology," used in pocket calculators, digital watches and TV sets, but also in ICBM guidance and aircraft fire control systems.

In like fashion, our government approved the sale to Moscow by a Swedish firm—again using U.S. technology—of the advanced air control system at Vnukovo airport in Moscow. This highly sophisticated system employing computer-guided radar can detect any kind of airborne object and calculate its future flight path with instantaneous accuracy.

The Soviets also obtained the RB-211 engine used to power widebodied jets and well suited to long range bombers. This engine was developed with \$300 million in research and development grants from the U.S. government.

In 1980, the Carter administration approved the sale to Moscow of \$144 million worth of technology for developing super-hardened drilling bits for deep oil well drilling, technology that not only could augment the energy potential of the USSR, but also could be transferred to such uses as making armored projectiles.

These data from a burgeoning record would seem to bear out the grim conclusion of Senator Garn that "what remains of our once-vaunted military superiority, on which our national security increasingly depends, is in part being whittled away through a wide variety of technology transfer mechanisms . . . History will show that it was during the so-called period of detente that the Soviet Union began to challenge Western interests on a global scale and mounted its drive for total military superiority over the U.S."

The alleged rationale for this transfer of technology is that it builds bridges of mutual dependence between the U.S. and the USSR, and that as such contacts grow the Soviets will become more reasonable.

In this frame of mind, Western policy makers have accepted assurances that Kama River, though capable of manufacturing military vehicles, would be used for essentially peaceful purposes. And that the advanced Cyber 76 computer, 40 times faster than the computers now being used by the Soviet military, would be applied to "weather analysis" and "earthquake studies."

Such an outlook has never conformed to the reality of Soviet behavior. That the Soviet would gladly divert "dual use" technologies to military purposes should be apparent to anyone familiar with the tenets and performance of Marxism-Leninism. As

noted by defense intelligence specialist Jack Verona, the Soviets have the world's largest R&D force—an estimated 800,000 people—working overtime to make the USSR pre-eminent in military power, and bent on absorbing technology and information from the West.

"The Soviet Union," says Soviet historian Roy Medvedev, "is moving in one direction—toward the strengthening of our military might . . . We are going to overtake the United States, and that is inevitable—our country is a military machine . . . They don't realize that we put everything into rocketry, that the government does not care about whether or not anything is left over for the population."

The difference in mentality between American theorists of detente and their Soviet partners may be observed in another facet of the process, the exchange of "students" between the U.S. and USSR. Americans in Russia typically study social sciences, liberal arts or cultural subjects (same topics: "the Heroine in the Russian Fairy Tale" and "Performance Practices in Russian Choral Music in the Late 19th and 20th Centuries"), Soviet "students"—whose average age is 35—come to America and study aircraft design, optics, laser technology and computers.

These "students" and other Soviet visitors to our shores, whose numbers have increased dramatically in the era of detente, show an inordinate interest in technical institutions such as MIT and Cal Tech, scientific laboratories, airplane factories, electronics labs and the like. In one memorable case, Soviet visitors to Lockheed, Boeing and McDonnell Douglas plants wore special shoes that picked up metal filings from the floor—helping them solve a nagging problem in manufacturing alloys.

"Reverse engineering" from American processes and designs is a classic Soviet technique in weapons manufacture. The famous "Strella" missile used by the Communists in Vietnam and employed by Marxist guerrillas around the world was reverse-engineered from the U.S. "Red-Eye" missile, obtained by Moscow through a Scandinavian country. Airborne missiles used in Soviet MIGs were similarly reverse-engineered from the U.S. Sidewinder missile.

In addition to the technologies and processes they can obtain through purchase and "student" exchange visits, the Soviets also secure as much as they can through outright espionage and illegal purchases. Last year, the managers of a California optical firm were indicted for exporting sophisticated laser mirrors to the Soviets, technology now being used in the USSR's hunter-killer satellite program.

Such arrests and prosecutions occur because U.S. export law requires the Commerce Department to police—and prevent—the export of materials harmful to our national security interests. The U.S. government is thus in the schizoid position of taking punitive actions against the export of some strategic materials while strenuously encouraging the export of others.

The irony of the situation was aptly symbolized in 1972 when President Nixon announced the blockade of Haiphong Harbor and intensified bombing of North Vietnam to prevent the further influx of Communist men and material into South Vietnam. In support of this action, the Department of Defense released reconnaissance photos showing the Soviet cargo ship *Michurin* steaming toward Haiphong with dozens of Soviet ZIL trucks on deck, obviously intended for duty on the Ho Chi Minh trail.

What was not stated was that both the *Michurin* and the trucks were products of U.S. technology—built for Moscow courtesy of Western industry. We were stepping up our military pressure on the Communists to prevent the use of trucks supplied to them by us. While this was going on, we were simultaneously pressing forward with the Kama River deal to give them still more trucks, later used against Afghanistan.

Illustrating the mentality that has prevailed in some official circles was a 1977 proposal to approve the export of a computer to the ZIL plant. An interagency memo unearthed by this writer spelled out the differing attitudes toward this proposal among the four government agencies that participated in reviewing exports.

"Problem is," said the memo, "that a quarter of the 200,000 trucks ZIL produces annually goes to the military, including 100 missile launchers. State and Commerce support approval, on the grounds that U.S. government has licensed exports to it several times during the 1970s, that 100 missile launchers of a 200,000 vehicles annual production is small, and that the remaining trucks for the military are basically no different from heavy duty civilian trucks. Defense and ERDA support denial on grounds that ZIL's military contribution is unacceptably high, and past export approvals should not be dispositive of the instant case."

Also suggesting the outlook that has prevailed at Commerce in recent years was the official reaction to military use of products from the Kama River truck plant. In May 1979, Lawrence J. Brady, then acting director of the Office of Export Administration, testified that Kama River products were being used for military purposes and that further exports to the plant should be suspended.

Rather than acting on this recommendation, Brady's superiors argued that the Soviets had never actually promised to use Kama River trucks for exclusively civilian purposes and that military use was therefore not "diversion." Rather than cracking down on the Soviets, Commerce cracked down on Brady, relieving him of export duties and in effect forcing him out of the department.

Even in 1980, after a supposed tightening of export controls because of the Afghanistan invasion, Commerce approved the shipment of a diesel-engine assembly line that would have greatly enhanced the productivity of the Kama River plant. As with the Cyber 76, this was halted only by a vigorous protest in Congress. Nor did Commerce make any effort, in the aftermath of the invasion, to block shipments to Eastern Europe—where they could be easily diverted to the USSR.

A standard justification for such deals—above and beyond the supposed potencies of detente—is that if we don't sell advanced products and technologies to the Soviets, somebody else will. "Foreign availability," in fact, is the main argument used by Commerce to promote relaxed restrictions on exports to the East and push through disputed sales. If the Soviets can get it somewhere else, why shouldn't American firms reap the profits instead?

Such arguments ignore the fact that there is an international structure aimed at preventing strategic exports harmful to the interests of the West that could be utilized to reduce the "foreign availability" problem. This is the Co-ordinating Committee for Multilateral Export Controls—Cocom for short—which includes the NATO allies and

Japan, and which is supposed to screen technology transfers to the Eastern bloc.

Since the objection of a single Cocom member can halt a transaction, the United States obviously could use its veto power—not to mention other kinds of leverage—to prevent the flow of critical technologies from our allies to the Soviets. Rather than do this, however, we have done exactly the opposite, using our influence to break down the system of controls. Instead of trying to prevent our allies from seeking exceptions, we have led the way in seeking them ourselves; in recent years an estimated 50 percent of Cocom exemptions have been requested by our government.

With increasing Congressional sensitivity to this problem, there are signs that a change of policy is under way. In the new Commerce Department under President Reagan, Lawrence Brady has been brought back and currently is the Assistant Secretary for Trade Administration. While House national security adviser Richard Allen is known to take a tough-minded view of the issue, Senator Garn and others in Congress are pressing for a much tighter set of controls on strategic exports.

Such moves are all to the good. The evidence is overwhelming that our technology is now arrayed against us in the strategic arms race, posing a deadly threat to our security. That process must obviously be halted. By the same token, however, the fact that the Soviets are so dependent on the products of our industry provides us with potentially enormous leverage in the other direction: by denying them access to our technological advances, while continuing to make strides ourselves, we can go far toward correcting the military balance in our favor.

"The Soviets," Garn concludes, "have obtained too many of the national security sensitive technologies and commodities that have provided the U.S. with a margin of military safety over the Soviet Union. Only a dramatic change in our export policy, combined with the administrative capability to protect our national security, will be sufficient to do the job."●

PERSONAL EXPLANATION

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. GRISHAM. Mr. Speaker, during consideration of the fiscal year 1982 defense appropriations bill on November 18 and on Friday, November 19, I was unavoidably absent from the House Chamber. Had I been present, I would have voted as follows:

Rollcall 315, "no."
Rollcall 316, "no."
Rollcall 317, "no."
Rollcall 318, "no."
Rollcall 319, "no."
Rollcall 320, "yea."
Rollcall 321, "yea."
Rollcall 322, "yea."
Rollcall 323, "nay."
Rollcall 324, "no."
Rollcall 325, "yea."
Rollcall 326, "yea."●

FOREIGN INVESTMENT IN THE UNITED STATES

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DOUGHERTY. Mr. Speaker, foreign investment in America is of great concern to many. Some see this business activity as a first step toward foreign control of American interests. However, the benefits from the investments of other nations in America in our country and our people are abundantly clear. Such ventures further strengthen and develop our own resources and economic well-being. And, with careful guidance we can in fact insure that foreign investments in America are beneficial to us as well as our friends and our neighbors.

I would like to share a recent address before the Pennsylvania Council of Republican Women on this subject given by Mary F. Friedman. Ms. Friedman's views give some simple, practical ways in which all Americans can help in encouraging this mutually beneficial alliance with other nations.

The address follows:

ADDRESS BY MARY F. FRIEDMAN, PEAT, MARWICK, MITCHELL AND CO.

My purpose in being here today is to have you become as excited as I am about attracting foreign investment to the United States. I'm delighted to be here to share my enthusiasm with you. My experience at Peat, Marwick has demonstrated that there are many corporations around the world interested in investing in the United States. These corporations are asking—where can we invest? Our answer should be Pennsylvania. Pennsylvania has so much to offer to foreign investors—tremendous energy resources, a skilled labor force, a strategic location, and strong communities. Foreign investors have much to offer Pennsylvania—an influx of capital; new technologies, new jobs—increased tax revenues. Foreign investors can be a source of economic development for our cities and towns, at a crucial time when the old federal programs are being redirected. You are leaders in your communities and you are dedicated to maintaining and improving the quality of life in your communities. What you and I need to do in our time together today is to dispel some common myths about foreign investment; to look at what attracts investment in a community; and to tap into the collective creativity of this group. What I intend to accomplish is to spark your interest in attracting foreign investment to Pennsylvania and to give you some ideas to take home to your communities. At the end of my talk, I'll be glad to answer any questions, and hopefully, to hear your ideas, too.

When you hear the term foreign investor, what comes to mind? If you're like many people, you imagine a rich Arab sheik making billions of dollars a day. He buys up half the real estate in Arizona and lives in a mansion with twelve wives.

The sheik symbolizes a myth about foreign investment. A myth that is perpetuated despite the facts. Let me share some facts with you—facts that may surprise you.

No OPEC nations are in the list of top-seven U.S. investor countries. A July 1980 Forbes survey of foreign investments in the U.S. showed that 80 percent of all foreign investment in the U.S. came from the following seven countries. The Netherlands (24 percent) U.K. (18 percent) Canada (13 percent) West Germany (9.6 percent) Japan (6.6 percent) Switzerland (6 percent) and France (4 percent). Investors from all OPEC nations together, accounted for less than 1 percent of the total foreign investors.

Direct foreign investment in the U.S. is not all going to the Sunbelt. The Federal Reserve Bank of Boston conducted a study in 1980 which concluded that the Mid-Atlantic and New England areas had a far higher number of foreign manufacturing plants than other areas of the country including the Sunbelt. In another study, The Conference Board, a research organization that tracks investment in U.S. manufacturing, reported that the ten states most-favored by foreign investors included New York, Connecticut, Pennsylvania, Ohio and New Jersey, as well as California, Texas, North Carolina, South Carolina and Georgia. Significantly, however, in 1980, Pennsylvania and California were equal in the number of announced manufacturing investments from abroad.

Most direct foreign investment is not in real estate. Last year, the U.S. received \$52.3 billion in direct foreign investment and less than 3 percent of that was in real estate. The major areas of investment were in manufacturing and petroleum industries (exploration, extraction and transportation). Manufacturing represented \$20 billion of the foreign direct investment. The types of manufacturing investments were in: chemicals, machinery, primary and fabricated metals, and food products.

What are foreign investors looking for? Why do they want to invest in the U.S.?

If you believed everything you read in the newspapers, you would think our economy is crumbling, the dollar is getting weaker each day and labor unions are destroying our industries. Comparative statistics and government studies however, clearly show two important facts.

1. Things here are not as bad as we think.
2. Things are much worse in other countries.

To foreign investors, the U.S. is very attractive for a number of reasons: let me highlight a few key points.

The cost of labor in the U.S. is very attractive to foreign investors. A recent study by Citibank analyzed the growth in hourly wage rates among manufacturing workers during 1970-1977. The analysis found that the U.S. experienced the lowest percentage increase in manufacturing wages—only 11 percent in 9 years. In other nations, the increases were enormous: Canada, 30 percent; The Netherlands, 54 percent; West Germany, 63 percent; and an unbelievable 77 percent increase in Italy.

A second key point is that the U.S. offers political stability that is unavailable in other parts of the world. Developed countries with assets and facilities in the U.S. know that there is little chance that their company will be nationalized or that repatriation of their profits will be blocked. A third important point is that in the U.S. firms have accessibility to one of the largest and most lucrative consumer markets in the world. In a political climate of increased protectionism, foreign companies see that to secure a firm position in the U.S. marketplace, they must build facilities to employ

American workers. Volkswagen achieved this security through their VW Rabbit plant at New Stanton.

WHAT CAN DIRECT FOREIGN INVESTMENT MEAN TO OUR COMMUNITIES

(1) Direct foreign investment can mean more jobs for our communities. A recent study by the Department of Commerce shows that employment in foreign firms is growing faster than by U.S. firms, rising 3% per year compared with a 1.6 per cent growth rate for U.S. employers.

Also, compensation paid by foreign-based companies rose faster than at U.S. companies, growing 13.2% per year compared with the 9.9% increases by U.S. firms.

(2) Direct foreign investment can introduce new technologies, and new job skills for our workers.

(3) Direct foreign investment can increase our tax revenues which, in turn, will provide better services, education.

This all sounds terrific—but, you ask, where do we start? Can one person make a difference? The answer is yes. Personal contacts are a key ingredient of attracting foreign investments.

You need to think very systematically and realistically about what your community's assets are. What does your community have to offer? How does your community compare with other communities which may be competing with you. Discuss these issues with local bankers, real estate leaders, government officials, business leaders. Critical variables to consider are:

Resources—land, raw materials, energy sources, climate.

Markets—population, income, transportation.

Labor—wages, unionization, education and productivity.

Quality of life—cultural facilities, education, housing, public safety.

Government—attitudes, incentives, taxation.

Once you have a realistic idea of what your community can offer to foreign investors, make certain that your community is presenting itself in the most positive way possible to potential foreign investors.

Too many cities are used to getting money from federal programs in direct proportion to how many problems they had. They talked about indices of poverty, crime rates and substandard housing. Obviously, that is not the approach likely to attract foreign investment.

Peat, Marwick currently is working with the United States conference of Mayors on a very exciting project.

Next week, in Zurich, Switzerland more than 100 American cities will be participating at the Invest in America's Cities Exposition. Mayors, business and community leaders will be traveling to the Exposition to meet with an anticipated 2-3,000 Western Europeans who are interested in investing in the U.S.

This Exposition is planned as the first of a series of similar expositions. The next one will be in the fall of 1982. I hope that you will make sure that your town is represented at the next one. I look forward to seeing all of you next year in Switzerland.●

CONTINUE FUNDING LIMITED
PURPOSE AGENCIES

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WYDEN. Mr. Speaker, I rise today to express my strong support for the technical amendment to the Older Americans Act of 1981, pertaining to the community services block grants. This amendment would make many limited-purpose agencies eligible for funding.

Under the Budget Reconciliation Act, the only entities eligible for funding are those officially designated as community action agencies or programs under the provisions of section 210 of the Economic Opportunity Act of 1964.

I consider this an oversight in the development of the reconciliation package. The agencies that serve my district in the same capacity as community action agencies, are technically defined as limited purpose agencies. These LPA's in my district, all of which provide services in the primarily low-income urban areas of Oregon, depend on funding from this source. Thus this technical amendment is critical to their existence.

The city of Portland, Oreg., technically has no community action agencies—thus without this amendment, Portland would be left without the community services provided for in the budget.

In the past, Federal funding for the LPA's has provided seed money and has stimulated acquiring other resources. I am convinced that the services provided by these agencies are needed by the residents of our neighborhoods. I urge passage of this technical amendment, which would allow for the continuation of the programs.●

PLIGHT OF VLADIMIR TSUKERMAN UNDER SPECIAL ORDERS
OF HON. CHARLES DOUGHERTY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1981

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues in an expression of mutual concern on behalf of Vladimir Tsukerman, a Soviet dissident who, for 4 years, has been denied permission to emigrate to Israel.

Recently, I had the opportunity to meet with Faina Tsukerman, the wife of Vladimir Tsukerman, and was touched by her personal appeal for help. Her story was not unfamiliar to me—like so many others, Vladimir Tsukerman's desire to leave the Soviet

Union is not based on political considerations but rather is a matter of family reunification, a humanitarian appeal.

Since March 1977, Vladimir Tsukerman has been applying to Soviet authorities for permission to emigrate. Although his wife and son were granted exit visas in 1978, Vladimir has received numerous refusals to his applications and has been forced to remain behind in their home town of Kishinev. Soviet authorities have based their refusals on "security" because Vladimir had served in the Soviet Navy 6 years ago.

Having been promised an exit visa in April of this year and then, only a short time later, denied that visa, Vladimir became all the more determined to demonstrate to the Soviet Government his strong desire to leave that country to join his wife and son in Israel. These efforts, although peaceful in nature, were met with a charge of "disturbing public order" and a possible sentence of 3 years imprisonment or internal exile. It is this alarming situation that has forced Faina Tsukerman to turn to the Congress of the United States for assistance.

The exceptional strain of a marriage which spans thousands of miles and the harsh realities of Soviet internal politics is abundantly clear. That Vladimir Tsukerman should be arrested for expressing his own desire to emigrate merely compounds this disturbing situation.

While it is difficult to determine the exact impact of our appeals to the Soviet Government, I firmly believe that world opinion can force the Soviet Union to abide by the 1975 Helsinki Accord and live up to the responsibilities agreed upon by all signatory nations. Indeed we, too, have an obligation—an obligation to speak out against any such blatant violations of that agreement. The lives of Faina and Vladimir Tsukerman and thousands of men and women like them depend on our efforts.●

RED CROSS CERTIFICATES OF
MERIT GIVEN FOR HEROIC
RESCUE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. YATRON. Mr. Speaker, through the kindness of the American Red Cross, it has been brought to my attention that two of my constituents, Mr. Thomas Michael Muir of Bernville, Pa. and Ms. Susan M. Boltz, of Reading, Pa. have been named to receive the Red Cross Certificate of Merit and accompanying pin. This is the highest award presented by the

American Red Cross to an individual who "saves or sustains a life by using skills and knowledge learned in a volunteer training program offered by the Red Cross in first aid, small craft or water safety." Presentation of the certificate, which bears the original signatures of the President of the United States, honorary chairman, and Mr. Jerome H. Holland, chairman of the American Red Cross, will be arranged by the Berks County Chapter of the American Red Cross.

Mr. Muir and Ms. Boltz will receive this commendable award for their heroic rescue which resulted in saving a life on June 9, 1981. On that date, Mr. Muir and Ms. Boltz, who are trained in Red Cross water safety, along with Ms. Beverly J. Kline, who is trained in water safety, first aid and CPR, were at a lake when they observed a man unconscious in the water. Mr. Muir rescued the victim and took him to the beach. There he was joined by Ms. Kline, who began artificial respiration after she determined that the victim was not breathing. Subsequently, the victim suffered a cardiac arrest. Mr. Muir and Ms. Kline began two-rescuer CPR and were joined by Mrs. Boltz in their efforts. They continued this procedure until an ambulance arrived. It is certain that the use of CPR by these three compassionate individuals saved the victim's life.

I think that it is indeed fitting that the meritorious action of these three individuals is brought to the attention of this body. Mr. Muir, Ms. Boltz, and Ms. Kline have demonstrated the highest ideals of concern for the well-being of their fellowman. I know that my colleagues in Congress will join me in honoring these individuals whose contribution to humanity is truly noteworthy.●

FIFTH ANNIVERSARY OF THE
UKRAINIAN HELSINKI MONITORING GROUP

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1981

● Mr. ZABLOCKI. Mr. Speaker, I am pleased to join the Honorable BERNARD J. DWYER and the Honorable CHRISTOPHER H. SMITH, and my other colleagues in the House in this special order observing the fifth anniversary of the Ukrainian Helsinki Monitoring Group. I commend Congressmen SMITH and DWYER for sponsoring House Concurrent Resolution 205, expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine.

The 10 founding members of the Ukrainian Public Group to Promote

the Implementation of the Helsinki Accords were joined by others and increased their ranks to 37. Now, not one of these courageous individuals is free to work toward the objective which they set for themselves. All are either imprisoned or exiled.

Today we express our support for their bravery and their commitment to the ideals of fundamental freedoms for their fellow citizens. We also commend their determined and courageous act of risking their own liberties so that basic freedoms may be enjoyed by many.

The sad fact is that the valiant struggle of the Ukrainian monitors has not as yet effected the reforms they have been seeking. Their attempts, however, are asking an impression on their persecutor—the Soviet Government. This is clearly evidenced by the Soviet efforts to muzzle their detractors by incarceration or banishment.

It is therefore, most important for us to underscore our support for the Ukrainian and other Helsinki Monitoring Groups in the Soviet Union. We must once again condemn the Soviet Union's actions in suppressing the rights of its citizens, and for violating their international legal commitments.

Mr. Speaker, the Soviets have reneged on their pledge made at the Conference on Security and Cooperation in Europe. They have contravened the United Nations Charter, the Universal Declaration of Human Rights and even the Soviet Constitution. At this time, we strongly urge the Soviet Union to cease its persecution of its citizens, and to release those who have been jailed simply for trying to defend their basic human rights.●

INTERNATIONAL TERRORISM

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DREIER. Mr. Speaker, international terrorism remains a fundamental threat to the peace and security of the free world. There exists a global network of violent criminals, supported by the government of Libya, which seeks to undermine legitimate regimes and terrorize those individuals who oppose their pernicious designs. We must combat these forces of terrorism with the full array of weapons available to a democratic society.

It is for these reasons that I am introducing legislation today which would impose a complete trade embargo with Libya. American dollars, personnel, and expertise must not continue to bolster the economic foundation for Libya's terrorist activities.

This legislation represents a truly bipartisan effort. The supporters of this

bill are from both sides of the aisle and from both ends of the ideological spectrum.

All, however, are united in the belief that the United States must take immediate action to reduce the threat of international terrorism. We are convinced that a complete trade embargo is an effective means of accomplishing this goal. I would urge my colleagues to review this legislation and join with us in meeting this very serious threat to the international community.●

ONE SPEECH IS NOT ENOUGH

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. LaFALCE. Mr. Speaker, I welcome and applaud President Reagan's first major foreign policy speech, inviting Russia and the Atlantic Alliance to join him in a quest for peace. It was an excellent speech, tackling a critical aspect of foreign affairs, and since it was long overdue, it therefore has received much attention and positive response. But, it must be emphasized, one speech is not an end in itself. It can be, however, the beginning of a process that must be aggressively pursued.

One speech does not erase all past strident statements, contradictions, and inconsistencies that have characterized this administration's foreign policy to date. Not only must we expect and demand that the President pursue the positions he has outlined, during the arms talks scheduled for November and January, with as much vigor as he gave to his own talk, he must also take steps to be certain that all other aspects of his foreign policy house are in order.

There are a whole series of other foreign policy problems awaiting solution: The Middle East, South-West Africa, El Salvador, et cetera. If there is continuing disarray in the management of our foreign policy, the credibility of the administration will continue to be questioned both at home and abroad and our ability to solve difficult problems will be impaired.

We have been making commitments that we would find extremely difficult to carry out. For instance, the President said at a news conference that we will not "permit Saudi Arabia to be an Iran. . . . There's no way that we could stand by and see that (country) taken over by anyone that would shut off that oil." But that is a commitment, made off-the-cuff, without any consultation with Congress or without any indication of how we could fail to permit an internal uprising in Saudi Arabia.

These problems and others that continue to plague the foreign policy

arena are brilliantly discussed by Arthur Schlesinger, Jr., in the November 18, 1981, Wall Street Journal.

I urge my colleagues to read "The Logic of Reaganomacy," which follows:

THE LOGIC OF REAGANOMACY

(By Arthur Schlesinger Jr.)

The recent performance of our agitated Secretary of State casts the most serious doubt on his judgment—and therefore on his suitability for a job in which good judgment is the prime requisite.

In quick succession, General Haig aimed an attack through the columnist Jack Anderson on unnamed enemies in the White House, phoned the White House to tell the national security adviser that he did not mean him, phoned the President to get him to call Anderson and stop a column suggesting that the Secretary was on the skids, told the Pentagon to prepare for American military intervention in Central America and told a Senate committee that NATO contingency plans contemplated the explosion of a nuclear bomb in the event of conventional war in Europe.

Having put on this extraordinary display of a man who had totally lost his own cool, our irrepressible Secretary of State then sent a message to the pre-eminently cool British Foreign Secretary, Lord Carrington, to "cool it"—that is, his effort to seek a resolution of the Palestinian problem in the Middle East.

The Reagan administration took the usual damage-limiting actions. The Defense Secretary rejected the idea of the nuclear explosion, and his subordinates threw cold water on the idea of sending U.S. troops into combat in El Salvador. But many people are bound to wonder whether a man who reacts so excitably to minor public issues is quite the sort of fellow we want at the helm in case of a major international crisis.

Beyond General Haig's personal aberrations lies a larger problem. The State Department is the agency in our government for the diplomatic approach to international relationships. Remembering George C. Marshall, one cannot say that generals should therefore be disqualified for appointment as Secretary of State; but Marshall was exceptional among generals (or any other group) in his broad understanding of human affairs. The Marshall Plan was notable, among other reasons, because it was a non-military response to a situation for which lesser men were proposing a military remedy.

General Haig is a different case. He reaches instinctively for the military solution. His subordinates, if they wish to survive, must listen to their master's voice. The Defense Department is institutionally committed to the military approach. With the State Department no longer in business as the champion of diplomacy, the whole foreign policy apparatus of the government becomes dangerously out of balance.

The result is a disquieting militarization of U.S. argument and action in world affairs. The issue is not the strengthening of our military position. It is rather whether military strength exhausts our whole idea of foreign policy. The Reagan crowd, for better or worse, is well on the way to persuading the world that it regards military power as its primary instrument in the conduct of foreign relations.

ASSISTING SOVIET PROPAGANDA?

It is convenient for President Reagan to attribute the wave of antibomb, anti-American demonstrations in Europe to Soviet propaganda. But do our leaders not recognize how their own words and deeds assist the Soviet propagandists? "At a time when fears about nuclear war are proliferating in Europe," the London Sunday Times said on Nov. 8 (in an editorial entitled "Lest We Forget, America Is On Our Side"), "Mr. Reagan and his team seem hell bent on stoking the fire."

