

EXTENSIONS OF REMARKS

HANDICAPS OVERCOME

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. MITCHELL of New York. Mr. Speaker, the Members of this distinguished body are often required to address their colleagues in this Chamber on topics of great tragedy or grave injustice. I am pleased that today I have the opportunity to bring their attention to a matter that should be a source of inspiration to all.

I am referring to the case of Mark Shearman, an eighth grade student at Staley Junior High School in Rome, N.Y. Mark has overcome a great many handicaps to become one of the most respected students in his school.

Mark has cerebral palsy and must use crutches and a leg brace to walk. He has some speech problems, a mild case of dyslexia and great difficulties with fine and gross motor skills. However, after many years of work with physical and speech therapists and special education teachers, Mark has improved in all of these areas.

Mark uses the Resource Center of Staley Junior High School for one class period each day, but he is otherwise completely mainstreamed in the school's basic and regents-level classes. He often achieves the highest marks in his classes.

He was the first physically handicapped student to be assigned to Staley Junior High School. He had to leave his neighborhood school and be bused to his new school, but he quickly adjusted to his new schedule and building and has readily made numerous friends among the faculty and student body.

Recently, Mark was selected by the principal of Staley Junior High School, Mr. Clarence Jones, as 1 of 20 students to represent the school at the student leadership conference sponsored jointly by the Rome Police Department and the Adelphi University Training Institute.

Mark is very interested in history and has acquired an amazing depth of knowledge about the Civil War and U.S. involvement in World War I and II as well as the Vietnam war. He has developed a marvelous understanding and appreciation for our system of government and American politics.

In learning of Mark's many achievements in the face of extreme adversity, I felt compelled to share his story with you. Mark is exceptional not just because he is a handicapped individual

who has learned to cope with his limitations and excel in spite of them. He is also exceptional because he is one of our Nation's youth who, by striving every day to better himself and his community, demonstrates that our young people are the vital natural resource our country possesses.●

PUBLIC MUSEUM ACT

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. CONABLE. Mr. Speaker, my colleague, Mr. SHANNON, and I are introducing a bill to limit the unnecessary and unfortunate application of the private foundation rules to certain museums. The museums to which this bill is directed are typically small museums with specialized collections that rely for their financial support on a limited universe of donors.

Under present law, museums are classified as nonprofit charitable organizations entitled to tax exemption. However, unless a museum satisfies one of the tests for public charity status under section 170(b)(1)(a) of the Internal Revenue Code it is presumed to be a private foundation.

Section 170 classifies certain institutions as public charities based upon their function such as religious organizations, educational institutions, and hospitals. Each other type of charitable organization is deemed to be a public charity only if a substantial part of its financial support is from "public" sources.

Each charitable organization which fails to satisfy either the functional test or the public support test is classified as a private foundation and is subject to a set of requirements not imposed on public charities. These requirements include limitations on gifts, additional recordkeeping for donors as well as recipients, a 2-percent excise tax, and a variety of practical limits on the operation of the institution.

The bill we are introducing today provides that museums which satisfy strict standards designed to assure public involvement and accountability—like churches, schools, and hospitals—be excluded from the private foundation rules. The standards include the following:

First. The museum must be a permanent institution which is exempt from tax under IRC section 501(c)(3);

Second. At least 25 percent of the governing body of the museum must

consist of community leaders and/or local public officials;

Third. The museum must employ a professional staff and own, possess, and care for tangible objects; and

Fourth. The museum must conduct regular exhibits which are open to the public.

The standards are substantially similar to the tests already contained in the law for excluding schools and hospitals from the private foundation rules. As with schools, the employment of a staff and the carrying out of an active program available to the public are required. As with hospitals, permanent and continuous activity is required. Moreover, the governing board of a museum must include individuals with no connection to the institution although no such public control is required of churches, schools, or hospitals.

The legislation which Mr. SHANNON and I propose is needed because the existing financial support requirements are causing an increasing number of museums to be classified as private foundations rather than as public charities. For example, organizations that have had the good fortune to be the beneficiaries of successful endowments can be penalized by classification as a private foundation because they are beneficiaries of a trust with substantial income, thereby reducing the relative support of other donors.

To avoid private foundation status, museums will be forced to seek public support which will reduce the amount of charitable donations available to other worthy—and less financially secure—institutions. Thus, maldistribution of donations is encouraged at a time when the available amount of contributions is shrinking.

We wish to emphasize, Mr. Speaker that our bill is not intended to eliminate the distinction between public charities and private foundations. We support reasonable safeguards against potential abuses of tax-exempt status for personal and private benefit. Our bill, however, is designed to assure that the distinction affects only those organizations for which it was originally intended. A museum—professionally operated, open to the public, and governed by a board with strong community representation—should be classified as a public charity.●

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

RETURNING TO GOLD IS
IDEOLOGICAL NONSENSE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. LAFALCE. Mr. Speaker, as the hard, cold reality of Reaganomics becomes clearer to millions of Americans who face the holidays without work, supply-side mythologists continue to promise that gold is the missing magic which will wipe away our tears and depression. It is easy to understand the appeal of their argument—we would all like to believe that our economic problems are only psychological. But no amount of faith will feed members of the cargo cult who do not plant a crop because they are convinced that a silver bird will once again drop boxes of food on the true believers.

It is encouraging to hear from those who experienced firsthand the real potential of a gold standard while this country was still on one. They remember all too clearly the limitations of the gold-based monetary system, and the difficulties that it presented our economy. An especially eloquent analysis is that provided in a recent article written by Gardner Ackley, former Chairman of the Council of Economic Advisers, who commented: "If a gold standard could not survive in the prolonged and stable prosperity of the 1960's, it surely could not survive in the far more troubled economy of today." The full text of his article is reprinted from the November 1981 issue of Dun's Business Month as follows:

RETURNING TO GOLD IS IDEOLOGICAL NONSENSE, AS WELL AS AN IMPRACTICAL DREAM

The notion—currently promoted mainly by a few romantic ideologues that return to a gold standard would solve all of our nasty problems of stubborn inflation, sky-high interest rates and economic instability is an absurdity. I know of only a handful of professionally-trained economists (mainly "supply-siders") who support it.

The supply-siders who advocate a return to gold seem to do so in the naive hope that the mere announcement of such a move (even a largely symbolic one) would, by itself, drastically change the expectations and behavior of the financial markets and the markets for precious metals. And, most important, it would alter the way prices are set by sellers of goods and labor, as well as change the behavior of legislators and the interest groups that influence legislation. I don't believe any of this.

Advocates point out that the United States could be put on a gold standard simply by a Presidential Executive Order directing the Treasury to buy and sell gold freely and without limit at a fixed price, either to all comers, or perhaps only to U.S. citizens, or only to foreign monetary authorities. This action would need to be confirmed by legislation that would presumably also require the Federal Reserve System to maintain a fixed reserve of gold (or gold certificates) against its liabilities (Federal Re-

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serve Notes and the reserve-deposits of financial institutions) and perhaps direct the manufacture of gold coins. However, only if other countries were to take appropriate action would an international gold (or gold exchange) standard be reconstituted, thus reestablishing fixed exchange rates. This is the main goal sought by some who seek a return to gold.

Advocates of a gold standard refer nostalgically to how wonderfully our economy performed during the gold-standard years. In fact, prior to the 1930s, there were long periods of inflation and deflation, as well as serious recessions and exaggerated booms. Following one such boom—ending in the 1929 crash—came the greatest depression in history, its severity clearly exacerbated by the tie to gold that the Roosevelt Administration suspended in 1933. Neither historical evidence nor analytical reasoning supports the nostalgic belief in the ability of a gold standard to assure stable and non-inflationary prosperity.

Some appear to believe not merely that the return to a gold standard would automatically promote an effective, prosperous and stable economy, but also that a healthy economy could encounter no problems of operating under a gold standard. This latter assumption ignores some very recent history.

During the 1960s, almost everywhere in the free world, economic performance was characterized by greater stability of prices, interest rates and employment than in any previous period, as well as by faster real economic growth and expansion of real incomes than ever before. Everything was going well. The supply-siders refer to it as a golden age.

Yet this was precisely the period when the international gold standard was coming under progressively more severe difficulties, when the system could be and was maintained only by ever-increasing compromises, ad hoc patchwork and repeated emergency rescue operations.

As a government official at that time, I recall very keenly these progressively more severe emergencies, and their painfully improvised and negotiated solutions (sometimes in President Johnson's bedroom late at night). In the end—although postponed until 1973—came the final collapse of the gold standard, domestic and international.

If a gold standard could not survive in the prolonged and stable prosperity of the 1960s, it surely could not survive in the far more troubled economy of today. Inflation, instability, high and fluctuating interest rates and major international trade and payments imbalances would bring down a gold standard almost before it could be established. Advocacy of a gold standard is surely only a romantic dream. ●

OSHA ANNIVERSARY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. BONIOR of Michigan. Mr. Speaker, the Occupational Safety and Health Act will be celebrating its 11th anniversary, December 29, 1981. The act, when passed, was an attempt to protect the millions of workingmen and workingwomen who are exposed to hazards in the work place. The law

was passed to stem the mounting tide of death and industrial accidents. OSHA was designed to put an end to the 15,000 deaths due to accidents and the 100,000 from occupational diseases that occur every year.

Through the promulgation of standards designed to limit workplace exposure, the presence of deadly substances such as asbestos, lead, and silica have been severely reduced. The Occupational Safety and Health Act established the National Institute for Occupational Safety and Health (NIOSH), which has begun to investigate the more than 3,000 chemicals introduced into the workplace every month that have been untested for their effects on human beings. In its short tenure NIOSH has published hundreds of criteria reports documenting potential hazards. Research from NIOSH has laid the basis for the development of many new standards.

OSHA has embarked on a program to raise worker and management awareness of safety and health on the job. Through OSHA-sponsored training, both management and workers have been taught methods to insure a worker's health on the job. The United Auto Workers Union estimates that over 79,000 injuries were prevented in the auto industry in 1979 alone because of OSHA.

At a time in our country when we are concerned with productivity and economic costs, the health and welfare of our workingmen and workingwomen is key to our economic survival. One in eight industrial workers suffers an occupational disease in the course of a year and 1 in 20 loses time from work. Every year our economy loses millions of dollars in lost workdays and added workers compensation costs. Added to this is the personal cost to the worker and his or her family which is not measurable in economic terms.

Today many are learning that occupational health and safety is in the interest of everyone. Despite protests over standards, many industries are learning that they can actually bring their costs down when they comply with existing standards. The textile industry, despite its protests against attempts by OSHA to eliminate cotton dust which causes brown lung—byssinosis—has found that the elimination of cotton dust has brought longer life to its machinery and increased productivity. Health and safety is a good investment both in industry and in our workingmen and workingwomen.

The anniversary of OSHA is a time to reflect on how far we have come and how far we must travel. As more and more substances are linked with cancer, and as our workplaces become more and more complex, the need for expanded protection becomes even more critical. On this anniversary of

OSHA, it is important to note that we have an excellent start with this major piece of legislation. It is time to reaffirm our commitment to the proposition that every worker deserves a workplace free of hazard and that it is the responsibility of the employer to provide it. This is the intent of the Occupational Health and Safety Act and should be celebrated as such.●

SMALL BUSINESS IN AMERICA'S FUTURE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. ROTH. Mr. Speaker, I rise as a former member of the Small Business Committee. Today I would like to express my support for the Small Business Innovation Development Act of 1981. The bill, H.R. 4326, will play a vital role in our economic growth in future years. The United States has been an historic leader in technological innovation in the world. Unfortunately, in recent decades, we have begun to lose our edge. Thus far, we have maintained a healthy position in the world economy. But that will change, if we do not act to expand the small business innovation research (SBIR) program.

Small businesses have been the backbone of research and development advances in our country. First, they have realized the need for high-technology products faster than other segments of manufacturing. Second, they have shown the dexterity to manufacture and bring into commerce these products in a very short period of time. Third, small businesses in America have done this at a modest cost. According to recently published reports, small businesses are at least 1.8 times and often as much as 2.8 times as technologically innovative per employee on the job than their big-business competitors. The National Science Foundation, commending its own SBIR program, has consistently suggested that the cost per research and development scientist or engineer in small business firms across the Nation is about half that experienced in the larger firms.

Small innovative companies also shoulder much of the income-tax burden imposed on American business today. They provide \$2.3 billion in revenue to the Treasury annually, compared with \$1.5 billion paid by larger companies. This amounts to 34 percent more taxes paid by smaller businesses in the past 5 years. Yet, Federal research and development grants, and contracts awarded to companies with fewer than 500 employees accounted for less than 4 percent of the Government's total research and development expenditures.

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Small businesses are at a disadvantage to compete with the larger firms for these funds. It is common practice for grant and contract officers to prefer the larger firms to the smaller ones because small businesses require more attention and guidance through the administrative mazes which characterize many of the projects. Small businesses suffer higher costs of competition, furthermore, because redtape procedures usually place a premium on the expensive time of lawyers, accountants, and procurement specialists. Consequently, small businesses have less history of Government work, which can "chill" the Federal procurement officer from providing the knock of opportunity to newer businesses.

Dr. Harry G. Pars, of Small Business United, in testimony before the Subcommittee on General Oversight of the Small Business Committee, cited a General Electric study which reviewed technological firms in the United States in the 25-year period ending in 1974. The study concluded that employment in high-technology industries grew almost nine times as fast as in low-technology industries during the period. Output grew almost three times as fast; productivity increased twofold over low-technology firms; and prices rose only one-sixth as fast as the big-business rate. Even our international balance of trade was affected. Small firms showed a \$25 billion surplus in overseas exports, while larger firms brought in a trade deficit of \$16 billion at the same time.

For fiscal year 1982, the bill provides for an SBIR program of not less than 1 percent of the budget of each Federal agency having research and development funding in excess of \$100 million. For example, the Department of Energy had a fiscal 1981 budget of \$5.8 billion for research. Were this amount subject to SBIR set-asides, small businesses would be earmarked as recipients of 1 percent of that amount, or \$58 million in research outlays. Such a set-aside will allow the small business, the new business, the most productive sector of American business today, to continue to prove they are capable of bringing America back to its world leadership role in technological innovation.

Small business innovative research will promote the efficient allocation of resources and eliminate many of the barriers to small business participation that currently exist in the present Federal procurement system. I believe that the small business innovative research legislation before the House of Representatives at this time will be an effective way to bring together, at no additional cost to the taxpayer—the bill appropriates not a single taxpayer dollar—the resources of the Federal Government and the talents of small innovative firms for the benefit of the Nation.●

December 11, 1981

HUMAN RIGHTS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. LANTOS. Mr. Speaker, today has been designated "Human Rights Day," and it is indeed appropriate to call special attention to our commitment to human rights.

Disregard and contempt for human rights result in barbarous acts of social, religious, and political oppression which create misery, shame and despair for millions of human beings.

A recognition of basic inalienable human rights is the foundation for individual well-being and for international justice.

The moral authority of the United States must be used to recognize and safeguard these rights. We must reject semantical gradations of tyranny, terrorism, and oppression, and continuously assert an act on our basic commitment to universal human rights, so that not only today, but every day, is—for this Nation—Human Rights Day.●

ROA SENDS SOS FOR USCG

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. STUDDS. Mr. Speaker, during the past few months the Subcommittee on Coast Guard and Navigation, which I chair, held hearings on virtually every aspect of Coast Guard activities. When the subcommittee finished its series of six hearings, it concluded that the Coast Guard is either seriously underfunded, seriously overburdened, or both.

This conclusion is nowhere more apt than in the area of military preparedness. In an editorial in this month's edition of the Reserve Officers Association magazine, the Officer, the Coast Guard's importance to the national defense is thoroughly and eloquently discussed. I commend this editorial to my colleagues and urge them to consider its arguments carefully so that they will be able to cast more informed and productive votes on issues of Coast Guard funding in future years.

The article follows:

[From the Officer, December 1981]

THE COAST GUARD—A NEGLECTED ARMED FORCE

While the material and personnel conditions of other military services have become well-known, the plight of the Coast Guard appears to be less well appreciated. In fact, the Coast Guard is the most neglected of all our Armed Forces—except when it comes to assignment of missions!

The Coast Guard is a unique national security asset, giving the President a peacetime option to project the power and influence of the United States short of the threat of war. And yet, as proven at least three times in the past 35 years—Korea, Quarantine of Cuba and Vietnam—the Coast Guard can quickly and efficiently work with the Navy, performing vital services in support of national defense objectives. The fact that this capability finds full time utility in peacetime makes the Coast Guard probably the most significant bargain available to the American taxpayer.

The unique flexibility which makes the Coast Guard such a useful armed service has been repeatedly ignored in a budgetary sense by all recent administrations. As a result, the Coast Guard's capability as a national security asset has been drastically reduced. This, in turn, threatens the Coast Guard's ability to respond to its essential national defense responsibilities. The Coast Guard is looked upon too often, and too consistently, as a peacetime regulatory agency with no particularly important part to play in national defense strategy. Nothing could be farther from the truth! Situated as they are, or deployed as they would be in wartime in the strategic ports of the U.S. the Coast Guard becomes the pivotal armed force in support of the initial movement of military equipment overseas and the logistic resupply activity. In effect, the Coast Guard is at the point where land transportation meets sea transportation for the movement of military essential goods to support both rapid deployment and employment of forces.

By law and by Executive order the Secretary of Transportation is mandated to maintain a high level of military readiness in the Coast Guard for the possible time when it may transfer to the Navy in time of war. However, after careful and thorough investigation, we are convinced that the Coast Guard and the Coast Guard Reserve are not fully prepared to meet their statutory military duties.

The recently established Navy/Coast Guard Board is considering joining wartime tasking. The results of that study will most certainly expand several existing Coast Guard taskings and create new ones. Such results appear most logical; however, this is occurring at a time when the Coast Guard's day-to-day operations have been increased; when the existing capital assets of the Coast Guard are inadequate; and when the fleet is at its lowest operational capability in modern history. (Coast Guard ships average 27 years of age and require two days of maintenance for every operational day.)

If the Department of Transportation cannot support the type of military funding that is required for the Coast Guard, then other funding sources must be considered. For example, supplemental funding from DoD to build up Coast Guard military capabilities in support of its military role should be considered.

Whatever the source of funding, however, Coast Guard appropriations must reflect the understanding that the Coast Guard is first and foremost a military organization with a military mission in wartime.

All members of ROA, regardless of branch of service, should send this message to their elected representatives in Congress and to those persons in the Administration who are in a position to help—repeatedly if necessary. Further weakening of the Coast Guard can only have serious consequences for our nation in both peace and war. •

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RURAL HOUSING PROGRAM PROBLEMS

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

• Mr. ANTHONY. Mr. Speaker, as we all know, the housing industry has been one of the most severely depressed sectors of the economy during the ongoing period of high interest rates. In rural areas, such as my district in south Arkansas, this problem has been particularly acute. I have heard from many of my constituents who have written to express their grave concerns about the disastrous effects of cutbacks in rural housing programs, especially those administered by the Farmers Home Administration. I would like to share one such thoughtful letter from Mr. Billy Hartness of Monticello, Ark., with my colleagues. The letter follows:

OCTOBER 20, 1981.

REPRESENTATIVE BERYL ANTHONY,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE ANTHONY: It has come to my attention that the Department of Agriculture is proposing drastic reductions in the 1983 FmHA budget for 502 low income housing loans, 502 moderate income housing loans and the 515 rental program. We strongly feel that the proposed cuts are much too severe.

A major strong point of the 502 housing program is that it provides for recapture of all subsidy on sale or refinance of a house. Therefore, home buyers are not allowed to make undue profit on government subsidy.

I'm sure you realize that 50 percent of all substandard housing is in rural communities even though rural areas house only 34 percent of the population and thus realize the housing need of our rural communities. FmHA is the only lender in most rural communities for permanent mortgages since banks and other thrift institutions have traditionally shown a reluctance to invest in rural communities. Besides the housing cuts proposed, the 42 percent cut in the 515 apartment budget will be a tremendous hardship in rural communities that need rental dwelling units.

There is presently close to a two year backlog of qualified applicants needing housing in FmHA offices across the nation. These people are in desperate need of housing.

In the first set of budget cuts, (1981), the 502 program took a \$500 million cut, close to 38 percent. This additional cut will be devastating to rural constituents that need housing. We feel that this additional cut is much more than the fair share and we strongly oppose the Department of Agriculture's proposal on FmHA cuts for 1983. Our rural communities are bearing the largest part of the budget cuts, but have the most need.

Any help you are able to render in this behalf will be greatly appreciated.

Sincerely,

BILLY HARTNESS. •

HIGHER EDUCATION POTENTIAL CITED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

• Mr. SIMON. Mr. Speaker, Albert Shanker is the president of the United Federation of Teachers, and in a recent column in the New York Times discussed his view on what we were doing to the Nation through cuts in higher education.

What he has to say ought to be listened to carefully by people who are concerned about the long-range best interests of this country:

EDUCATION CUTS WILL FORCE COLLEGE STUDENTS OUT: EVER SEE A DREAM WALKING—AWAY?

(By Albert Shanker)

If President Reagan has his way, part of the American dream is about to end—the dream of a college education for all who want it and are able to profit from it.

Through most of our history, college education was limited to small numbers. The sons and daughters of the wealthy could always go. And the very talented could also find their way. Many of the very talented—and hundreds of thousands of others who were also poor—were able to get a free college education at the City College of New York and its sister colleges, Queens, Brooklyn, Hunter, which later formed the nucleus of the City University of New York. But even so, on the eve of World War II in 1939, only a tiny percentage of our people had been graduated from college. In those days, parents frequently warned their children: "You can't get anywhere without a high school diploma." High school graduates were considered very well educated, and in most working class neighborhoods of our big cities, even possession of an elementary school certificate was considered a mark of some distinction.

Then came the Golden Age of Higher Education. Perhaps the G.I. Bill of Rights was passed for fear that there wouldn't be enough jobs for all our returning soldiers—that there would be another Great Depression—and sending them to college was considered a good way of keeping them out of the job market. But the G.I. Bill did show that millions who could not have afforded college—or who would not have been admitted at an earlier time—did make it. They not only made it, but they were considered the best college generation ever. And, even if the original reason for sending them to college was to keep them out of the job market—how would the country have fared without the engineers, doctors, teachers, scientists and others who came out of the universities?

From the G.I. Bill to the present, college doors have opened wider. A greater and greater percentage of our people has been going to college—and, in recent years, the same proportion of minorities has been going to college as whites, a great step toward an integrated society.

The G.I.s could not have gone to college if not for the government's payment of their tuition and expenses, and millions who have since enrolled in—and graduated from—college have also depended on government

help. But now President Reagan is proposing major changes. Last spring, huge reductions were made in college student grant programs and in student loans. Now the President is demanding further reductions of 12 percent. On top of this, Reagan is calling for huge cuts in the National Science Foundation, National Endowments for the Arts and Humanities, National Institute of Education and other sources which provide substantial funding for university research.

The President's advice to parents, students and universities is to forget about Washington and turn instead to their state—or county or local—government for aid. But there's not much hope of getting money there, as state and local governments will be reeling from the cuts in federal funds for food stamps, revenue sharing, CETA jobs, welfare, Medicaid, elementary and secondary schools and other programs.

Let's face the facts. If the Reagan cuts are made, tuition will go up and those students who will not get federal aid or loans will have to get the money from their parents—or drop out. The effect is clear, since many parents do not have the money. But this will not just be the end of the American dream for those who are forced out—it will also be a disaster for the country. If we're going to compete successfully with Japan, Germany and other industrialized nations, we can't afford to lose hundreds of thousands of tomorrow's engineers, scientists, mathematicians. Nor can we afford to lose them if President Reagan really wants to close the military gap between the United States and the Soviet Union.

When President Reagan says that education is a state and local responsibility, not a federal one, he is warning us that these cuts are only a beginning and that he intends to end all federal funding for education. But the President is dead wrong when he implies that federal involvement in education is a recent development—part of liberal Democratic move toward big government. The federal involvement goes back to the Northwest Ordinance, to the creation of land grant colleges after the Civil War, to the G.I. Bill and to the National Defense Education Act in the wake of Sputnik. It is the Reagan Administration which is out of step.

It's not too late to stop the cuts. In the last few weeks, most Americans have seen Reaganomics at work. With the Oct. 1 tax cut, unless they were among the very rich, they saw almost no difference in their paychecks—and the few cents or dollars in taxes will never make up for the loss of college education, the absence of food for those who need it, the reduction in our quality of life as the budget cuts hit parks, libraries, museums, music and dance and theatre companies, schools and research institutions. Americans can stop the cuts if they tell their representatives in Congress.●

WHAT CAN A PERSON DEPEND ON?

HON. CARROLL HUBBARD, JR.
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. HUBBARD. Mr. Speaker, numerous constituents have written to me since enactment of the administration's budget cuts legislation, detailing how the cutbacks have affected their

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own lives. Many of those who have written are social security recipients. Roszella Williams, Route 5, Box 192, Murray, Ky., is concerned about the reduction of social security survivors' benefits for her daughter, who is a college student. I believe Mrs. Williams' 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: This is my first time to write my congressman. Maybe I should write more often. I guess the only time you hear from most people is to complain. Well, I guess this letter is, in a way, a complaint. You might also say that I am venting my feelings.

I have an 18-year-old daughter who is attending Murray State University. She is a sophomore this year. Her father is dead and she is drawing Social Security benefits. That is how she is able to go to college. She also lives with me.

Yesterday we noticed in the Paducah paper that survivor benefits were being eliminated. I called the Social Security office in Mayfield this morning and did find out that it is the law already that they are being phased out. Starting in September of 1982, I believe, they will be cut 25 percent per year until September of 1985 when they will be completely eliminated. She plans to be a pharmacist. That will be at least six years of college work and at least three of these will be away from Murray State as they do not have a school of pharmacy. She has been ineligible for a grant of any kind since I have worked during my lifetime and do not owe for everything I have. (We were urged by President Carter not to go in debt for everything.) I have friends that make twice the salary I do but have a son who gets scholarships and grants. But I know you have no control over that. I just wanted to state this fact.

Now, my main complaint is that her father died 3½ years ago and no one will ever draw from his benefits but her. It is not like the welfare programs. He paid money into this fund, along with his employer for him, and now he or his survivor can't get it. To me it is the same as if he had put money in the bank for retirement and when he went to draw it out they told him they were sorry they didn't have it any more.

I work for a fertilizer plant and work long, hard hours. In 1980 I worked the equivalent of 17 months in 12 regular months work. Still my salary isn't even in the middle income bracket. (\$15,825.45 in 1980 which included a bonus. 1981 will be less.)

My daughter works part-time and studies very hard. When she has to move elsewhere for college she may not be able to find work and her expenses will be four times what they are now.

I have said all this to say that I feel that you lawmakers are taking away what is rightfully ours. We have paid this in as "security" and now it is being taken away. What can a person depend on any more, a fruit jar buried in the back yard or money hid in our mattress? People that have never worked, don't want to work, wouldn't work if they had the chance, are the ones we have to continue to pay, too. I know some of the welfare is being cut, but it seems the ones that work are the ones that pay for the lazy. In the not too distant future I see a time when there are less employed than unemployed. Then this country is in real trouble. Just last night I saw where supplement-

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tal welfare is being cut. Those that have been working some are now tempted to go to full time unemployment to be eligible for more benefits. It makes sense (cents also).

Well, instead of writing "Dear Abby," I thought I would let off steam to you where it might be doing some good. Thanks for listening.

A Concerned Mother.

ROSZELA WILLIAMS,
Murray, Ky.●

SCHOOL SUPERINTENDENT RATTLES EDUCATION ESTABLISHMENT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, one of the great developments in the United States is a system of education which is open to all of our children. A great strength of that system has been control at the State and local level. This has prevented the heavy hand of the Federal bureaucracy from stifling innovation.

It is important that for this vitality to continue at the State and local level we must have outstanding leaders in education responsive to local citizens. I wish to bring to the attention of my colleagues the story of an impressive educator, Dr. Joseph Crawford, who was elected superintendent of public instruction for the State of North Dakota just last year. Dr. Crawford has been an outspoken supporter of cutting excessive costs in education and has strongly supported the Reagan administration's efforts to return decisionmaking power to State and local authorities via the "Block-Grant" proposal.

I am entering in the CONGRESSIONAL RECORD a story about Dr. Crawford which appeared in the November 7, 1981, issue of Human Events.

SCHOOL SUPERINTENDENT RATTLES EDUCATION ESTABLISHMENT

Is it possible that an articulate Reagan conservative could be elected to head up a state's education system and carry out budget-cutting reforms once in office? Dr. Joseph C. Crawford, Superintendent of Public Instruction of North Dakota, is proving it can be done.

The 37-year-old educator, who holds a doctorate in Education Administration, has questioned the sacred cows of education as promoted by the North Dakota branch of the National Education Association—and the union-educators don't like to be challenged.

First of all, Crawford made his first race against a favorite of the North Dakota Education Association in 1976, receiving over 49 per cent of the vote and losing the race by less than one vote per precinct.

Using the next four years to speak out for an educational system more responsive to the taxpayers and parents of North Dakota, he ran again in 1980, achieving a landslide victory over the incumbent with 57 per cent

of the vote. (It was a good year for Republicans in North Dakota. President Reagan won about 70 per cent of the vote and the Republicans captured five statewide offices from the Democrats, including dislodging the Democrats from the governor's office after 20 years of control.)

Second, he began attacking the bloated bureaucracy in the office of Superintendent of Public Instruction. When Republican Gov. Allen Olson urged budget-cutting, suggesting that out-of-state travel by state officials be cut by 15 per cent, Crawford cut his out-of-state travel expenses during the first half of 1980 by 50 per cent.

Crawford also appointed non-educators to handle the administrative duties in the office, a rebuff to the NDEA, which has been used to dictating appointees to this office in the past. In a further rebuff to the advocates of government schools, Crawford announced plans to establish a private school representative and an Indian school representative in his office.