Mr. Reagan's carefree chat about limited nuclear exchanges in Europe gave Brezhnev an opportunity (that Soviet propaganda experts could never have contrived) to pose as the foe of nuclear war and the apostle of peace. If serious arms control negotiations were now taking place between the U.S. and the Soviet Union, we can be reasonably sure that half a million Europeans would not have taken to the streets the other weekend. American bravado contributes far more than Soviet deviltry to the rise of neutralism and unilateral disarmament in Europe.

Calvin Coolidge once said, "One of the first lessons a President has to learn is that every word he says weighs a ton." Mr. Reagan professes to admire Coolidge, but he has been lamentably slow to learn that particular lesson. Only the other day our genial President said that the U.S. would make sure that what happened to the shah in Iran would not happen to the feudal monarchy in Saudi Arabia.

This is an example of what Prof. Inis Claude Jr. has called the practice of "casual commitment"—the "assertion of obligation without the seriously considered resolve to perform the actions that may be required to fulfill the obligation." The Carter administration went plenty far in proposing a guarantee for the Persian Gulf that far exceeded our military capacity to discharge, but the Reagan administration seems ready to make Mr. Carter seem a piker in the field of casual commitment.

And whatever happened to the old idea that military commitments require congressional assent? Even the imperious Franklin D. Roosevelt in 1940, when pressed by the prime minister of France for American aid against the Nazi blitzkrieg, replied that American supplies would continue so long as the French continued their resistance and then added, "I know that you will understand that these statements carry with them no implication of military commitments. Only the Congress can make such commitments." Has President Reagan said as much to the Saudi Arabians?

No doubt, should trouble come to Saudi Arabia, the President will haul out his Awas argument and claim that, if Congress does not support a presidential commitment, American credibility will be undermined and we will suffer a great setback in the world. This is a self-serving Executive Branch line that, if carried much further, would render the President the dictator of foreign policy. Mr. Reagan understood this when he saw no problem about opposing President Carter on the Panama Canal and Salt II treaties.

One may wonder in addition how much it really sustains American credibility for the world to suppose that any presidential initiative, however rash and ill-considered, is final. Perhaps our foreign policy is more credible when it proceeds from mature deliberation, has a solid basis in congressional and popular consent and addresses real problems in what others will regard as a realistic way.

Thus far President Reagan has conducted foreign policy without much congressional consultation or interference. Because the administration feels more comfortable with domestic issues, and because its foreign policy figures shoot off on tangents of their own, one has the impression of policy made ad hoc rather than in response to a larger design. Yet the policy has, whether or not intended, an inner consistency. It is above all a nationalist policy. Its pervading thrust is toward the self-isolation of the U.S.

PROFOUNDLY SHAKEN OUR ALLIES

Our military preoccupation, our truculence of language and our happy-go-lucky attitude about nuclear war have profoundly shaken our NATO allies. So too has our persistence in a high-interest-rate policy that has had a devastating impact on European economies.

For a time Europeans had faith in General Haig as at least a man who understood their problems, but his recent shenanigans have created grave doubts. Nor is Mr. Reagan's budgetary assault on our educational and cultural exchange programs calculated to help the American cause in the battle of ideas.

The pattern of estrangement runs around the globe. Our clumsy effort to tell the Arabs that they should worry more about the Russians than about the problems of the Middle East has been a flop. In Latin America the tilt against human rights and in support of military dictatorship is driving our natural friends to the left. Ambassador Kirkpatrick's recent suggestion that Costa Rica, the only democracy in Central America, could best meet its problems, which are primarily economic, by reestablishing the army it proudly abolished over 30 years ago, is one more example of the administration's conviction that all problems have military solutions.

Ambassador Kirkpatrick quoted one of her predecessors at the UN as saying that "we were reduced to voting on most issues in a bloc that consisted of the United States, Chile and the Dominican Republic." Mrs. Kirkpatrick added, "Now we usually lose those two countries, too." One presumes that she is joking, but it is a belligerent joke, as if the isolation of the U.S. were proof of the wisdom of American policy.

One can only suggest that most of our objectives in foreign affairs are hard enough to attain even with the wholehearted collaboration of allies and friends—and that they will become entirely unattainable if we reduce ourselves to a party of one. And self-isolation would, of course, accomplish a major Soviet objective, which is to divest America of all its friends and allies.

I am no great fan of President Reagan's domestic policy. But, as Adam Smith used to say, "There is a lot of ruin in a nation"; and wrong-headed domestic policies, pursued too far, tend to be self-correcting, at least in a democracy. Foreign policy is different. Here mistakes, once made, are too often irretrievable. That is why foreign affairs seem to me the really scary part of the terrain ahead. Nor do General Haig and the rest of the clamorous Reagan foreign policy team strike one as reliable guides. They cannot even guide each other.

As John Kennedy used to tell us at the White House 20 years ago, "Domestic policy can only defeat us. Foreign policy can kill us." ●

HOUSING START

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DASCHLE. Mr. Speaker, I am sure that everyone in Congress is by now heartily sick of numbers. At times, we seem to have projected ourselves into a kind of futuristic fantasyland where ideas are no longer expressed by words, but by bar graphs, pie charts, and computer printouts. But every once in a while, a number jumps out at you that sets itself apart, because it brings into very clear focus the nature of the economic crisis that we are undergoing, and makes us step back and say: "Is this the road we really want to be taking?"

Such a number is the one that tells us that new housing starts nationwide are now 43 percent lower than they were at a comparable time last year. And let me remind you that last year itself was a terrible year for the housing industry. That's a stark number, that 43 percent, but behind it is even a starker picture. It's picture of construction companies shutting their doors. It's a picture of construction workers leaving the job force to stand in the unemployment line. It's a picture of unsold appliances, furniture, and household goods. It's a picture of a self-perpetuating cycle of economic disaster and despair. And it's a picture that we won't be able to change unless we can get the Federal Reserve Board to adopt a realistic monetary policy, and this administration to live up to its promise of a balanced Federal budget.

The old saw is that a picture is worth a thousand words. In this case, a number, 43 percent is worth a thousand pictures. And none of them are very pleasant to look at. ●

IN DEFENSE OF DAVE STOCKMAN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. GINGRICH. Mr. Speaker, much has been written about the David Stockman article in the Atlantic Monthly magazine. Most of the commentary, not surprisingly, has been negative. But not all of it has been. Atlanta Journal Columnist Dick Williams has written the best appraisal of the problems Stockman was grappling with at the time he granted the Greider interviews.

Williams writes:

In reading and rereading William Greider's masterful piece in the upcoming Atlantic Monthly, the result is a crushing

sadness. Not anger at either Stockman or Greider or tax cuts or defense spending. Just sadness that no one really knows how to stop the Marion Motley-Jim Brown-Herschel Walker that is the expense line of the federal budget.

Williams' masterful column appeared in the November 14, 1981, Atlanta Journal-Constitution, and I recommend it to my colleagues.

The column follows:

AN APOLOGIA FOR DAVID STOCKMAN

Sometimes things are too important to be left to the press. David Stockman, for instance. And the federal budget.

Simple things, such as President Reagan and this gang of Cabinet coyotes, or Brooke Shields or the Falcons—those things maybe we can handle.

But it's clear the press has had no real handle on Jimmy Carter and his real policies and who sank him. And the press has nary a clue so far as to Stockman and the budget fight we thought was over, but is just beginning.

We're just not good at gray, you see, and like television crime show producers, we like tidy endings. Fact is there's not a person among us who really understands the federal budget. Unless it's David Stockman or Bert Lance. And Stockman may soon meet Lance's fate. More's the pity.

In reading and rereading William Greider's masterful piece in the upcoming Atlantic Monthly, the result is a crushing sadness. Not anger at either Stockman or Greider or tax cuts or defense spending. Just sadness that no one really knows how to stop the Marion Motley-Jim Brown-Herschel Walker that is the expense line of the federal budget.

That sadness overwhelms the anger at the press for the superficiality with which it reported Greider's reporting of Stockman's ebbs and flows.

Greider is the one who should be angry. His balanced and subtle examination of the federal budget through the eyes of its chief warden has been picked apart by quote thieves on both sides of our partisan debate.

The December Atlantic Monthly ought to be required reading for every voter. It shows us not that Stockman betrayed his leader or that his leader and his cronies were cynically robbing the poor to aggrandize the rich. It shows us not that reporters burn sources.

It shows us that Congress is a self-perpetuating gang of dillettantes leading us to national bankruptcy.

Context, please.

"None of us," Stockman was widely quoted as saying, "really understands what's going on with all these numbers."

Greider's reportage is chronological. It hears the federal budget director in good moments and bad and, most importantly, of the moment. When Stockman made the remark above, he was talking not about Reagan philosophy but of the moment last spring when Democrats were offering budget alternatives to his that were based on Carter projections, congressional guesses and Kentucky windage.

Mythical beasts such as gryphons mated with the phoenix and the unicorn to produce numbers with no real base.

Even the oft-quoted "Trojan horse" description of the tax cuts is hardly a shocker in Greider's and Stockman's context. Republicans were aware that soaking the rich could not continue. And since we have no track record on "supply-side economics," the old "trickle-down theory" would be the closest analogy.

Interesting, isn't it, that when John F. Kennedy said "a rising tide lifts all boats," the nation believed? Call it "trickle-down" and it's grand larceny of the poor.

Greider and Stockman also point out that the supply-siders cared not a whit about budget cuts—only tax cuts. Both sides' positions were thus open to mauling, tied together as they were.

There isn't room here to go much further. To do so would be to continue the pillage of Greider's work and Stockman's beliefs.

But it is important to stress Stockman's continued belief that anything taken from the poor in the name of fiscal sanity would have to be matched by reductions in tax benefits and subsidies for the strong. "Rejecting the weak claims of powerful clients," he calls it.

The fight and the debate aren't over yet. And all sides in it will be well served by reading the infamous article, not just the excerpts.

For as Stockman says "The budget is sort of rolling history of decisions. All kinds of decisions made five, 10, 15 years ago, are coming back to bite us unexpectedly."

He wonders if anyone can maintain the political momentum to fight the beast for the necessary three to five years. It will be a national shame if Stockman is lost to that fight.●

NORMAN W. WORTHINGTON

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WOLF. Mr. Speaker, I want to draw to the attention of my colleagues the contribution that has been made by Mr. Norman W. Worthington to Arlington County and the entire Metropolitan area on the occasion of his retirement from the Arlington Chamber of Commerce.

Over 13 years ago, in September 1968, Norman Worthington arrived in Arlington to take on the responsibilities of the top staff position at the Arlington Chamber of Commerce. He was uniquely qualified to become executive vice president. Mr. Worthington graduated magna cum laude from the University of Miami in business administration, attended Harvard Graduate School of Business Administration and also attended New York University's School of Retailing. Before coming to the chamber, Mr. Worthington spent more than 10 years with Miller and Rhoads Department Store in Richmond.

Professional and civic participation by Mr. Worthington has included serving on the board of directors of the Newport News Merchants Association, Virginia Retail Merchants Association, Central Richmond Association, Southampton Citizens Association, executive committee of the Downtown Richmond Retail Association, Kiwanis Club of Arlington, and the Arlington Challenger's Toastmaster Club.

Norm Worthington's performance as executive vice president of the Arling-

ton Chamber of Commerce has proven many times over that he was the right man, at the right place, at the right time. He has been an instigator, a mover and a doer, with that rare, selfless ability to spark actions for the good of the chamber's membership and Arlington's business community. His accomplishments are legion. He has been on the firing line lobbying at the Arlington County Board, the State general assembly and on Capitol Hill. He has consistently pursued legislative action that would best benefit the economic growth of Arlington and recently, on November 17, he was recognized and commended for his efforts by the Arlington County Board.

Norman Worthington's selfless devotion to his chamber of commerce responsibilities in behalf of the important county of Arlington, Virginia, neighboring our Nation's Capital, has been truly unique and deserving of this special recognition.

I want to join all of Norm's many friends in wishing him well in his future endeavors.●

SOVIET MILITARY EXPERTS WILLIAM F. AND HARRIET F. SCOTT—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. McDONALD. Mr. Speaker, Col. Bill Scott and his wife Harriet are widely recognized as two of the Nation's leading experts on the Soviet military. Their articles appear in many military and strategy publications. In addition, they have authored several books on the subject. Drawing on two tours in the U.S.S.R., plus numerous followup visits to the U.S.S.R., they keep up with their subject by participating in numerous scholarly functions as well as devouring every conceivable publication from the U.S.S.R. relating to the Soviet Armed Forces. The Scotts were interviewed by Dr. Eugene Griessman for the Atlanta Weekly on September 13, 1981, and what they had to say is very important to our Nation's future. I commend this first part of the interview to the attention of my colleagues.

WILLIAM F. SCOTT

HARRIET FAST SCOTT

(By Dr. Eugene Griessman)

Dr. William F. Scott, previously a colonel in the United States Air Force, served as senior air and defense attache at the U.S. Embassy in Moscow for two tours during the 1960's and 1970's.

"At the time of their return from the Soviet Union," a former intelligence officer said, "Dr. Scott and his wife, Harriet Fast Scott, were probably the most thoroughly informed and competent people on the military capability of the Soviet Union we have

had. There never has been a husband-wife team like them." They both speak and write Russian and they know many leaders and top advisers in the Soviet Union. "They're both very competent," an aide to Senator Sam Nunn said recently. "They're not doves, you know."

Presently Dr. Scott is a lecturer at Georgetown University; Harriet Fast Scott, like her husband, is a consultant to a number of research institutes. Their book *The Armed Forces of the U.S.S.R.* is used as a text at a number of universities and war colleges. The 1975 book, *Soviet Military Strategy*, third edition, by Marshal V. D. Sokolovsky, edited with analysis and commentary by Harriet Fast Scott, is regarded as a standard reference work on Soviet military affairs. The Scotts continue to publish regularly in major military journals.

Their assessment of Russian military capability doesn't always jibe with the government's standard line.

Do we have anything like the Soviet research institutes that study our society?

Harriet Scott: We have no equivalent of their (Soviet) Institute of the U.S.A. and Canada. Our experts are separated, under different groups, and often do not exchange data, nor do the heads of our groups have a significant place in government. If they take a governmental post, they typically relinquish their center or institute posts.

What is your opinion of the potential of the MX missile system to neutralize the capability of the Russian nuclear capacity?

Dr. Scott: It would be more survivable than what we have now. Our missiles are very old.

Is it (the MX missile) really essential?

Dr. Scott: An improved missile system is essential, whether MX or not.

Why are the Soviets so irritated about the Cruise Missile System?

Dr. Scott: They wanted to slow it down until they've got something better. They would have to build a new defense system against the Cruise Missile.

In times of military crisis, most societies choose hawks, not doves. If we adopt a threatening military posture, won't we inhibit the likelihood that more dovish leaders will come to power (in the Soviet Union)? Russian society, like ours, has the capacity to produce peace-loving men and women. It produced a Tolstoy; we produced a Thoreau.

Dr. Scott: You believe there are hawks and doves over there in high official positions? There aren't. Those men are watched and graded by their peers at all times. There are no hawks and doves in their military. In the confines of their home, they might have a different view. There are not two parties there; there is one party only. The press has created the impression that some leaders are more reasonable than others. The Russians are charming people, and when Americans meet the Russians they are disarmed.

But there has to be some diversity of thought.

Harriet Scott: In their private deliberations before reaching a decision, there is a wide spectrum of opinion. If there are 18 different members of the Politburo, there will be 18 different opinions. However, once the Politburo reaches consensus, everyone has to fall into line. The Russians don't have a system of equality in interrelations between people. One has to get the upper hand. They have a saying *Ktokovo*—which translated literally means "who dominates whom?" The saying expresses the question,

who is the servant and who is the master? The trouble in negotiating with Russians is that we assume they use Western logic, but they don't. They don't use Western modes of thought even though they may wear Italian-designed custom suits. They have difficulty understanding that more than one view can be correct, that several views may be partially correct. They have real problems tolerating diversity. . . . Some of the intellectual currents that moved through Europe from the Reformation on missed the Russians.

Is there any point at all in negotiating with the Soviets?

Harriet Scott: This is a philosophical irreconcilability, you know; the Soviets say history is going in their direction and we can't stop it and they can't stop it . . . it's the way that they see history; they're going to win. Their society is the wave of the future and we are dinosaurs, you know, going to our doom; but they don't see any point in not having peaceful coexistence while this process is going on. They're all for that.

Dr. Scott: It would not be a waste of time if we had trained professionals negotiating with the Soviets. Too often, we will send over a new group who will be negotiating with the Soviet professionals, who have studied this country and know its military capabilities probably more thoroughly than you or I do. Their professionals will speak English. We send over people going in for the first time against the Soviets; they feel that they are supposed to come up with some treaty or some agreement. The Soviets do not feel that they have to come up with an agreement within a given time. So if we would negotiate with the Soviets from a point of view of understanding what the Soviets are doing, understanding how they work, understanding what their position is; if our negotiators were thoroughly familiar with the Soviet writings, not just what is printed by the Institute of the U.S.A. primarily for Western consumption, but what is in the Soviet Party platforms, congresses, and so on; and if our negotiators knew these things and were real professionals dealing with the Soviet professionals, I think that negotiating could well be worthwhile. We should not, however, expect to gain a lot from negotiating.

What do you think we can look for when the guard [leadership] changes in the Soviet Union? They're all old.

Dr. Scott: The leaders in the Soviet Union now were all in World War II. They understand what happened in World War II, how the United States fought as an ally with the Soviets, even though it is not often reported in their books or in their press. Many of the people in the Soviet Union are still aware of the fact that we provided them with tremendous amounts of aid, food, weapons, and did a great deal toward helping forces in France. We did the same thing in World War II. We probably had the greatest capability the world has ever known for the projection of military power, as witness—what we did in Southeast Asia, what we did in the Pacific, and then with the forces we put into the European theater.

Do we have anything in production to match the Backfire—the Soviet's long-range aviation aircraft? Do we need anything?

Dr. Scott: If we do, it is the best-kept secret in the U.S. People keep thinking we have something up our sleeves. . . . We probably have some R and D [research and development] coming along. Yes, we need them because they can be dispersed.

Do we have anything to match their S-18's, which I understand are the largest ICBM's in the world with twice the throw weight of the Titan? Do we have anything like that?

Dr. Scott: As before, it would be the best-kept secret in the . . .

We have nothing like it? Do we have anything on the drawing board? We must.

Dr. Scott: You could talk about the MX, but that, of course, is a little different category.

Do we need to match the Soviets weapon for weapon?

Harriet Scott: No. We have different problems.

Could you elaborate?

Dr. Scott: The U.S. Army must be designed to move out of this country and fight overseas . . . that is, the U.S. Army is not designed to fight Canada or Mexico. It has to be formed, organized, and equipped so that it can move out and deploy wherever it might be needed in the world. The Soviets traditionally have been fighting either on their borders, inside the country, or immediately outside. They have a completely different problem in designing forces. They have not even thought, until fairly recently, of designing forces that could be lifted by ship or by aircraft to fight battles thousands of miles away, together with the logistical support that goes with it.

And you think, that the building of these new aircraft carriers signals a change in their thinking?

Dr. Scott: Yes. It has come out in their writings where they talk about the external role of the Soviet armed forces.

I read that the Soviet Union's heavy bomber force is small, yet it can easily be augmented by various medium-to-long-range bombers or even by cargo aircraft. The reason is simple. Soviet aircraft seeking to drop bombs in the United States do not need speed, low-altitude, or deception to counteract American air defenses because none exist. Do we have any defenses?

Dr. Scott: We have a very limited air defense. It's very limited. You will note that aircraft taking off from Latin America loaded with marijuana and cocaine and so on do not have any trouble coming into the country.

One article I've read suggests a scenario of nuclear attack different from the one I've grown up with. That scenario is that the Soviets would not wipe out large segments of the civilian population or destroy the economy. Their nuclear strike objective . . .

*** them survive. With the men who fought in the war—the men who are rapidly dying off now—when they see a U.S. officer, at least there is some acknowledgment that at one time we'd fought as allies. With the younger group coming up, it's different. The younger group is growing up isolated. Only a very, very few have had any contact with the West. It [the situation] could be dangerous.

Soviet consumer goods, as you well know, are often not very impressive—clumsy, bulky, not very sophisticated. What about their military hardware?

Dr. Scott: It's good.

It is as good as ours?

Dr. Scott: In many cases, yes. You can talk with Israeli officers who have fought with both U.S. equipment and Soviet equipment, and they have a very, very high regard for Soviet equipment. While we're on equipment . . . take our tanks. They have automatic shift, air conditioning, and all of the things we expect, or many of the things

we expect in a passenger car. Our tanks that fought in World War II did not have all of this gadgetry on them and they fought quite well. The Soviet tanks are simple, they are rugged and. . .

Not air-conditioned?

Dr. Scott: Nothing fancy. If it has to be air-conditioned, it will be air-conditioned. But remember that the Soviet tanks are designed to fight in a nuclear environment and ours are not.

What do you mean by that?

Dr. Scott: Well, their tanks are lead-lined.

And ours are not?

Dr. Scott: No. The Soviets have the BMP, an armored personnel-vehicle carrier that is designed to cross chemically- and biologically-contaminated areas as well.

And we do not have anything like that?

Dr. Scott: No, we do not.

Do they have many of them?

Dr. Scott: They have a lot of them.

Well, like how many? Hundreds? Thousands?

Harriet Scott: I would say thousands.

Dr. Scott: Yes. This started in the '60's, when they began to equip their tanks to fight in a nuclear-biological-chemical environment.●

FIREFIGHTER CONTRACTING OUT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. HUNTER. Mr. Speaker, on Wednesday, November 18, the House failed, by a division vote of 83 to 85, to adopt an amendment to the defense appropriations bill, fiscal year 1982, which would have placed a 1-year moratorium on the contracting out of firefighting and security services at military installations. I supported the amendment offered by my colleague and regret that such an important issue received so little attention during the debate.

In accordance with OMB Circular A-76, which directs the various agencies of the executive branch to use private contractors in the provision of certain goods and services, the Navy has decided to contract out firefighting functions at the various military installations around the country. Contracts for fire protection have been let at some locations and cost comparison studies are underway at many other bases. While I think the goal of OMB Circular A-76 is laudable when it states that in a free enterprise economic system, the Government shall not compete with its citizens, I do not believe that these goals apply to fire protection at Navy installations.

When a fire breaks out in a \$25 million aircraft, it is not appropriate to call on the ACME Fire Co. The Navy civilian firefighters must react quickly. The current force is highly trained and can react to an emergency in less than a minute. To depend on contract personnel, which are not controllable by the base commander in such a situ-

ation is unthinkable. If a base commander has a problem with a contractor, he must operate through a contract officer who then deals with the contractor. Effective control is removed from the base commander. In an emergency situation, where quick reaction is a necessity, it is ridiculous for a base commander not to have the ability to control the firefighting personnel.

The proponents of contracting out fire protection claim that to do so may well save money. Indeed, in some instances it has been shown that a private contractor can provide fire protection more cheaply than can the Navy itself. But in a situation where a private contractor might not act as quickly or as efficiently, it is quite possible that a \$15 or \$20 million jet aircraft could be destroyed. Indeed, if the employees of a private fire protection company were to go on strike, it is possible that millions of dollars of sophisticated equipment could be destroyed should a fire break out. Where, then, would the savings be?

Navy firefighting personnel must perform a range of tasks, some of which are inappropriate for private personnel to carry out. The mission of firefighters at the naval air station at North Island, in my district in San Diego, is representative. This fire department is required to provide support in the nuclear weapons program. They are responsible for establishing an emergency command post in the event of a nuclear accident or incident. A work force which is not under military control would clearly be detrimental to our national security.

It is my understanding that the Armed Services Committee will be conducting a thorough investigation of the contracting out of fire protection services at Navy bases around the country early next year. We must be absolutely sure that if we are going to proceed with the contracting out of fire protection, that it is done so in a rational manner which meets the objections which I have outlined above. I will be participating in the investigation to insure that superficial economics do not damage our national security.●

IN MEMORY OF AL DEFIORE

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. COURTER. Mr. Speaker, I would like to say a few words in memory of a man born and raised in Morris County, a man well-liked and respected by those who knew him, a man who will long be remembered by his friends and neighbors—Mr. Al DeFiore.

Al's long and dedicated career as a public servant in the New Jersey State government spanned over 50 years. During that time, he served under several distinguished legislators: former Assemblyman Joseph J. Maraziti, State Assemblyman Arthur Albhorn, and State Senator John H. Dorsey.

He was a long and tireless supporter of his party as a member of the Morris County Republican Committee and as Morris Township Municipal Republican chairman. Al was known as a man whose word was his bond—and he was a man who always kept his word.

During his 40 years as an active member of the Benevolent Protective Order of Elks, Al once served as the exalted ruler of the Boonton chapter and as State vice president of the order.

Al died suddenly last October leaving his wife of 38 years, Genevieve, and his two children, Richard and Mary Ann.

I would like to extend my deepest sympathy to his family, and to those fortunate enough to have known Al DeFiore, that they may find solace in their memories of him.

Thank you, Mr. Speaker.●

SHAMANSKY CONDEMS CZECH REPRESSION

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SHAMANSKY. Mr. Speaker, I am gravely concerned about the latest wave of arrests in Czechoslovakia. In recent months, Czechoslovak authorities have rounded up dozens of citizens associated with the Charter 77 movement, a group which has been pressing for compliance with the Helsinki accords. Six Catholic activists were sentenced last month, and 14 men and women are soon to be tried at what may be the largest show trial since 1972. A statement by the Committee to Defend the Unjustly Prosecuted (VONS—the Czech equivalent of "Helsinki Monitor") has just reached the West. This is one of the grimmest reports to come out of Czechoslovakia in many years. The U.S. Helsinki Watch Committee has forwarded this material to delegates to the Madrid Conference on Security and Cooperation in Europe. I would like to take this opportunity to commend to the attention of my distinguished colleagues this recent statement by the VONS Committee:

For at least a year we have been watching the steadily increasing judicial and extra-judicial repression against people in various spheres of non-conformist activity. The spectrum of those affected is unusually broad and encompasses all elements. Since May 1981, 15 people of these, 14 will be

tried in connection with the case known as "Siklova et al." and one defendant will be prosecuted separately, 8 of whom are in pre-trial detention, have been charged with subversion of the Republic and face sentences ranging from 3 to 10 years. Last July, Jiri Gruntorad was sentenced to 4 years and Rudolf Battek to 7½ years (reduced on appeal to 5½ years by an appellate court in October). At the end of this month (September 1981), a Catholic priest, Josef Kordik, and a group of 6 Moravian Catholics will go on trial. Remanded in custody and awaiting trial are: Jan Litomisky, Frantisek Lizna and Jaroslav Duka (Fr. Kordik received a suspended sentence of one year; the 6 Moravian Catholics received sentences ranging from 10 months to 3 years.) In all these cases the judiciary tends to act with complete arbitrariness, selecting the criminal charges and the appropriate provisions of the penal code at random. Cases of brutal treatment during investigations, indiscriminate raiding of apartments, repeated and groundless detentions for 48 hours, withholding of correspondence and systematic surveillance of people by groups of policemen in civilian clothes have increased. We would like to mention some of the most serious cases: Zbynek Benisek was repeatedly beaten and throttled until he lost consciousness; Vlastimil Tresnak was tortured until he lost consciousness (he was beaten and burned with a lighter); Petr Pospichal was beaten 3 times in the fall of 1980 and last December Vaclav Maly was brutally beaten. Last week, Karel Freund was brutally beaten during interrogation. This week the police in East Bohemia detained Karel Soukup and a Catholic priest, Andrej Lukasek. Karel Soukup was systematically beaten for 4 hours and tortured in a way we have not witnessed before. We also know of a number of people beaten during questioning who are understandably afraid to make their experience public.

The indiscriminate violations of privacy of the home, the arrests of people in their homes and their detention for 48 hours have lately become so frequent that a non-conformist cannot invite a few friends over without incurring risk. Raids on apartments are usually followed by house searches and confiscation of property. There is at present no defense against such actions and on the contrary, any references to such behavior are met with cynical derision. We have reason to fear that the brutal and indiscriminate behavior of the police appears to have no bounds. At present 15 VONS members are either serving prison sentences, are in pre-trial detention, or are being prosecuted while still free. Another 8 VONS members have emigrated. In the current situation it is almost impossible for the remaining VONS members to arrange meetings. In these circumstances we do not know if and for how long we shall be able to continue our activities.

PRAGUE CZECHOSLOVAKIA, September 20, 1981.●

A TRIBUTE TO JAMES YAMAMOTO

HON. GLENN ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. ANDERSON. Mr. Speaker, on December 3 the Wilmington Chamber

of Commerce will hold its "Harbor Holidays" dinner dance. At this function, the honorary mayor of Wilmington for 1982 will be announced. But I would like to highlight for my colleagues some of the facts about this year's honorary mayor, James Yamamoto.

James Yamamoto was born right here in the South Bay, Terminal Island to be exact. His family founded a ship chandlery in the area 50 years ago, and for 30 of those years James has been an integral part of Yamamoto Bros. as its vice president and general manager. The business was settled in Wilmington in 1959.

This company has been a contributing member to the Wilmington Chamber of Commerce for approximately 20 years, and James Yamamoto currently serves on the chamber's board of directors. Other affiliations include the Boys Club of Wilmington, which my wife Lee and I are also very involved with. Here, James also serves on the board. We have witnessed his fine service time and time again, and other recipients of his goodwill include the Japanese American Citizens League, the Long Beach Buddhist Church, and the Wilmington Rotary Club.

Last year at this time, the title of honorary mayor of Wilmington was bestowed on Jim Yamamoto, under the aegis of the Rotarians, and Jim has served the community very honorably in this capacity. As tribute is made to him for his continued record of service, my wife Lee and I would like to join the many well-wishers in saying a great big thank you to Jim for all that he has done and will surely continue to do for the residents of the entire South Bay area. We congratulate Jim and his lovely wife Ann, their children Mark and Susan, their daughter-in-law Colleen and their grandchildren, Jennifer and Markie, on this most auspicious occasion. We wish them all the best in the future, and hope that they will be among us for a very long time.●

OLDER AMERICANS ACT AMENDMENTS OF 1981

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DASCHLE. Mr. Speaker, unfortunately I was unable to be present to vote on H.R. 3046, the Older Americans Act Amendments of 1981. If I would have been present, I would have voted in favor of final passage for this most important bill.

There are several important programs which will be reauthorized in this legislation that I wish to point out.

One is the Green Thumb program. Over 300 South Dakotans are em-

ployed in Green Thumb which targets lower income elderly Americans for public service work in their local communities. On several occasions I have had the opportunity to visit these programs in South Dakota and I have always been impressed by the dedication of these workers and their desire to perform public service work. I am most pleased that this legislation will enable existing programs and services to be maintained.

Another program which has been of considerable value in South Dakota is the retired senior volunteer program (RSVP). RSVP seeks to encourage elderly persons to perform volunteer work in their local communities. RSVP participants play an active role in working with school age children.

The Senior Companion program provides meaningful opportunities for low-income elderly persons to help other elderly persons with special needs, especially in the areas of health, education, and welfare. Senior Companions have been most valuable in helping their fellow elderly citizens in preventing or delaying institutionalization.

This 3-year reauthorization strengthened many of the programs under the act and will enable virtually all of the current services being offered to be maintained. The programs and services reauthorized in the Older Americans Act will encourage elderly citizens to remain active and in the workforce when possible. Their wisdom and experience benefits many of the less fortunate of our citizens and I am convinced that these programs are cost effective and worthy of reauthorization.●

F.B.I. USER FEE LEGISLATION

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. FISH. Mr. Speaker, although I am in strong support of the effort to cut unnecessary Government spending, I firmly believe that we should preserve and enhance the resources needed by our Federal law enforcement agencies to perform their important duties and to provide assistance to their State and local counterparts.

One of the unfortunate results of budgetary constraints has been the recent temporary suspension of certain fingerprint services by the Federal Bureau of Investigation. Under the Department of Justice Appropriation Act of 1974, the FBI may, in its discretion, make certain identification and fingerprint records available to banking institutions and, where authorized by State law and approved by the Attorney General, to officials of State and local governments for licensing

and employment purposes. Obviously, Mr. Speaker, such services must be available if we are to insure that convicted felons are not placed in sensitive banking positions or licensed by the States in violation of law. For instance, I have been contacted by constituents who are concerned that New York's gun licensing requirements will be undermined if the FBI's fingerprint services are suspended.

Mr. Speaker, I believe that our budgetary and law enforcement needs can both be met by the institution of a user's-fee system, which will pass the cost of these services on to those who benefit from them. To that end, I am today introducing legislation which would require the Attorney General to establish and collect fees for the processing of requests for identification records by banks, to promote their security, and the States and local governments, for employment and licensing purposes. My bill would also authorize appropriations to fund the implementation of this system which would reflect the fees collected.

Mr. Speaker, it has been proposed that the FBI establish a user's fee system effective October 1, 1982. Because I am deeply concerned about the potential for disastrous consequences from postponing fingerprint services for such a long period, my bill would take effect immediately upon enactment. If the Congress acts promptly, we will be able to reinstitute these important services far in advance of the FBI's projected date. I am firmly committed to that goal and I ask my colleagues to join me in this endeavor.●

CLEAN AIR ACT REVISION

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. BENEDICT. Mr. Speaker, over the past 2 months I have presented my colleagues in the House of Representatives with proposals to revise the Clean Air Act. The changes I support provide the structure necessary for the further development of new industrial facilities; for cleaner plant emissions from newer equipment; and for greater employment opportunities for Americans. I have tried to make clear that constructive changes will strengthen, rather than weaken the act and that industrial growth, instead of requiring a sacrifice from our clean air goals, will help in achieving and exceeding these goals. I would once again like to bring these changes to your attention.

While I have continually supported an air quality management program at the Federal level and adherence to established standards for air quality, the current law restricting authority over

setting these standards to the EPA Administrator does not insure the validity and scientific acceptability of the process involved. The existing, but strictly advisory, Clean Air Scientific Advisory Committee, should be expanded to provide a broader base of input and review and be given decision authority equal to the Administrator's in setting air quality standards. Both the Administrator and the Committee should then maintain adequate primary health standard levels without regard to economic cost.

In meeting these standards, the existing regulatory burdens and conflicts can be eliminated. There is no need for, or benefit from, additional regulations beyond the requirements of the New Source Performance Standards. These standards are set at a level sufficient to insure progress toward cleaner air and protect public health and should remain as the basic regulation for air quality. Under the prevention of significant deterioration program in attainment areas, the additional tertiary restrictions in class II and III areas, which are not related to public health and general welfare or to visibility considerations, may be safely eliminated, along with the associated preconstruction reviews. The concern to protect pristine areas designed as class I, which include large national parks and wilderness areas, is a legitimate focus of stricter pollution control requirements. The emission increments protecting air quality in these regions should continue. Best available control technology is a suitable requirement in those cases where new source performance standards do not exist or are not applicable.

In nonattainment areas, requirements for lowest achievable emission rate technology and construction moratoriums can be eliminated to allow progress toward modernization of our industrial base and cleaner air. Since NSPS and BACT will always result in lower emissions from new, more efficient facilities, these standards should prevail.

At the State level, adequate flexibility to address air quality questions arising from local needs and concerns must be granted. Different solutions and schedules appropriate to different areas need to be viewed as acceptable as long as reasonable further progress toward attainment of ambient standards is being made. This change applies to both initial State implementation plans and subsequent revisions. To avoid delays and confusion, plans should be deemed approved if not reviewed by EPA within the time frame designated by law, and the duplication at the Federal level of the notice and public comment process should be eliminated.

These are some of the changes which are essential to a successful clean air program which will maximize

protection of the public health, spur new investment, and foster economic growth. Current law is not acceptable—more suitable means are at hand to address the various concerns involved in meeting our clean air goals. Again, I urge my colleagues to move forward the consideration of needed changes. Inaction will insure a continuation of the problems which lead to economic stagnation, higher prices to consumers from utilization of imported oil rather than domestic coal, and which hinder greater progress toward cleaner air.●

FAIR TRADE WITH JAPAN

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. HUNTER. Mr. Speaker, recent discussion of United States-Japanese trade relations has focused on the growing amount of Japanese imports into the United States. Traditionally, this trade debate has centered on two rather differing points of view.

Some have advocated such overtly protectionist measures as strict import quotas on some products such as automobiles or electronic goods. Others have maintained strict principles of free trade. But recently, increasing attention, both in the United States and Europe, has focused on a problem which cuts across the lines of past trade debates. Those who support free trade and those who support protectionist measures have become aware of nontariff barriers to trade.

Just this week, in the November 23, 1981, issue of Newsweek magazine, such trade barriers received attention. The magazine article correctly states that nontariff barriers keep foreign firms out of Japanese markets without technically violating international trade agreements. For example, every automobile imported into Japan is subject to an individual inspection, instead of granting blanket permission for importing entire lines of cars as is done in the United States.

Yesterday, I introduced legislation, together with my colleague, Congressman JIM DUNN of Michigan, designed to combat these non-tariff barriers and enable American auto manufacturers to compete more fairly with the Japanese. My bill, H.R. 5050 would establish a two-way street wherein U.S. auto firms would have a fair chance to sell their products in Japan.

H.R. 5050, the Two-Way Street Act, would impose parity fees on automobiles imported from Japan in the same proportion as the fees and costs which are added to our cars sold in Japan which are due to nontariff trade barriers.

Last year, more than 1.9 million Japanese cars were imported into the United States, up 111 percent from the 1975 level. Japan's share of the U.S. auto market now approaches 25 percent, dramatically up from 9 percent in 1976. Meanwhile, our share of Japan's auto market stood at less than one half of 1 percent. All foreign made vehicles captured a meager 1.2 percent of the Japanese auto market. This year, that figure will fall to 0.9 percent.

The Japanese, of course, will tell you that poor workmanship of U.S. made vehicles explain their poor showing. They will also claim that American companies only want to sell large gas-guzzlers that Japanese consumers do not want to buy. But that does not explain the decline in sales of European automakers who have enjoyed a reputation for quality. Moreover, if the Japanese really believe that American cars cannot compete in Japan, why have they imposed such staggering import barriers on us instead of letting the marketplace take its natural course.

Let me give you one current example. The Ford Motor Co. is now marketing the new Escort model, a car that, in my opinion, can compete head on with the compact, fuel efficient Japanese models. While the Escort is off to a brisk start on European roads, competing very well against comparable European models, it is, according to Ford, stalling out in Japan. Why? Because of nontariff barriers. The price of the Escort GL model which retails for about \$7,400, including options, in the United States, carries a sticker price of about \$11,700 in Japan. Only about \$200 of this markup is attributable to the freight costs. The rest is due to such things as a \$1,000 commodity tax, homologation costs, and other nontariff barriers.

Further barriers result from the Japanese safety and pollution standards. Every year, Ford brings a team of Japanese engineers to the United States to spend 2 months witness testing vehicles designed for the Japanese market. Even after these tests are completed, and the results certified, each car must individually undergo a rigorous inspection.

Additionally, there is the high cost of opening a dealership in Japan. Japanese custom forbids autodealers to share facilities with importers. It was just this sort of piggybacking that allowed Japanese manufacturers to get a foothold in American markets. American companies do not have a high enough volume of sales in Japan to open dealerships, but without dealerships, sales volume cannot grow. Thus this nontariff trade barrier creates a vicious circle preventing fair competition.

H.R. 5050 would establish a bipartisan Commission appointed by the

President to levy a parity fee on all Japanese cars that enter the United States. This parity fee would be an amount equal to the product of a multiplier—percentage—times the average selling price of the Japanese made car when sold in Japan. The percentage, which is calculated for each class of automobiles, is an amount equal to the excess of the average selling price of the particular class of U.S. vehicle in Japan, over the average selling price of such vehicle type in the United States. In a nutshell, we are imposing Japanese taxes and costs on Japanese cars sold in this country.

The Commission will have the power to adjust, or even eliminate, this parity fee when they deem it appropriate. They may lower the parity fee in the same proportion that Japan lowers the taxes and costs it imposes on our cars. Japan, in effect, will control the amount and duration of this fee since it is to be based on the amount of the costs Japan places on U.S. cars sold in Japan.

Finally, any automobile manufacturer located in the United States may import one Japanese car free of the parity fee for each automobile manufactured in the United States.

As Japan floods our market with their cars, only a trickle of U.S. built automobiles are sold in Japan. The Japanese have created a one-way street. The flow of cars across the Pacific is one-sided. The time has come to turn the tide. The time has come to remove these nontariff barriers and initiate fairness in international trade. The time has come to create a two-way street.●

A BIRTHDAY TRIBUTE TO GOVERNOR HARRIMAN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 12, 1981

● Mr. GILMAN. Mr. Speaker, November 15, marks the 90th birthday of one of the truly great men of the 20th century—Gov. W. Averell Harriman. Heir to the Union Pacific railroad fortune, Governor Harriman turned to public service in 1933, joining President Franklin D. Roosevelt at the beginning of the New Deal. For the next 48 years, Governor Harriman served his nation, advising five Presidents, and fulfilling the responsibilities of numerous governmental positions, including: Ambassador to the Soviet Union, Ambassador to Great Britain, Secretary of Commerce, Undersecretary of State for Political Affairs, and Governor of the State of New York. Governor Harriman has been one of our Nation's most prominent figures in world diplomacy.●

Governor Harriman's service to the cause of the Allies in World War II cannot be overstated. He was a close personal friend of Winston Churchill, and knew Josef Stalin more intimately than any other Westerner. He had a difficult task in allaying the Soviet leader's suspicion of American and British intentions in the war.

Though starting as a "confirmed optimist" about Stalin's postwar intentions, he soon realized that "our objectives and the Kremlin's objectives are irreconcilable." He stressed, however, the need to reach some type of understanding to avoid another war. This didn't mean that he favored giving in to Soviet demands. A blunt-speaking diplomat and tough negotiator, Governor Harriman fought hard for U.S. interests on the negotiating table. He cautions us today that he feels the Soviets are as dangerous as they were at the end of World War II, when he predicted that the Soviet Union would become "a world bully." In our negotiations with the Soviet Union, we would be well-advised to heed his word. Governor Harriman, who has had talks with every Soviet leader since Stalin, feels that the Soviets desire a reduction in nuclear weapons, but nevertheless are dedicated to reshaping the world after their own model of communism.

Governor Harriman's superb diplomatic skills and international reputation made him a popular choice for numerous significant roles. At an age at which most people retired, Governor Harriman continued his difficult work—he was 72 when he went to Moscow to negotiate a nuclear test ban treaty with Khrushchev in 1963; and he was 77 when he served as chief U.S. negotiator at the Paris peace talks in 1968.

Governor Harriman, said President John F. Kennedy, has held "as many important jobs as any American in our history, with the possible exception of John Quincy Adams." Governor Harriman has provided, and continues to provide, a valuable continuity for U.S. Governments. One price of our democracy is that by changing the top leadership periodically, we sacrifice the positive aspects of a continuity in leadership. Our democratic system is, however, incomparably preferable to a self-maintaining regime, and the wisdom and experience of men like Governor Harriman enable us to better protect ourselves in an often hostile environment.

A man of peace, a man of principles and truly one of the leading figures of our time—we honor Gov. W. Averell Harriman on his 90th birthday, and look forward to his enjoying many more years in the service of his beloved Nation.●

CULTURAL ENRICHMENT AT
MUHLENBERG COLLEGE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. RITTER. Mr. Speaker, I would like to share with my colleagues an experience I recently had at Muhlenberg College in Allentown, in the Lehigh Valley of Pennsylvania. This experience was a festival entitled "An Enrichment of American Culture: Russian Emigres/American Immigres." This month-long event celebrated two traditions: The American tradition of welcoming foreigners to our shores and the Russian tradition of intellectual and esthetic cultivation. The merger of these two traditions and cultures, as was demonstrated by this festival, results in the invigoration of the former.

The relationship between Russia and the United States has been fraught with the tension of opposing social visions, confrontations, attempts at cooperation, and competition. Most often, this relationship has been considered within the context of economics, politics, and military preparedness. The Muhlenberg College Festival shifted this emphasis to culture.

Participating in this event were a group of highly distinguished representatives of each of the major art forms being demonstrated at the festival. Such notables as Joseph Brodsky, the great poet; Alexander Godunov, the ballet star; Mark Peskanov, Olga Rostropovich, and Alexander Peskanov who are all skilled musicians. Ernst Nelzvesty, the well-known painter and sculptor, had an extensive display of his artworks. In addition, work was displayed by Mikhail Chemiakin, Anatoly Krinsky, Lev Meshberg, and five other distinguished artists.

While the roster of highly distinguished artists, musicians and poets comprises a virtual "Who's Who" in the Russian emigree community, their visit and participation in the event was not solely for the entertainment of the college's students and visitors. Instead, it was to provide those who came to view the event with a firsthand encounter of the new shifts in the Russian artistic movement. It showed a distinctly Russian contemporary culture, one that somehow flourishes in spite of Soviet rule. More than that, it conveyed to the viewer the latest enrichment of our own culture, a culture which has greatly benefited from the many ethnic groups who have come to the United States to cultivate their artistic expression. The Lehigh Valley of Pennsylvania reflects many Central and East European cultures and has been enriched by all of them. How ironic that one nation's tragedy can be another's gain.

I had the distinct pleasure of attending this event and, as a result of Russian language and culture, I felt the festival did much to break down the barriers between our two people. Having lived in the Soviet Union, I had the opportunity to speak with the artists in the Russian language. I will long cherish the thoughts we shared and, even in that short time, felt kinship with them.

The festival gave the people of the Lehigh Valley a firsthand exposure to a culture that few have the opportunity to see, a culture that, in its own homeland, nonetheless achieves greatness. We had the privilege of exposure to a group of people to whom freedom is like a powerful elixir.

I am proud to represent a district in which people like Dr. John Morey, Muhlenberg College president; and Linda Weintraub, Muhlenberg College gallery director and art department lecturer, have the vision to see the world in a different light, a world where we strive for understanding through a language common to the human spirit, the language of art and creativity.●

THE MORAL IMPLICATIONS OF
ENERGY

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mrs. BOUQUARD. Mr. Speaker, one of the aspects of the national debate on energy that has received little attention recently is the moral implications of energy. Historically those who have been adamantly opposed to one form of energy or another have used moral arguments to justify their position while those taking a more balanced perspective on energy issues have generally not emphasized specific moral issues in their spoken and written arguments. As a result, many people have come to believe that some forms of energy currently being used are immoral and therefore unacceptable. This is, of course, far from the truth and ignores the moral implications of a more balanced perspective. Recently a number of thoughtful and perceptive articles on this topic have been prepared from this refreshing and important perspective. These articles were presented at two symposiums of the John Lafarge Institute in 1980 and 1981 and recently appeared in the magazine *Catholic Mind*, October 1981.

The first of the articles that I wish to bring to the attention of my colleagues is by Dr. William G. Pollard who for many years has been both a physicist and an Episcopal priest. He was a member of the Manhattan District Project at Columbia University

and in 1947 became Executive Director of the Oak Ridge Institute of Nuclear Studies, a post he held until retirement a few years ago. It was while he was at Oak Ridge that Dr. Pollard was also drawn to the services of the church culminating in his ordination in 1954 as a priest.

Dr. Pollard approaches the subject from a theological viewpoint and makes an interesting observation about the naturalness of nuclear energy in the universe as compared to other forms of energy and correctly notes that the others are all derived from it. Dr. Pollard is not blind to the destructive as well as constructive potential of nuclear energy, but notes "it is essential that we devote our best efforts to finding ways to prevent the misuse of nuclear energy. We must work tirelessly to prevent the potential curse from being realized, but a refusal of its blessings is not one of them."

I have excerpted Dr. Pollard's paper which follows and I urge my colleagues to take the time to look at this matter from a fresh moral perspective:

SOME THEOLOGICAL REFLECTIONS ON NUCLEAR
POWER

(By William G. Pollard)

THE CREATOR OF ALL THAT IS

We begin this paper with the contrast between the way nuclear power appears when viewed from the vantage point of God, who sees His creation as a whole, and from the vantage point of man, who looks out upon it from that tiny speck, the earth, which he inhabits. The contrast between these two views is extreme; what is common and universal in one is extremely rare and esoteric in the other.

Consider man's view first. He thinks of wood and the fossil fuels—coal, oil and natural gas—as common and universal. They are, or at least have been, universally available on his planet earth; always there standing ready for exploitation whenever it became possible for him to use them.

Nuclear power, on the other hand, was a very recent addition; the product of a technological elite which had been foisted on a natural order not intended to contain it. Its very possibility was unknown to the vast majority of mankind a short 50 years ago. Nuclear power had, moreover, the potential for destruction on an unimaginably vast scale; besides which, its potential for generating useful electricity, though it was said to be equally vast, was surely not necessary. God is good, merciful and loving; it was the exact opposite of His intention and purpose for His creature man to apply his cleverness to the development of nuclear power. Nuclear power was the ultimate in human hubris; man should forsake it and turn his talents instead to work on the natural sources of energy with which God had provided him from the earliest days.

It is my contention that these attitudes are the result of our earthbound and limited perspective. If we free ourselves from it, and view the whole of God's creation from His vantage point rather than ours, we come out with exactly the opposite conclusions. With respect to wood and fossil fuels, we realize that both they and we ourselves are particular manifestations of the phenomenon of

life. But life is the peculiar property of the earth which is but one member, and a relatively insignificant one at that, among an unimaginably vast array of astronomical objects. And in that vast array, the earth is well nigh unique. Fossil and biomass fuels are certainly extreme rarities in creation as a whole!

But if this is true of what we regard as "natural" sources of energy, the exact opposite is true of nuclear energy, which from our standpoint was so recently introduced by man into the natural order. If we were to take an imaginary space flight out among the stars, we would be totally surrounded at all times by natural nuclear power plants. It is a sobering thought that God has made more nuclear power plants than anything else! A universe from which nuclear power had been outlawed would be a dead universe, with no warmth, light or life in it; and one completely devoid of any creative potential.

Nuclear energy is the universal, common and natural kind of energy in creation as a whole. Indeed, the other forms of energy are all derived from it. All the wood, coal, oil and gas man has ever burned came from our natural nuclear power plant, the sun, through that basic process of life, photosynthesis. Without realizing it until this century, we have really been dependent on nuclear energy all along. Now that we have begun to generate electricity directly in nuclear power plants of our own design and construction, we are merely tapping directly the universal energy source for all of creation that previously we have used only indirectly and derivatively.

Similar considerations apply to radioactive wastes. Our solar system was formed as the result of a cataclysmic explosion of a collapsing star, a supernova, which generated enormous quantities of highly radioactive atoms of all the chemical elements through uranium and plutonium to californium. The wastes from this explosion were spewed out into the surrounding gas and dust from which the sun and its family of planets were formed four and a half billion years ago. The earth and all the other planets were loaded with radioactive waste at their formation. Most of the original radioactivities, including plutonium, have long since decayed in the intervening four and a half billion years, but some with half lives of a billion years or more, such as uranium, thorium and a form of potassium, are still present. The heat generated by their decay has given the crust of the earth its plasticity and geologic dynamism; evident in the drift of continents and earthquakes, and most visibly, in volcanoes.

When we bury deep in the earth's crust the radioactive wastes we generate, we shall not be adding anything foreign to it, nor will we ever add more than a minute fraction of what is already there. Radioactive waste, too, is an integral part of the created order.

One cannot reject nuclear energy as something introduced into the scheme of things by man contrary to God's purpose. Nuclear power is too basic and universal to the whole operation of the universe for that. From God's standpoint it is clearly a great good and so, in the words of 1 Timothy, is to be gratefully accepted: For everything created by God is good, and nothing is to be rejected if it is received with thanksgiving (1 Tim. 4:4). There is no way we can claim that nuclear power was not intended by God, or that some power other than God is responsible for it.

THE BLESSING AND THE CURSE OF DOMINION

There is a most perceptive insight into the uniqueness of man compared with every other creature created by God at the beginning of the Torah. The ancient story of creation in the first chapter of Genesis concludes with a summary of what God accomplished when He created man as His crowning achievement: So God created man in His own image . . . and God said to them, "Be fruitful and multiply, and fill the earth and subdue it; and have dominion over the fish of the sea, and over the birds of the air (Gen. 1:27, 28), and over the cattle, and over all the earth" (Gen. 1:26). But this statement is qualified near the end of the Torah by another, making a kind of parentheses to all the Pentateuchal law in between, in Deuteronomy: I call heaven and earth to witness against you this day, that I have set before you life and death, blessing and curse; therefore choose life, that you and your descendants may live (Dt. 30:19).

The power of man in the exercise of his dominion to subdue the earth has had to wait 2,500 years since this was written to reach its full potential. The author of the first chapter of Genesis could have had no premonition of the heights of man's dominion over nature which would be reached in the 20th century, which seems to be the one finally destined to see the fulfillment of this statement of God's plan for man. Man has been fruitful and multiplied, thanks to his dominion over his body through modern medicine, and by the end of the century, he will just about have filled the earth. Man is rapidly approaching the limit of both his fruitfulness and his dominion.

But man's impressive dominion over all the rest of creation is inescapably linked to his freedom, and therein lies his dilemma. From the earliest times he has agonized with the dilemma that he could exercise his God-given dominion either to bless or to curse his life and that of all his fellows on the earth. Agricola, in his great treatise *De Re Metallica*, reviews the arguments that raged in ancient times with respect to man's use of iron, whether for swords or for ploughs, quoting Ovid, Pliny and others. Every advance that man has made in the exercise of dominion over new elements of nature has confronted him with the choice of the blessing and the curse. From the invention of gunpowder, through napalm, to thermonuclear weapons, the potential curse has grown by enormous steps, but equally the potential blessing of dynamite for excavation, gasoline for transportation and electricity from nuclear power has also grown. Now that man has learned to tap the universal energy source that powers the universe, the magnitude of both the curse of destructive power and the blessing of abundant energy have reached an ultimate magnitude involving the entire earth and all its creatures.

Man cannot escape exercising dominion, but because he is free, the consequences of his choices are his alone. When his choices are self-centered and self-serving without regard for the welfare of others or responsibility for the earth and its creatures, they lead to destruction and a curse of awesome proportions. Many despair of man now that he wields the ultimate power of nuclear energy and are convinced that because of his unredeemed sinfulness, he cannot be trusted to exercise dominion over it. Perhaps they feel that God erred in giving mankind this power to begin with. But rightly or wrongly, man has it and has no other choice

but to accommodate himself to the reality of his situation.

Now, however, a growing number of voices are being raised against this effort. They fear that man cannot be trusted to develop its blessing for fear that it would simply encourage him to develop its curse. It is essential that we devote our best efforts to finding ways to prevent the misuse of nuclear energy. We must work tirelessly to prevent the potential curse from being realized, but a refusal of its blessing is not one of them. Whether we develop the blessing or not will not affect either the continued spread or development of the curse. The genie is long since out of the bottle and there is no way he can be put back in.

ENERGY AND THE CONQUEST OF FEAR

For a very long period of his evolution, primitive man shared with all other animals of forest and steppe a paralyzing fear of fire and fled in mortal terror from it whenever it broke out. Fire was then exclusively a curse with no blessing in it. But at a crucial turning point in his evolution, of which we have little information but which was of incalculable importance for his future, man turned and, instead of fleeing in terror from fire, brought it right into his living quarters and thereafter tended and nurtured it. Man had come through to the other side of fear to the incalculable benefit of his future. Today no one questions the validity of this first energy choice, but initially there must have been numerous fearful voices raised against it, or at least howls of dismay.