(Crawford did what few Republicans have done in the state: He campaigned among the Indians pointing out the harmful effects of government paternalism. He carried a majority of the vote on the Indian reservations.)

In addition, he combined four administrative positions into two, has set the goal of eliminating 16 positions through attrition, made an immediate cut of four people from the staff, and has acted to decentralize the state education system by opening a regional office to help administrators in the smaller northwestern communities and assigned additional duties to county school superintendents.

In cooperation with the North Dakota Association of County Superintendents, he has initiated an extensive in-service program to enhance the position of school superintendent and to assist local school districts more directly. These actions have been among the ways of implementing his promise that government should be as close to the people as possible and that state officials need to work to bring about government that is more local and more responsive.

Third, while the education union officials and special-interest groups have been decrying Reagan Administration budget cuts for education, Crawford has been an outspoken supporter of the President's program.

Saying he is the only state public education superintendent he knows who actively backs Reagan's school aid cuts, Crawford declares: "The cuts are not that dramatic and are more than compensated for by the decrease in administrative expenses and increases in program flexibility."

North Dakota has felt the heavy hand of federal controls. Some of the North Dakota schools dropped out of the special milk program because it was costing more to administer the program than the state was receiving in cash. In the federal Right to Read program, nearly 47 percent of the federal grant was used in state administrative costs.

Finally, Crawford has seriously questioned the need for the present number of education courses required for certification of kindergarten teachers and has urged an upgrading in teacher training.

The NDEA has criticized Crawford, feeling uncomfortable with a state superintendent who will not hew to its line on appointments and policies and who wants to reduce costs. Joe Crawford is willing to take them on in his quest for better education for the children of North Dakota with less expenditures and less government dictation.

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Despite the continual NDEA criticism, the president of the North Dakota Association of School Administrators, Fargo School Superintendent Vernon Bennett, has reflected the new atmosphere in the office by noting that comments he has heard throughout the state have been supportive of Crawford—people now see that office as being helpful, open-minded and willing to change.

The bureaucrats in the NEA at the national and/or state level don't want to lose their stranglehold on education to parents and taxpayers. They also resent public officials who will not be their puppets once in office. Joe Crawford is showing that he will not be deterred in his efforts and he has the support of the people. North Dakota may serve as a test case for other education reform efforts and Joe Crawford may show other state educators that one can stand up to the special-interest groups while defending a conservative agenda for education.●

GOV. BRENDAN BYRNE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. MINISH. Mr. Speaker, my friend and constituent, the Honorable Brendan Byrne, will soon complete his 8 years as Governor of New Jersey. I have enjoyed the opportunity of working closely with Governor Byrne and the rest of our congressional delegation to promote the interests of the Garden State, so I have had a unique perspective on his work and his achievements in the public interest.

Rather than commenting directly on Brendan Byrne's tenure in Trenton, I will submit the editorial of the New York Times for December 6, which offers a balanced assessment of the Governor's long service. When time has allowed us an opportunity to make dispassionate evaluations of the Byrne administration, I believe that many of the particular points made in the Times will be appreciated, and that the final assessment of the Governor's personal qualities will be confirmed. The editorial follows:

[From the New York Times, Dec. 6, 1981]

GOVERNOR BYRNE'S RECORD

As Governor Byrne prepares to depart Trenton, his popularity is at rock bottom. People in New Jersey grumble about style and personality; many still smart over Mr. Byrne's tough decision to institute a state income tax. He supported casino gambling in Atlantic City, which may plague the state forever. Nevertheless, Brendan Byrne leaves office with an otherwise outstanding record.

Governor Byrne can be blamed for not dealing with overcrowded prisons. In recent months he has hurt his reputation by taking too many trips, to the Soviet Union and elsewhere. There is offensive vanity in having his name put on the new Meadowlands arena in five-foot letters.

And for bad policy, nothing tops Atlantic City's casino gambling. The elderly and poor were displaced for the casinos—and are still waiting for the housing they were promised. Crime and corruption are growing, and so is the power of the casino indus-

try. It has so many connections with the powerful law and accounting firms in the state as to create doubt whether effective regulation will be possible in future years.

But that was not the biggest problem Brendan Byrne faced when he took office in 1974. The state was under court order to equalize local expenditures. That meant a nasty fight with the Legislature over the income tax. Governors Hughes and Cahill had tried and failed. Mr. Byrne got it done. The income tax has stabilized property taxes and increased education aid.

During Governor Byrne's tenure, the state has introduced spending limits on state and local governments, guaranteed bond sales for local governments and undertaken a number of impressive financial management reforms.

There is more. Mr. Byrne got the Meadowlands sports complex built, developed a plan to protect the pinelands, created a Cabinet-level public advocate, reorganized the state bus system, revised the state's criminal code and established one of the nation's first plans to help pay for the elderly's medical prescriptions and energy bills.

He has admirably resisted demands to reinstate the death penalty and supported aid for abortions. Some of his appointments have been outstanding. Only two women had ever served in the Cabinet before; five women have served in his. And throughout, his administration has been free of scandal.

Brendan Byrne has not always brought high style to Trenton, but he has brought more important qualities: skill, foresight and integrity.●

SOCIAL SECURITY IS DOING ITS JOB

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. WEISS. Mr. Speaker, for almost 50 years, every resident of the White House has reconfirmed our Nation's commitment to the elderly through the social security program. Today, however, we are faced with an administration that has little regard for this social contract and a lack of concern for the well-being of elderly and disabled Americans.

The administration has stopped at nothing to diminish the protection that social security provides 36 million beneficiaries. They have attempted to sabotage public trust in the program by perpetuating rumors of impending bankruptcy in the trust funds. They have resorted to manipulation in order to prevent senior citizens attending the White House Conference on Aging from voicing their opposition to benefit cuts in the program. And the Reagan administration has won the enactment of major reductions in social security benefits and has proposed additional cuts which would devastate the program.

Despite these relentless attacks on social security, Americans continue to reassert their support for this program, which provides economic securi-

ty for the elderly. A Louis Harris poll taken this summer found that 51 percent of those interviewed even favored increased payroll taxes to help out the troubled system. The American people have made it clear that they will not allow the administration to inflict further hardship on our country's aged. Both young and old alike want their representatives to maintain the system's financial integrity without cutting benefits. It is now up to the Congress to heed their call.

University of Maryland economist Barbara Bergmann explores the debate on social security in an article recently published in the New York Times. I commend it to the attention of my colleagues.

RELAX, SOCIAL SECURITY IS DOING ITS JOB

(By Barbara R. Bergman)

If one believes the detractors of Social Security, the public pension system of this country is almost bankrupt, gives out benefits that are improvidently generous and has reduced savings among our citizens, thus robbing our economy of vital capital. This adds up to a harsh indictment. The truth is, however, that not one of these accusations deserves to be taken seriously.

All the talk about bankruptcy and insolvency has caused considerable mental anguish. People already retired, and those looking forward to retirement in the near future, have been made to feel painfully insecure. Virtually all of these people expect to use Social Security benefit checks to meet their basic needs, and many of them have been seized by the fear that the checks will either be drastically reduced or will not be there at all.

Currently, benefit checks are paid out of an account (grand-eloquently labeled a trust fund), which is fed by a payroll tax earmarked for that purpose. If the trust fund were part of a private pension system run by a private company, and if we were back in the era before Federal bailouts for private companies had become routine, then the worry about insolvency might be justified.

Well-informed people understand, however, that the benefits retired persons get from the Federal Government are not ultimately dependent on a particular trust fund, or a particular method of feeding money into any trust fund. There is no reason that benefits could not be paid out of the mingled revenues of the Treasury, the way most Federal payments are. Congress, if it has the concurrence of the President, can make any arrangements it wants for financing the benefits.

But if Congress is free to tinker with the method of financing benefits it is also free to tinker with the benefits themselves, something it cannot do to privately funded pensions. Doesn't this put Social Security beneficiaries on par with the tobacco and sugar growers, who are now insecure about the continued existence of their Federal benefits? In theory, yes, but in practice, no.

The broad outlines of the current benefit structure are based on a longstanding consensus, which includes everyone except the extreme right, that older people in an affluent country ought to be assured of a decent stipend, paid out of the current fruits of our economy and protected from inflation.

It is this consensus that makes the elderly's lot different from that of the farmers.

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There is not and never was a broad consensus in favor of supporting growers of sugar and tobacco. Their benefits come from adroit lobbying and log-rolling.

The aged have done their share of lobbying, and their organizations are champions at single-interest politics. But politics in that sense is not the major guarantor of their benefits. Nor is the fiction that Social Security is the same thing as a fully funded private pension system. The guarantor of Social Security is the ability and willingness of the American people to pay and that has been amply demonstrated within the last few months.

The Reagan Administration's purpose in pushing the insolvency theme does not seem to have created panic in the ranks of the ill-informed beneficiaries so that they would be afraid to resist major cuts in benefit levels. While this ploy has not worked, the question of benefit levels should be addressed independent of the spurious "bankruptcy" issue.

Those over 65 constitute 11 percent of the population. Balancing off their higher medical needs against their reduced needs in some other respects, one might consider it reasonable for the old to have the resources to do about 11 percent of the consumption of goods and services. At present, Social Security benefits and Medicare expenditures for the retired are running at less than 8 percent of total consumer spending and less than 5 percent of the gross national product. On this basis, Social Security does not seem out of line.

Benefits have increased substantially in real terms over the last 10 years. In part, these increases were cranked out by the use of a not very rationally constructed formula. The formula is based on the Consumer Price Index, which includes items such as home purchasing costs, which affect the aged relatively little. It has allowed benefits to increase faster than real wages for the working population. One anomaly, recently corrected, allowed benefits to outrun even the price index.

However, to say that the formula used to adjust benefits was rather a pixelated one, is not the same thing as saying that the increases in benefit levels were a mistake that ought to be rescinded. If a public pension system exists to guarantee a modicum of comfort to all old people, then these increases have served that end. They have had the effect of reducing poverty among older Americans from 25 percent in 1970 to 16 percent in 1980. Thus, any across-the-board cut in real benefits would go against that basic purpose.

It is true that some benefits are paid to people with substantial incomes from other sources. The simple way to reduce that kind of a "waste" of benefits would be to include Social Security benefits as taxable income. Those with no income apart from their benefits would pay little or nothing in taxes, while those better provided for would return part of their benefit to the Treasury.

The accusations by Martin Feldstein of Harvard and others that Social Security is reducing savings and thus reducing capital formation is quite possibly factually correct, although Professor Feldstein's analysis has had its detractors. The Social Security fund has paid out benefits about as fast as it has taken in contributions. And it has really served as a conduit of resources from the economically active to the economically inactive, rather than as a capital fund in the traditional sense. By contrast, private individuals without a Government pension to

depend on would have been forced to accumulate a real fund of assets that would have contributed to the supply of capital.

Moreover, without the surety of Government pensions protected against inflation and other market vicissitudes, private individuals would have to accumulate extra funds to try to hedge against such risks. These extra savings would also improve the country's capitalization.

However, even if this count of the indictment is factually correct, it is in no way regrettable. We gave up the chance to have a fully funded system in the Roosevelt Administration when we decided to start giving benefits to retirees soon after the system started. That decision bought a decent retirement for millions of our parents and grandparents. In providing risk-free pensions, we have traded a few extra pieces of industrial equipment for a program that relieves us all of a lifetime of worry about a destitute old age. There is no factory or machine I know of that produces as valuable a product.

No one who studies the Social Security system fails to come up with ways to improve it marginally. But basically, the system makes economic sense. Its detractors are barking up the wrong tree economically as well as politically.●

INNOVATION BILL PASSES SENATE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

• Mr. LaFALCE. Mr. Speaker, the Senate earlier this week passed its version of the Small Business Innovation Development Act. This bill will strengthen the role of small, high-technology firms in federally funded research and development programs and actively promote innovation by these types of companies. The vote was 90 to 0 and capped a 3½ year effort to get Congress to adopt this legislation. We are now halfway toward this goal.

As you recall, the idea for this bill stems from joint hearings held by the House and Senate Small Business Committees in August 1978. This legislation was overwhelmingly endorsed by delegates to the White House Conference on Small Business in January 1980. They called for congressional enactment of a specific set-aside of research and development funds for small business.

Under the leadership of Senator RUDMAN of New Hampshire, a small business innovation bill was reported out of the Senate Small Business Committee in September and sailed through the Senate on December 8.

The bill is now in the House's court. It is now up to the House to pass the Small Business Innovation Development Act, H.R. 4326, which has been reported unanimously by the House Small Business Committee. The number of cosponsors of H.R. 4326 is

nearing the 150 mark. The bill, which is strongly supported by the National Federation of Independent Business, the National Small Business Association, the U.S. Chamber of Commerce, Small Business United, and the National Council on Industrial Innovation, awaits consideration by three other committees. Small business is watching House action on H.R. 4326 very closely.

I urge all members who are not yet cosponsors of H.R. 4326 to join the growing list. I look forward to House passage of the Small Business Innovation Development Act as soon as feasible in the second session of this Congress. We must now see the small business innovation bill through to enactment in 1982.

I want to take this opportunity to thank the following Members for cosponsoring H.R. 4326: FORTNEY (PETE) STARK, of California; JAMES COYNE, of Pennsylvania; JACK BRINKLEY, of Georgia; DON RITTER, of Pennsylvania; BERYL ANTHONY, JR., of Arkansas; NORMAN DICKS, of Washington; MERVYN DYMALLY, of California; and BO GINN of Georgia.●

HAPPY BIRTHDAY GRANNY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. FUQUA. Mr. Speaker, today marks an auspicious occasion. It is the 64th birthday of Cecelia "Kit" Greve. Miss Kit or as she is affectionately known, Granny, has been a mainstay of my congressional office ever since she came to work for me in 1970. Prior to that, she had worked for Senator Spessard Holland for 10 years.

She is truly tireless. She is devoted to the people of Florida's Second Congressional District and works diligently to serve the people. She is also indispensable for other reasons. Granny is the one who keeps Band-aids in her desk along with aspirin and any other article that are necessary to everyday life.

She is a jewel and a treasure and I am very lucky to have her on my staff. I wish her a very happy birthday and many more to come.●

BILL TO LIMIT SOCIAL SECURITY TO ALIENS

HON. ED WEBER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. WEBER of Ohio. Mr. Speaker, today, after lengthy conversations with my constituents and the Social Security Administration, with a deep concern for the future of the social se-

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curity system and our senior citizens, and in the belief that this Congress must start to help social security along the road to solvency, I have introduced legislation to restrict the payment of social security benefits to nonresident aliens.

At the present time we are paying about \$1 billion each year in social security to people living outside the United States. It is estimated that 70 percent of these recipients are aliens. These people have all previously worked in the United States and have paid into the social security system. But then they have left the country, in most cases to return to their homeland. Some of these recipients have paid very little into social security.