Fear produces a paralysis of action and must be overcome by a confident acceptance of life as it is given man to be lived in spite of all its risks. Since the Industrial Revolution, the introduction of other energy sources has been accompanied by widespread fears that were eventually overcome. When railroads were first introduced in the last century, they were met by extreme fear reactions. A steam locomotive belching smoke and fire, hissing loudly and puffing steam was a terrifying sight when first experienced. Electricity, as a natural phenomenon in lightning, was viewed for centuries only as a curse. When it began to come into general use as a technology at the turn of this century, it too was accompanied by widespread fear. It was a new and strange phenomenon, invisible and mysterious. It was a new way of dying, and it inspired deep, subliminal fear. There was, of course, a real basis for some of this fear. Electricity is quite dangerous, and a healthy fear of it has resulted in great strides in ensuring its safe use. Man has found ways of conquering his natural fear of steam and electricity so that they no longer paralyze him into rejecting these gifts. He has chosen to reap their blessings while at the same time laboring to reduce their curse.

We stand today on the threshold of reaping the blessings of nuclear energy. It is a gift many times more ample than any of the other energy gifts buried in the crust of the earth. Moreover, as we have seen, we have reached a maturity of knowledge by which we now see that it is God's prime energy choice for His whole creation. As with man's earlier energy choices, fearful voices are raised against it, and we are urged to reject its blessing because its curse is so unimaginably catastrophic. People fear for the safety of nuclear electric generating plants, imagining awful consequences if they really get out of hand. They fear plutonium as such, as well as the possibility that it might be diverted from electric power to weapons.

They have a pathologic fear of radiation and radioactivity. They conjure up in their minds fearful scenarios of what might happen accidentally or by evil intent. No contemporary topic has been the subject of so much misinformation and downright fearmongering as has nuclear energy.

Many of these fears have some basis in fact, and these are continuously the object of sober and informed concern of the engineers designing the plants and those in charge of their operation. The real fears will always be there because nuclear power is inherently very dangerous. Some of them are misplaced, as with the accident at the Three Mile Island plant, which did not endanger the health of anyone, but which is a continuing dreadful financial burden on those dependent on it for electricity. Some are simply imaginary, as in the case of the disposal of high-level wastes from nuclear power. Nuclear power has already demonstrated a much better safety record and a far better environmental record than its only long-range alternative, coal, and this record will steadily improve with experience. A large portion of the fears in the general public that bedevil the nuclear industry are irrational, grossly exaggerated and unnecessarily paralyzing. These fears, as with others in the past with new forms of energy, will gradually moderate and be overcome as nuclear power assumes its destined and essential role in the future course of humanity. Let us hope that the time required will not be long, because the world energy problem worsens with every passing year.

We can do no better at this juncture than to heed the admonition in the Wisdom of Solomon: for fear is nothing but a surrender of the helps that come from reason (Wis. 17:22).●

SECOND ANNUAL LEADER LUNCHEON

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mrs. HECKLER. Mr. Speaker, on November 4 I was privileged to attend the second annual leader luncheon of the West Suburban Branch of the Boston YWCA, in Framingham, Mass. This annual celebration, established to further the advancement of women in the business world, honored more than 40 extraordinary women from the suburban Boston area.

The recipient of the Leader of the Year Award for 1981, presented at the luncheon, was Marilyn Zann—an outstanding woman whose work as a business leader, artist, community leader, wife, and mother has earned her a place among the first rank of the Commonwealth's private citizens. The founder of an innovative personnel agency designed to help women and minorities find their place in the workplace, Marilyn Zann is also well known and respected for her tireless work with community groups, her achievements as an accomplished sculptress, and her selfless efforts as a hospital volunteer.

Mr. Speaker, I am proud to bring to the attention of all my colleagues in this House the dynamic record of Marilyn Zann, and also to list here the names of the 39 other extraordinary women honored at the west suburban YWCA's leader luncheon. All of them have played a major role in increasing the role of women in the business community, and their participation in this awards luncheon was a fitting celebration of the contribution of women to our society.

Those 39 women are:

Ann Arvedon, chair of the Framingham Board of Health and HMO planner for Blue Cross of Massachusetts;

Mary Beth Bauman, mechanical systems engineer for the Raytheon Co., Equipment Division;

Susan Bistany, department administrator for the Raytheon Co., Equipment Division;

Cecilia Bland, program manager for Computer Aided Design & Manufacturing;

Patricia Brown, office manager for Roberta M. Kenney Advertising;

Ann S. Broyer, personnel administrator for the Raytheon Co.;

Shirley Chorney, district training center manager for Digital Equipment Corp.;

Jean Coviello Cohen, assistant general manager of the Sheraton Tara Hotel in Framingham, Mass.;

Nan Collins, manager of administration for ARCHITECH Corp.;

Michelle L. Cunha, executive vice president of the South Middlesex Area Chamber of Commerce;

Patricia Di Ruscio, employment manager/recruiter for the Leonard Morse Hospital;

Adrienne Dorfman, founder of Women West/South/North;

Marietta Ethier, corporate counsel for the Digital Equipment Corp.;

Ruth A. Farrell, executive assistant to the president of the Perini Corp.;

Betty Funk, executive director of the Greater Framingham Mental Health Association.

Seba K. Gaines, manager for education package development, Honeywell Information Systems Division;

Rose Ann Giordano, manager, Large Computer Product Group, Digital Equipment Corp.;

Jo-Ann Gladstone, manager of TAC/TEMPS Trainer;

Roberta Golden, director of sales, Sheraton Tara Hotel;

Jacqueline Greenlie, manager of the Data Management Group, Prime Computer;

Paula F. Henry, career developer, Work Systems Associates;

Mayling Ju Hutchinson, operations analyst, Digital Equipment Corp.;

Roberta M. Kenney, president, Roberta M. Kenney Advertising;

Pamela A. Maddalena, manager of marketing support for office automation, Prime Computer;

Margaret Martin, merchandise manager, Zayre Corp.;

Sara A. McNichols, education manager for marketing support, Honeywell Information Systems;

Phyllis M. Morcone, assistant treasurer and clerk of the corporation, Koehler Manufacturing Co.;

Bette Nockles, section manager of board assembly, Prime Computer;

Joanne T. O'Brien, R.N., supervisor of the continuing care planning unit at Massachusetts General Hospital;

Kathleen A. Powers, consultant, Marketing Reporting and Analysis Department, Prime Computer;

Sally Pratt, employment counselor, Opportunities Unlimited of New England;

Ann-Marie Raulinatis, producer and host for the 3-hour news and public affairs radio talk show "Mornings," on WKOX Radio in Framingham;

Mary Schaeffer, marketing manager of engineering systems, Prime Computer;

Dorothy J. M. Schlegel, personnel management, Prime Computer;

Claire Sherman, executive housekeeper, Sheraton Tara Hotel;

Marjorie Smith, personnel director for the town of Framingham, Mass.;

Janine A. Thomas, international tax manager, Prime Computer;

Cindy Tokarz, associate human resources representative, Prime Computer; and

Ana Yacobian, president and treasurer of ARA's, Inc., one of the most renowned clothing firms in New England and an institution in my hometown of Wellesley, Mass.

Each of these women has every right to be extremely proud of her record of achievement. I for my part, am extremely proud to have taken part in the ceremony that honored them, and I ask all my colleagues to join me in this tribute to these outstanding women leaders.●

DISTRICT OF COLUMBIA
SALUTES SAMUEL H. JORDAN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. FAUNTROY. Mr. Speaker, Samuel H. Jordan, Acting Deputy Director of the Office of Emergency Preparedness/Mayor's Command Center, will be honored for his invaluable service to the residents of the District of Columbia on the occasion of a "D.C. Salutes Sam Jordan Day" which will be held November 24, 1981.

Mr. Jordan is indeed deserving of the recognition which will be bestowed on him by his fellow citizens next Tuesday, and I would like to outline for my colleagues the range of services

provided by this dedicated public servant.

Mr. Jordan is required to be on call for 7 hours a day, 7 days a week to respond to emergency situations in the city. A family left homeless as a result of fire, children without food, emotional situations culminating in suicidal/barricade situations, those who assemble to petition their government; all rely on the professionalism, compassion, and dedication of Sam Jordan. Indeed, I am certain that nearly every one of my colleagues has constituents who have benefited from the service of Mr. Jordan. I have in mind those national occasions such as when we inaugurate a President, welcome foreign dignitaries, and assemble for a Solidarity Day; all are occasions on which Sam Jordan insures the safety and well being of hundreds of thousands of our citizens.

Samuel H. Jordan can be looked to as one who exemplifies the best in a public servant, and I know that my colleagues join me in commending him for his outstanding service and in wishing him well in his future years of service to the District of Columbia, the Capital City of our Nation. ●

ABUSES IN LEGAL SERVICES CORPORATION

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. SMITH of Alabama. Mr. Speaker, unfortunately, I am continually being made aware of the abuses of the Legal Services Corporation and its affiliates which often result in great harm and expense to society.

Recently, Pennsylvania Governor Thornburgh stated that one of the reasons for the recent escape and hostage taking at Pennsylvania's Graterford Prison was the result of the efforts of Community Legal Services in Philadelphia to have the ringleader and three-time convicted murderer placed back in the general prison population at Graterford. The Pennsylvania Legal Services group received \$2,277,972 in Federal funds in 1980.

I have also read with disgust a report from the Southern District Court of Texas which found that the Texas Rural Legal Aid was guilty of the abuse of legal process by its attempt to create a potential charge of discrimination where one did not exist. The Texas Rural Legal Aid received \$3.9 million from the Legal Services Corporation last year.

It has been alarming to me to read statements of many of the people who direct Legal Services activities. Recently the Cleveland, Ohio, Plain Dealer quoted the director of the Cleveland Legal Aid Society in her de-

fense of Kathy Boudin, notorious member of the Weather Underground, who was arrested recently in connection with the \$1.6 million Brinks robbery in New York. Marge Grevatt, a close friend of Boudin's, stated that the American system had pushed Boudin into her role of violence and terror. "I think it is a terrible commentary on our society when someone with her sensitivity and commitment becomes frustrated to the point that she did," said Grevatt. The Cleveland Legal Aid Society received \$1.5 million from Legal Services Corporation in 1980.

I offer for the record the first installment of an excellent monograph on the Legal Services Corporation entitled "Missionaries for Liberalism: Uncle Sam's Established Church" by Michael E. Hammon:

MISSIONARIES FOR LIBERALISM: UNCLE SAM'S ESTABLISHED CHURCH

(By Michael E. Hammon)

INTRODUCTION

Since the beginning of the Republic, Presidents and officers within each administration have engaged in activities which could legitimately be classed as "advocacy." This advocacy—which has frequently dealt with issues involving great controversy—was considered not only the right, but even the responsibility of the President.

Recently, however, recipients of Federal largesse have engaged in a form of advocacy which is qualitatively different from the "bully pulpit" which Roosevelt knew. The difference between Alan Houseman and Thomas Jefferson goes beyond Houseman's relative inarticulateness and the banality of his ideas.

Houseman's statements represent a new form of advocacy—an advocacy which is unresponsive to and uncontrollable by elected executive authority, attacks the religious beliefs of a substantial portion of Americans, is violative of the laws governing the program Houseman supervises, and consistently represents a specific ideological point of view.

This new form of "government ideology," transcending electoral results, is not unique to any single Federal agency.

Congress has established various "intervenor funding" programs for the purpose of financing studies and appearances by "consumer advocates" before agencies. The Federal Trade Commission's program, for example, has handed millions of dollars to groups which are almost without exception, ideologically liberal, and which, in most cases, have substantial financial resources available. This appears to be in direct violation of the FTC's charter, which prohibits "intervenor funding" for any group which could otherwise afford to participate in FTC proceedings.

In areas such as Federal funding intended to benefit the handicapped, "protection and advocacy" mechanisms have been established by statutes like the Developmental Disabilities Act and the Rehabilitation Act of 1978. Under these programs, outside groups are funded for the purpose of litigating and lobbying on behalf of what has turned out to be a consistently liberal set of ideological premises. Although most "protection and advocacy" programs explicitly or implicitly prohibit lobbying the Federal government, the recipients of "P&A"

monies freely acknowledge that they have ignored these statutory restrictions.

In addition to those programs expressly authorized to fund advocacy activities, there are many others which have had that unintended result.

For example, a House Appropriations Committee report found that Sam Brown's ACTION had supported union organizing, funded a training institute for community activists to the tune of \$432,235, and assigned volunteers to work in the 1979 Arkansas primary election.

LEGAL SERVICES ADVOCACY

But the Legal Services Corporation (LSC) is probably more extensively and exclusively involved in ideologically premised advocacy than is any other agency.

In 1981, this government-created, semi-autonomous entity received \$321,300,000 in taxpayer funding. Like other advocacy programs, which operate through extra-governmental non-profit corporations, it is characterized by an organic statute which, while not saying so, has the effect of channelling funding to individuals and organizations on one end of the ideological spectrum.

It is an instructive indication of ideological coloration that a representative of the LSC-allied Food Research and Action Center, went unchallenged when she stated at a November, 1980 conference of the National Legal Aid and Defender Association:

What all of us ultimately . . . care about—ultimately, is meaningful welfare reform, and a meaningful redistribution of wealth and income in this country. Well, getting from here to there is easier said than done. It so happens that there's not a maturity in this country or in Congress for doing that right now, and, what Congress has responded to is not giving low-income people dignity that comes with meaningful cash assistance—what they've responded to is these individual needs. We'll hand them some food stamps—we'll give them a section 8 certificate, . . . which all of us get frustrated about sometimes, because that's not really doing anything to eliminate poverty or change the conditions of poverty. In any event, you have Congress responding to individual needs. They're not responding to a Poor People's Platform—they're responding to individual needs. And, whether I like it or not because of my own personal political and social views I know that on the food issue I get the most mileage out of doing a bleeding heart, kind of churchie, feed-the-poor, kind of thing.

Legal services attorneys have lobbied or litigated to secure disability payments to individuals because they were homosexuals, the cessation of technological development of farm machinery because it would put migrant workers out of work, the imposition of racial quotas in medical school admissions, the turnover of large portions of the Eastern United States to persons of Indian ancestry, the payment of supplemental social security benefits to alcoholics, the establishment of "black English" as a separate language, and the upgrading of Armed Forces discharges for persons thrown out of the service because of homosexuality.

Most of these activities are not within the scope of litigation envisioned by Congress when it passed the Legal Services Corporation's 1974 charter. This intent was most clearly stated by Senator J. Glenn Beall (R-Md.) when he said: "[The type of cases which the Legal Services Corporation will be handling] are not cases which reach headlines or front pages of newspapers. But

to the poor, every one of these cases is important, whether it be the family being evicted or a mother having her child taken away. Thus the poor (will be) provided representation in difficult day-to-day problems in such areas as family law, landlord-tenant problems with employment and consumer cases."

Whether various activities by Legal Services recipients are actually illegal under the specific prohibitions of the Act is difficult to judicially establish. In 1977, Congress added a provision to the Legal Services Act to prohibit a litigant against a Legal Services client from raising the validity of that representation in connection with the pending lawsuit. Instead, representation questions were to be referred to the Corporation for resolution and, presumably, were to be judicially reviewed, if at all, only under standards which assumed the validity of the Corporation's very broad determination of the scope of its jurisdiction.

Suffice it to say that this costly and partial procedure for challenging LSC jurisdiction had virtually assured that representation decisions, however unlawful, have gone largely unchallenged.

In spite of the dearth of judicial decisions to provide guidance, however, there are a vast number of cases in which involvement by Legal Services recipients would seem to be clearly in direct violation on any of a dozen specific statutory restrictions.●

WOODROW WILSON BRIDGE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. HOYER. Mr. Speaker, I rise in support of the proviso in the Senate version of the continuing appropriations resolution which would fully fund the reconstruction of the Woodrow Wilson Bridge. This is the only bridge in the country owned by the Federal Highway Administration, and it is only fitting that we provide the \$60 million needed to repair it.

The proviso, as introduced by Maryland Senators Mathias and Sarbanes, and Virginia Senator Warner, is supported by the State of Maryland as being critical to solving the safety problems of the bridge.

Conditions on the bridge have become an increasingly important issue for its more than 104,000 daily users. The structure has three serious problems: a severe deterioration of the concrete deck portion of the structure, a lack of shoulder areas for disabled vehicles, and the existing six lanes cannot accommodate the present 100,000 vehicles which pass over the bridge each day.

Mr. Speaker, one of every four accidents occurring on the Washington Beltway takes place on the Woodrow Wilson Bridge. Of the 103 accidents on the bridge in 1980, 56 resulted in injury or death.

The Maryland State Police of the Forestville Barracks, who are charged with traffic control on the bridge,

have incurred substantial losses in man-hours and equipment because of the poor condition of the bridge. In 1975, Trooper Mark Hudson was killed coming to the aid of a motorist. From 1976 to 1979, two troopers were injured in the line of duty while aiding accident victims on the bridge. This year TFC Vernon Herron and CPL William Vogel were injured in separate incidents.

The Senate version of the continuing appropriations resolution contains the vitally needed funding that will allow the complete redecking which includes shoulder areas in both directions to accommodate disabled vehicles. The engineering plans are complete and await the necessary funding. Every delay will only add to the cost of this project—not only in dollars and in the amount of time wasted by millions of commuters each day through traffic tieups, but also in the lives that have been taken as a result of the horrendous condition of this bridge.

I urge the conferees to support this provision in toto. Anything less will only cause confusion and delay.●

WORLD-CLASS MARITIME MAN

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DAVIS. Mr. Speaker, a respected Great Lakes seafarer recently retired after more than 40 years of dedicated service to the maritime industry that has recognized him as a "World-Class Maritime Man" and that was instrumental in the recent dedication of the John L. Horton Conference Room at the Great Lakes Maritime Academy. It is my pleasure to submit the following article about "Red" Horton from the Cliffs News, while suggesting that this man was the epitome of productivity, efficiency, innovation and sensitivity to the needs of his men and to changing economic conditions within the reaches of the Eighth Sea.

"WORLD-CLASS MARITIME MAN" RETIRES

(By Dave Hoek)

HE WAS "RED" HORTON WHEN, AS A TALL, LANKY REDHEAD, HE REPORTED TO WORK

He sat tall behind his desk, talking intently into the telephone and jotting notes on a legal pad. The call was important and the caller was receiving the man's full attention, even as he leaned back in his chair and rested his feet on a corner of the desk. The conversation would be a long one.

It was a typical pose for the energetic, delightfully youthful man who has been involved in most of the progress of the Cleveland-Cliffs Marine Division for 40 years.

John L. Horton was doing what he liked best in the months just before his scheduled retirement July 1, 1981. He was spearheading a major project, reaching out across the nation to ask advice and to absorb information from marine industry experts he has cultivated as friends and colleagues during

four decades. As assistant to Senior Vice President M. Thomas Moore, John Horton had a front-line responsibility in examining alternative fuel sources for the Great Lakes maritime industry and designing the Great Lakes' first coal-fired vessel in many years.

He was "Red" Horton when, as a tall, lanky redhead, he reported to work February 1, 1941 at Cliffs' Cleveland office. He was entering a career that was a tradition in his family. The lure of the sea had been established early. His grandfather, a construction and marine contractor who helped build Cleveland's breakwall in Lake Erie, had moved his family to Vermilion aboard one of the family's package flat tugs. His father had been a captain on the Great Lakes for the Pittsburgh Steamship Co. (U.S. Steel). Years later, Horton would return to a building the family had owned—now a popular French restaurant on the Vermilion River—and point out splotches of white paint he had dobed on bare wood when, as a boy, he had cleaned brushes for his father.

At Cliffs, Horton was barely into a routine when he was excused for military duty during World War II. He served as a deck officer on hospital and troop ships in the U.S. Army's Transportation Corps. He returned November 4, 1946, as a senior clerk in Marine Personnel.

Horton's career was shaped by his determination, his imaginative goals, his great sense of vessel service to basic industries, his unequalled knowledge of the Great Lakes, and a number of "colorful" marine department managers who guided Cliffs' fleet over the years.

"John always has certain goals he will drive for in a very determined way," one former Cliffs executive said. "They have always been for the betterment of the industry and the men who work in it."

Horton was named marine superintendent in 1950, and manager in 1976.

"Horton studies things very thoroughly and follows through on every aspect of a project—really keeping on it until he knows all the answers."

Described as a great idea man, Horton is one never satisfied with the ordinary. He is known for his "crusades" for safety or improved operations and for urging industry people to study new concepts. His persistence in the face of skepticism led to Cliffs' current coal-fired vessel project, the first project of its kind started in the U.S. and one of the first in the world.

Horton's love for the lakes and his determined way of working have gained the respect of leaders throughout the marine industry. He is well-known and frequently consulted by people in Washington, D.C. at the Maritime Administration, the Coast Guard, the Corps of Engineers, the Environmental Protection Agency, and the Navy.

Horton has traveled "to see for myself" how others operate in the maritime industry. "He decides who he has to get to know to investigate a particular project and then he lines up his contacts. People at all the agencies know and like him," another colleague said. As a result of his pursuits, Cliffs has received more than its share of government grants and funds.

Horton's personality and interests "are the start of a good book," said one colleague, who like many others in Cliffs' Cleveland office, have "Horton anecdotes" to share.

"He loves strawberries and claims he timed a business trip to Europe one time to

correspond with the strawberry season there."

"Did you know he's a vexillologist? That's someone who researches the history of flags. He makes flags too." (His latest is a Cliffs' fleet safety flag.)

"He loves chocolate—can smell it out anywhere in the office. Open a box and he'll appear."

"He likes to think of himself as a lover—a lover of life and variety, of his wife, Florence, their family, and of people."

"John is a dreamer in the very best sense of the word. He has vision and is always concerned about the future of the industry and the quality of the people, their training and skills."

"He enjoys asking people 'What have you done for me today?' to keep the Marine Division foremost in their minds, I guess."

"He wrote a book on seamanship in 1942—still hands it out to people and signs their copies with wild inscriptions."

These human qualities never overshadow John Horton's commitment to the management of the fleet. He played a major role in the design and construction of the three largest vessels in the Cliffs' fleet—the S/S Cliffs Victory, the S/S Walter A. Sterling, and the flagship, the S/S Edward B. Greene.

Construction of the Cliffs Victory is a story in itself. Horton, faced with an immediate need for another ship in 1951, conceived an unheard of plan to convert an ocean-going ship to a lake vessel within 90 days. It called for modifying the hull in Baltimore and towing the vessel to New Orleans and up the Mississippi River to Chicago for completion—in only nine feet of water with only inches to spare under 115 bridges. Cliffs' success with the venture prompted others to later follow the plan and led to the making of a movie "A Victory for Cliffs" that was distributed to service groups for 25 years.

Horton's plans converted the Cliffs' fleet from coal to steam turbines, led to the first automated single boiler ships in the world in the 1950s and to the first oil-fired fleet which resulted in crew reductions and important economies for the company.

His significant accomplishments also include successful testing of oil from shale as a transportation fuel on the S/S Edward B. Greene. He also negotiated construction contracts for Cliffs' first self-unloaders and managed the Sterling's conversion. He is known for his expertise in other areas too, including food costs and navigation conditions at each port.

Horton was the key man in establishing Cliffs' technical reputation with Detroit Edison Company for the first 1,000-foot vessel project. In short, his contributions to the company and to "my fleet" are important and numerous.

No single cause has motivated him more, however, than fleet safety. His deep involvement in shipboard safety practices and improved equipment positioned Cliffs as a leader in Great Lakes safety. Prior to statutory requirements and as a direct result of his efforts, Cliffs initiated the use of monkey ropes on lifeboats and VERY (flare) pistols. It added lights and whistles to life jackets to aid night recovery and modified jacket design to prevent men from slipping out of them. Through Horton's efforts, a ladder with non-skid steps rather than rungs was developed for Great Lakes boats.

He became "Mr. Safety" on the Great Lakes, a reputation earned even before 1976

when he was named the first recipient of the Shephard Award for Achievement in Merchant Marine Safety, the nation's highest marine safety award. He also served as Chairman of the Marine section of the National Safety Council and was Chairman of the Welfare Committee of the Lake Carriers Association for many years.

Moore summed up the admiration John Horton has earned: "This man cannot be neatly categorized. He is competent, imaginative, sensitive, respectful, persistent—a world-class maritime man."

"John's sense of sailing life and traditions and his lifelong devotion to the service mission of the Great Lakes vessel industry are unequalled. He has made tremendous contributions to the industry and to Cliffs. I'm grateful for his counsel and assistance. We're going to miss having him here."

Curiosity about safety, efficiency and people have been John Horton's career concerns as he has maneuvered Cliffs' fleet into many firsts in the company's pioneering tradition.

Curiosity and a sense of adventure will continue to be part of his retirement too. Horton, a graduate of Miami University in Oxford, Ohio, plans to enroll in graduate level courses at Cleveland State University and to continue vacationing at favorite places in the Caribbean.

His love of the Great Lakes hasn't diminished since his childhood. He and his wife will continue to live near Lake Erie in Rocky River, Ohio and sail their 21-foot Lightning class sailboat out of the Cleveland Yachting Club. ●

AIR TRAFFIC CONTROLLER PROPOSAL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. FORD of Michigan. Mr. Speaker, last night, as an amendment to the continuing resolution, the Senate adopted the entire air traffic controller legislative proposal just recently submitted by Secretary of Transportation Lewis. This proposal was introduced in the House only yesterday (H.R. 5038) by Mr. DERWINSKI, the ranking minority member of the committee, at the request of the administration, and was referred to the Committee on Post Office and Civil Service for its consideration. The administration and the other body are clearly trying a legislative end run around the House and its committee system. This is unfortunate.

This proposal requires careful consideration before enactment. It singles out one small group of employees for special pay and benefits at a time when all other Federal employees; for example, FBI agents, Defense scientists, NASA engineers, are being asked to sacrifice. Its special treatment is not limited to air traffic controllers. It applies to many other FAA employees. It would provide additional pay. Although we have not yet obtained a cost estimate of the bill from the Congressional Budget Office, we estimate

that the cost of implementing the administration's proposal will be in excess of \$50 million in the first year and more than that amount in succeeding years.

The proposal contains several very controversial provisions. For example, it exempts FAA employees from the premium pay cap. It exempts them from dual compensation laws relating to military retirees, and it exempts them from the reemployed annuitant provisions of existing law thereby permitting a Federal retiree to collect both his full salary and his full annuity.

These proposals may be meritorious, or they may not. Clearly, they deserve careful consideration. An initial analysis by the committee staff suggests the legislative proposal may contain numerous technical flaws.

The members of this committee are anxious to do whatever we can to facilitate the recovery of the air traffic control system. We have held discussions with Secretary Lewis regarding the administration's air traffic controller pay legislation, and we have held, and will continue to hold, extensive hearings on the air traffic controller work force. This end-run approach however is not an appropriate way to address this problem. In my view, it is an irresponsible way to legislate and makes a mockery of the legislative process. ●

AMERICA'S INFRASTRUCTURE IS WEARING OUT

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. OBERSTAR. Mr. Speaker, this week the House Public Works and Transportation Subcommittee on Economic Development, which I have the honor to chair, held 2 days of hearings on economic development policy for the decade of the 1980's.

Our distinguished witness list included Dr. Pat Choate, senior policy analyst, Economics, TRW, who is known to many of us as the coauthor of "America in Ruins," perhaps the definitive documentation of the wearing out of this Nation's infrastructure.

Mr. Speaker, this Nation's future economic growth is fully dependent on viable infrastructure: The transportation, communications, water supply, wastewater, and other public capital investments in which we have previously invested so much national treasure.

This treasure has been neglected to the point where, soon, we will face insuperable replacement costs, if we do not pay the replacement costs, if we do not pay the repair bills now.

I invite my colleagues to read Dr. Choate's full, illuminating, and alarming analysis of the current condition of America's infrastructure, and actions for the future which he recommends.