Consider just four of the most extreme examples of actual cases of payment/benefit ratios to some foreign recipients:

	Paid in	Benefits paid to date
Case 1.....	\$25	\$11,000
Case 2.....	161	31,000
Case 3.....	50	13,000
Case 4.....	397	42,000

I cannot believe that we can any longer afford to drain the social security system of funds to support aliens living outside our country. The purpose of social security is to provide a retirement benefit to assure that the elderly who live in our country can live with dignity.

Many foreigners, because of the lower standard of living in their mother country, can live in comparative luxury by going home and collecting social security benefits.

I believe that it is a vital first step to the recovery of the social security system to remove from eligibility those noncitizens who live and work in the United States temporarily and then return to their homelands . . . no longer to support and produce in the United States, only to drain the social security system of benefits for our elderly.

The General Accounting Office has estimated that this measure could save as much as \$700 million a year. The bill pays back to those people what they have paid into the system, but no more.

There are serious problems with social security that endanger the ability of the Government to live up to the commitment to our elderly and retired. In order to preserve their benefits, we must take the first step. The time for action is now. This bill represents that first, positive step toward this goal that we share.

A general summary of the key points of the bill are:

One. Only those aliens admitted as lawful residents to the United States, or our trusts and territories, by the Attorney General of the United States, may receive social security benefits.

Two. Nonresident aliens are further restricted from receiving social security benefits exemptions by striking the 40 quarter test exemption.

Three. Nonresident aliens may only receive benefits up to the amount of social security taxes they have paid into the system.

Four. To curb abuse by paper adoptions and the common May-December marriages as is frequent overseas, derivative benefits will not be paid to surviving dependents unless the dependency relationship existed prior to the primary wage-earner's 50th birthday.

Five. Nonresident aliens who are receiving their benefits as a pay back of their contributions will receive their benefits according to the established rules of eligibility as determined by social security.

Six. All U.S. citizens and nationals, at home or abroad, and all resident aliens are not affected by the enactment of this bill.

Social security is intended to take care of persons living in America. At this time of a failing social security system, we cannot allow social security to continue as a worldwide pension system for noncitizens no longer living in, or contributing to this country.

What follows is the complete text of the bill. Thank you.

H.R. 5168

A bill to amend title II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to impose further restrictions on the right of any alien in a foreign country to receive such benefits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202(t)(1) of the Social Security Act is amended to read as follows:

"(1)(A) Notwithstanding any other provision of this title (but subject to subparagraph (B) through (F) of this paragraph), no monthly benefit shall be paid under this section or section 223 for any month to any individual who is not a citizen or national of the United States, if such individual—

"(i) has not been lawfully admitted to the United States for permanent residence, or

"(ii) is outside the United States; and no monthly benefits shall be paid to any person for any month under this section or section 223 on the basis of the wages and self-employment income of an individual who (without regard to subparagraph (E)) is himself prevented by the preceding provisions of this subparagraph from receiving a benefit for that month.

"(B) Subparagraph (A)(i) shall not apply with respect to any individual within the United States if the benefit involved is payable to such individual as the dependent or survivor of a citizen or national of the United States, or as the dependent or survivor of an alien lawfully admitted to the United States for permanent residence.

"(C) Subparagraph (A)(ii) shall not apply with respect to any individual if (i) the benefit involved is payable to such individual as

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the dependent or survivor of a citizen or national of the United States who resides outside the United States and has attained age 50 (or who died outside the United States after attaining that age), and (ii) at the time such citizen or national attained age 50 the spousal, filial, parental, or other relationship which is required for such individual's entitlement to the benefit involved already existed.

"(D) For purposes of this paragraph, an individual shall be considered to be outside the United States in any month only if such month occurs—

"(i) after the sixth consecutive calendar month during all of which (as determined by the Secretary on the basis of information furnished to him by the Attorney General or information which otherwise comes to his attention) such individual is outside the United States, and

"(ii) prior to the first month thereafter during all of which such individual has been in the United States;

but in applying the preceding provisions of this subparagraph an individual who has been outside the United States for any period of thirty consecutive days shall be treated as remaining outside the United States until he has been in the United States for a period of thirty consecutive days.

"(E) An individual who is otherwise prevented by subparagraph (A) from receiving benefits under this title may nevertheless be paid such benefits, as though such subparagraph were inapplicable, until the total amount of such benefits equals the total amount of the taxes paid under sections 3101 and 1401 of the Internal Revenue Code of 1954 (or the corresponding provisions of prior law) with respect to the wages and self-employment income on which such benefits are based (or, in any case where one or more other persons are also being paid benefits by reason of this subparagraph on the basis of such wages and self-employment income, until the total amount of the benefits paid to such individual equals the portion of such taxes which is attributable under regulations of the Secretary to such individual's entitlement). After such benefits have been paid, such individual shall have no further entitlement to benefits based in whole or in part on the same wages and self-employment income.

"(F) For purposes of this paragraph, the term 'United States' (when used in either a geographical or political sense) means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States."

(b) Section 202(t)(4) of such Act is amended—

(1) by striking out subparagraphs (A) and (B);

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (A), (B), and (C); and

(3) by striking out the semicolon at the end of subparagraph (C) (as so redesignated) and all that follows and inserting in lieu thereof a period.

(c) The heading of section 202(t) of such Act is amended by adding at the end thereof the following: "Prohibition Against Payment of Benefits to Aliens Not Permanent Residents".

Sec. 2. (a) Except as provided in subsection (b), the amendments made by the first section of this Act shall apply with respect

to months after the month in which this Act is enacted.

(b) If any individual is (or upon application would be) entitled to a monthly benefit under section 202 or 223 of the Social Security act for the month in which this Act is enacted on the basis of any person's wages and self-employment income, none of the amendments made by the first section of this Act shall apply with respect to such benefit or with respect to any other benefit which is or may become payable on the basis of such wages and self-employment income.●

THE SPIRIT OF BROOKS HAYS

HON. BERYL ANTHONY, JR.

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. ANTHONY. Mr. Speaker, I would like to share with you and my colleagues a column written recently by David S. Broder of the Washington Post about former U.S. Representative Brooks Hays of Arkansas, who died in October.

[From the Washington Post, Nov. 25, 1981]

THE SPIRIT OF BROOKS HAYS

(By David S. Broder)

Brooks Hays of Arkansas was a wispy, balding man who was a presence in Washington for almost half of his 83 years—a favorite character, a beloved storyteller and a moral force of almost unequalled dimension, for his election to the House in 1942 until his death last month.

His is an appropriate story for Thanksgiving week, because it is an authentically American tale of high good humor and remarkable courage. He was born in London—London, Hope County, Arkansas,” as Sen. Dale Bumpers of Arkansas reminded the Senate in his eulogy. He became that familiar American character, the small-town lawyer and Southern Baptist deacon.

He came to Congress at the age of 44 and left it in defeat at age 60 to take up a second career as a White House aide, teacher, writer and leader of his church.

When he died, there were only 20 members in the House who had served with him. But listening to the tales told of him when the House memorialized him earlier this month, it was clear that Brooks Hays had become one of the enduring and even mythical figures of the Congress which, like all institutions, craves its heroes and legends.

Much of the legend is based on his storytelling, his way with an anecdote. Congress is a body of raconteurs, but few have been able to do with a story what Hays could do: create characters and scenes you could see and feel, and slip in a telling point of view while your guard was down.

Some of his lines were so perfect you just wanted to marvel. When he was serving on the U.S. delegation to the United Nations, the Russians were pressing for the admission of Outer Mongolia as a separate nation. "Fair enough," Hays said, "if the U.N. will also admit Texas and call it Outer Arkansas."

His courage was demonstrated most clearly by the events that brought him defeat. As the congressman from Little Rock and a moderate on racial issues, Hays sought to mediate the conflict between Arkansas Gov. Orval E. Faubus and the federal authorities

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over the 1957 desegregation of Little Rock Central High School. He managed to bring Faubus and President Eisenhower together for a meeting that fleetingly raised hopes, but ultimately failed to avert the violence and the dispatch of federal troops.

A year later, in 1958, Faubus turned on Hays and supported a segregationist write-in candidate, who defeated the congressman with a well-executed sneak attack.

Hays' loss shocked and shamed his home city and the Congress in which he served. In both arenas, it served to strengthen the resolve of those who shared his tolerant and moderate views.

The defeat did not shock him. As Billy Graham said at a testimonial dinner for Hays a month after his defeat, "Little Rock realizes it has made a tragic mistake *** but that doesn't dismay our friend. *** Congressman Hays' good humor, commonsense and integrity will take him through."

And so they did, for another 23 years of a life that left a permanent mark on the institutional memory of Congress and his church and of the institutions he founded and inspired. They ranged from the Former Members of Congress Association to the Close-Up Foundation, which brings hundreds of young people to Washington each year for a firsthand view of their government.

If Congress is to remain an institution to which alumni can return with pride and which youngsters can view without cynicism, today's lawmakers will need the qualities Brooks Hays exemplified.

They could find no better guide than the words Hays himself spoke at that dinner in 1958.

"I have cheerfully accepted several defeats, because I acknowledge the principle of majority rule," he said. "That rule will be frustrated, however, unless the people are given an opportunity to secure and deliberate upon the facts and the issues. ***"

"And throughout the structure of popular government, there must be such respect for the minority that public policy is built on wisdom and justice in representative functions, not on the sophistry that the majority's judgment is always wise and best for the people.

"In the 1958 campaigning," this wise and just politician said, "I was not trying to ride a popular idea. I was trying to popularize an idea that had become so much a part of me I could not rid myself of it if I had tried."

Wherever a politician can speak honestly of himself or herself in those terms, the spirit of Brooks Hays will live.●

FIFRA AMENDMENTS OF 1981

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. WAMPLER. Mr. Speaker, I have joined Chairman GEORGE BROWN of the Department Operations, Research, and Foreign Agriculture Subcommittee of the Committee on Agriculture in cosponsoring a bill entitled, "Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1981." Several other subcommittee members from my side of the aisle have joined with us. I wish to take this

opportunity to indicate that neither I nor the other Republican members of the subcommittee consider that this cosponsorship means that we endorse all of the provisions in this bill. Nor do we perceive that this bill as introduced is the last word on this matter. By co-sponsoring this legislation we are indicating our general endorsement and, as Chairman BROWN has pointed out, he recognizes the rights of all Members to offer amendments should we perceive that amendments will be necessary in order to improve the bill. All of us reserve the right to refine our thinking on the content of this bill as it is reacted to.

The subcommittee has been dealing with these amendments since June when we first held hearings. Many of the controversial features we have managed to address in a form that, if not acceptable to all interested parties, is a step in the right direction. By now introducing a clean bill we are keeping the legislative process moving and I am confident that as reasonable individuals we will be able to pass this legislation to the House Agriculture Committee with a recommendation that it do pass.

For the many individuals from the private sector and Government agencies who have worked with the members and staff of the subcommittee, I want you to know I appreciate your efforts and I know of your concerns on the many features of this very complex law that seem to be difficult to resolve. I wish to urge all who are interested in this legislation to examine it in detail and give the members of the Subcommittee on Department Operations, Research, and Foreign Agriculture your comments and recommendations related thereto, because it is your expertise that is needed if we are to pass legislation that is to be effective and that will correct the problems that have been outlined to the Members.

I want also to take this opportunity to acknowledge publicly the fine work that Chairman BROWN has done in keeping this legislation moving through the legislative process. There is some element of urgency about this legislation because of court decisions that may result in the indiscriminate release of pesticide registration data in the near future. Therefore, the movement of this legislation through the Congress, in my estimation, is in the public interest.●

EXTENSIONS OF REMARKS

CLEAN AIR ACT SUPPORT UNANIMOUSLY REAFFIRMED BY PORTLAND CITY COUNCIL

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. WYDEN. Mr. Speaker, amid the clamor for substantial weakening amendments to the Clean Air Act, I wish to bring to my colleagues' attention the unanimous reaffirmation of support by the Portland City Council for the existing Clean Air Act.

The city of Portland, in common with most cities in our country, is plagued by automobile pollution. Add to this our unique air quality problems presented by the volcanic ash from Mt. St. Helens as well as the increasing use of woodstoves, and Portland is faced with air quality standard violations for carbon monoxide, particulates and ozone—three out of the seven criteria pollutants for which national standards are in effect.

As public opinion overwhelmingly indicates, our Nation's urban dwellers, some 139 million in all, are not content with the prospect of living in unhealthy airsheds. Nor are they enamored with the proposed amendments to the Clean Air Act that would loosen present requirements for attaining the national standards or, in the words of EPA Administrator Anne Gorsuch, continue our Nation's progress in cleaning up our air at a "more reasoned pace."

The city of Portland has demonstrated its firm commitment to air quality protection and enhancement. For example, the city energy office has instituted an energy conservation program that reduces fuel consumption; the public works department is conducting a demonstration program to reduce suspended particulates; and the city has adopted a parking and traffic circulation policy and has supported air emission controls on industrial sources.

It is in the spirit of this proven commitment that the Portland City Council unanimously adopted a resolution putting the city council on record as opposed to any changes in the Clean Air Act that would increase pollution in the Portland airshed.

I applaud the city council for its bold initiative and I hope that this action will be but the first of many messages to Congress of official support for a strong Clean Air Act from State and local governments across the land.

The text of the Portland's City Council's resolution follows:

RESOLUTION NO. 33024

Whereas, the Clean Air Act was adopted by the Congress of the United States for the purpose of protecting and enhancing the quality of the Nation's air resources so as to

promote the public health and welfare and the productive capacity of its population; and

Whereas, the Clean Air Act authorized EPA to establish national primary and secondary ambient air quality standards for air pollutants; and

Whereas, the City of Portland has demonstrated a firm commitment to enhancing and maintaining the Portland environment and to meeting the requirements of the Clean Air Act by adopting a Parking and Traffic Circulation Policy, ride sharing and flextime programs, an energy conservation program which reduces fuel consumed in the area, by sponsoring a demonstration study aimed at reducing suspended particulates in the air and by supporting air emission controls on industrial sources; and

Whereas, these programs have resulted in reduced air pollution; and

Whereas, Portland continues to violate standards for carbon monoxide, ozone and total suspended particulates, which are three of the seven criteria air pollutants; and

Whereas, these pollutants have been proven to be health hazards; and

Whereas, it is time for Congress to reauthorize the Federal Clean Air Act; and

Whereas, various groups are proposing amendments that could result in increased air pollution in the Portland airshed: Now, Therefore, Be It

Resolved, that Portland City Council will not support any changes in the Act that would increase pollution in the Portland airshed; be it further

Resolved, that this resolution be sent to the Portland Congressional Delegation.

Adopted by the Council November 4, 1981.

GEORGE YERHOVICK,

Auditor of the City of Portland.●

ENDANGERED SPECIES ACT REAUTHORIZATION

HON. JOHN B. BREAU

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. BREAU. Mr. Speaker, I would like to take this opportunity to call my colleagues' attention to the fact that the reauthorization of the Endangered Species Act of 1973 will be considered in the next session of Congress.

I am sure that most of my fellow Members of Congress would agree with me that the goals of the Endangered Species Act are noble. We must do all we can to halt the ever-increasing number of extinctions caused by man and his activities. To this end, I believe the Endangered Species Act has been a valuable piece of legislation, but it has not been without its problems of administration and interpretation.