TESTIMONY OF PAT CHOATE, SENIOR POLICY ANALYST—ECONOMICS, TRW

Mr. Chairman, it is a pleasure to be here today to discuss with you a topic of such vital importance to our nation and its communities.

Throughout America—North, South, East, West, urban, suburban and rural—the basic public facilities that underpin our economy are wearing out faster than they are being replaced and repaired. Thus, a large and growing number of communities are now hamstrung in their economic revitalization efforts because their basic public facilities—streets, roads, water systems and sewerage treatment plants—are too limited, too obsolete or too worn out to sustain a modernized economy.

For example, a Department of Commerce survey of the wastewater treatment capacities of 6,870 communities found that over 3,000—46 percent—of these systems were operating at 80 percent or more of capacity. A system operating at this level of capacity generally cannot accommodate additional industrial load. The same survey indicated that water treatment and distribution systems were operating at effective full capacity in a third of these communities. Other studies by the Department of Transportation have documented that one in every five bridges now require major rehabilitation or closure and that as much as twenty percent of the Interstate Highway System is beyond its designed engineered life, is worn out and now requires total rebuilding.

A number of studies have attempted to measure the importance of these public works on the investment and location decisions of individual firms. The most comprehensive of these studies was a Census Bureau survey conducted in the mid-1970's. Over 2,000 firms operating in 254 distinct product classes were examined. For virtually all 254 industry categories studied, the survey found that the availability of public works facilities was either of critical or significant importance to investment and location decisions by the private firms. While not a sufficient condition for private investment, the availability of public facilities was virtually always a necessary condition—an important distinction for public policy.

Moreover, the survey revealed that public facilities were almost always a very much more important locational consideration to firms than were the more visible federal, state and local tax incentives or the availability of industrial revenue bond financing.

Thus, when the deteriorated condition of all these public facilities essential to private sector investment are considered, it becomes clear that the overwhelming majority of the nation's communities—perhaps as much as three quarters—will be unable to support modernized development until major new investments are made in the basic public facilities that undergird their economy.

Well-conceived public works are not pork-barrel. Indeed, investment in public facilities is as essential for national and local economic renewal as investment in a renewed industrial plant. Indeed, public works, along with public education and publicly sponsored research, are the only "supply-side" investments that government itself makes.

Yet in the case of public works, the nation is simply not making those public work in-

vestments that are necessary to underpin the revitalization of our economy. For at least two decades, all levels of government have reduced public works expenditures on maintenance, rehabilitation and new construction in order to balance budgets, reduce taxes and finance a growing array of social programs. In spite of clear evidence of deterioration, the non-inflated value of public works investments by all levels of government declined from \$33.7 billion in 1965 to less than \$24 billion in 1980—a 30 percent real decline.

To rebuild America's essential public facilities, substantially more funds will be needed in the 1980's than have been available in the 1970's. The better and more creative use of financing techniques—such as more extensive use of user fees, privatization or public/private leasing—can raise some of these funds. At the same time, more purchasing power can be obtained from those funds that are available through the elimination of waste and fraud—efficiencies that can flow from improved management and aggressive Congressional oversight.

Yet even with the extensive use of imaginative financing and honest, competent management, simply will not be possible to generate the \$2-3 trillion needed to rebuild America's public facilities. There are too many other compelling public and private demands on the limited capital that will be available in the 1980's. To put the issue in perspective, the Department of Transportation reports that over \$800 billion will be required in this decade to retain just the present levels of service on the nation's non-urban highways; yet this is an amount greater than all of the public works investments made by all levels of government in the decade of the 1970's.

Clearly, difficult choices must be made—choices that will exert profound influences on the national economy, the quality of life of all citizens and the shape and direction of virtually every community's development.

The principal barrier to making these choices in a considered manner is the absence of a public works investment strategy as embodied in a national capital budget. Today, the United States has no inventory of its public facilities; there is no assessment of the condition of existing facilities; there are no standards for the services to be provided by public facilities; there are no investment strategies and no investment priorities; there is no uniform estimate of future investment requirements; there is no basic agreement among the federal, state and local governments on the allocation of authority and responsibility for the financing, construction and operation of specific types of projects; and there is only the most limited oversight by the federal government over those federal public works expenditures that are made—particularly those made in the form of block grants or revenue sharing.

In the absence of such basic policy and management information and a national capital budget, many unintended and unwanted consequences are produced.

First, no overall view is taken of the nation's public works needs, the role of the respective levels of government in meeting these needs, or how individual federal investments relate to each other or to any long-term strategy.

Second, the short term is favored over the long term. Budgets operate on a two to three year cycle which thus biases the budget process towards projects that can be financed in one or perhaps two appropria-

tions. Moreover, in the absence of a longer term strategy, it is often difficult to maintain a coalition that can sustain a long-term project no matter how vital it may be. Unfortunately, many of the nation's most important public works challenges—such as rebuilding the Interstate Highway System and assuring clean and adequate water supplies—will take a decade or more to finance and construct.

Third, in the absence of a coherent national public works investment strategy (which sets investment needs and the ways to meet them) investment requirements for the nation's public facilities cannot be systematically and thoughtfully considered against other important public investment responsibilities such as defense and social requirements—areas where there are consolidated budgets and long-term investment estimates.

Finally, as public facility investments were ignored and deferred in the 1970's so that the limited public funds could finance a growing list of social expenditures, public works investments could again be ignored and deferred in the 1980's because of other more visible calls on the public treasury.

The time has come for the federal government to bring coherence and stability to its public works activities. The first and most important step in this process is the creation and use of a national capital budget.

A national capital budget would consist of six basic components:

An inventory of the nation's public facilities, coupled with an assessment of their physical condition. An estimate of capital investment needs. An estimate of required operation and maintenance expenditures. The identification of sources of financing. The specification of priorities. The identification of the responsible institutions.

By providing a framework in which policy, legislative and management decisions can be considered, a national capital budget can help the President and Congress bring coherence to the nation's difficult public works investment decisions. Such a basic management tool can also help bring stability and certainty to federal decisions—a stability that will permit state and local governments to better plan and manage their public works responsibilities.

But most important, a national capital budget can permit the President and Congress to carefully consider the nation's aggregate public works needs against the nation's aggregate defense and social needs—permitting a balance in investments not now possible.

The rebuilding of the nation's public works is a difficult but critical task that must be faced. Our success in meeting this challenge will largely determine our success in rebuilding our economy and maintaining even the present quality of life of our citizens. The most fundamental step in meeting this challenge is the creation and use of a national capital budget.

Thank you for the opportunity to share my views with you this morning. ●

FINANCIAL CIRCLE LEADER

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mrs. HECKLER. Mr. Speaker, since colonial days the progress and pros-

perity of New England have been closely linked with the development of a thriving financial community in our region. Not only in an economic sense, but also as a driving force in civic and cultural advancement, New England's financial community has for centuries been an integral partner in providing a better life for millions of people.

One of the undisputed leaders of New England's financial circle is a man who epitomizes the long tradition of active concern and involvement in civic affairs—Richard D. Hill, chairman of the board of the First National Boston Corp.

For 10 years the chairman of the parent company of the First National Bank of Boston, Dick Hill has rightly earned the reputation of being "the most influential bank president in New England." A far-seeing and brilliant businessman, he has in the last decade worked to strengthen and modernize the bank's operations—and in those 10 years has presided over a quadrupling of the First National Boston Corp.'s assets.

At the same time Dick Hill has devoted himself to helping the people of Boston build a better life for themselves. He is a central figure not only in economic development—as a former head of the Vault, an unofficial financial coordinating committee that brings together the heads of Boston's largest and most influential firms—but also in countless civic projects. His work as a member of the Boston Committee, established by the mayor of Boston to ease racial tensions within the city, is only one example of his active concern in facing the crucial issues of our time.

Throughout his life, Dick Hill has shown that hard work and a keen intellect remain the keys to success in our society. As a businessman as chairman of the board of trustees of his beloved alma mater, Dartmouth College—as a public figure—and as a devoted husband to his lovely wife, Polly, and father to three fine children—he typifies the ideal of the complete citizen.

Dick Hill's accomplishments are a valuable example of the American system at its best. I wish to call to the attention of my colleagues the following profile of Richard D. Hill—published in the October 25 edition of the Boston Sunday Globe—which captures the spirit of this outstanding man:

"DICK, I THINK YOU OUGHT TO BE A BANKER"

(By Donald Lowery)

Several days after he should have, in the spring of 1941, Richard Devereux Hill went to see a placement officer at the Amos Tuck School of Business at Dartmouth College. His aim was to secure one of the jobs students were required to take in the summer between their two years in the program.

The New Hampshire school "had two jobs left in Boston, one with the First National Bank and one with the National Shawmut,"

Hill recalled recently. The placement officer "looked at me and said: 'Dick I think you ought to be a banker.' He didn't have the faintest idea of who I was."

Hill had never heard of either bank. But after going home to Salem he headed for Boston. "When I got off the subway I just happened to turn right and this was the first bank I came to. That's how careers are made," Hill said in one of his frequent exhibitions of dry humor and quips.

Since the day he landed the \$15-a-week job at the First, Hill has become the most important banker in the most important bank in New England. It is a position, he says convincingly, on which he never had designs.

"I never planned to become president or chairman but I had hoped I would be a senior officer. In terms of planning ahead for my career, I think I would have been perfectly satisfied with a job at a lower level and obviously at somewhat lower compensation," said the 62-year-old Hill, who last year received remuneration in excess of \$330,000.

In the 10 years Hill has been head of the First National Boston Corp., the bank's parent, the assets of the company have grown four-fold, from slightly more than \$4 billion to today's total of \$16.2 billion. The bank has developed a number of new sophisticated banking services, including its computer leasing operations, and it has expanded its locations to the point where it is a truly international bank.

Along with running the bank and its holding company, Hill has been a central figure in most major developments involving the economic health of Boston and Massachusetts. He recently stepped down as the head of The Vault, an unofficial financial coordinating committee whose members are the heads of the largest and most influential businesses in Boston. He is a member of the Boston Committee, a four-member group appointed by Mayor Kevin H. White to help lessen racial hostilities in the city.

A man of average height and medium build, Hill is noted for his understated attire and a subdued manner, attributes uncommon to big bank chief executives, who often appear paranoid.

In describing the role and the influence of the institution he heads, Hill says he does not believe the company has as much power in the city as is generally believed.

"It's a perception on the part of others that may not be absolutely accurate."

"We do not have very many votes either in Boston or in Massachusetts and we have a great deal of competition both within New England and from institutions outside of New England. To the extent that we unwise or unfairly try to exercise this power we're talking about. I'm sure our competition would come in and take some of it away from us."

As to how he fits in the affairs of the city and the region, Hill said: "I really look at my own role as having a great deal of responsibility and a rather limited amount of power."

Mayor White, who has known Hill the entire time the two have served in their respective positions, said: "I like Dick Hill. It's both affection and admiration. He's a man with an independent mind. I consider this rare in both politics and business." White compared Hill favorably with past heads of Boston businesses who have taken leadership roles in civic activities. "I think he really cares about the city," White said.

David T. McLaughlin, the recently appointed president of Dartmouth College,

was the immediate predecessor to Hill as chairman of the college's Board of Trustees and has worked closely with him for five years.

"I find him to be extremely quick, he has a fine intellect and he knows exactly how to apply it to substantive issues in a very efficient and productive manner. He's fun to work with," McLaughlin said of Hill.

Asked what he likes most about Hill, McLaughlin responded, "His humanness. He's a very natural person with a great interest in others."

Hill grew up in Salem where his father was a lawyer and a district court judge. His early schooling was slightly marred by a teacher who said he was bright enough to skip the fifth grade. "That was the year they taught long division and I've had trouble with it ever since," said Hill, who now lives in Marblehead.

As a student in Salem, Hill recalls, "I got reasonably good marks but never in the valedictory level. I was kind of a lazy student because things came to me easily and I didn't work terribly hard."

In high school in Salem, Hill was active in various extracurricular activities and his talent as a clarinet player helped him become the leader of the school's symphony orchestra.

He then went to Phillips Exeter Academy "because my mother thought I was too young to go to college." At Exeter, Hill was part of a dance orchestra that was good enough to get a contract to play on Cunard passenger ships between New York and Liverpool during the summer following his graduation.

Although his father was a trustee of Tufts University and Hill had always thought he would go there, he ended up at Dartmouth, a school his mother liked because it was all male.

While completing his major in economics at Dartmouth, Hill continued his musical activities, founding a dance orchestra called "The Green Collegians", which played big band and swing music at local high school and fraternity gatherings.

Looking back at his college days, Hill said he regrets choosing a "three-two" plan which gave him three years of undergraduate liberal arts studies and two years at the Amos Tuck School. "It was a mistake for me. The trouble with that system is that I missed my fourth year of liberal arts. The senior year is the time when you really should get the most out of liberal arts. That's when you've grown up enough to know what courses you should select and I missed that."

Spending his senior year at the business school did allow Hill to complete college because the Navy recruited his class to serve as ensigns in World War II, contingent on their graduation from Tuck.

During his naval training at Dartmouth, Hill decided he would join the newly formed bomb disposal forces after hearing the sales pitch of a young lieutenant.

"He made it sound very difficult to get into and he also pointed out it was a small group with a great deal of esprit de corps and we could participate in picking our assignments."

Hill spent most of his time in the Solomon Islands and says the only time he was ever worried about his safety was when he was ordered to defuse Japanese bombs that were resting in shallow waters off the shore of a South Pacific Island.

"They had a barge up above me with the air pump that supplied me air through a

hose. When I got down to where I thought the bomb was located, the barge all of a sudden moved away just about as far as they could move it, as far as they could stretch the air hose. It indicated to me they didn't have much confidence in my ability to deal with that bomb.

After his tour of duty, Hill received a special citation from Admiral W. F. Halsey, commander of the South Pacific Fleet, for developing a fuse for personnel mines as an emergency defensive measure in the field during the Solomon Island campaign.

Hill returned to the bank after the war and about three years later made the move that began his corporate ascent. He organized an operation at the bank that enabled independent trucking company franchises to bypass the normal time-consuming settlement of accounts between themselves when carrying freight through each other's territory. The bank established accounts with the companies and settled accounts between the trucking companies.

As he worked on that operation, the bank handled a credit request for what today is the Ryder Systems Inc. truck rental and leasing company, and Hill handled the credit request.

"Because it was a new field for banking and we got there first, it was a great opportunity for us. We became known as a bank with a lot of expertise in the trucking industry." The trucking business mushroomed in subsequent years and Hill earned a reputation as one of the more able young bankers at the First.

Hill became a loan officer at the bank in 1948, a full vice president in 1955 and president in 1966.

"Banking was always fun," Hill said. "Right from the start, the thing I liked most about banking, and still do, is the fact that it brings us into daily association with high-ranking businessmen. In a bank you are dealing with people who make policies in a company. You are dealing with the heart and soul of a company and that's fun," he said.

Along with his dealings with executives of other businesses, Hill said his most rewarding personal experiences in his career have been the friendships developed with other international bankers, including Sir Anthony Tuke, former chairman of Barclay's Bank Ltd. of London; Isao Masanune, chairman of the Industrial Bank of Japan; and Akira Kawasaki of the Bank of Tokyo.

Hill is the father of a daughter, and two sons, the youngest of whom is a banker in the Seattle office of the Continental Illinois National Bank & Trust Co. Pursuit of his career, he said, was not to the detriment of his family life.

"I made it kind of a rule to try not to be out more than two nights during the week. Because we had the same sporting interest, we all like to ski, we all like to sail, when the kids were college age and beyond we saw a lot of them because we rented a ski place in New Hampshire and they'd come up almost every weekend."

Today, Hill is still a fan of swing and big band music, and his fellow clarinet players Benny Goodman and Artie Shaw are among his favorites. Although he no longer plays for money, Hill does occasionally join friends to play Dixieland music.

A recreational sailor since his early teens, Hill once was very active in competitive racing but he had to drop it because of the lack of time. He continues to pleasure cruise on his 40-foot Concordia yawl.

Three years before he reaches official retirement age, which coincides with the

200th anniversary of the First National Bank, Hill does not hesitate when asked what he hopes will be said about him when he departs.

"I hope they say that he left behind a good bank with good successor management and possibly, in the process, contributed something to the improvement to the place we live."

PUTTING A CAP ON LEADERSHIP

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. WOLF. Mr. Speaker, an excellent editorial appeared in the November 1981 issue of *Sea Power* magazine. As the article points out not only do those in government service deserve better, but above all, so do the taxpayers and citizens, deserve the best. We cannot allow the exodus of top management talent from the Federal Government to continue. I ask that the text of this article be printed at this point in the RECORD.

PUTTING A CAP ON LEADERSHIP

Few Americans realize it, but unrealistic compensation limits imposed by Congress on the rest of government virtually guarantee that the most talented people in our naval and military forces, and in the federal civilian work force as well, will leave government service and seek employment in the private sector instead.

Thousands already have. Many more thousands are likely to join them in the very near future unless immediate remedial action is taken.

Now, while I have great respect for the men and women of the U.S. Congress, and for the weighty and sometimes intractable problems that they have to solve, I think that on occasion they seem to "take their eyes off the ball." The recent "pay cap" issue is, in my opinion, such an occasion, and I believe it is time for someone to speak out about it.

While it has not been stylish for the past 50 years to worry about raising compensation levels at the "high end" of our society—quite the contrary sometimes—and while it may be hard to feel concerned about the economic conditions of people making \$50,000 a year, let's turn it over and look at the other side. Business and industry have long since learned that intelligent compensation administration is the cornerstone for retaining and motivating the outstanding performer. Far from establishing policies which result in a flattening or leveling off as one is promoted to higher and higher responsibility, they try to bend the curve in the other direction and provide extraordinary compensation for those who perform in an extraordinary manner—in the intelligent self-interest of the company.

Throughout its history, our country has been most fortunate in attracting to public service outstanding, capable men and women whose talents contributed immensely to our attaining—and maintaining—greatness in the world. Perhaps even more remarkable is the fact that so many elected to make a career of service to their country—in and out of uniform—despite being compensated for their labors at rates that rarely matched those in the marketplace. One can

only wonder where America would be today had it not been able to turn in time of crisis to these selfless, dedicated leaders—people such as Eisenhower, Nimitz, Bohnen, and countless others, both civilian and military.

Still, in days past those who toiled for the government did have the satisfaction of knowing that increased responsibility brought with it more pay—as elsewhere. If an up-and-coming Navy captain was selected for promotion to rear admiral, not only did two stars replace his old insignia of rank, but his paycheck and other forms of compensation received a sizable boost. To be sure, much more was demanded and expected of him, but at least he had more than a title and his new insignia to show for his accomplishments.

Who would believe, though, that under today's ridiculous-beyond-belief ground rules regulating pay for our government executives the same up-and-coming captain later could become the Chief of Naval Operations, a pinnacle five promotions up the ladder, and not receive an additional dollar in base pay? Or that by the fall of 1982, under current pay-increase plans for both civilians and the military, which put an upper limit or "cap" on compensation for senior executives, his pay—as CNO—would be surpassed by that of a middle grade GS-14, a Civil Service rating ranked as the protocol equivalent of a Navy commander? To say the least, that kind of practice hardly serves as an incentive to continue serving the government in uniform!

In fact, a recitation of the havoc pay caps are wreaking might commence with those words we came to know as children—"Once upon a time . . ."—because it sounds almost like a fairy tale. And not one that ends happily, either! Here are some of the more chilling examples of the results of this shortsighted, politically expedient policy which a combination of executive and legislative branch decisions have inflicted upon government executives:

The pay at five—repeat, five—levels of government service is frozen at the same dollar level.

Some 33,000 civilians and slightly over 1,000 generals and admirals are included in the freeze. And, as Congress legislates new pay increases for those on the lower end of the scale, that number obviously will grow.

In the past 11 years, government executives affected by the pay cap have received but three pay raises, amounting to a collective total of 43 percent. In that same time span, private-business-sector executives have averaged pay increases of 116 percent and General Schedule (GS) government employees 118 percent—and the government's hourly-earning index and Consumer Price Index both increased by more than 130 percent.

At least partly as a result, the retirement rate for career government employees whose pay is capped has soared—from 17.6 percent of those eligible to retire in March 1978 to 57.1 percent of those eligible to retire in March 1980.

Any colonel or captain drawing bonus pay of any kind makes more than any flag or general officer in the armed services who is not drawing bonus pay.

What causes all this is that, by act of Congress, the pay of senior military and civilian executives in the government cannot exceed Executive Level V (currently \$50,112). This has caused increasing numbers of senior people each year to be caught in a pay squeeze which makes it more attractive to take early retirement and go on to more lu-

crative jobs elsewhere, while drawing retirement pay that soon rises to the level of the pay they received while working in the government.

Sound strange? It is—and it is driving good people out of the government in droves. Senior military officers are also affected, and only a sense of duty and loyalty to the organization has made some of them stay on longer. But retired pay is tied to the cost of living and rises automatically as the cost of living rises. Many senior people are now in the odd position, therefore, of making more on their retired pay than they would be making if they had stayed on in the government. Legislative relief is obviously needed—and has not been forthcoming.

And yet, on the very day the recent federal spending cuts took effect, the Congress voted itself a bigger operating budget, in addition to a package of personal tax breaks, expense-account advantages, and other financial benefits. While not termed a "pay raise," that package certainly puts more money in the pockets of the country's lawmakers.

Shocking as those examples cited earlier are, though, they don't even come close to this magnificently ironic one which says a lot about our priorities: The six officers who shoulder the greatest burden in connection with the defense of our nation—the Chairman of the Joint Chiefs of Staff and the five service chiefs (including the Coast Guard Commandant)—all receive roughly 17 percent less pay than does the social secretary to the wife of the President of the United States! And that situation is not new; it has continued for several administrations!

In sharp contrast, according to a U.S. News & World Report survey completed in 1979, the median pay among 356 chairmen of the boards of major corporations was \$399,349, that of 325 company presidents was \$373,649, and that of 370 company vice presidents was \$228,187. And none of those individuals has the life and death responsibility for the country and its people that our service chiefs and their senior colleagues have.

On their wisdom and military experience hangs, literally, the fate of the country, for they constitute the senior military advisers to our civilian commander-in-chief, the President.

Still another fascinating contrast is provided by scrutinizing the differences in pay of junior and senior executives working for Uncle Sam and those drawing paychecks in the corporate world. The monthly pay of the Commandant of the Marine Corps, for example, is barely four times that of a newly commissioned second lieutenant, and only 2.6 times that of a civilian who enters government service after acquiring a master's degree in college. But senior General Motors executives are paid 20 to 30 or more times the salary of the average executive trainee.

Is there any wonder that career employees—in and out of uniform—are leaving government service in droves? But why stay after reaching the peak level in pay if your demonstrated talents bring you nothing but more work and greater responsibilities? Why not hang it up early and enter corporate life, where those same talents will not only earn more remuneration for what you are doing but also permit you and your family to enjoy your retired pay while you're still young enough to make the best use of it? And if you have children to edu-

cate, why scrimp on their tuition when you can draw on two sources of income for it?

What is perhaps most insidious about the pay cap phenomenon is that it affects only the senior people in the government—those at the top of the ladder—so does not create the groundswell of public and media sympathy evoked by the plight of the sailor on food stamps who could not make ends meet. Recent pay raises helped him—and he more than deserves that help—but they didn't help senior people at all. But the pay cap will affect younger personnel, if key leaders in the government and military continue to be under-compensated, and retire, at the present rate. There already are 451 key Department of the Navy civilian jobs vacant. They cannot be filled because competent people are looking elsewhere for better pay. This is a shameful situation.

But the real danger to our society and to our country is not the injustices we do our senior civil service and military executives by such a short-sighted executive pay policy. It is in the effect of that policy upon the "comers"—the young men and women who have moved along rapidly, ahead of the pack, and who are the potential outstanding leaders of the future. They take a look ahead and see that for the next few years they will be getting compensation increases, but, if they really make it to the top, all that will increase will be the hours of work, the crushing responsibilities, and the worries and concerns. How much better, they will say, to "split off" now, while the kids are still young and while a full career can be obtained elsewhere. Far better to leave the service of your country after 10 or 15 years and march down a new path, than to spend 25 or 30 years with no further growth or rewards—and then be in a much less advantageous position in seeking a job in business or industry.

What this kind of compensation pattern does is counterproductive: It motivates the top performers, whom you most want to keep, to leave and leaves you with the journeyman performer, who is necessary in some numbers but will never provide the top leadership that is critical.

Now consider this: Under current law an officer can hope to reach the O-6 level—captain or colonel—at the 22-year mark in his career, at about 43. After 30 years of service, he would have to retire, unless selected for continuation for up to five years. If he were selected for promotion to flag or general officer rank he would have the potential of another 19 years of service before reaching mandatory retirement at age 62. On the civilian side, a young man fresh out of college and entering government service could aspire to reaching GS-15 (where the pay cap now hits) after 15 years of service. Theoretically, he could continue serving his government as long as his health and desire hold out, since there is no mandatory retirement age at present for government civilian employees. However, no matter how high either the captain or the GS-15 ultimately advances to, under current law he couldn't make any more money!

It must be obvious to anyone watching a news telecast or reading a newspaper or news magazine that this is no time for mediocrity to be the principal characteristic of our government. But in large measure that's precisely what we shall have if the current pay cap policy, and the resulting drain of talent and brains, are permitted to continue. Excellence of performance is based on both incentive and need. But if incentive is stifled and in turn causes need not to be met, then

those affected will put their talents to use elsewhere. And those who might otherwise wish to serve their government will for the most part elect not to do so. Cold hard statistics already are proving that.

Nevertheless, Congress recently voted to continue the pay cap, then exactly one week later approved and sent to the President a pay bill increasing military pay substantially. The main purpose of the pay bill is to attract to—and keep in—the military services those talented men and women who are so badly needed. Are those two actions consistent? Hardly!

At the time the second vote was taken, the one on the pay bill, those legislators knew full well that, despite all the magnificent rhetoric extolling the bill that would appear in the Congressional Record, none of those officers now serving at the highest five levels of our military leadership—colonels, captains, and above—would receive any additional pay! They also knew that the next lower echelon of our military services, the commanders and lieutenant colonels who will be our future naval and military leaders, would also realize that fact, and perhaps plan their own futures accordingly. How hypocritical can we be? And how short-sighted?

Certainly the current tenor of government and mood of the country is for economy. But I believe that the people of this country want intelligent savings, not savings which are shortsighted and which really cost us more money in the total picture.

And just what are we talking about? Supposing we were to postulate added pay—ranging from an additional \$5,000 to perhaps even \$30,000—for all of the very top people in the civil and military service of their country? Since the number of people affected would be larger at the lower end of the spectrum, let's assume that the average increase would be around \$10,000 per year per person. What we are talking about, then, is a total annual cost amounting to less than 0.05 percent—less than one twentieth of one percent—of our federal budget, or, another way to look at it, less than half of what we spend on health and welfare every day!

If you want to look at a popular vote on this issue, consider how the shareholders—the owners—of large industrial corporations have voted time after time when some shareholder owning eight shares or so has attempted to impose a pay cap on top corporate salaries. Recognizing that if the pay of all the senior officers in a company like General Motors were eliminated entirely it would permit something like a one-penny-per-share increase in earnings, and realizing that these people are responsible for the success—indeed, for the very life and death—of their corporation, shareholders have always voted overwhelmingly, by well over 90 percent, to defeat such pay caps. Can't the members of the Congress and the administration who believe that it is politically expedient to cap our top people see that they are wrong? And not only wrong, but stupid?

As a businessman, as a taxpayer, and as an American who has high hopes that his government will be led and defended by able, dedicated leaders, I am appalled by such an abysmally stupid policy. And I am angry at those who—shortsighted, politically cowardly—perpetuate it.

What needs to be done?

On 1 October, Congress approved a continuing resolution (Public Law 97-51) which maintained the current pay rates for senior

level executives (and thus continued the pay cap) until 20 November, 1981. At that time, either another continuing resolution—or remedial legislation authorizing new, higher pay rates—must be approved. Proposed new rates for senior civilian executive service have already been developed. If enacted into law and funded by Congress, they would automatically raise the pay cap significantly. What is needed now is public support on this vitally important issue. Congress must take some form of definitive action by 20 November, and if the cap is at least raised it will send a much-needed positive signal to the leaders of our government and military.

At this crucial juncture in American history, our nation needs outstanding leaders—in Congress, in our government agencies, in the military. But if members of Congress, whose votes can be the determining factor on whether talented people will be available for those other key positions of our national leadership, worry more about enhancing their own compensation with tax advantages and avoiding any possibility of a political flap rather than worrying about America, then the ultimate cost to our country will be frighteningly high. The time has come for Congress to wake up, to face the facts, to cease and desist. And it also is time for its members to be told by their constituents to alter this ridiculous policy. For not only do those in government service deserve better, but above all so do we, as taxpayers and citizens, deserve the best!

BISHOP MCSHEA: A MAN OF VISION

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● **Mr. RITTER.** Mr. Speaker, the Lehigh Valley of Pennsylvania, whose people I am proud to serve, is an area rich in tradition. A melting pot of many ethnic groups, it has developed a religious heritage which is as diverse as it is devout.

Among those in the religious community, as in the larger community of which we are all a part, a select few shine above the rest. The Most Reverend Joseph McShea, first Bishop of the Diocese of Allentown, is one of those few whom God has blessed with special gifts and talents to better serve His people.

As the founding bishop of the Diocese of Allentown, Bishop McShea has used those gifts wisely to benefit not only the people of his own church and diocese, but also Catholics and non-Catholics alike in the five-county diocese area.

On December 6, Bishop McShea will celebrate the 50th anniversary of his ordination. In recognition of this occasion, Bishop McShea will celebrate a Pontifical Mass of Thanksgiving at the Cathedral Church of Saint Catharine of Siena in Allentown. The celebration will continue with a Golden Jubilee Banquet in his honor.

Born on February 22, 1907, in Latimer, Pa., he entered Saint Charles

Borromeo Seminary in Philadelphia in 1923. He was sent to Rome in 1926 to complete his studies for the priesthood, being ordained on December 6, 1931. A year later, he completed his studies at the Pontifical Roman Seminary and the Lateran University in Rome, receiving doctorates in philosophy and theology. Named titular Bishop of Mina and Auxiliary Bishop to the Archbishop of Philadelphia, John Cardinal O'Hara, on February 8, 1952, he was consecrated a bishop on March 19, 1952.

In February 1961, Archbishop Egidio Vagnozzi, Apostolic Delegate to the United States of America, announced that "His Holiness, Pope John XXIII, has divided the archdiocese of Philadelphia * * * to form the new Diocese of Allentown." At the same time, the Holy Father named the Most Reverend Joseph McShea to be Bishop of the new See of Allentown.

Two months later, on April 11, Bishop Joseph McShea was installed as the founding bishop of the new Diocese of Allentown in the Cathedral of St. Catharine of Siena.

"This diocese begins its life with countless resources, but most of all it has almost a quarter of a million Catholic souls," Bishop McShea said, adding:

"This is a day of birth. The Diocese of Allentown springs forth as another flowering of the Catholic Church, the mighty tree born of the smallest seeds * * *

Twenty years later, a combination of work and prayer has had marvelous effects on the growth of those seeds which have become the Diocese of Allentown. Much of that work and prayer has come from Bishop McShea's own hands and heart—a heart which is always willing to give and to do good for his fellow man.

An April 9, 1981, editorial in the Philadelphia Catholic Standard and Times states that "in a world and in a church rocked by turmoil during the past two decades, the Diocese of Allentown has shown an enviable stability and progress."

Under Bishop McShea's leadership in the early 1960's, a \$7.5 million education expansion program was undertaken, a goal exceeded by more than \$4 million. An editorial in the secular press called it "a new standard for supporting worthwhile causes * * * a magnificent tribute to the vision, courage, and leadership of Bishop McShea."

More than 200 buildings have been constructed, purchased, or completely renovated in the diocese. In 1963, Holy Family Manor was opened in Bethlehem to care for the elderly. In 1964, Allentown College was established in Center Valley through the inspiration of Bishop McShea. In 1968, Archbishop Luigi Raimondi, then Apostolic Delegate to the United States of America, dedicated a \$2.8 million ex-

tended care facility wing to the Holy Family Manor, increasing the capacity to 200 beds and expanding care possibilities. In 1974, Holy Family Villa, a home for retired priests, was opened adjacent to the manor.

"Today's intellectuals sneer at bishops who build," Bishop McShea wrote in 1969, "but these buildings are the indispensable tools of every form of apostolate. Thank God that the generosity of our people and the dedication of our priests and religious make these works possible."

Throughout the past 20 years, Bishop McShea has become known as a leader as well as a builder. In 1966, Bishop McShea called for a diocesan modernization plan which included the convocation of a diocesan synod to shape the diocese in light of the teachings of the Second Vatican Council. On May 1, 1968, after 18 months of preparation, the First Synod of Allentown was celebrated, establishing a set of 110 general norms and regulations to govern its maturing life. This synod has been hailed as one of the first and most successful diocesan synods in the Nation after the Second Vatican Council.

In addition to its building and educational programs, the Diocese of Allentown has been the center for two national movements.

The first, National Shut-In Day, was founded in Reading in October 1970. It gained nationwide recognition in 1972 when President Nixon signed a congressional resolution establishing the third Sunday of October as Shut-In Day.

The second, Operation Rice Bowl, was founded in the Allentown area in 1975 by clergymen of varying faiths. It has spread to Catholic dioceses throughout the United States, raising several million dollars during the past 5 years, of which \$700,000 was contributed by Catholics of the Allentown Diocese alone.

In August 1980, Bishop McShea mandated that a basic catechism would be used in all religion classes in the diocese. The Standard and Times called the bishop's decision "an action which could and should set a pattern for diocese throughout the United States."

In 1961, Bishop McShea called the Catholic families of the diocese to work and pray for the sake of the new diocese. In 1981, he calls the Catholic families to work and pray for the sake of the families themselves, saying, "Family life, of course, is the key to good community, civil, and political life."

As for the future, Bishop McShea stated in February that he is focusing especially on three areas of pastoral care: Campus ministry, ministry to the Hispanics, and pastoral hospital ministry.

"Much has been accomplished up to the present," he said, "but I would think that in the next year or so we can do even more."

During the past 20 years, the Diocese of Allentown has grown from 243,260 in a total population of 897,325 to 260,157 Catholics in a total population of 1,032,343. Much of this growth can be attributed to the wisdom and courage of Bishop McShea. His foresight has allowed those few seeds of 20 years ago to blossom into a prosperous and faithful Catholic community whose members work and pray together as the larger family of Christ of which they are all a part.

I am happy to serve Bishop McShea as a Congressman, and I am proud to call him my friend. His 50 years of service should serve as an inspiration to us all. ●

FUTURE OUTLOOK—NATURAL GAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● **Mr. COLLINS** of Texas. **Mr. Speaker**, America is seriously concerned about the future of natural gas. A sound evaluation of the outlook was made in a recent speech by Secretary of Energy, James B. Edwards. He spoke before the American Gas Association in Washington, D.C.

He emphasized the need for America to be realistic and for Congress to take the leadership in moving toward immediate deregulation of natural gas. Here are the major sections from the speech of November 18, by Secretary of Energy Edwards.

I suspect that early on after the election last year, many of you were not yet convinced that this Administration was really going to keep its promises. Or that our efforts to deregulate our Nation's energy market would really work. By now, I think most of you are firm believers in our commitment.

Everyone—even the critics who predicted no one would be able to afford gasoline—can see that oil decontrol has been a smashing success. In most parts of the country, gasoline costs less now than it did earlier in the year. And, for the first time in recent memory, the average cost of home heating fuel actually declined a little last month.

But, Washington is undergoing a major transformation. There's a new spirit in the capital these days. I'm sure all of you realize that this President is different from other presidents we've had. Even the bureaucracy is finding that out. He's made promises that he intends to keep. He's given us marching orders that he expects us to follow. And he's set the Nation on a course from which he has no intention of deviating. This President isn't just a man you work for. He's an inspiration. He inspires ordinary men and women to greatness. He wants us to put our narrow interests aside and to stop playing politics with the Nation's future.

He is going to keep on driving down inflation. He is going to keep on cutting the government down to size. And he is going to keep right on dismantling the regulatory apparatus that has stifled our Nation's progress, weakened our resolve and dimmed the light of leadership to which so many other countries look for solace, support and security.

We think we are doing our share. We're not so sure sometimes if industry is always accepting its share. After years of coddling, some sectors of American industry are a little afraid of competition. This Administration believes that competition is in everyone's interest. The oil companies are back in the business of competing with each other; other sectors, including the gas industry, we hope will accept the same set of rules.

The national debt has just exceeded a trillion dollars. That's more money than even a New York banker can comprehend. Think of it this way: If we sold every acre of farmland in America, all the grain and livestock, all the machinery—everything—the proceeds would just about cover our debt.

We've already taken the ax to the Department of Energy's paperwork requirements. More reductions in paperwork are on the way. But just because industry doesn't have to fill out as many government forms—that doesn't mean anything goes. There are plenty of risks. Some of them are already evident. Very few oil companies are making money these days in their downstream business. In order to compete, gasoline is sometimes being sold under cost. Who would have thought even a year ago that the government was not going to perpetually guarantee dealers and oil companies a comfortable rate of return through the Department of Energy's price controls?

The gas industry, too, needs to realize that controls on the price of gas aren't going to last much longer. We can't afford to keep paying a subsidy everytime a Btu of natural gas is burned in America. Correcting the deficiencies in the Natural Gas Policy Act is still on our agenda. I know a few of you are not convinced that decontrol is in your best interests. We're convinced that it is in the Nation's best interest.

The President is as committed to getting the government out of regulating the price of natural gas as he was during the campaign. I expect to continue consultations with Congress and look forward to being able to submit legislation early next spring. We don't intend to call for a windfall profits tax.

The Cabinet Council's proposal to the President, which he has under consideration, is to correct the deficiencies in the present NGPA. Now, what are these deficiencies? First, price. The experts projected that the price of oil in 1985 would be about 16 dollars a barrel. We all know what has happened in that market. Second, after the NGPA runs its course, 40 percent of the old gas will still remain controlled. We recommend that all old, as well as new gas, be decontrolled over a three-year period. The third item to correct is restrictions to the use of natural gas under the Fuel Use Act and incremental pricing. Fourth, we have recommended that a new category be created for newly discovered gas, but the price will be capped off at the Btu equivalent of oil. This discourages a person from discovering new gas and holding it off the market until decontrol is completed. We're proposing to set the maximum price at about 70 percent of the oil equivalent.

There are other non-price issues that must be considered, and these we expect the

Congress to take up. The main issues are re-determination clauses and the most-favored-nation clauses in contracts and the access to offshore gas in both interstate and intrastate markets.

Now, what will this do for you? Our studies show that there will be increased conservation that will help us back out of the use of imported oil.

The price will go up moderately but at a manageable rate. The residential price of natural gas is already climbing at 5 to 10 percent a year in real terms. Our study, released last week, provides examples of the impact of decontrol options. We estimate that under phased decontrol the price would go up 10 to 15 percent. That means the average residential buyer will pay 40 to 80 dollars a year more for gas. In the long-run, the consumer will pay roughly the same for gas. And we'll avoid the sudden, sharp price hike in 1985 that is built into the NGPA. That hike would directly cost the consumer about \$170 in one year plus the inflationary effects that such a price shock to the economy would cause. Our proposal will have a minimal impact on inflation and on the Gross National Product and a negligible impact on unemployment.

We realize that some of the pipelines will—in the short-run—find that decontrol puts a crimp in their way of doing business. And we realize that some gas distribution companies are afraid that higher prices will reduce demand for gas.

It comes down to all of us paying a little more for natural gas on an interest-free installment plan, or facing a politically unacceptable crisis in 1985.

No one should think that come 1985 we'll just roll over and let the NGPA be fixed up so gas remains subsidized. If we don't start fixing the NGPA now, there will be a spike in 1985. That will throw the market into disarray. In addition, some consumers will be hurt a lot more than others because of inequitable access to cheaper price-controlled gas.

President Reagan is asking all of us to make sacrifices; that includes not just the consumer and the taxpayer, but the producers, transporters and distributors of our energy. There may be a few gas companies for whom accelerated decontrol would cause genuine hardship; but, while there will be some shifts in the market, no catastrophes await any of the pipelines and distributors.

Our studies show that the production of gas will not slacken immediately because of decontrol. Instead, the assurance of decontrol will provide the market incentive to develop new fields and to explore for more gas. And we're pursuing passage of the Alaska Natural Gas Pipeline waiver package in Congress. If built, it will expand the amount of gas available in the lower 48.

In short, this Administration is doing its utmost to see to it that there will be plenty of energy available. We think the gas industry has a bright future—but only if the government gets out of the way and leaves it up to industry to match supply and demand. Decontrol will create a stable, predictable market, one where the rules of the game aren't subject to change everytime a bunch of bureaucrats and liberal congressmen decide to interfere.

I realize it isn't easy for a company to sacrifice short-term earnings because of a long-term promise from the government. These days, we are all in the habit of being too present-oriented. Rest assured that the liberal's roller coaster ride is over. The rules

aren't going to keep on changing, and the economy isn't going to keep on declining.

This President realizes that if we don't turn the country around now, if we don't stop bickering among ourselves about who is going to accept the responsibility, and if we don't restore our confidence in ourselves, this country is lost. America is not yet out of the woods. We need incentives to conserve more while at the same time producing more gas, oil, coal, renewable resources and other types of energy. Decontrol will spur conservation and production.

Oil drilling in this country is up nearly 40 percent this year because of decontrol. Gas drilling nudged ahead only six percent. If the gas industry wants to restore its lost share of the energy market—which has gone down from a third to a quarter—we need to do more drilling and more finding. Decontrol will assure that.

The quarter century of experience we've had with manipulating the price of gas by government fiat ought to be proof enough that the market is a far better taskmaster than the government. The government, I'm afraid, has often been too easy on industry. It has become easier to adjust to regulation than to fight it. It is easier to be told what to do than to accept the responsibility for voluntarily assuming a share of the Nation's burden.●

IRVING KRISTOL TELLS THE TRUTH ABOUT REAGANOMICS AND THE FACTS BEHIND THE BIRTH OF "SUPPLY-SIDE" TAX CUTS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. KEMP. Mr. Speaker, as it becomes increasingly clear that the economy entered a recession before the administration's delayed tax cuts could take effect, it is also increasingly clear how absurd it would be to further delay the tax cuts. The simple fact is that you do not raise taxes during a recession; at least, we haven't since the days of Herbert Hoover.

In fact, we should accelerate the cuts in individual tax rates. As Irving Kristol explained in today's Wall Street Journal, this is a point on which both Keynesians and supply-siders can agree, although for sharply different reasons. The Keynesians think we need to increase demand during a recession. The supply-siders, on the other hand, see increased after-tax incentives as a way to increase output and saving.

Kristol presents a convincing argument in favor of accelerating the Reagan tax cuts. I commend his excellent article to my colleagues and ask them to join Bob Walker and those of us who want to accelerate the tax cuts so as to meet the growing problems of unemployment and negative growth.

The article follows:

THE TRUTH ABOUT "REAGANOMICS"

(By Irving Kristol)

Mr. Kristol is professor of social thought at the NYU Graduate School of Business, a senior fellow of the American Enterprise Institute and a member of the Journal's Board of Contributors.

On or about Oct. 1, the American economy fell off a cliff. So, unsurprisingly, did interest rates. And so, unwittingly, did most of the critics of the administration's economic program.

It is true that even now one hears politicians, in a state of free fall, declaiming to empty space that what this shattered economy needs is either a rollback in President Reagan's tax cuts or a whole new set of taxes. But it is reasonable to assume that such declamations will cease once it occurs to these falling bodies that a tax increase is an absurd prescription for a recession.

Why did the economy collapse? The answer is obvious and has no connection with "Reaganomics." It was the collision between the swollen Carter budget for fiscal 1981 (which ended Sept. 30) and the tight money policy of the Fed, which combined to push interest rates sky-high and the economy into a decline.

It had nothing to do with Mr. Reagan's tax cuts, which are only now beginning to be phased in, and in a minimal way at that. It had nothing to do with Mr. Reagan's budget cuts, which are still largely on paper. And it certainly had nothing to do with an increase in defense expenditures, which are as yet a gleam in the Pentagon's eye.

One might ask: What would have happened if Jimmy Carter had been reelected? Government spending would have been unaffected, since he would have been presiding over his own budget, already promulgated. The Fed would have kept money tight—this policy had been so prior to the election—in an effort to prevent run-away inflation. We would have been exactly where we are today, and for exactly the same reasons.

What might have changed this scenario? Well, if the tax cut had been put in force earlier and to a more substantial degree, it would at least have made the economy's fall less precipitous and even (as "supply-siders" hoped) might have prevented it altogether. It was a major point of the "supply-side" thesis that the negative effects of tight money could be muted, if not annulled, by the positive effects of tax cuts. But conservative Republicans in the Senate, hypnotized by the size of the Treasury's deficit—they have neither learned nor forgotten any economics since the days of Herbert Hoover—insisted on the tax cuts being phased in more gradually.

So where do we go from here? There are three alternatives open to the administration.

RECOMMEND COURSE OF INACTION

First, it can do nothing and just wait for the economy to right itself. Most conservative economists would strongly recommend this course of inaction. As interest rates tumble, as the inflation rate continues to decline and as we approach the 10% tax cut scheduled for July 1, the economy ought to show signs of life—by the second quarter of 1982 perhaps, by the third quarter probably.

Even if interest rates should then start picking up along with economic activity, the increase in corporate cash flow as a result of accelerated depreciation, along with the increased savings and investment created by the tax cut and the flow of funds into Individual Retirement Accounts should moderate the rise.

Second, the government could increase its spending in order to stimulate the economy. The logical candidate for such an increase would be in the area of defense expenditures—since we're going to spend that money in any case, why not spend more of it now rather than later? The trouble with this strategy is that government spending takes its time to have any effect, and it usually starts to stimulate economic activity when the economy no longer needs it.

Third, the administration can try to persuade Congress to move forward—say, to Feb. 1—the 10% tax cut now due on July 1. At the moment this would be difficult, in view of the rhetorical fog exuded by the media and sundry politicians about "Reaganomics." But after a dismal Christmas, the mood of the country could be such as to welcome it.

Incidentally, and ironically, this last strategy—clearly my own choice—is one that any liberal-Keynesian economist would endorse, for reasons having nothing to do with "supply-side" economics. On their analysis, the economy is suffering from "fiscal drag," and the "full employment" budget is actually in surplus. But after having publicly vilified "Reaganomics" so enthusiastically, the Democrats in Congress have made it close to impossible for the party to accept a quickening of the 1982 tax cut. And the Republicans' emphasis on a balanced budget makes it equally difficult for them to do so. So unless or until the recession worsens, Congress is committed to inaction.

Meanwhile, we may as well clear our minds about the issue of "Reaganomics." One of the most distressing aspects of David Stockman's unfortunate interview is the distorted history of "Reaganomics" that it presents, one that is now being gleefully accepted and promulgated by Mr. Reagan's detractors. On this topic I can speak with an authority equal to David Stockman's—we were both there in the early days of the creation—and, for reasons beyond my comprehension, he has got it wrong.

Actually, "Reaganomics" as it finally took shape was the result of a confluence of two streams of economic thought—the "supply-side" school and the "capital formation" school.

The "supply-side" approach was (and is) essentially populist in its approach—which is the reason Ronald Reagan instinctively found it so appealing. Kemp-Roth called simply for a 30% tax cut on all income tax rates for all taxpayers. There was no cut in business taxes, no cut in inheritance taxes. Only individual taxpayers benefited, and all in the same proportion.

This last aspect of the bill upset liberals who seem to feel that any tax cut that does not aim at the redistribution of wealth favors the more affluent. Kemp-Roth was certainly nonegalitarian in this sense. But it did not "favor" anyone. It was simply indifferent to the issue of income distribution. There is plenty of evidence that such indifference is more widespread among Americans than are any egalitarian passions.

But it was not only liberals who disliked Kemp-Roth. The majority of conservative economists—including such distinguished men as Arthur Burns, Herbert Stein, Charles Walker, among others—thought it a misguided effort at tax reform. They believed that any tax cut should aim more directly at the problem—a very real problem—of capital formation. Instead of a cut in tax rates for everyone, which they opposed, they openly pressed for accelerated depreciation, a lower capital gains tax, a reduction in the

top rate of income tax and so forth. The "supply-siders" thought these were all worthy goals, but believed strongly that income tax relief for all tax payers must precede tax cuts for business and the more affluent.

The original tax cut that President Reagan sent to Congress was little more than Kemp-Roth, pure and simple. But then something bizarre happened. The Democratic leadership in the House, desirous of passing "its own" tax bill rather than the administration's, started tacking on the capital-formulation agenda to the "supply side" bill.

UNHAPPY "SUPPLY-SIDERS"

The White House watched with incredulous satisfaction as both agendas were merged into one piece of legislation, and then overwhelmingly passed. The only ones who were unhappy were the "supply-siders"! Their individual tax cut was lowered from 30 percent to 25 percent and was phased in much more gradually than they had hoped.

So there was no "Trojan Horse," no deception, no conspiracy. What is now called "Reaganomics"—the totality of those tax cuts—was a bipartisan creation. And in the long view, the totality of those tax cuts represents the most progressive piece of tax legislation in our history—"progressive" in the sense that it lays the groundwork for sustained and superior economic growth in the years ahead.

In that same interview, Mr. Stockman used the phrase "trickle down" to describe the administration's economic policy, and this has served as a red flag to all those of an egalitarian inclination, who believe that the fruits of economic growth should be equally shared from the outset by everyone.

The phrase, in fact, is an inaccurate one—"trickle out" would better describe the process, since the initial beneficiaries from economic growth are not necessarily and are never exclusively the existing rich. The U.S. has many thousands of businessmen and inventors who have become very rich in the past decade through entrepreneurial innovation. In the course of becoming rich, they have created new jobs (and new careers) for tens of thousands of employees. Is the fact that these employees are today less rich than their employers to be deplored as an inequity? Of course not.

It is inherent in the dynamic process of economic growth that, while everyone benefits over the long term, not everyone benefits equally, and most certainly not in the shorter run. The very incentives that lead to economic growth run counter to any such egalitarian results. What liberals and socialists really want are entrepreneurs and innovators who are selflessly dedicated to their tasks, and who seek no material rewards as a token of their success. Perhaps the world would be a better place if such people existed in larger numbers—but they don't exist in such numbers, never have and (one may fairly presume) never will.

Which is why people who inveigh against "trickle down" are, wittingly or not, committed to a utopian economics. They say they want economic growth but are hostile to the necessary preconditions for economic growth. It is that hostility which accounts for their animus toward "Reaganomics." They are so fearful it might work that they are rushing to discredit it before it has even been tried. ●

THE SMALL BUSINESS INVESTMENT INCENTIVES ACT

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. MARRIOTT. Mr. Speaker, unless we act quickly, we may have the dubious honor of standing watch over the demise of much of America's small business community. The ability of this Nation's sole proprietorships, partnerships, and small corporations to provide jobs, ideas, and a foundation of strength for our economic system is being swept away by a combination of long-term high inflation, huge increases in energy costs, heavy regulatory burdens, a tax system biased against the smaller firm, and unexpectedly high interest rates.

The good news, of course, is that all of these areas have been addressed: For the first time in memory, an administration has taken serious aim at its own regulatory arsenal and put much of it in mothballs, particularly where small business is concerned; moreover, another precedent was set earlier this year when both parties finally gave the small business something more than lip service in their tax packages.

In recent days, both inflation and interest rates have shown moderate declines; unfortunately, for far too many small firms, the improvement is a case of too little, too late, as shown by the following excerpt from recent testimony of the National Small Business Association before the Subcommittee on Tax, Access to Equity Capital and Business Opportunities of the House Committee on Small Business:

SMALL BUSINESSES ARE HURT FIRST AND HARDEST

It is almost universally recognized that small businesses bear the greatest burden of any credit squeeze.

Council of Economic Adviser's Chairman Murray Weidenbaum told the Wall Street Journal: "In periods of monetary restraint, the smaller, weaker borrowers suffer most."¹

In an attempt to measure the financial impact of high rates in detail, our association recently completed a report on business bankruptcies.²

BANKRUPTCIES

We found a dramatic rise in business failures that has been parallel to interest rate movements. From mid-1980 to mid-1981, business bankruptcies tabulated by the U.S. courts increased 30.1 percent over the previous year. That is the second largest year-to-year rise of the past 20 years, exceeded by

only the 45.2-percent increase occurring between 1974 and 1975.³ Court-filed bankruptcies have thus been running at an alltime record rate of more than 4,000 per month since January, 1981.

Even more current and more alarming are figures from Dun & Bradstreet for January 1 through September 3, 1981, which reflect that business bankruptcies increased from 7,812 to 11,076, a jump of 41.8 percent compared with the same 35-week period in 1980.⁴

Smaller businesses (defined as those with liabilities of \$100,000 or less) comprised 50.53 percent of the 1981 total, and reportedly businesses with \$1 million or less accounted for about 90 percent.

It is also well known that certain industries are particularly sensitive to interest rates, and have therefore taken a beating from high rates. These include home building, construction, automobile, and farm implements.⁵

An industry breakdown of the D&B figures for the 35-week period is as follows:

1981 compared to 1980

Construction.....	+48.5
Services.....	+37.6
Retailing.....	+41.4
Manufacturing.....	+36.9
Wholesaling.....	+30.1

Since many small businesses are undercapitalized to begin with, owners are often required to put up personal assets such as their homes as additional security for business loans. If a bankruptcy follows, an owner can also have his family life shattered, exacting a "toll of personal tragedy."⁶

We must also emphasize to this subcommittee the many reports of well-managed, hitherto sound businesses which are at the end of their rope, and which will not be able to continue in the face of persistent rates in the neighborhood of 20 percent.⁷

IMPACT OF INTEREST RATES ON SMALL BUSINESS CAPITAL FORMATION AND SURVIVAL

In the best of times, capital formation is more difficult for smaller firms than for larger ones.

A fresh study by the Reagan administration clearly establishes anew the disadvantage of smaller size.

The Commerce Department utilized five banks in various regions across the country to take samples of the business community and survey the unmet needs for capital.⁸

This study concluded:

Capital gaps are a reality (page 4);

Gaps as to borrowed funds occur primarily in the intermediate to long-term maturities (page 4);

Independent firms are at a disadvantage in capital markets (page 5); and

¹ Court filings are on the basis of the "statistical year" of the U.S. Courts which record the information. For the past 2 years the figures have been as follows: Statistical year July 1, 1979 to June 30, 1980—36,433; statistical year July 1, 1980 to June 30, 1981—47,414 (Excluding joint petitions).

² "Business Failures Increase," New York Times, September 13, 1981.

³ Herman and Foldessy; op. cit.

⁴ Interviews with Samuel Greenbaum, Esq. and Charles A. Doctor, Esq., Washington, D.C., September-October, 1981.

⁵ See Testimony of William D. Barth, Director of Small Business Practice, Arthur Andersen & Co. before the Senate Finance Committee in behalf of NSB's Small Business Legislative Council, May 20, 1981.

⁶ "An Empirical Analysis of Unmet Demands in Domestic Capital Markets in five U.S. Regions," U.S. Department of Commerce, February, 1981.

¹ "Surge in Interest Rates Puts Squeeze on Already Ailing Economic Sectors," by Tom Herman and Edward P. Foldessy, May 7, 1981; first page of second section; page 29.

² "Report on Business Bankruptcies," National Small Business Association, September 21, 1981.

Small firms have the most difficulty obtaining capital (page 5).