An example of these problems, and one I am particularly concerned about, is the recent Federal court action involving the export of bobcat pelts. I am concerned not only because these court decisions are damaging the credibility of the Endangered Species Act in the eyes of its greatest supporters,

the wildlife biologists, but also because the decisions may have a broad impact on the full range of Federal wildlife laws.

To give a bit of history, the bobcat, which is relatively common in the United States and Canada, is not listed on the U.S. Endangered Species List but rather on appendix II of the Convention on International Trade in Endangered Species (CITES). It was put on that list when the parties to the convention decided to list all of the wild species of cats on that appendix as a control measure. Placing of the bobcat on appendix II made it necessary for the United States to issue certificates for all bobcats exported stating that their export would not be detrimental to the survival of the species in the wild and that they were taken in conformity with our conservation laws.

The Interior Department, relying on data of State fish and game agencies, set quotas for each of the States for export purposes. That data, as with virtually all wildlife management data, did not give population estimates for the bobcat in the various States, but data based on a history of harvest levels, scent posts, age averages of animals taken and other traditional wildlife measures to determine the health of populations. Antihunting and anti-trapping groups sued, challenging this data and the export quotas. The District Court for the Washington, D.C., district upheld the majority of the data and, hence, the validity of the quotas. The appellate court, however, stated that the quotas had to be based on population estimates.

For many species, population estimates are meaningless. The bobcat is one of these. Wildlife biologists focus not on overall numbers, but rather on the health of populations. They can tell if the populations are healthy without counting animals. The court decisions have placed the professional wildlife managers in the difficult position of making senseless estimates of populations or not allowing the export of any bobcat pelts. It is focusing attention and scarce resources on a species that is not in trouble while other, truly endangered species, such as the California condor or the Florida manatee, compete for scarce resources.

Mr. Speaker, this is the type of problem with the Endangered Species Act that the Subcommittee on Fisheries and Wildlife Conservation and the Environment will be examining closely when we hold hearings on the act next year. I believe that if reason prevails, as it did in our recent reauthorization of the Marine Mammal Protection Act, we can correct the problems in the act and maintain strong protection for endangered species.●

EXTENSIONS OF REMARKS ON HOUSE APPROVAL TO RAISE PAY CAP

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

- Mr. WOLF. Mr. Speaker, the House achieved what many considered to be the impossible—at long last the pay cap has been raised. The House has kept faith with the senior executives of our Government and has afforded a measure of equity and incentive to both attract and encourage valuable, experienced executives to stay in the Government.

Throughout our great history, our country has been able to attract to public service outstanding, capable men and women whose talents contributed to our attaining and maintaining our Nation's greatness. However, the pay cap has driven good people out of Government service in droves. By our action today, the House is sending a clear signal to our senior executives that we recognize your talents—we need you—and we want to keep you in public service.

What we have done here today will actually be cost effective. According to statistical information documented by the General Accounting Office, the cost of paying a salary pension to a senior executive who retires early, plus the salary of a replacement for the executive, amounts to \$67,573 per retiree in actual dollar losses for the Government within a 3-year period. I ask that the most recent letter on this subject which I have received from the Comptroller General of the United States evaluating the merits and cost effectiveness of lifting or raising the executive pay cap be printed following my remarks.

We all recognize full well the importance of reducing Government spending and holding down the cost of Government if we are to restore vitality to our economy. More than salaries is at stake here. Government can never hope to be streamlined and provide effective service in the future unless it can recruit and retain quality people. The current pay cap severely diminishes our Government's ability to do this and thus to function in a responsible and efficient manner.

In the way of recent background, our efforts have centered around including language in continuing appropriations resolutions to increase the pay ceiling for the Federal service's top managers. On September 30, 1981, Congress approved a 50-day continuing resolution which failed to lift the pay cap, even though the Senate had acted to remove the ceiling. But House and Senate conferees could not agree on that language and the freeze on salaries remained in effect.

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Working to pass a second continuing resolution as the first was set to expire on November 20, the Senate once again provided language to lift the cap, and the House-Senate conference agreed, but also added a pay raise for Members of Congress. When it became evident that President Regan was going to veto the conference report, House Members decided not to agree to the Senate amendment. Reacting to the Presidential veto of the second resolution on November 23, Congress passed a 20-day temporary funding measure extending the old spending limits.

During the process of this effort, I have been in close contact with Edwin Meese, counselor to the President, and also met with FBI Director William H. Webster, who provided alarming statistics about the impact of the Federal salary ceiling on retirement and career development of FBI employees. Also, many Cabinet members have been supportive of the effort to lift the pay cap for Federal Government senior executives. I ask that recent letters I have received from Cabinet members and others be printed following my remarks.

Our action today will ease the crisis in management which now exists in attracting and retaining qualified and quality individuals to serve as senior executives in the Federal service. Retirement rates for executives newly eligible to retire increased from 15.5 percent in March 1978 to 94.7 percent in August 1980, and the number of career executives resigning increased 65 percent in the year ending June 30, 1981, as measured against the preceding 11-month period, according to statistics from the Office of Personnel Management.

This "brain" and "morale" drain on the Federal Government had developed because the salaries for executives in the top levels of service are capped at \$50,112. For example, 10 levels in the chain of command at the Department of Defense are compressed at the \$50,112 level. Gen. David Jones, Chairman, Joint Chiefs of Staff is at the same salary level as a research analyst, GS-14, step 10.

Since 1977, senior executives, who include FBI and CIA agents, NASA scientists, foreign service officers, judge advocates and Federal magistrates, have received only a 5.5-percent salary increase.

Because there is a ceiling on executive pay and because the salaries of general schedule employees increase each year, there are presently over 48,000 employees functioning at eight different levels of responsibility who receive the same salary.

The exodus of executive talent is occurring at a time when the need for experienced, dedicated senior level personnel is greater than ever before.

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Instead of resulting in cost savings during these times of tight budgets, the continued pay cap has resulted in enormous replacement costs.

I am pleased that the bipartisan coalition working on this issue has sensitized Members of Congress to the fact that we can no longer afford to continue the exodus of high caliber talent from the Government.

Central to the executive pay victory today has been the support of the administration, the House leadership and Senator TED STEVENS.

I would also like to take this opportunity to thank Jerry Shaw, president of the Senior Executives Association for his help in orchestrating this victory. Joining him in this effort were: Classification and Compensation Society; Fleet Reserve Association; Reserve Officers Association; Professional Managers Association; Federally Employed Women; National Association for Uniformed Services; Air Force Sergeant's Association; Air Force Association; American Foreign Services Association; Federal Professional Association; Federal Executive Professional Association; National Society of Professional Engineers; NLRB Administrative Law Judges; Administrative Law Judges Conference; U.S. Magistrates Association; Federal Energy Regulatory Commission Bar Association; Federal Bar Association; Federal Executive Institute Alumni Association; FED-42; National Association of Retired Federal Employees; Naval Reserve Association; Federal Managers Association; Retired Officers Association; American Academy of Federal Civil Service Physicians; National Association of Postal Supervisors; American Bar Association; Federal Government Service Task Force; the Congressional Relations staff at the Office of Personnel Management.

I commend all those associated with the effort to raise the cap. We did the right thing for our top managers and the country. Good government benefits all.

I insert additional material on the pay issue at this point in the RECORD.

THE WHITE HOUSE,

Washington, November 30, 1981.

Hon. FRANK R. WOLF,
House of Representatives,
Washington, D.C.

DEAR FRANK: Thank you for your letter of 12 November 1981 and for sending me a copy of Comptroller General Bowsher's recent letter to Senator Stevens identifying the merits of lifting the executive pay cap and pointing out how such an increase would be cost effective. I have also noted Speaker O'Neil's letter of support included with your letter.

As I am sure you are aware, the President has long supported a pay increase for executives. He shares with you a belief that executives affected by the present pay cap make crucial contributions to the success of Government programs. Further, while he recognizes that public service carries many of its own rewards, he knows that executive

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salaries must be adequate to attract, retain and motivate people of the caliber needed to help devise public programs of the highest quality and to execute them with the utmost efficiency.

Please be assured of the Administration's continued support for an executive pay increase and our particular appreciation for your outstanding efforts on behalf of the many employees of the Executive Branch subject to the pay cap.

Best personal wishes,

Sincerely,

EDWIN MEES III,
Counselor to the President.

COMPTROLLER GENERAL
OF THE UNITED STATES,

Washington, D.C., November 11, 1981.

Hon. FRANK R. WOLF,
House of Representatives.

DEAR MR. WOLF: We are providing you a copy of a letter we are sending to the Chairman, Subcommittee on Civil Service, Post Office, and General Services, Senate Committee on Governmental Affairs, on the merits and cost effectiveness of his proposal to raise the existing \$50,112.50 executive pay cap to \$57,500.

One of the most critical but perhaps least understood and appreciated problems facing the Government today is the executive pay dilemma. The problem stems from inadequate salary levels, irregular pay adjustments, distorted pay interrelationships, and the linkage of Federal executives' salaries with those for Members of Congress. In the last 3 years, Federal executives have been denied scheduled pay increases totaling 22.4 percent.

The current appropriation restriction on the payment of the legal salaries of career executives and other top Federal officials expires on November 20, 1981. Thus, the Congress has another opportunity to address the executive pay problem.

Raising the pay cap would relieve some of the pay compression and its resulting adverse effects. Moreover, our analysis shows that it would be cost effective.

We are also sending copies of this letter to the President of the United States; the President of the Senate; the Speaker of the House of Representatives; the Director, Office of Management and Budget; and to key House and Senate committees having a responsibility or interest in this critical matter.

Sincerely yours,

CHARLES A. BOWSHER,
Comptroller General of the United States.

VETERANS' ADMINISTRATION,

Washington, D.C., October 20, 1981.

Hon. FRANK R. WOLF,
House of Representatives,
Washington, D.C.

DEAR MR. WOLF: I want to thank you on behalf of myself and many VA executives who are very much concerned about the lifting of the pay cap for senior executives. We know that you've worked very hard to lift this cap and we want you to know that we are deeply grateful.

We are looking forward to your taking action after November 21, 1981 to perhaps again bring up the topic of the senior executives and the fact that many are and will be leaving if the cap is not lifted. This unfortunately will have a great affect on the efficiency of the Federal sector especially in the health care system of our country where all of our Medical Center Directors are under the cap.

Thank you again for the work you are doing on behalf of all the veterans and people involved in health care. Keep up the good work.

Sincerely,

A. A. GAVAZZI,
Medical Center Director.

THE SECRETARY OF DEFENSE,
Washington, D.C., December 7, 1981.

Hon. FRANK R. WOLF,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in reply to your letter of November 12, 1981, concerning executive pay compression and its related problems. I share your concern in this matter and agree that it is a problem which cannot be ignored.

The current appropriation restriction on the payment of executive salaries is having an increasingly adverse impact on senior level leadership within the Department of Defense. Not only are morale and productivity suffering, but we are losing capable, experienced executives at an alarming rate and are finding it extremely difficult to attract quality replacements. This is particularly true in scientific and technological areas, where competition for talent continues to increase.

Earlier this year, in testimony before the Senate Subcommittee on Civil Service, Post Office and General Services, we provided specific information concerning recruitment and retention problems associated with our senior civilian work force. Continuation of the \$50,112.50 executive salary limitation into this fiscal year has served to increase those problems.

You may be assured that we will continue our efforts, at every appropriate opportunity, to achieve a solution to this pressing problem.

Sincerely,

FRANK C. CARLUCCI,
Deputy Secretary of Defense.

ELMER B. STAATS,

Washington, D.C., November 9, 1981.

Hon. FRANK R. WOLF,
House of Representatives

DEAR CONGRESSMAN WOLF: I am writing to express the hope that Congress will take some action this year to provide for more adequate pay levels for top-level officials. As you know, this was a matter of great concern to me while I served as Comptroller General. I issued several reports to the Congress on the subject and testified a number of times. It is my understanding that it is possible that some action will be taken on this matter with respect to the continuing resolution which expires, I believe, on November 20.

The facts in the case have been well publicized:

1. We now have seven levels of responsibility earning the same pay and, with the increases being permitted for the lower ranks, this will now be increased to eight levels. This adds up to more than 46,000 Federal executives and senior managers.

2. Federal executives were due a 9.1 percent pay increase in October 1980, but appropriation act language prohibited payment of this increase. A similar 7.02 percent raise due in October 1979 was denied similarly.

3. The Commission on Executive, Legislative, and Judicial Salaries recommended substantial increases in their report to the President and the Congress last year. In

January 1981, the President recommended an immediate increase of 16.8 percent in executive salaries. This proposal was also rejected by the Congress.

4. And now the House Appropriations Committee and the Senate Appropriations Committee have voted to continue the pay restriction for 1982.

As you know, the Government is the loser because of the high turnover which this pay cap has brought about. The rate of retirement of executives at the pay ceiling increased from 17.6 percent in March 1978 to 67 percent for the 12 months ending August 31, 1980. The Federal Government is thus losing many of its most highly trained professional, scientific and executive managers just at the peak of their careers. Most are taking the position that they can get other employment and collect cost-of-living adjustments on their retirement. They can hardly be criticized for this.

My great hope is that the Congress will see fit to raise its own pay, along with that of members of the executive and judicial branches. The Commission on Executive, Legislative, and Judicial Salaries recommended increases for this group of about 40 percent. While I do not necessarily endorse a percentage figure this high, the case for substantial adjustment upward is a very strong one indeed. If the Congress is unwilling to provide for a pay increase for itself, I suggest that increases be provided at least for executive and judicial branches and for non-elective positions in the legislative branch. In doing so, the Congress would be taking action similar to that which was recently taken in Great Britain and Canada where the linkage between legislative salaries and others has been broken. In fact, the linkage within the United States has been in effect only since 1965.

As Comptroller General, I was responsible for recommending actions which I believed would improve the operations of the Federal Government and for making studies of the cost and benefits of government actions. Doing something here would certainly be cost effective and I hope that you will use this letter for whatever value it may have as the present continuing resolution expires.

Sincerely,

ELMER B. STAATS.●

IS THERE A FUTURE FOR NUCLEAR POWER?

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. PRICE. Mr. Speaker, one of our Nation's leading authorities on electrical energy generation and nuclear power recently made a statement on where we stand in the energy field. This man is Mr. Herman H. Hill, executive vice president of the power systems sector of the General Electric Co. He presented his summary to the Association of Edison Illuminating Companies on October 16, 1981. I am including his statement at the close of my remarks. I commend it to all of my colleagues since it contains an excellent evaluation of the nuclear energy situation in the United States by a man who has had some 30 years of

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actual experience in conventional and nuclear energy generation.

You will note that the picture Mr. Hill paints of nuclear energy is not one of a very healthy industry. He gives the reasons why the situation is so dismal. He also makes it abundantly clear that we must obtain a greater contribution from the nuclear option to cope with our future energy needs. He also explains why electrical utilities cannot in the present climate proceed with nuclear projects. The reasons for the problems he contributes to attitudes and actions in government and the society in general. He calls for a change in attitudes to permit a dispassionate and objective discussion of the nuclear option and the need for exercising this vast resource our Nation possesses. I firmly believe he is correct. I hope that we in the Congress can pass legislation presently before us on nuclear waste policy. This will provide a good start on solving a problem which exists in the way of exercising the nuclear option.

Mr. Hill's statement follows:

IS THERE A FUTURE FOR NUCLEAR POWER?

(By H. R. Hill)

Last year some of you may recall that I came down hard on the theme there can be growth and profitability for this industry and its suppliers in the 1980s if:

We muster the courage to stand up and speak out on the key public issues of the day—especially energy and money . . .

And if some other things happen—or could be made to happen—at the national and international level.

After re-reading my notes from last year, I was tempered to give the same talk again today. The points are just as valid now as they were then. And encouraging progress is being made in the right direction on many of them.

Also last year, after making the point that our energy problem is really an imported oil problem, I suggested some actions that, together, could eventually resolve this oil problem and help provide the national energy policy we need so badly.

I am pleased to report this morning that my crystal ball was working better than I dared hope.

In conserving oil, we've surprised ourselves and upset OPEC. From a high of 8.5 million barrels a day in 1979, the volume of U.S. oil imports has declined 35% to less than 5.5 million barrels a day. In addition, the average miles per gallon for the nation's automobile fleet (the largest single user of petroleum) is steadily rising . . . and every mile per gallon increase reduces consumption by about 125 million barrels of oil per year.

To further reduce our vulnerability to another supply interruption from the politically-unstable Mideast, we've also resumed filling the strategic petroleum reserve which now holds enough oil to substitute for almost 40 days of imports.

Exploration for more oil and gas is being encouraged in friendly countries while we work to find and develop additional domestic supplies. More than 400 drilling rigs began working during the first quarter of this year, and the completion rate of new oil wells rose 41 percent over last year during the same period.

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Additional natural gas supplies are being found and developed under the gradually decontrolled price schedule . . . and coal, our most abundant natural resource, is slowly but surely gaining a larger role in the energy equation.

An impressive roster of major companies (including General Electric) is moving ahead with the development of new energy technologies, including solar.

Overall, this nation and this industry still have a long way to go before we get our neck out of the OPEC oil noose and become more self-sufficient. But progress is being made on the energy front except in one area and that's the subject I want to discuss with you this morning . . . the future of the nuclear option.

Cutting the issue even closer to the bone, it might be more appropriate to ask: "Is there a future for the nuclear option?"

If I were a Philadelphia lawyer, my answer would very likely be "probably not—but maybe if."

However, as a businessman with an engineering background, my answer as of now is very much like a recent statement by my friend Tom Galligan of Boston Edison in the New York Times. Tom said: "It would be a tragedy if nuclear plants were phased out nationally. But if the climate doesn't change, that could happen."

I agree.

But then I would hasten to add that the decision to proceed or not with the nuclear option won't come from the likes of you or me in the electrical industry. It will ultimately have to come from government and from society in general.

If the decision is positive, my company and its considerable resources will continue to be available to actively participate as it has in the past. If the decision is negative, we will have little choice but to redirect our technical skills and apply our resources elsewhere.

There are a number of thorny, perhaps unanswerable, questions about what combination of energy sources—with what possible environmental impact—would provide the best mix for this nation's energy needs in the future. And, one again, as frustrating as it may be, you and I won't make those decisions either.

But I believe we do have the responsibility as informed citizens to keep reminding both government and society that nuclear energy is one of the principal replacement fuels for oil—especially imported oil. Without a substantial contribution from nuclear power, it will be difficult to replace oil economically on a sufficient scale to cope with this country's future energy demands.

When viewed from the standpoint of national energy policy, nuclear power represents a major national resource . . . a resource built up over three decades with investments by the U.S. government, the utilities and the manufacturers measured in many tens of billions of dollars.

We've often been accused of being a "use-it-once-throw-it-away society." But the magnitude and value of this potential nuclear power "throw-away" sticks in my craw.

If revived, nuclear power could increase at an accelerated rate and soon displace the remaining oil-fired generating capacity . . . about one million barrels of oil per day. The substitution of electricity generated by nuclear power and coal could displace addi-

tional oil and natural gas now used for space heating and process steam.

This would certainly be in the national interest in terms of inflation, our dependence on Mideast oil and the balance of payments.

President Reagan's nuclear policy announcement just last week in Washington publicly recognized the need for more nuclear-generated electricity in the nation's energy mix. It was a breath of fresh air that may help the country achieve that goal.

It's encouraging, I believe, that we now have a president who is willing to say that safe, commercial nuclear power can help meet America's future energy needs.

But much remains yet to be done.

The basic challenge as I see it—particularly at the government level—is to create and maintain a climate for an objective and dispassionate discussion . . . taking into account information about the technical possibilities, their economic costs, the risks involved and the contribution nuclear power can make in replacing oil.

Until such a climate is created, and discussions like these take place, I don't believe anyone can really make a "go" or "no go" decision on nuclear.

Meanwhile, for all practical purposes the nuclear age is drawing to a close for U.S. industry.

The institutional arrangements under which the nuclear power business has been conducted have proven to be deeply flawed. Unless these basic flaws can be corrected, the United States may have to resign itself to the loss of this energy option.

Let me tell you why.

From our experience of more than a quarter of a century in this business, we believe three interacting factors have brought the nuclear option to its present pass.

First, the institutional arrangements are extremely complex:

Design and construction is in the private sector, but subject to stringent Federal regulation.

Plants are owned and operated by privately-owned and public utility companies but heavily regulated by 50 different state public utility commissions.

Uranium mining is a private enterprise business, but uranium enrichment is a federal monopoly.

And the back end of the fuel cycle, including spent fuel reprocessing and waste disposal, is currently a no man's land which neither the private nor the public sector is anxious to enter.

The second negative factor is that the nuclear business is beset by political controversy involving such serious issues as:

Safety and public acceptance.

National energy and environmental policy.

Nuclear proliferation and export policy.

Third, the nuclear business makes unusual demands on the participants:

The investment demands are huge.

Planning and construction cycles are too long. (It's worth noting that Taiwan Power Company's new BWR/6 started generating power 67 months after the first concrete was poured).

And nuclear technology is highly demanding and still evolving.

In our view, the interaction of these three factors is at the root of the current nuclear problem which is further aggravated by frequent and unpredictable political intervention. The average 12 to 15-year planning and construction cycle of a nuclear plant currently extends over the lives of three or four administrations in Washington . . . and

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new people—not surprisingly—want to advance new and different ideas and solutions which further complicate the existing problem. In other words, the future of nuclear power has no constituency because it keeps changing.

Now, to put the nuclear dilemma into sharper focus, let's look at the current status and trends in our two industries.

Where new capacity is needed, you're buying coal-fired plants that can go into service faster and are less controversial than nuclear. Also, state regulators permit passthroughs of escalating fossil fuel costs, but have been slow to approve the recovery of capital costs. This acts as an incentive to continue operating existing oil-fired plants, and as a disincentive to building nuclear plants which have higher capital costs but much lower fuel costs.

In effect, from your standpoint, the nuclear option has become a no-win proposition with the benefits of nuclear power going to consumers and the financial problems a burden on your shareholders.

If misery loves company, you've got lots of it.

The U.S. industrial capacity for building nuclear plants is steadily deteriorating and, if present trends continue, will be in a critical condition by the mid-80s.

With no new domestic orders in prospect during the period in which the supplier industry can remain viable, layoffs of personnel and closings of idle facilities have already begun and will continue to accelerate.

The export market available to U.S. manufacturers—in the absence of a healthy domestic market—cannot sustain U.S. capability. The major foreign nuclear power programs are served by their domestic suppliers and are closed to U.S. companies. Even in the relatively small markets that are open to us, we are at a disadvantage when competing against French and German suppliers because of the uncertainties of U.S. nuclear policy and the limited export financing available.

All of this, of course, begs the question: "should the nuclear option be revived?"

Obviously, individual business decisions and national energy policy planning occur in a very different context. But given today's state of affairs, there is little incentive for a supplier to continue in the nuclear business. No businessman can justify maintaining the costly technical and manufacturing resources required to build new reactors without a dependable level of orders . . . and I have not seen anyone rushing to our door requesting us to quote a new nuclear steam supply system.

So the basic issue really comes down to whether or not we can afford to let our U.S. nuclear industrial capability wither away. And if we do, will this country ultimately have to turn to French, German or Japanese suppliers?

The answer depends on future U.S. energy requirements . . . and alternate ways of meeting that demand. We need a balancing of the economic considerations and national security, as well as judgments about the environment, our future standard of living and life styles. Unfortunately, most, if not all, of these will be decided through the political process.

What then would it take to revive the nuclear option?

In our opinion, there is no hope for a quick and easy solution. And hope is not a part of our strategic plan for the future.

Moreover, in addition to the initiatives proposed by the president last week, major

reforms are required in all the institutional arrangements affecting the nuclear business, both governmental and private.

For example:

The procurement and construction process must be overhauled. Effective overall systems management is practically impossible under the present system, standardization of plant design has never been achieved and the benefits of a learning curve largely unavailable.

The financial and regulatory constraints which inhibit you from ordering nuclear plants must be changed. You must be permitted to earn a rate of return which recognizes the need to generate sufficient capital in today's financial climate. After a decade of high inflation, historical costs bear no relation whatsoever to the costs of new equipment. The inclusion of construction work in progress must be allowed in the rate base and unless state regulations can be reformed, more unconventional alternatives must be considered—such as the approach being advanced by some that power generation be deregulated.

Beyond these basic reforms in the present institutional arrangement, there are the additional issues of:

Public acceptance on safety, waste disposal and nuclear proliferation.

Regulatory reform from the top down to speed up the construction and licensing process and achieve standardized plants.

The completion of the existing order backlog so plants underway and planned can be completed without driving the involved utilities into bankruptcy.

And a definitive resolution at the Federal level of the future of the breeder program and spent fuel reprocessing. The breeder becomes valuable once the nuclear option is revived and there is a large-scale expansion in the number of operating plants. The large investments required for reprocessing can only be justified if there is a healthy and expanding nuclear power program . . . but, in sharp contrast with the President's proposal, we don't believe reprocessing will be an appropriate private sector activity in the foreseeable future.

Let me wrap up this discussion with a few conclusions which we have reached reluctantly and only after a good deal of soul-searching:

The reforms needed in the present institutional arrangement will be difficult to carry out. It also seems clear that partially successful, piece-meal reform efforts are unlikely to revive the nuclear option.

The impact of changes in government policies on the nuclear business currently make it practically impossible for private companies like yours and mine to engage in traditional risk/reward evaluation and investment planning. And, as I said earlier, hope is not a part of our strategic plan.

It is inevitable that government actions will continue to have an overwhelming impact on the future of the nuclear business. This means that any revival of the nuclear option must be based on a substantially different (even radical) reallocation of government and private sector responsibilities. While there is room for debate about the details, we are firmly convinced that the responsibilities of government must increase if nuclear power is to remain one of the options available in a diversified U.S. energy policy.

After walking you through all these puts and takes and ups and downs on nuclear power, I am not going to close by "dropping

the shoe" some of you are probably expecting. Quite the contrary!

General Electric is not going out of the nuclear power business.

We have an order backlog of some \$5.3 billion for 43 plants in this country and overseas—and we have every intention, contractually and otherwise, of completing that backlog.

We will deliver everything we have promised and as close to schedule and cost as humanly possible. After almost 40 years' experience in the power business, my own personal pride—and that of my associates—will permit no less.

Concurrently, we will continue to allocate the resources needed to pursue the opportunities available in our nuclear fuel and services businesses to serve valued customers like you to the fullest.

With some 52 BWRs now in service in nine countries around the world, our opportunities are substantial, ranging all the way from reload fuel, upgraded reactor control systems, instrumentation and plant maintenance services to training your personnel.

Our automated fuel manufacturing inventory control system now handles about 1,000 transactions per hour for production control, quality assurance, regulatory compliance and inventory management.

Our pooled inventory management program enables you to share an inventory of \$20 to \$30 million of such major replacement equipment as pumps and motors without tying up your capital funds.

And our new \$7.5 million BWR services training center is in full operation, training your people and ours in the most advanced refueling and reactor maintenance procedures—all in a radiation-free environment.

There are many more examples like those of our continuing efforts to help you achieve maximum reliability, capability and safety at the most effective cost. But I believe these few underline our long and unchanging dedication to top quality products and services . . . and our willingness to invest the resources required to serve this great industry.

The purpose of this discussion today on the future of the nuclear option was not to signal some change in direction by General Electric but simply an attempt to put on the table the magnitude and complexities of the problems that we and the nation now face in saving the nuclear option.

I frankly don't know whether they can be solved or not. But in my opinion—knowing you the way I do—it certainly won't be from lack of trying! ●

REAGANOMICS—WHITHER BOUND?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. McDONALD. Mr. Speaker, as demonstrated by the debates on the floor of the House of Representatives and by the reports in the media, there seemed to be the impression that when the administration's economic program took effect, there would be instant recovery. In fact, there was a tremendous amount of criticism and a recitation of evidence that the programs were not working prior to the

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time that they took effect. By now, however, it is recognized that a slight reduction in the growth rate of Federal expenditures coupled with a tax reduction that will for the most part be consumed by inflation will not result in instant economic recovery.

Equally disturbing to me as those who are attempting to make political hay from the failure of the administration's programs to correct in 10 weeks an economic situation that took us 50 years to get into, is that many of those who support the administration's programs have failed to come to the realization that the cure to our economic dilemmas will not be merely a matter of a little cosmetic belt tightening and everything will be fine in the spring. Such an outlook, while comforting, is not consistent with economic reality.

Fifty years of fiscal insanity will not be cured by one quick fix. Just as a heroin addict who attempts to withdraw from that horrendous and ultimately fatal drug can expect a period of severe withdrawal pains, so too can we expect the same for our economy as we attempt to withdraw from the addiction of deficit spending. It will not be pleasant, but the alternative, as in the case of the heroin addict, is fatal.

What follows is a clear and realistic analysis of the prospects that lay before. I urge all of my colleagues, whether they are in agreement or disagreement with the administration's economic program to carefully read the article. The article appeared in the November 6, 1981 issue of Myers' Finance & Energy, Suite 418, Peyton Building, Spokane, Wash. 99201, and was written by C. Vernon Myers, a noted economic analyst. The article follows:

REAGANOMICS—WHITHER BOUND?

CAN THE NEW DEAL BE DISMANTLED?

(It must be now abundantly clear that Reaganomics is on a collision course with the aging "New Deal" installed by FDR. Half a century of a philosophy, and its processes, are under challenge. The confrontation is so direct that the outcome can be nothing less than the destruction of one side or the other. On the outcome of this contest hinges the answer as to whether our money will be worth more or increasing and ruinously less.)

UNABLE TO BACK UP

The position of the Reagan people has been squarely taken. A reversal of policy would cause such a loss of face as to undermine the credibility of the Reagan administration. It would result in wholesale resignations that could extend to the presidency.