In the area of equity capital, hearings in the Senate have documented similar difficulties of smaller and even medium-sized businesses, especially at the bottom of difficult economic cycles.*

These problems are dramatized by the statistics for the mid-1970's, which show that small firms (worth \$5 million or less) were able to sell only nine registered stock issues in 1974 and four in 1985.¹⁰

This subcommittee, chaired by Mr. Nowak, and on which I am the ranking Republican, heard from many others whose testimonies reflected the same concern. The National Federation of Independent Business, for example, told us,

The state of small business is dangerously weak. Over the last year, thousands of small firms have gone out of business, and today many more are just barely holding on. . . . As the interest rates paid by these reluctant borrowers has risen with anticipated inflation, cash flows have been squeezed even further.

In fact, the NFIB concluded that, "for many firms, this prolonged period of high interest rates has been the 'knockout' blow after having been severely debilitated by the adverse effects of years of unsound government policies."

M. Eamonn McGeady, speaking on behalf of the Chamber of Commerce of the United States, noted,

For many businesses, especially the small ones that are relatively more dependent upon short-term debt, effective defensive measures have long since been exhausted in this 3-year battle with high and rising interest rates.

Incredibly, our past tax policies have forced investors to weigh the tax shelter benefits of a venture before they even consider its potential profit or productivity. There is something terribly wrong when an investor can receive tax credits for putting money into an oil well with little probability of oil production, or into a shopping center that is never fully occupied, but not for providing badly needed capital to a promising small business. It is time to rechannel investment money from tax shelters, where the success of the business is not the primary consideration, to areas where success is actually a prerequisite for the best return.

For that reason, I, and 24 of my colleagues, Mrs. SNOWE, Messrs. WILSON, BAFALIS, FORSYTHE, DE LA GARZA, HANSEN of Utah, BADHAM, GINGRICH, ROTH, JEFFRIES, McDADE, McEWEN, CRANE, DREIER, WILLIAMS of Ohio, CONTE, NEAL, DAUB, WEBER of Ohio, LOTT, STATON, EVANS of Georgia, and ROEMER, are today introducing the Small Business Investment Incentives Act.

First, the bill amends the Small Business Investment Act by removing

the \$35 million ceiling on leverage to any one small business investment company (SBIC). The ceiling, which has been in effect since 1976, is inconsistent with the purposes of the 1958 act. It discourages the formation of new, large SBIC's and stunts the growth of existing SBIC's.

Second, it allows SBIC's to make loans to their employees to buy stock options. This will make SBIC laws consistent with Public Law 96-477. Allowing such option plans will enable SBIC's to attract more talented management and could allow them to give the employees a stake in the business.

Finally, it establishes a small business participating loan, with special incentives for loans to minority and disadvantaged businesses.

Under this program, the loan would be made to a company with equity capital of less than \$10 million. It would not be subject to Securities and Exchange Commission regulation. And, it would bear a stated rate of interest—at least 6 percent—plus pay a negotiated percent of the profits for a negotiated period of time.

The advantages to the lender are as follows: (1) The stated interest paid by the borrowing business would be taxed as ordinary income to the lender; (2) the share of the borrowing business' profits would be taxed at the preferential capital gains rate; (3) the lender would be entitled to deduct any losses incurred as ordinary losses; (4) an investment tax credit (ITC) of 20 percent of the amount of the SBPL, or \$20,000—whichever is less—would be allowable to the lender; in the case of a joint return, the limit would be \$40,000, and (5) on a loan made to a minority or disadvantaged business—as defined by the SBA—the lender would qualify for an ITC of 30 percent of the amount of the loan, or \$30,000, whichever is less. In the case of a joint return, the limit would be \$60,000.

There are clear advantages to the small business borrower as well: (1) Interest payments would be a deductible expense; (2) obtaining growth capital through the SBPL would not require giving up a share of the business' equity to an outsider—something small businessmen and women are extremely reluctant to do; (3) the SBPL is self-administering—no additional Government redtape would be required; and (4) since return on investment depends on the small firm's profitability, the business would have a lender with a vested interest in its success.

I submit that this approach is far superior to any direct grant or loan of the taxpayers' money. It relies on the private sector almost entirely. Moreover, it should redirect investment capital from dead end investments, tax shelters that cause a "revenue loss" to the Treasury without any recapture of new tax revenues, to areas that will

spur job creation, innovation, and productivity. Finally, it recognizes the fact that, for the past decade, well over 95 percent of the capital obtained by small businesses has come in the form of loans, since most small companies are not incorporated and so do not issue stock.

The record makes it abundantly clear that this kind of creative approach is overdue. A lot of people have recently taken to quoting John F. Kennedy's observation that "A rising tide lifts all the boats." That's no consolation to a boat already driven onto the rocks or in dry dock for repairs. Unfortunately, that is the state of many of America's battered and bankrupt small businesses. This proposal is one step we can take to prevent even more small firms from joining their ranks.

I would urge my colleagues to join the rest of us, who represent both parties and a broad spectrum of political philosophies, in this effort to avoid tinkering with monetary policy while we seriously attack the problem of high interest rates as they affect our small business community. The history of this Nation—economically, socially, and politically—demonstrates that it is a worthy cause indeed.●

HOUSTON ELECTS FIRST WOMAN MAYOR

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. LELAND. Mr. Speaker, today I am proud to be a Houstonian. I am proud that my city has elected Kathy Whitmire, the first woman mayor of Houston. Kathy received 62 percent of the runoff vote and won in virtually every election precinct. The fact that every important ethnic and socioeconomic group gave her strong support is very significant. She appealed to the wide diversity of Houston voters because of her mixture of fiscal conservatism and social progressivism. While she stressed both her ability as the former city controller to save the taxpayers millions of dollars, and her ability as a certified public accountant to manage the city, she certainly did not win the election because of money. Her opponent, Jack Heard, spent more than three times as much money as she did. Heard spent \$1.5 million while Kathy spent only \$650,000. To counterbalance her lack of funds, Kathy used the volunteer support of hundreds of people from all walks of life throughout the city.

Kathy Whitmire's victory is a sterling example of the power of the people. She ran her campaign with great integrity and I am certain she will bring the same degree of integrity

*See 31st Annual Report, Senate Small Business Committee, Chapter III, pp. 29-62.

¹⁰31st Annual Report, loc. cit., page 34.

to her new job as mayor of Houston. Kathy's style of management will bring together the many diverse groups that live in Houston. I recommend that my colleagues take a few minutes to read the following two inspiring articles:

[From the New York Times, Nov. 19, 1981]

FEMINIST MAYOR FOR HOUSTON

(By William K. Stevens)

HOUSTON.—She beat them all: the Mayor, who in the voters' minds had apparently allowed the quality of public services in explosively growing Houston to slip badly; the sheriff, who called his 5-foot opponent "that little lady," and the bankers and lawyers and developers and big-money people who once largely decided who was elected to public office in Houston.

Kathy Whitmire, who was married at the age of 20, widowed at 30 and a seasoned politician and dedicated feminist at 35, won a stunning victory Tuesday to become the first woman to be elected Mayor of this boisterous, muscular city, a city long seen from afar as a masculine preserve of Big Oil, country-Western music and good-ol'-boy ways of looking at the world.

Mrs. Whitmire, after four years as City Controller, defeated Sheriff Jack Heard in a runoff-election landslide, just as together they had resoundingly sent Mayor Jim McConn toward unwilling retirement two weeks before. Final unofficial returns gave Mrs. Whitmire 62.5 percent of the runoff vote. She won in virtually every election district and ran strongly among every important ethnic and socioeconomic group in this increasingly polyglot city.

In January, Houston will join the company of three other big cities with mayors who are women: Chicago, San Francisco and Phoenix. "I'm proud of that," Mrs. Whitmire says. But in terms of Houston itself, the nation's fifth largest city, both she and others see a greater significance.

THERE'S ROOM FOR DIVERSITY

What it means, the Mayor-elect said, is that Houston is growing up. "there's room for diversity in this city, and I think that's good," she said in a relaxed conversation a few days ago. "Nobody has control. I think what my administration will represent is the idea that Houston can be managed like a business and that it doesn't have to be the captive of a few power brokers."

Mrs. Whitmire won the mayoral race with almost no support when it counted from the moneyed power brokers. But, even after her impressive victory, political analysts were already saying that to avoid a strong challenge in 1983 she would have to convince those same interests that she could deliver on her overriding election promise: to apply the principles of sound business management so as to improve basic city services.

It is hardly a revolutionary manifesto, and Kathryn Jean Whitmire is no revolutionary. But she is a deeply committed feminist. She learned to speak in public by stumping against repeal of Texas' ratification of the proposed equal rights amendment. As early as 1973, she was an active member of the National Women's Political Caucus.

She has taken strong stands in favor of nondiscriminatory hiring policies in city agencies, including the hiring of homosexuals as police officers if they apply and are qualified. In matters of human rights and equal opportunity, she would be called a liberal elsewhere. She shies away from the term, however, because it is anathema in

Texas politics; she prefers to call herself a "progressive."

SUBDUED CAMPAIGN STYLE

But in money matters Mrs. Whitmire is an out-and-out conservative, and in this fusion of fiscal conservatism with an otherwise generally liberal outlook she may be representative of many rising politicians of her generation. She is a Democrat, although the mayoral election is nonpartisan.

Her Texas-accented campaign style is subdued, even bland, but she is somewhat more animated in private. Until recently she wore her hair in a platinum, shoulder-length pageboy. She has changed it now to a curlier, shorter style in its natural honey color. It is less flamboyant, more in keeping with the tailored suits she wears and the moderate, sensible image she tries to project.

She was born Kathryn Niederhofer in Houston on Aug. 15, 1946, the daughter of Karl and Ida Niederhofer. Her father, a retired electrical contractor, and mother are now divorced.

The Mayor-elect has been interested in politics "as far back as I can remember," she said. She "always figured I would marry somebody in politics," and did. She met Jim Whitmire when they were both students at the University of Houston, from which she holds an accounting degree, in the mid-1960's. By all accounts the relationship was very close, almost to the point where the two were alter egos. She became a certified public accountant, rising to audit manager for the firm of Coopers & Lybrand.

PREOCCUPATION WITH POLITICS

But politics was the Whitmires' preoccupation and hobby. He ran twice for the City Council and lost. Her own ambition was growing in those years. And when her husband died of complications of juvenile diabetes in 1976, she took up the mantle the next year and ran successfully for Controller. In that post she established a reputation as an aggressive guardian of the city's financial health who did not hesitate to cross swords with Mayor McConn or anyone else.

The Whitmires had no children, and Mrs. Whitmire has been devoting her full energies to politics and government. Her reputation is that of a tough administrator who will brook no frustration or tolerate ineffective performance by a subordinate, an adroit infighter whose every important move is made with one eye on politics.

Mrs. Whitmire lives in half of a duplex in Southwest Houston that she co-owns with her brother, Tom, and sister-in-law. They have installed a swimming pool, and Mrs. Whitmire likes to go to the beach, but, as for hobbies, the Mayor-elect asks with a laugh, "What are those?"

[From the Washington Post, Nov. 20, 1981]

MAYOR-MANAGER—HOUSTON'S NEW CHIEF EXECUTIVE WANTS TO MAKE FIFTH BIGGEST CITY RUN BETTER

(By Dan Balz)

HOUSTON.—She is barely 5 feet tall in a city of soaring expectations, a 35-year-old accountant in a den of dealmakers, and the first woman elected mayor in the history of brawling Houston. But if any of that overwhelms Kathy Whitmire, she isn't letting on.

She won a landslide victory Tuesday, swamping her opponent with 62 percent of the vote, and as a horde of reporters camped outside her city hall office awaiting her first official press conference as mayor-

elect, Whitmire stared straight at the problems that confront her.

"I'm not a no-growth candidate and I didn't think my opponent was a no-growth candidate," she said, "so it wasn't a referendum on growth. People in Houston have had a lot of opportunities that have been brought on by the economic boom, and I don't think there are very many people who want to do away with that kind of opportunity."

"But I think the growth would stifle itself if the city government is not about to do something about the traffic and the flooding and the crime."

She has none of the flippant feistiness that marks her mayoral sister to the north, Jane Byrne of Chicago, but there's a steeliness about Whitmire's conviction that what this fast-growing city needs more than anything now is good management in city hall.

"That's what I ran on," she interjected when asked whether management reforms alone were enough to overcome the monumental traffic jams, inadequate public transportation, rising crime and deterioration of city services that mark daily life in Houston. "In Kathy Whitmire's opinion, that is what's needed. Absolutely."

She is trying to devise a tricky formula to guide the city in the next two years—an attack on the effects of growth without wrecking the growth climate that has made Houston the nation's fifth-largest city. But Whitmire sees the formula from the other side. Solving the problems of growth, she says, is what it takes to avoid inhibiting growth.

Whitmire has yet to persuade skeptics that reforming the local bureaucracy is the kind of leadership that Houston wants or needs. "Many of the traditional power-brokers in the city that did not support Whitmire will have to be convinced that she can do a competent job as mayor or they're going to start looking for an attractive candidate to run against her in 1983," said Richard Murray, a political scientist at the University of Houston.

"I think Dick's just wrong," Whitmire said, characterizing her election as representing "a new direction at city hall."

Whitmire was born and raised in Houston, the daughter of working-class parents. She remembers when the first freeways were built, how she used to get around on the bus and that she never worried about locking her doors at home, but she shares the view of many local residents that Houston today is a better city than when she was young.

Married at age 20, she got involved in local politics through her husband. "I've always been interested in politics," she said, "and I always expected to be involved in politics, except that I expected to be the wife of a politician or a candidate rather than to be one myself."

But in 1976, her husband died, and shortly after that the office of city controller was vacated. Whitmire, a certified public accountant, jumped into the race, and because Houston had never elected a woman to any elective office, her campaign became a crusade that attracted thousands of volunteers.

As controller she became a visible critic of incumbent Mayor Jim McConn, opposing pay raises for city employees, and denouncing a \$1.35 million street inventory as a "pothole study." She also reformed the pension program in the city and reworked the financing of the city water system to head off tax increases.

Whitmire is a Democrat, but she seeks to avoid political labels. "I think that every-

body recognizes that on financial matters I am very conservative," she said. "But when you say conservative . . . people extend that into a lot of other things like being against women's rights and against individual liberties."

"I don't subscribe to any of those philosophies," said the woman who won the active support of the city's gay community. "I'm not in favor of the government trying to control anyone's life. I'm really even a strong defender of property rights in that I don't favor zoning. So how you classify that in terms of liberal and conservative, I don't know." ●

WORKING AMERICANS: THEIR NEEDS FOR THE FUTURE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. OBERSTAR. Mr. Speaker, the House Public Works and Transportation Subcommittee on Economic Development, which I have the honor to chair, held hearings this week on economic development policy. We will draw heavily on the wealth of factual information developed at these hearings when we write our legislation next year.

One of our most informative witnesses was Dr. Janet L. Norwood, Commissioner of the Bureau of Labor Statistics, U.S. Department of Labor. She gave us a truly eye opening and enlightening picture of today's diverse labor force, one which I would like to share with my colleagues.

STATEMENT OF DR. JANET L. NORWOOD, COMMISSIONER, BUREAU OF LABOR STATISTICS

Mr. Chairman and Members of the Subcommittee, I am pleased to be here this morning to review with you some labor force issues involved in economic development. Before we look at developments for the future, however, we must be sure to understand where we are today. A number of developments have occurred over the last few decades which must be considered in labor market planning for the future.

UNEMPLOYMENT

Unemployment has been considerably higher in recent years than it was in the 1950's and 1960's. The overall jobless rate averaged 6.2 percent during the 1970's, compared with less than 5 percent in each of the previous 2 decades. Changes in the age composition of the labor force as well as social and legislative changes that affect the supply and demand for labor have contributed to this pattern. While the exact causes of the rise in unemployment are complex and discussion of them tends to arouse considerable controversy, the one unquestioned fact is that there are now many more young workers than there were previously. Millions of children born during the post-war baby boom have grown up and entered the labor force. As a result, the labor force now contains a higher proportion of young people than it used to, and teenagers always have higher than average jobless rates.

But we know that the impact of unemployment has never been evenly distributed across demographic groups. Blacks and

other minorities have always been worse off than whites, women have typically had higher jobless rates than men, and youth unemployment exceeds that for more mature workers.

In general, unemployment rates for black Americans typically are at least twice the rates for whites, and jobless rates for the Hispanic population fall between those of whites and blacks. But black teenagers fare the worst of all worker groups. In October, the jobless rate for black and other minority workers was 15.5 percent, the highest on record. The rate for teenagers in this group was 43 percent.

It is not surprising that young people have higher unemployment rates. Youngsters need time to explore the job market and to gain the experience and training that will lead to future success. Furthermore, many young people combine school and work. They often experience a period of joblessness as they move in and out of the labor force. It is true that young people have the highest incidence of unemployment, but they also experience the shortest periods of joblessness.

Moreover, the policy implications are quite different when the unemployed are students—who often seek part-time work—or when they are young people who have dropped out of school without completing their education credentials. Among persons 16 to 24 years of age, the jobless rate for drop-outs runs roughly twice the rate for those who completed high school.

Cyclical movements in the economy tend to affect certain labor force groups and geographic areas more than others. Since economic recessions tend to affect employment in manufacturing and construction most severely, men generally are harder hit than women, because most factory and construction workers are male. In addition, those geographic areas that are heavily dependent on durable goods manufacturing are affected more sharply than other areas. In recent years, the old industrial areas of the Midwest and Northeast have suffered as people have moved to new jobs in the South and West and as cyclical reductions have occurred in the demand for manufactured goods. It is, therefore, not surprising that Michigan's unemployment rate is now the highest in the Nation.

In addition to these recent economic developments, the composition of unemployment reflects long-term labor force trends. In October, 44 percent of the unemployed were adult men, 35 percent were adult women, and the remaining 21 percent were teenagers. While the female share of unemployment has been generally rising over time as women's labor force participation has increased, the cutbacks in the goods-producing sector have caused a relatively greater increase in joblessness among men. Among all demographic groups the vast majority of the unemployed are seeking full-time jobs: four-fifths of the adult women, three-fifths of the teenagers, and 95 percent of the adult men want full-time work.

We must remember, too, that considerable turnover occurs in the ranks of the unemployed from month to month. Typically, even in a month when the unemployment level is unchanged, about half of the unemployed were not unemployed in the previous month. A little more than a quarter of those who were unemployed in the previous month will have found employment, and a little less than a quarter will have left the labor force, perhaps to attend school, devote full time to other activities, or go into retirement.

UNDEREMPLOYMENT

Underemployment is also a worrisome problem, although it is not easily defined. "Visible underemployment" as defined by the International Labour Office refers to people who do not have a sufficient amount of work. In the United States, we regularly measure and publish statistics on the number of persons who are working part time but who want to work full time. This statistic has been rising recently as the labor market situation has deteriorated. In October, a record 5 million persons were working part-time because their hours were cut back or because they were unable to obtain full-time work.

The more classic concept of underemployment was that used by the Gordon Committee in 1962. The Committee referred to the "employment of persons at jobs that call for less than their highest level of skill (and at wages less than those to which their skills if fully utilized, would normally entitle them)." In this sense, underemployment is the relationship between the quality of the job and the ability and skill of the incumbent. The trouble is that scaling these abilities and skills is very difficult.

Education is, of course, desirable in and of itself. But education also brings with it an expectation of obtaining a particular type of job. The National Center for Educational Statistics projects that in each year of the decade of the 1980's about 1.1 million people will graduate from college. But we in BLS project that only about 850,000 openings will occur each year in jobs which traditionally have been held by college graduates—that is, professional, technical, managerial, and administrative jobs. This imbalance suggests that nearly 1 graduate in 4 will probably have to enter an occupation not previously requiring a college degree.

LABOR FORCE COMPOSITION

Women.—Let's turn now to demographic changes in the profile of the U.S. labor force. The most striking change, of course, has been the increased participation of women in the labor force. Today, more than half of all women are in the labor force. This compares to one-third in 1950. While women over age 35 made the greatest strides in the 1950's and 60's, the last 10 years have been characterized by phenomenal advances in labor force participation among younger women. The participation rate of women in the 25- to 34-year age group was 34 percent in 1950, rose to 45 percent by 1970, and reached 66 percent in 1980.

As more and more women enter the labor force, the proportion of multi-earner families increases. Looking at data just for wives, we find that fewer than 1 of every 4 was in the labor force in 1950, compared with 1 of every 2 wives today. What this means is that the "traditional" family, in which a working husband supports his homemaker wife and two children, is no longer typical. In 1980, this type of 4-person family represented only 6 percent of all American families. The increase in labor force activity has been particularly strong among wives with children. In 1980, 4 out of every 10 preschoolers had a mother who worked outside the home. The proportion is even higher among school-age children—6 out of 10 of them had a working mother in 1980.

Another demographic change with important social implications is the dramatic increase in the number of families maintained entirely by women. Currently, there are about 9 million such families, one out of

every six families in the Nation. Women who maintain families tend to face severe problems in the labor market—their unemployment rate in recent months has exceeded 10 percent. Moreover, these women are much more likely than other workers to be the sole family earner. When unemployment strikes, the family has fewer options and tends to be very hard hit.

Minorities.—During the 1970's, the share of black and other minority races in the labor force rose to 12 percent. This increase resulted entirely from population growth; the participation rate for black men declined even more than that for their white counterparts, while the participation of black women rose less than that for white women.

Blacks are expected to continue to increase their share of the labor force in the 1980's. These gains will occur both because of population growth and because of rising labor force participation rates for minority women. Because the birth rates among black and other races did not decline as soon nor drop as much as among whites—blacks are expected to account for 1 of every 5 additions to the labor force during the 1980's. This compares to 1 in 10 additions in the 1960's and 1 in 7 in the 1970's. We all know that blacks have not fared as well as whites in the labor market; their jobless rates are very high. If we are to succeed in narrowing the large differential in black and white unemployment rates, these projections imply that blacks must obtain more than 1 of every 5 additional jobs generated during the 1980's.

Youth.—We expect the rate of labor force growth to slow during the 1980's because of the reduced birth rates during the 1960's and early 1970's. The youth labor force (16-24 years of age) will actually decline during the next decade. This will reduce the number of young people available to join the Armed Forces or accept employment in those industries that draw their workforce primarily from this age group. It will also reduce the market for educational institutions and those industries that produce goods and services for youth. As the youth share of the labor force declines, of course, the adult share will increase. This means that we can expect a future work force that is, on average, more skilled, more experienced, and potentially more productive than we have had in the recent past. This development can be expected in spite of the long-term secular decline in the labor force activity of adult men. As early retirement has become more prevalent, the decline in labor force participation rates has been especially large among men over 55 years of age.

INDUSTRY COMPOSITION

Workers of the future will work in different industries than workers of the past. Thirty years ago, one in every 2 workers was employed in agriculture, mining, construction, or manufacturing; the other worked in the service sector—transportation, public utilities, trade, finance, insurance and real estate, services, or government. In the last 3 decades, however, 90 percent of all new jobs were in the service-producing sector. By 1980, only 3 out of every 10 jobs were in the goods-producing sector.

Within the service-producing sector, business services, amusement and recreation services, legal services, social services, and, especially, health services expanded their work forces. The private health industry alone added more than 2 million jobs during the 1970's.

Factory jobs continued to increase, but very slowly. And employment in such important industries as autos, steel, railroads, and textiles actually declined. Nevertheless, the oil and gas extraction industry (in mining) and the electronic computer equipment industry just about doubled their job counts.

The industrial composition of employment differs from place to place. New England and the East-Central regions of the Nation have the highest share of goods-producing jobs, while the Middle Atlantic States have the highest share of service-producing jobs. All areas have, however, participated in the rapid growth of service jobs.

The States with the most rapid employment growth between 1950 and 1980 were generally in the South and West. Nevada, Arizona, and Florida were the three States with the highest percentage growth. Slow-growing States were concentrated in the north-central and northwestern areas of the country. West Virginia, New York, Pennsylvania, and Rhode Island registered the smallest percentage increase in jobs.

During the next 10 years, we expect continued employment growth in the services industry as medical, business, and other services generate many jobs. State and local government's share of total employment will probably decline during the 1980's.

Factory jobs are projected to hold their own during the next decade because of an acceleration of investment and an increased emphasis on defense expenditures.

Since I have covered a great deal of material, let me conclude by summarizing some major points:

The burden of unemployment is not shared equally among all groups of our society. If the historically-wide dispersion between blacks and whites is to be reduced, it is estimated that more than one in five of the additional jobs generated between 1980 and 1990 will have to go to black workers.

With the rapid increase in the labor force participation of women, the multi-worker family has become the norm—at least among married couple families. Families maintained by women, however, face serious problems in the marketplace.

Seven out of ten jobs are now in the service-producing sector and job growth is expected to continue to be stronger in this component of the economy.

Mr. Chairman, thank you for inviting me to testify today and I would be pleased to answer any questions which you or the Committee members might have.

APPENDIX: SOURCES OF DATA

The labor force data come from the Current Population Survey (CPS), a monthly sample survey of about 60,000 households, representative of the civilian noninstitutional population of the Nation. The CPS provides a large amount of detail on the economic and social characteristics of the population. It is the source of monthly estimates of total employment, both farm and nonfarm, and total unemployment, whether or not covered by unemployment insurance. It is a comprehensive source of information on the personal characteristics of the population, such as age, sex, race, educational attainment, and marital and family status.

Counts of nonfarm payroll jobs, hours, and earnings, come from the Current Employment Statistics program, a cooperative Federal-State venture which collects data from a sample of establishments employing over 30 million wage and salary workers. The data relate to all workers, full- or part-time, who received pay during a specific

payroll period, and are available by considerable industrial detail for the Nation as a whole and by State and metropolitan areas.

Employment and wage data for workers covered by unemployment insurance laws are compiled from quarterly tax reports submitted to State employment security agencies. These reports provide a virtual census of workers (and their wages) of private nonagricultural employers and the Federal Government. The majority of State government employees are also included.

Local area labor force and unemployment estimates are a product of a Federal-State cooperative program in which State employment security agencies prepare estimates under concepts, definitions, and technical procedures established by BLS. The monthly estimates for 10 large States are obtained directly from the Current Population Survey. Estimates for smaller areas are based on administrative statistics from State unemployment insurance operations and other sources.●

FUTURE OF THE SECURITY OF THE WORLD

HON. ROBERT W. DAVIS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. DAVIS. Mr. Speaker, this week two very important events took place which will bear directly on the future of the security not only of the United States, but of the world.

The first was the speech by the President proposing reductions in strategic and theater nuclear weapons, conventional forces and also increased discussion of ways to prevent war. The second was the passage by this body of the fiscal 1982 defense appropriations bill containing funds for the B-1 bomber and MX missile. I would like to express my strong support for both of these actions and explain why I believe the two are not inconsistent.

I don't believe there is anyone among us that could not feel a sense of hope being stirred by this major foreign policy initiative. It was truly a historic occasion and may one day be marked as one of the significant turning points in our quest of a more peaceful world.

On the same day, the House of Representatives turned back by wide margins attempts to delete funds from the defense appropriations bill for two major strategic nuclear programs, namely the MX and B-1B. I am sure that opponents and cynical observers would attribute this to "business-as-usual" or political considerations by the Congress on a day which also marked the beginning of a major peace effort aimed at reducing the chance that such weapons ever are used. If Congress had really wished to make a sincere statement of support for the President's speech, the opponent would say, funds for these new,

costly, destructive nuclear weapons would have been cut.

Such a view does not consider, however, the factors which allowed the President to offer such a policy in the first place. As President Reagan pointed out in his speech, these issues must be kept in their proper perspective and be considered in the context of the military build-up by the Soviet Union. They have made tremendous improvements in all phases of their military forces, nuclear and conventional, offensive and defensive, air, land, and sea-based. Let us not kid ourselves; Soviet leaders are deadly serious about their nation's military forces. These forces have been increased and improved and the potential threat which they pose to the national security of the United States and our allies cannot be ignored.