The big question is whether at this late date it is possible to restore free enterprise ala Reagan via the wholesale dismantlement of the welfare state—no less.

This clash of the Titans has been so irretrievably joined that I am afraid it has left no room for either respectable retreat or workable compromise.

In either case we are facing very bad times. Victory by the Reaganites will

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produce a grievously painful deflation. Victory by the new dealer philosophers, now the old deal, will lead to a complete disintegration of our money and our economy and thus our social order.

It is my belief that this diagnosis will be found to be remorselessly accurate—and that no third alternative exists.

The advent of hard times has been evident to serious-minded people for a long while. It has always been just a question of time. In my book "The Coming Deflation" (Arlington House 1976), I examined the question in some depth. Then I expected the forces to be locked in mortal combat before now. But I believe that now the delay is behind us and that the "War of the philosophers will proceed swiftly to its denouement".

Already you can hear the thunder of the battle axes clashing.

THE EXPECTATION

The Reagan direction arose out of a truly realistic perception of the end product of inflation. They simply declared, first of all, the inflation must stop. If inflation was not severely checked, and then stopped, our vast debt would destroy economic freedom, all sense of security; would rip our social order to shreds, ending the USA as it is presently conceived by itself and the world.

The truth of this assessment was blinding, unassailable on all reasonable grounds. But what was assailable was the methods by which inflation would be slain and the degree of destruction that would descend upon us as fallout from this battle.

The rather simplistic remedies were attractive but not very solidly based. From the beginning they have put a strain on credibility. Simply stated, they were this:

(1) If you don't balance the budget you have deficits, and if you don't offset the deficits with taxes you must manufacture the money to match the deficit—which is simply pouring gasoline on the already blazing fire of inflation. So you have to balance the budget clear and simple. Right.

(2) If you are going to balance the budget, without creating new money you have to make enormous cuts in spending. Right.

(3) But onerous taxes have already throttled incentive, strangling much of the ambition and the motivation of the American people so taxes have to be cut. Right.

(4) The cut in the taxes will cause a great resurgence of business investment creating new jobs, new prosperity and expanded gross national product—which will yield greater revenues than the taxes sacrificed by the cut.

THEREBY HANGS THE SNAG

Simultaneously with these policies, the Reaganites vowed to sharply beef up military spending, which in balance, necessitates still greater budget cuts. (That's a natural inevitability.)

We have to examine each of the above points separately.

(1) MUST BALANCE THE BUDGET

The trouble with this manifest truism is that it fights with the other planks in the program. Beyond that it clashes with huge opposition to the trimming down of the welfare state.

It depends on huge cuts in spending. Already it is becoming apparent that while in a general way this idea gets strong support, nevertheless when it comes to the details, the opposition to the cutting swells alarmingly. So now hopes of budget balancing have receded to the last year of this presi-

dency, and hope is fading there too. And that threatens to undermine the credibility of the entire Reaganomics.

Also since the welfare state means handouts to millions and since there are more recipients than opponents, it is going to be almost as hard to kill as inflation itself. In fact, a welfare state and inflation may be the same dragon dressed in different clothes.

Balancing the budget also fights with number (3) above, cutting taxes—which means reduction in revenue—especially in view of increased military spending.

(2) ENORMOUS SPENDING CUTS

But these spending cuts create a highly visible psychology of contraction as hundreds of thousands lose their jobs when the cuts filter down to state and municipal levels. This triggers a downbeat psychology. And psychology may after all be the most important single factor in triggering either an expansionistic or deflationary mood. The effect of job elimination at government level has already started to spread through the economy. And already the highest officials including the president have admitted that we have moved into a recession.

In addition to the hundreds of thousands of jobs being lost at the federal and state level as the result of budget cuts, private industry is already under the scythe. Highly indicative of what has happened is the indefinite layoff of 2,300 workers at Caterpillar following 400 layoffs some months ago; 1,300 layoffs at Westinghouse following 250 laid off earlier. The Deere Company will close two plants employing 5,400 for January. Trans World pilots have agreed to take a fifth less wages and Pan American Airways will ask remaining employees to do the same after trimming 3,000 workers from the payroll.

Unions in automobile, steel, rubber, newspaper, meatpacking, farm implements, automobile supply, mining, smelting, railroads, and the airline industries have agreed to significant concessions.

This then fights with point number (4) which counts on a higher GNP—not a smaller one. The smaller GNP would shrink revenue rather than enlarge it, necessitating still more spending cuts—thus pushing us from recession probably into depression.

(3) TAXES HAD TO BE CUT

Everyone agrees but this fights with increased spending on the military and this plank tends to be knocked senseless by the advent of this unexpected recession. For this would reduce, as already stated, the government income—creating the awful choice between increasing taxes, reversing Reagan policy, or increasing inflation, reversing Reagan policies.

(4) TAX CUT TO STIMULATE BUSINESS

This assumption seems to have been made too lightly, failing to take into account the enormous illiquidity of government, business and consumers. Surely it worked before, but conditions that Kennedy had to deal with were much more favorable than at present. Kennedy was dealing with a healthy economic horse that was a little tired but would respond quickly to a stimulus. This time we are dealing with an economic horse utterly exhausted by the heavy load of credit, high interest rates and declining employment, which taken together or singly now threaten to absorb most of the benefits of reduced taxes—thereby drawing the lynchpin from the recovery program.

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IN SUM TOTAL

Taken by itself, each point it more or less sound—some more than others—but taken together the objectives fight with one another to the point where—

(A) Inflation would probably be licked.
(B) But the cost will be a severe deflation pushing the economy into a tailspin.

This has been all along the raw and horrible truth. But the Reaganites seem to have failed to recognize what the results of their noble inflation killing tactics might be. If they thought they could do this painlessly, they were very naive. Who knows what they thought?

WHAT WILL HAPPEN

Unless Reagan turns and runs to the remedy of bogus money by the billions, which would now be a death sentence to our free social order, one of two things are going to happen and maybe they both will happen.

(1) The country will go into a depression to match the one half a century ago. This is only the fulfillment of natural law. If you have spent more than you have got, you have to eat less in order to pay back. Or your creditor has to eat less to absorb the loss he must sustain because he lent to you. The result is the obliteration of debt accompanied by bankruptcies, and the bankruptcies spread. The debt will be paid; the penalty for excess spending will be paid; you can't wriggle your way out of it no matter what you do—how smart you are—how much support you have.

(2) High interest rates: Unless Reagan turns and runs, his unavoidable deficits will have to be satisfied by heavier government borrowing. But the whole system is illiquid. Money is scarce. So competition for funds between desperate borrowers in the illiquid state, and the government, to satisfy deficits means still higher interest rates. The alternatives to this dilemma are destructive to our enterprise philosophy. For one of the alternatives would be to impose credit controls—a can of snakes if ever there was one—a measure which would almost certainly completely wreck the Reagan objectives. The other is to increase taxes to meet the government commitment in a recession—raising the very onerous taxes which the Reagan plan is dedicated to remove.

The third, of course, is unending inflation and economic death.

THE GOVERNMENT IS GROPING

Obviously the US government doesn't know what to do. It seems as if this deflationary roadblock which they have run into came to them as a great surprise, one for which they had no contingency plan.

My first reaction to the Reagan election—although I applauded it and still do—was that we would have one humdinger of a deflation. And I assumed that the policy makers would be aware of it. I acted on this diagnosis almost at once, advising our clientele to sell gold heavily early in November, 1980, after the election.

Today the administration seems paralyzed by the high interest. Senator Baker said on "Face the Nation" on October 26, that interest rates were strangling the country. They must come down one way or another. "This government is not going to stand by and see the economy of the country go into a tailspin."

Well, what are they going to do? Senator Baker had only one gasping answer—credit rationing—and in the same breath admitted it would be a terrible remedy.

The truth is the government has met with a near fatal surprise; namely that the price

of killing the inflation dragon is an unavoidable deflation. Apparently top advisors naively thought we could get out of this deplorable excess of credit, these years of profligacy, absolutely scot-free. Nay, we would even reap stability and vigorous new growth as a dividend.

So the ugly and unavoidable fact is this: The government just flat doesn't know what to do.

Saying they won't stand by and let the economy go into a tailspin makes brave words. But how do they propose to stop that. No words! This is not meant to be a criticism of the Reagan government and its conscientious people. But this newsletter is dedicated to an assessment of truth no matter where the chips may fall. I applaud the Reaganites for their effort. I wish them great success. I hope this letter will be a laughing stock a few years from now, but I fear it won't and so I have to print what I see.

WHAT DO WE DO?

We do just what we've been doing. We expect a deflation. We keep most funds in U.S. Treasury obligations, six months to two or three years. We don't go to long term bonds yet because there is at least a 60/40 chance that interest rates will go higher again; credit rationing, if imposed, would send rates sky high on the black market and publically after the controls come off.

It seems impossible for the Reagan government to turn tail by causing huge infusions of bogus billions. At any rate, it won't happen for some time—hopefully not at all—because that is the admission of the end.

But in the unlikely event of Reagan turning to inflation, I think we would see signs of it coming and we would then have time to devise a new strategy. Right now we keep our powder awfully dry, divesting of most investments, and especially, of course, real estate.

DEFICIT—\$80 BILLION

Some very sharp people are estimating the U.S. deficit might run as high as \$100 billion. At any rate, what started out as maybe a \$40 billion deficit stands every good chance of doubling. That spells an explosion of trouble.

What the Reagan people counted on was an increase of 5% or more in the GNP and interest rates well below 10%.

What the Reagan people did not count on was the disastrous shrinkage of \$2 trillion in the market value of stocks and bonds, real estate, etc.

Now \$2 trillion is twice the national debt. In the course of nine months, the available and usable money has been reduced by twice as much as the U.S. has accumulated in debts in its 200 year history. And is there a wonder that money is scarce?

The big trouble is that these massive losses are never talked about when we get the Fed's figures every week, or whether money supply went up or down. To be truthful, it would have to take into account the money supply as they figure it and then apply it to the losses or gains on the market place. If the market's loss is \$5 billion in a single week, and if the money supply went up \$3 billion, that would mean a loss of \$2 billion. All we hear, however, is that the money supply went up \$5 billion.

But tax receipts are falling. Richard Russell in one of his very best letters of October 21, tells us that the State of California's receipts are running \$300 million behind for the first three months of this year, while

the spending is running \$360 million ahead. And what do they do about the deficit? Do they go out and borrow in the general market in competition with the federal government, business and private enterprise? If California is any sample, and it probably is, this can be multiplied many times throughout the various states and municipalities.

DOWNHILL ROAD

We don't have the comfort of bright new hope. With the obvious necessity by everyone to borrow more, we can only expect the interest rates to get higher. As the interest rates get higher, the quotations on stocks and bonds go down, tax income is less, the deficit is higher, the demand is then greater and the shrinkage of available money is hellbent for leather on a downhill road. No Fed, no U.S. Treasury, not all the treasures in the world can stop it.

You had better believe that cash is heading towards kingship. As for the stock market, Russell is probably the outstanding student of that. His analysis gives us the following very clearcut conclusion. If the Industrials break 824.01 and the Transports break 335.48 on the down side, we will have a confirmation of the second phase of the bear market. Any closing of the Bellwether Utility average below 101.28 is to be taken as a "harbinger of trouble".

COMPETITION IN
TELECOMMUNICATIONS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. LUKEN. Mr. Speaker, today, the Honorable TIM WIRTH will introduce a bill that will provide all of us with a basis to continue work on the opening of the telecommunications industry to competition. As chairman of the Subcommittee on Telecommunications, Consumer Protection and Finance, he is to be congratulated for all of the hard work he and his staff have put in on this monumental task.

Chairman WIRTH has worked very hard to insure that all members are involved with the legislative process of drafting legislation. He has held hearings on the status of competition in telecommunications and has held many informal sessions for the members to become acquainted with the complex world of telecommunications services and equipment. His staff has published a report on competition in communications; while you may not agree with aspects of the report, the effort was major and should be applauded by all Members of Congress.

Changes in title II of the 1934 Communications Act are long overdue. As a long-time member of the subcommittee, I have seen the areas of disagreement between Members of Congress and between representatives in the industry shrink over the past few years. I believe we have the opportunity, if we move quickly over the second session, to report out a bill that will only serve to improve the telecommunica-

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tions industry. One of our real growth industries is telecommunications, and with a strong bill, we can provide important help to our economy, provide jobs, and improve our international trade position. This is not a small, minor economic impact we are considering; it is estimated that among some of the 500 largest corporations in this country, \$15 billion is spent on telecommunications services. This does not take into account small business and homeowner expenses. This Congress has an opportunity to reaffirm its commitment to a free market economy and to allow all interested parties to compete as equally as possible.

Despite the tremendous effort of Chairman WIRTH, there are still major disagreements within the structure of the bill. Clearly, we will have to examine closely the requirements placed upon the dominant common carrier, A.T. & T. in order that it may compete on equal footing with other companies in the field. Of particular concern is the requirement of outside equity financing, which is an extremely controversial proposal and which has received little attention from the Members or staff until just recently. Failure to settle this very important issue could slow or stop our path to forming a consensus bill.

For too long in this city, we have had too many policymakers in communications. I am extremely concerned about the ability of the FCC to constantly act beyond its congressional mandate. Further, there is great concern about the ability of the FCC to perform the basic tasks that Congress requires of it. After years of work there is still not a system of accounts, little appreciation of a consistent pattern of regulation that is either pro-competitive or anticompetitive, and little knowledge of the extent of competition in the communications fields. In any bill that we take up, it is my belief that we should limit the role and discretion of the FCC and provide it with clear guidelines as to what we in the Congress expect of it.

I look forward to working with Chairman WIRTH in reporting out a bill for our colleagues in the House. I know that we both share the desire for competition in the marketplace and I am convinced that we can develop the best legislative path to reaching that goal.

PERSONAL EXPLANATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. OTTINGER. Mr. Speaker, in the vote today on the final passage of House Concurrent Resolution 230, the second concurrent budget resolution

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(roll No. 351) I inadvertently voted "aye." I intended to vote "no," as I consider this budget resolution and the entire Reagan economic program a disaster for our country's economy and people. My voting record on this matter has been clear and I hope no one will misunderstand this inadvertent error on my part. ●

PRISONERS OF CONSCIENCE
DESERVE OUR ATTENTION

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Ms. FERRARO. Mr. Speaker, today we commemorate Human Rights Day and I want to take a few moments to discuss its importance. I would like to begin by commanding Representative SCHROEDER for introducing her resolution calling on the Soviet Government to stop harassing its Jewish citizens.

I strongly support this human rights resolution because I believe that the free expression of religion, a human right so vital to a civilized world, cannot be fully realized so long as Soviet officials continue to deny Russian Jews the right to leave their country freely and to live without fear of harassment.