The Reagan administration took office with the intent of addressing a number of serious problems in our Nation's defenses. I believe we have made progress in less than a year in some of these areas although much remains to be accomplished. Perhaps the most important is the effort to rectify the perceived strategic imbalance. It has been a part of accepted American military doctrine that military weakness, or even perceived weakness is the surest way to invite aggression. In fact, it has been a part of military thought for thousands of years. In terms of 20th century strategic nuclear doctrine, this concept has evolved into a policy insuring stability; that neither superpower shall ever be able to perceive a benefit greater than the cost of initiating a nuclear war. The validity which each of us attaches to this policy is closely tied to the assumptions we make regarding the intentions of Soviet policymakers. When mistaken assumptions could well result in nuclear war, it seems wise, to my way of thinking, to move very carefully. Allowing our strategic forces to become ineffective based on hope is not careful in my view.

Improvements in Soviet strategic nuclear forces coupled with the growing obsolescence of American strategic nuclear forces has created a threat to the strategic stability or balance. The B-1B and the MX are the results of programs to upgrade our forces to regain that balance. I am aware of the numerous arguments that have been presented on both sides of these issues relative to the merits of the programs. Personally, I am convinced by the arguments in favor of the programs and this House is on record strongly supporting both. The point which I would like to stress in this statement is that going ahead with these programs is not incompatible with the goals outlined in the President's speech.

Many opposed to the MX and B-1 programs have focused on the seemingly never ending build-up of strate-

gic nuclear forces and asked how continued spending on such programs can possibly lead us to a more peaceful world. To respond to that, I would again paraphrase the President and state that such decisions must be viewed from the proper perspective; the programs are in response to a perception of a potential danger, a danger which cannot be ignored. There is a period approaching of instability in the strategic balance which if we do nothing to avert, may result in the perception, whether real or imagined that there is a vulnerability. Our efforts to "close the window", in terms of these specific programs are therefore short-term and should not be viewed as a regressive step to our long-term goal of negotiating an end to the threat of nuclear destruction.

To continue to pursue our long-term goal, we must indicate that we sincerely seek to pursue reductions of military forces and that the door back to the negotiating room is always open. This the President has done in the most visible and direct fashion.

We cannot, however, seek to negotiate from a position of weakness. We cannot allow our military forces to deteriorate from insufficient attention and resources. We cannot use our long-term goal as our excuse for not doing what must be done in the short-term to keep ourselves strong. We cannot gamble on negotiation because in the world of negotiation, there is no guarantee.

In a more pragmatic sense, if we do not fulfill our short-term goals, we will actually set back our long-term effort. If both sides do not similarly perceive the threat posed by the existence of nuclear weapons, what incentive remains to proceed to the negotiating table?

These short-term goals must be kept in their proper perspective, however. Because our country will continue to rebuild our defenses and maintain our strength, it is not a signal that our long-term goals are false or merely rhetorical. Let no one underestimate the sincerity of our intention in seeking a more peaceful world. A world without war, as difficult as it is to imagine at times, is one of the most powerful motivations there is.

We will continue to pursue our long-term goal, but we will proceed carefully. The stakes are too high to follow any other course than this.●

CHEMICALS AND CANCER

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1981

● Mr. OBEY. Mr. Speaker, the following article by Dr. Samuel Epstein provides an important perspective on two

of the most important health questions of our time: What causes cancer and how can it be prevented? The two questions are related. They are the focus of a heated debate between those who stress the importance of involuntary exposure to environmental carcinogens and those who emphasize lifestyle factors such as smoking while suggesting that environmental causes like carcinogenic chemicals in the workplace are relatively unimportant. The argument revolves around the relative importance that one ascribes to either environmental carcinogens or lifestyle factors. In the debate in this area, like many other health areas, the scientific evidence is incomplete and sometimes contradictory. I believe that Dr. Epstein makes a useful contribution to the debate by pointing out the scientific problems with the data used by some lifestyle proponents. I certainly don't believe that the last word is in, and I personally don't even agree with some of Dr. Epstein's arguments on the role of diet, but I do think that he puts his finger squarely on the way the chemical industry uses the lifestyle argument to take the public's eye off their own contribution to the problem of cancer causation.

FALLACIES OF LIFESTYLE CANCER THEORIES

Peto's article, purporting to be a review of the book *The Politics of Cancer*, is largely a restatement of the lifestyle theory of cancer causation. This theory postulates that if you get cancer it is essentially your own fault, and that the causal role of past involuntary exposure to environmental and occupational carcinogens is trivial. Not surprisingly, the lifestyle theory has emerged as the major professed basis of the chemical industry's objections to the regulation of its carcinogenic products and processes. As an enthusiastic proponent of this theory, Peto asserts that smoking-derived and fat-associated cancers "collectively account for more than half of all cancer deaths." As a corollary, of Peto's emphasis on lifestyle factors, he denigrates the role of occupational and environmental carcinogens and the need for their effective regulation, claiming that there has been no recent increase in cancer mortality rates other than that due to smoking. We shall demonstrate that there is scant scientific basis for the lifestyle theory, and that it is in fact contradicted by a substantial body of published evidence.

CANCER RATE TRENDS

Peto justifies his emphasis on lifestyle factors by dismissing evidence for recently increasing cancer rates, apart from "that due to the massive effects of smoking on lung cancer". However, there is substantial evidence to the contrary. Standardized cancer death rates, adjusted to the 1940 age structure of the total United States population, show a progressive overall increase of about 7 percent from 1935 to 1970 (ref. 4) despite marked reductions of stomach cancer rates for unexplained reasons and of cervix cancer rates for reasons including the frequency of elective hysterectomy for non-malignant disease and the success of screening programmes. These trends are consistent with standardized mortality data for the United States (Table 1), where they are even more marked in black males, and with

crude mortality data for the United Kingdom (Table 2). The overall rate of increase in US cancer mortality in the 7-year period from 1969 to 1976 (5.5 percent), adjusted to the 1970 age structure, is substantial and comparable with that for the preceding 35 years, 1935 to 1970 (7 percent). The overall increase in incidence rates is even more marked than mortality rates in the past decade, involving a wide range of organs besides the lung (Table 3). Moreover, the increase in incidence for all sites is comparable with that when lung cancer is excluded (Table 4).

Reliance on overall age-adjusted incidence or mortality rates alone is simplistic, as such rates can mask steep increases in organ-specific cancers in high risk population subgroups, such as asbestos insulation workers or menopausal women treated with oestrogen replacement therapy. The overall probability, at today's death rates, of a person born now getting cancer by the age of 85 is 27 percent for both men and women; this is increased from the 19 percent for men and 22 percent of women born in 1950. Furthermore, recent cancer rate trends reflect exposures and events beginning some 20 or 30 years ago, when the production of synthetic organic chemicals was relatively trivial compared with the present levels. The production of synthetic organic compounds in the United States in 1935, 1950 and 1975 was about 1, 30 and 300 billion pounds per annum, respectively; sharp increases have also been observed for a wide range of derived industrial products such as chlorinated hydrocarbon solvents, plastics and resin materials, and of industrial carcinogens, such as vinyl chloride and acrylonitrile. It is reasonable to anticipate that greater production has been paralleled by increased exposure of increasing numbers of both the workforce and the general public, which is likely further to accentuate increasing trends in cancer rates. It must also be recognized that before the 1976 Toxic Substances Act, which the chemical industry so effectively stalled for so long, there were no requirements for testing chemicals before their introduction into commerce (with the exception of special-purpose legislation for drugs, pesticides and food additives). Thus, the overwhelming majority of industrial chemicals now in use have never been tested for chronic toxic and carcinogenic effects, let alone for ecological effects.

ROLE OF SMOKING

As emphasized in *The Politics of Cancer* (p. 178), "Smoking is the single most important cause of lung cancer, as well as of cancer at other sites, chronic bronchitis and emphysema, and cardiovascular diseases". Less well appreciated by lifestyle advocates is that overemphasis on smoking is widely used to divert attention from occupational causes of lung and other cancers. Of the approximately 100,000 annual lung cancer deaths in the United States, at least 20 percent occur in nonsmokers. It is relevant that lung cancer death rates in nonsmokers approximately doubled from 1958 to 1969, an increase maintained since. Furthermore, the role of occupational exposure to carcinogens was not recognized in most of the classic epidemiological studies which linked lung cancer with smoking. This led to overestimation of the contribution of smoking compared with occupational risks or to their possible interactions.

TABLE 1—AGE-ADJUSTED CANCER MORTALITY RATES PER 100,000 U.S. POPULATION FOR SELECTED SITES BY SEX AND YEAR 1969-76, AND AVERAGE PERCENT CHANGE ¹

Site	Sex ²	Mortality rate per 100,000		Average percent change 1969-76	
		1969	1976	Annual	7-year
All sites	WM	195.0	210.2	0.9	7.8
	WF	129.0	133.8	0.5	3.7
Stomach	WM	10.6	8.7	-2.9	-17.4
	WF	5.3	4.1	-3.6	-22.6
Colon	WM	18.7	20.7	1.3	10.7
	WF	16.2	16.5	0.0	1.9
Rectum	WM	6.9	5.6	-3.0	-18.8
	WF	3.9	3.2	-2.1	-17.9
Pancreas	WM	11.0	11.0	0.0	0.0
	WF	6.6	6.8	0.3	3.0
Lung	WM	55.0	66.7	2.6	21.3
	WF	10.2	17.8	7.5	74.5
Melanoma	WM	2.0	2.6	4.0	30.0
	WF	1.4	1.6	0.8	14.3
Breast	WM	26.2	27.2	0.3	3.8
	WF	5.5	3.9	-4.9	-29.1
Cervix	WM	4.6	4.2	-1.7	-10.5
	WF	19.0	21.0	1.2	8.7
Prostate	WM	7.1	7.5	0.6	5.6
	WF	2.1	2.0	-1.4	-4.8
Kidney	WM	4.3	4.5	0.6	4.7
	WF	2.0	2.1	0.7	5.0
Leukemia	WM	9.4	9.2	-0.4	-2.1
	WF	5.7	5.2	-1.7	-8.8

¹ For age adjustment the 1970 U.S. population was used as standard.
² WM, white male; WF, white female.

TABLE 2.—CRUDE CANCER MORTALITY RATES PER 100,000 POPULATION FOR SELECTED SITES BY SEX AND YEAR, ENGLAND AND WALES, 1971-77, AND AVERAGE PERCENT CHANGE

Site	Sex	Mortality rate per 100,000		Average percent change 1971-77	
		1971	1977	Annual	6-year
All sites	M	265	283	1.1	6.8
	F	215	233	1.3	8.4
Stomach	M	30	28	-1.2	-6.7
	F	21	19	-1.7	-9.5
Large intestine and rectum	M	30	32	1.1	6.7
	F	34	35	0.4	2.9
Respiratory	M	106	112	0.9	5.7
	F	22	29	5.3	31.8
Breast	M	45	47	0.7	4.4
	F	15	16	1.1	6.7
Prostate	M	17	19	1.9	11.8
Bladder	M	12	12	0.0	0.0
	F	4.1	5.1	3.7	24.4
Leukemia	M	7.0	7.2	0.4	2.9
	F	5.5	6.0	1.5	9.1

TABLE 3.—AGE-ADJUSTED CANCER INCIDENCE RATES PER 100,000 U.S. POPULATION (WHITES) FOR SELECTED SITES BY SEX AND YEAR, 1969-76, AND AVERAGE PERCENT CHANGE ¹

Site	Sex	Incidence rate per 100,000		Average percent change 1969-76	
		1969	1976	Annual	7-year
All sites	M	346.6	374.0	1.3	7.9
	F	271.5	301.2	2.0	10.9
Stomach	M	15.4	12.6	-2.3	-18.2
	F	7.1	5.6	-3.7	-21.1
Colon	M	34.5	36.9	1.5	7.0
	F	30.6	31.4	0.7	2.6
Rectum	M	17.5	19.4	1.3	10.9
	F	11.1	11.4	1.2	2.7
Pancreas	M	12.1	11.5	-0.5	-5.0
	F	7.5	8.0	0.9	6.7
Lung	M	70.6	77.8	1.4	10.2
	F	13.3	23.7	8.6	78.2
Melanoma	M	4.4	6.8	6.8	54.5
	F	4.1	6.1	6.2	48.8
Breast	M	73.9	83.5	1.8	13.0
	F	16.0	10.6	-5.9	-33.8
Cervix	M	22.6	31.2	5.9	38.1
	F	14.9	13.6	-0.4	-8.7
Ovary	M	59.0	68.6	2.3	16.3
	F	23.8	26.4	2.3	10.9
Prostate	M	6.3	7.3	2.5	15.9
	F	9.0	9.5	1.2	6.7
Kidney	M	4.3	4.8	1.3	11.6
	F	13.2	13.1	-0.2	-0.8
Leukemia	M	8.0	7.1	-1.0	-11.3
	F				

¹ The 1970 population was used as standard for age-adjustment.

Thus, "we are unable to say how much of the risks attributed to cigarettes is a 'pure' cigarette risk and how much is cigarette times another, possibly on the job hazard". Moreover, smoking and occupation are confounded variables, smoking among men being more prevalent in 'blue-collar' workers than in professional and managerial classes. Occupational causes of lung cancer, include asbestos, radon daughters, nickel ores, chromium, arsenic, beryllium, mustard gas, vinyl chloride and bischloromethyl ether, apart from incompletely identified carcinogens in a wide range of industries such as rubber curing, tanning, steel (coke ovens), foundries, automobile, and petrochemicals. Thus, lung cancer rates in asbestos insulation and topside coke oven workers are as much as 10 times greater than general population rates.

Underestimation of the role of such occupational carcinogens has been assisted by the fact that lung cancer mortality rates, based on the International Classification of Diseases, fail to distinguish pleural mesotheliomas from lung cancers; there is evidence of substantial under-reporting of mesotheliomas (by about 75%) in high risk groups, and even more so in occupations, such as automobile mechanics, where asbestos exposure has not been well recognized. There is a further lack of distinction between lung cancers of different histological types, some of which, such as adenocarcinomas, are less likely to be due to smoking than to occupational carcinogens. In several instances where the risk of bronchogenic carcinoma has been shown, to be increased among occupationally exposed groups, there has been an accompanying shift in the distribution of histologic types of tumours, away from the small-cell undifferentiated and squamous cell carcinoma of the lung, the principal types whose frequency is increased by smoking, in the direction of other types, particularly adenocarcinoma. "This (shift) has been noted among metal miners, uranium miners, copper smelter workers, vinyl chloride polymerization workers, chloromethyl methyl ether production workers, and mustard gas manufacturers."

Possible variations of smoking patterns fail to account for the marked excess in U.S. lung cancer rates identified in specific occupational exposures, particularly among ethnic minorities and migrants from southern states. A further challenge to the dominant role ascribed to smoking seems to be provided by observations that the risk of lung cancer in certain occupational groups, such as American Indian uranium miners, Swedish zinc-lead miners, mustard gas workers, copper smelters exposed to arsenic, and chloromethyl methyl ether workers, is about as high among nonsmokers as smokers, although the latency period is reduced in smokers, suggesting a possible promotional effect of smoking. It appears that the relative risks of lung cancer for smokers as against risks for nonsmokers may have been overestimated, particularly in less than lifetime studies. Variations in smoking do not account for geographic excesses in lung cancer rates in U.S. males and females, which overall reflect proximity of residence to petrochemical and certain other industries; there are also data showing associations between levels of atmospheric carcinogens and lung cancer mortality rates. It may be noted that a report from Peto's own institution demonstrates that the correlation coefficient between lung cancer and smoking internationally explains only one-third as much of the variation as does the correla-

tion between lung cancer and solid fuel consumption (0.4 versus 0.7; $r^2 = 0.16$ versus 0.49).

TABLE 4.—CHANGES IN U.S. CANCER INCIDENCE RATES FROM 1970 TO 1975

Groups	Average percent increase in incidence rates, 1970-75			
	Cancers of all sites		Cancers of all sites except lung	
	Annual	5-year	Annual	5-year
White male.....	0.9	4.7	0.9	4.6
Nonwhite male.....	2.3	11.9	2.7	14.3
White female.....	2.2	11.6	1.8	10.2
Nonwhite female.....	6.1	34.6	5.7	32.2

TABLE 5.—INTERNATIONAL CORRELATIONS BETWEEN BREAST, COLON, AND LIVER CANCERS AND POSSIBLE ACTIOLOGICAL VARIABLES¹

	Correlation coefficients			
	Consumption of—		Gross national product	Total energy production
	Fat	Animal protein		
Breast cancer:				
Incidence.....	0.79	0.77	0.83	0.70
Mortality.....	.89	.83	.72	.60
Colon cancer (M):				
Incidence.....	.74	.74	.81	.68
Mortality.....	.85	.86	.77	.69
Liver cancer (F):				
Incidence.....	.78	.80	.82	.67
Mortality.....	.81	.84	.69	.62
Liver cancer (M): Incidence.....	-.49	-.59	-.42	-.25
Liver cancer (F): Incidence.....	-.59	-.67	-.53	-.31

¹ Liquid energy.

Overemphasis on the carcinogenic effects of smoking, and ignoring or discounting the role of occupational and other exposures, is extended by Peto and others to cancers of the bladder and pancreas which are variously characterized as related to or caused by smoking. However, the relative risks for these cancers are several times less in smokers compared with nonsmokers than is the case for lung cancer. Excess bladder cancer rates have been identified in several occupational categories, including rubber, paint manufacturing and textile dyeing workers, and among residents in highly industrialized counties, particularly those with large chemical industry complexes. Excess pancreatic cancer rates have also been reported in various occupations including steel and metal workers and organic chemists.

Recognition of the important role of occupational exposures in lung cancers previously ascribed, exclusively or largely, to smoking in no way detracts from the recognition, emphasized in *The Politics of Cancer*, that the impact of smoking constitutes a "national disaster". There is no basis for regarding the smoking/lifestyle and occupational theories as mutually exclusive, particularly as these exposures may operate interactively. Furthermore, lifestyle is a somewhat misleading rubric for smoking as it restrictively implies voluntary personal choice. Placing responsibility for personal choice of an addictive lethal habit on young teenagers, the fastest growing group of new smokers, seems inappropriate. Failure to control smoking reflects a wide range of political and economic constraints, including massive press advertising by the industry which omits the word 'death' from the guarded small print warning of danger, massive revenues to federal, state and local gov-

ernment from tobacco taxes, federal subsidies to the industry and unwillingness of governments to increase tobacco taxation or to develop incentives to tobacco farmers to diversify. It is also important that the industry has moved to open up massive new markets with high-tar cigarettes in less developed countries, where the population is poorly informed on the hazards of smoking.

ROLE OF DIET

Lifestyle proponents are on less sure ground when they bracket diet, excess fat and overnutrition with smoking as the causes of the majority of cancer deaths. This claim is based largely on international correlations between consumption of total fat and rates of cancer of the breast and colon; however, such correlations by themselves are not proof of causality. Similar correlations were found, in the same study from Peto's institution, between breast and colon cancers and other variables, such as Gross National Product and consumption of animal protein, which also appear to reflect industrialization (Table 5). Furthermore, "epidemiologically, the case against fat is weak because there are populations that have a high fat intake and little bowel cancer . . .". Of two case control studies on the association between diet and breast cancer, one found no effect and the other found trivial effects of fat and caloric intake, concluding that "... recommendations of major dietary modification as a possible preventive measure for breast cancer are clearly premature".

Equally unconvincing are the studies, cited by Peto as corroborative evidence on the experimental effects of diet, which were largely concerned with the influence of fat on the incidence of tumours induced by chemical carcinogens and ionizing radiation, and the influence of caloric intake on the incidence of spontaneous and induced tumours. Not only were different variables defined in the animal and human studies—percent fat in the diet and total dietary fat, respectively—but increasing fat levels in the animal experiments were associated with increased incidence of skin, liver and breast cancers, whereas the reported correlations between fat consumption and liver cancer mortality are negative for both men and women (Table 5). Moreover, these experiments often failed to differentiate between variations of total dietary fat and caloric intake in test animals and to adjust caloric intake in controls to reflect dietary fat variations in test animals; the magnitude of the variations in fat and caloric intake required substantially to influence the incidence of induced and spontaneous tumours in experimental animals is generally far in excess of the dietary differences observed among the various human populations studied. These experiments invariably failed to adjust the intake in controls of fat soluble carcinogens, present in fat as accidental environmental contaminants, to reflect variations of fat intake of test animals.

Peto's claim for the causal role of dietary fat in human cancer overstates the conclusions of those cited as the basis for his claims. Armstrong and Doll, for instance, merely suggest that dietary fat levels may influence the incidence of colon and breast cancers, without asserting causality. Doll considers that diet may act by modifying the incidence of tumours induced by carcinogens or by acting as a vehicle for exogenous carcinogens—a suggestion also made in *The Politics of Cancer* which Peto dismisses as "implausible". Carrol concludes that "although caloric intake may be a factor in

human carcinogenesis, it does not appear to offer a practical approach to the problem". As recognized by current concepts on the multifactorial aetiology of cancer, there is a substantial probability that a wide range of influences, diet and other lifestyle factors included, modify individual responses to carcinogenic agents. To ascribe causality to any particular modifying factor requires a degree of scientific evidence that has not yet been presented for dietary fat.

ROLE OF OCCUPATION

Peto associates himself with the insistence by the chemical industry and other lifestyle proponents that occupational exposures account for about 5 percent or "a very small proportion" of all cancers. This view is based on ascribing given percentages to known or alleged lifestyle factors, including smoking, fatty diet and sunlight, leaving a small unaccounted for residue to which occupational factors are arbitrarily assigned by exclusion. The authors of this simplistic hypothesis compensate for its tenuous basis by reliance on 'educated estimates' and by making circular references to each other, often by 'personal communication', as the responsible authority.

However, there are problems with such 'guesstimates'. First, they fail to consider the multifactorial aetiology of cancer and the role of multiple causal agents, such as asbestos and smoking; thus, the summation of known causes of cancer should properly exceed 100 percent. As one of the lifestyle authors recently stressed³⁶, "there is now strong evidence to suggest that the risk of cancer is commonly increased by interaction of two or more factors". Second, current cancer rates reflect exposures 20 to 30 years ago, when production levels of occupational carcinogens were a small fraction of the present; such estimates should thus now be adjusted to reflect increasing numbers of workers exposed. Third, the authors of these guesstimates failed to consider the very limited nature of the data base on exposure to occupational carcinogens. Nor have they at any stage protested or even commented on the persistent refusal of the chemical industry to make such critical data available. In the absence of exposure data, it is even less clear how the 'lifestylers' confidently arrive at their estimate of less than 5 percent.

Rather than addressing himself to such problems, Peto dismisses recent estimates of the importance of occupational carcinogens in a report by the U.S. Public Health Service as exaggerated, unsound and unreasonable. This report, prepared by nine named and internationally recognized experts in cancer epidemiology, statistics and carcinogenesis from three federal research agencies, is based on a National Occupational Hazard Survey which between 1972 and 1974 surveyed nearly 5,000 workplaces chosen to provide a cross-section of industry in the United States. The report estimated the total number of workers exposed to asbestos, nickel ores, chromium, arsenic, benzene and petroleum fractions, including aromatics. The excess cancers attributable to each of these carcinogens were derived by multiplying the number of exposed workers by known risk ratios and subtracting the "normal incidence" of the cancer.

The report concluded that "as much as 20 percent or more" of cancers in the near term and future may reflect past exposure to the six carcinogens considered. The uncertainties and limitations in these conclusions, including the possibility that expo-

tures and risk ratios may have been overestimated in some instances, were clearly stated in the report, as were other considerations including the multifactorial aetiology of cancer, and the role of lifestyle factors and their possible interactions with occupational exposures.

The possibility that this government report underestimates rather than overestimates the role of occupational exposures, for several reasons some of which are recognized in the report, has not been considered by its denigrators, including Peto. First, the calculations in the report ignore the role of radiation and of some ten epidemiologically recognized occupational carcinogens, other than the six considered. Second, the risk ratios considered may be artificially low as they were largely derived from less-than-lifetime epidemiological studies, which may thus underestimate the true risk in view of the long latencies commonly involved. Third, the report does not consider the many statistical and methodological constraints common to most occupational epidemiological studies such as relatively small numbers of workers in many locations, changes in exposure patterns over time due to employee turnover, plant shutdown, process and production changes and changes in management, all of which lead to fragmentation of health and exposure records, access to which is often restricted by industry. Fourth, the estimates fail to take account of the many chemicals recognized as carcinogenic in animals for which there are no exposure or epidemiological data. Thus, of 442 chemicals and industrial processes recently evaluated by the International Agency for Research on Cancer (IARC), epidemiological data are available for only 60 (14 percent), although evidence of experimental carcinogenicity was considered to be sufficient for 143 (32 percent). Fifth, the estimates exclude high risk occupations with incompletely defined carcinogens, such as the steel, rubber and tanning industries. Sixth, the estimates do not adequately re-

flect conditions in small business where exposure levels are likely to be higher than in major chemical companies. Seventh, the report does not reflect major increases in the production of the occupational carcinogens it considered such as benzene, with the likelihood of recently increasing exposures. Eighth, the study examined only a limited number of sites, excluding cancers such as skin and bladder which are known to be occupationally related. Finally, the estimates neglect the possible role of fugitive point-source emissions of industrial carcinogens as causes for the excess of overall and organ-specific cancers, including lung, bladder, colon, pancreas and breast, in residents of certain highly industrialized counties.

This government report has received extensive support from various expert bodies, such as the Toxic Substances Strategy Committee, whose position has been endorsed by 17 federal agencies, and international groups, such as the International Labor Organization, and the US and British trades union. The report has also received additional support in the critique of two consultants to the chemical industry's American Industrial Health Council which concluded that "... the full range (of total cancer attributable to occupational exposure) using multiple classifications may be from 10 to 33 percent or perhaps higher if we had better information on some other potentially carcinogenic substances ... The annual number of cancer deaths attributable to asbestos is in the range from 29,700 to 54,000, which corresponds to a percentage range of the total cancer of 7 to 14 percent * * * Any argument over these numbers cannot detract from the fact that asbestos exposure was, as the authors (of the Government report) state, a major public health disaster * * *. We also believe that reduction of exposure to carcinogens in the course of employment can certainly be expected to affect major reductions in the frequencies of occurrence of cancer and is one of the most promising applications of preventive medicine." The

American Industrial Health Council failed to release this critique until the record of the recent Occupational Safety and Health Administration hearings on regulation of occupational carcinogens closed.

Finally, there is no basis whatsoever for recent unsubstantiated allegations by Peto and others that all or most authors of the government report have disowned or rejected it or its conclusions (K. Bridbord, M. Schneiderman and A. Upton, personal communication). It should be further emphasized that this 50-page report was prepared as a government document specifically for inclusion in public hearing records, and not for submission to a scientific journal.

CONCLUSIONS

Cancer is a disease of multifactorial aetiology to which occupational exposure and smoking can contribute importantly, sometimes interactively. There have been substantial recent increases in cancer rates which cannot be accounted for by smoking alone. Smoking is the major lifestyle factor of importance in cancer, and evidence for the causal role of other lifestyle factors, particularly diet, is slender. The role of lifestyle factors has been exaggerated, by those with an economic or intellectual investment in this theory, by largely excluding involuntary exposures to carcinogens and minimizing the role of occupational carcinogens. These considerations further illustrate the primary thesis of *The Politics of Cancer*: cancer is essentially a preventable disease which requires intervention and regulation at several levels, particularly the occupational and smoking. Failure to prevent cancer reflects major political and economic constraints which have hitherto been largely unrecognized or discounted.

(NOTE.—Samuel S. Epstein, professor of occupational and environmental medicine and Joel B. Swartz, assistant professor of occupational and environmental medicine, School of Public Health, University of Illinois, coauthored this article.)