The men and women who have risked loneliness, imprisonment, and even physical pain, to expose this degrading brand of Soviet intolerance are indeed heroes. Today, Human Rights Day, is a fitting time for this Congress to reaffirm its deep respect for the courageous Soviet Jews willing to make this sacrifice at a time when too many people believe that this is a world without heroes. These prisoners of conscience, some of them held captive in the bitter cold of Siberia, should remind us all that the will to religious freedom is so strong that no government, no matter how pervasive its network of secret police, can ever sap its vigor.

This human rights resolution accuses Soviet authorities of a triple assault against its Jewish community: Fewer than 100 families are granted visas to leave the country each month, only 10 percent of the 1979 total; ceaseless harassments, arrests, and trials have become almost daily occurrences; and unparalleled assaults on Jewish self-study groups have taken place in urban areas.

But the statistics can never reveal the human anguish that lurks behind them; neither can they conceal the inspiration of Soviet Jews such as Ida Nudel, an economist arrested in June 1978 and charged with "malicious hooliganism." I adopted Ida Nudel as my Soviet Jewish prisoner of conscience and, although I have written to Soviet Foreign Minister Andrei Gromyko and

other Russian officials urging her release as an humanitarian act, she remains in prison today.

She did not kill, rob, or slander anyone. Ida Nudel simply hung a banner from her Moscow flat reading, "KGB, give me my visa." KGB agents standing in the street tore down the banner, but she prepared new ones. For this, she was arrested and held prisoner despite suffering a heart ailment and kidney problems.

But while Soviet officials may restrict her movements, they cannot silence her eloquent voice. Ida Nudel's stirring words still reach us and never should they have more meaning than on Human Rights Day. Ida Nudel declared:

No matter how I am tormented, how weak I am, how lonely or senseless my present life, I do not regret or renounce any of my actions. We believe our suffering is not for nothing and this belief keeps us from despair.

Ida Nudel is a danger to no one, only to the mistaken idea that a prison wall can forever crush a human right. That is why, today, I am encouraging every Member of Congress to join me in adopting a Soviet Jewish prisoner of conscience. The Soviet regime should know that this Congress would no more temper its commitment to these courageous men and women of conscience than we would repeal the Bill of Rights.

In the name of human decency, it is time for the Soviet Government to abide by the pledge of the Universal Declaration of Human Rights which forthrightly declares, "Everyone has the right to leave any country, including his own and return to his country."

But as long as the Soviet Government continues to block free emigration of its Jewish citizens, its leaders should know that the commitment of this Congress to human rights, especially freedom of religion, is too strong to permit any retreat. ●

THE TRAGEDY OF BORIS KALENDAROV

HON. JAMES J. BLANCHARD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join in this year's Congressional Vigil for Soviet Jewry, sponsored during 1981 by my distinguished colleague from Maryland, Congressman BARNES.

Each year Members of the House of Representatives speak out on behalf of Jewish men, women, and children trapped in the Soviet Union. The Congressional Vigil serves to focus the attention of the Federal Government, and of supporters of human rights

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throughout the country, on the plight of the victims of Soviet oppression.

Today I wish to inform my colleagues and the country of the tragic situation of Boris Kalendarov of Leningrad. Mr. Kalendarov was only recently refused permission to emigrate to Israel for the fourth time. He first applied for permission to emigrate in 1973 and was denied. He soon thereafter was dismissed from the Polytechnical Institute, where he was studying, and was drafted to serve in the Russian Army. Upon his refusal to join the army, he was arrested and forced to spend 2 hard years in a labor camp. Undoubtedly, he will continue to apply for permission to emigrate, in hopes of fulfilling his dream of joining his sister in Israel.

Mr. Kalendarov's circumstances are sadly not uncommon. Too many Soviet Jews are victimized by government tactics that are not only appalling—they violate the letter and the spirit of the Helsinki accords which the Soviets so eagerly signed in 1975. Those of us who support the cause of human rights must continue to speak out against the tyranny that continues to befall Boris Kalendarov and countless other Soviet Jews. ●

IN HONOR OF IRA B. HARKAVY

HON. CHARLES E. SCHUMER
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. SCHUMER. Mr. Speaker, I am proud to have the opportunity to give thanks to an individual who has devoted himself to the betterment of his community: Ira Harkavy. Mr. Harkavy is that special kind of individual whose contributions to his fellow citizens in my district in Brooklyn have been matched by few.

With a record of service that spans over 25 years, Ira is truly an outstanding man. This exemplary record will be recognized on December 14, 1981, when he will be honored by Community Board No. 14 and the entire Brooklyn community.

Ira Harkavy is involved in a multitude of important civic and community activities. He has continually displayed his dedication as chairman of Community Board No. 14 of Brooklyn for many years. In addition, Ira is a member of the Brooklyn Borough Board, Community Board No. 4, and the board of trustees of the Brooklyn Public Library.

I am not the first, and surely will not be the last, to honor Ira Harkavy. As an alumni of Brooklyn College, he was awarded the Presidential Medal of Honor in 1975. He has also been honored both by the Brooklyn Bicentennial Committee and the Flatbush-Nosstrand Chamber of Commerce.

Ira has been extremely active in other areas of community and professional work as well. He has served as an arbitrator for the civil court of the city of New York, and has gained the respect of civic and community leaders throughout the city. The Brooklyn College B'nai B'rith, the Madison Jewish Center, the Committee for Public Higher Education, the Boy Scouts of America, and many other organizations are also thankful for the dedication he has shown them.

In spite of all the time Ira Harkavy has devoted to his community, he is a model family man, dedicated to his wife, Roberta, and his children, Steven, Daniel, and Elliot.

On behalf of myself and all the citizens of Brooklyn who have been touched by his tireless efforts, I would like to take this opportunity to salute Ira Harkavy. It is indeed an honor for us in Brooklyn to call him one of our own. ●

GUIDELINES FOR GIVING

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. SCHULZE. Mr. Speaker, one of the undergirding principles of the President's economic policy is that fewer social benefit decisions should be made by the Federal bureaucracy, and more should be made at the State and local levels, or even better, by the private sector.

Cynics have discounted the willingness of the private sector, especially the business community, to be a good citizen, and to contribute voluntarily to the commonweal.

I have never been discouraged by these voices, and I was pleased recently to read an article by Mr. C. C. Garvin, Jr., chairman of the Exxon Corp., that described his corporation's philanthropy program. Mr. Garvin also discusses the history and rationale for business participation in public giving over the years.

I commend the Exxon Corp. for its enlightened policy and its generosity, and I request that Mr. Garvin's article be reprinted in the CONGRESSIONAL RECORD.

GUIDELINES FOR GIVING

Corporate contributions are based on the principle of enlightened self-interest: business does best in communities that are healthy, alive and secure. But what is the proper role of business in philanthropy and how should it be managed?

The trend toward relying more on the private sector and less on government to set course and speed for the U.S. economy has a parallel in the field of social services. It has tended to focus interest on private giving, which in 1980 provided some \$26 billion to support educational, health, welfare and cultural activities in the United States.

While individuals contribute about 80 percent of this sum, contributions by U.S. businesses and corporations are the fastest growing segment of private philanthropy.

Since 1970, annual giving by U.S. corporations has increased 220 percent, to a total of \$2.5 billion in 1980. Indeed, in the past two years, corporate contributions have exceeded those of foundations for the first time since the 1950s. They are growing in total amount contributed, in the number of companies that give regularly and in the scope of the activities that they support, which is as wide as American society itself. Corporate giving supports the arts, education, research, health, libraries, the aging, environmental conservation, minority group organizations, public television, museums—the list is almost endless.

Today, groups such as The Business Roundtable, the National Association of Manufacturers and the U.S. Chamber of Commerce are working to improve on this record. They are trying to broaden the base of corporate philanthropy by getting more companies to contribute, since about 70 percent of the nation's two million corporations now do nothing at all in this area. And they are urging companies which do contribute to increase the size of their gifts. As chairman of the Roundtable, I said earlier this year: "It is in everyone's self-interest to support society through private social investments rather than through the complex and costly redistribution of tax dollars by the government."

I don't suggest that private philanthropy should attempt to assume the government's role, or even that it could. Government will always have an important and indispensable role in this field. Moreover, the role of giving by private individuals will remain the dominant one. But there are strong and persuasive pressures for business and corporations to do more.

While the increase in corporate contributions over the past decade has more than kept pace with inflation, it has remained just about the same as a percentage of pre-tax income. In the meantime, society's need for these contributions has grown considerably. There have been significant reductions in government funding even as high inflation continues to undermine the budgets of colleges, hospitals, museums and other institutions. Population growth and, currently, high unemployment have aggravated social problems. Profound changes are taking place in college enrollments, health practices, social services and the arts, and many of these changes increase the need for outside funding.

What is the proper role of business in philanthropy, and how should it be managed? A little history helps put this question in perspective.

Business began to play a direct role in the social life of the community and the nation about 100 years ago. The railroad companies started it, by helping to build YMCAs in towns and cities along their routes. It was a match of business and community interests. The towns gained a valuable new community facility; the railroads gained decent accommodations for their workers. This pattern has been refined in a thousand ways since then, and much of our corporate giving has been based on that "enlightened self-interest." It means that successful business does best in communities that are healthy, alive and secure. And that means that business has to look beyond its basic economic function. To stay in business, we have to make a profit. To succeed in busi-

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ness, we have to share some of that profit, beyond the dividends and taxes we pay, for the public good.

For many corporations, philanthropy begins at home—in the company's headquarters city or in the cities where its plants are located. The company's programs reflect the need of the communities in which it does business, as well as the needs and concerns of its employees and their families. These are the communities the company knows best, the places where it is best qualified to set priorities and goals in its contributions effort.

As a company's contributions program matures, however, management may take a broader view and reexamine the tendency to concentrate support geographically. We are, after all, a mobile, interdependent society and employees may be drawn from a wide variety of locales. The national and international dimensions of philanthropy have become increasingly important.

Business people involved in corporate philanthropy become more aware of the needs of the organizations they support, and more conscious of the complexity of the nonprofit sector. Those who contribute to symphony performances, for example, recognize that young artists need help to study and perform if they are to win places in these orchestras one day. Those who support education realize that colleges have to prepare some of their best students to become teachers if the flow of well-trained graduates is to be maintained.

For example, the business community has recognized that its need for engineers has been attracting almost all new graduates and some teaching faculty into industry. As an editorial in *Science* magazine put it, the situation was a classic case of eating one's seed corn. Some students have to become teachers if education is to continue.

If current circumstances make a teaching career less financially attractive, steps must be taken to reduce the economic differences between academic and industrial employment. The Exxon Corporation took an important step to respond to the need this fall, by making available to the Exxon Education Foundation an additional \$15 million to fund an engineering education program in commemoration of the 100th anniversary of Exxon's founding in 1882. The money will provide 100 three-year teaching fellowships worth about \$50,000 each, and 100 grants of \$100,000 each to support junior faculty salaries in key engineering and science departments. Altogether 163 departments in 66 colleges and universities will participate. This one-time commitment, believed to be the largest of its kind ever made by a corporate foundation, will be in addition to the foundation's regular grants program (which will award some \$22 million in the field of education in 1981).

The public expects us to be concerned about engineering education, and we will continue to be. The public probably doesn't expect us to be concerned about the future of the humanities or the liberal arts, but that does not deter us from trying to be helpful in these areas, too. Society needs doctors, architects, journalists and clergy as well as engineers, geologists and accountants. We are also concerned with supporting the human services activities of organizations such as the United Way.

The underlying philosophy of corporate philanthropy is that it is good business to be an enlightened corporate citizen. It doesn't make sense to talk about successful corporations in a society whose schools, hospitals,

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churches, symphonies or libraries are deteriorating or closing.

Because of this conviction, philanthropy becomes an integral part of the well-managed company. It can't be ad hoc activity, reacting to passing fads. A well-managed program of corporate philanthropy requires a set of goals and objectives; a set of guidelines for determining how much money will be allocated to it; criteria for making grants and for evaluating how they are used; and either in-house professional staff for access to competent consultants. The specific goals and objectives should be reviewed regularly, of course, but the company's basic contributions philosophy must be established with the full participation of its top management and directors. This is fundamental.

The guideline that boards in this country often use in allocating funds for contributions is a percentage of pre-tax U.S. income, sometimes averaged over a period of several prior years. At Exxon, on that basis, we are now at about 1.6 percent of our prior three years' income and planning to increase that number further. While other companies may decide on different objectives, I believe that setting realistic internal goals and meeting them is important.

The decision on how much to give should involve the board of directors and top management in overall strategy and the setting of contribution goals. A professionally competent staff, or qualified consultants in the case of smaller companies, is an essential—and all too often overlooked—ingredient in helping management decide specifically what to give the money for and how to give it so that it will be well used. Whether the staff is drawn from within the regular ranks of employees or whether (as at Exxon) some staff members are recruited from the fields served by the contributions, what is most important is that we maintain high professional standards of performance here as we do everywhere else in our operations.

Giving money is not enough—we also have to give our time. Close, personal involvement of a company's employees in nonprofit community activities is the best demonstration of business citizenship. By loaning executives to nonprofit organizations where their special talents are needed or by granting time to employees for volunteer work we "bring something more than money to the party". And before long, we have found, this sort of direct involvement improves the way we contribute funds.

Corporate philanthropy has come a very long way since the railroads began building YMCAs a century ago. I believe business can play an even greater role if there is a concerted effort to put philanthropy on the permanent business agenda. Businessmen need to focus on philanthropic activities just as we focus on our regular business activities when we are really determined to get things done. We have a splendid—perhaps a unique—opportunity in the next few years to demonstrate anew that the economic system we believe in can work and work well, in the public interest.●

HELP PROGRAM

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. LOWERY of California. Mr. Speaker, I am very pleased to have

joined today with several of my colleagues in introducing the homeownership equity loan program. This bill will provide assistance for both home-builders and first-time homebuyers until the President's economic program takes hold and mortgage interest rates fall and stabilize.

Briefly, this legislation authorizes Ginnie Mae to provide assistance by either purchasing the mortgages or making initial lump sum payments to the lending institutions on behalf of the homebuyer. The payment may be for either a principal or interest write down in order to lower interest rates to 12 percent, or up to a maximum of \$6,000, whichever is lower. The purchaser must be a credit worthy first-time homebuyer and the residence must be an "inventory" home, that is, those where construction started before October 1, 1981, and are not yet sold. Allocation of these funds will be made on the basis of the unsold inventory supply—which in California represents approximately 70,000 units. Implementation of HELP will mean that 100,000 of the Nation's 500,000 inventory homes can be sold.

For example, as of August 31, 1981, there were more than 6,800 partially constructed or newly constructed unsold homes in San Diego County. The median price of these homes—single family detached and attached, condominiums and cooperatives—is \$88,505. With the assistance of the HELP program, about 20 percent of these homes can be occupied by first-time homebuyers.

HELP is a simple, straightforward and responsive plan to make housing affordable for young families. I am pleased that the proposal for the HELP program is narrowly targeted legislation—it is limited to credit worthy first time homebuyers and inventory homes. HELP is also responsible legislation—the proposal provides for the full recapture of Federal funds upon sale or refinancing of the property. Therefore, there is no cost to the American taxpayer. In fact, this legislation will save money for the taxpayer because defaults, bankruptcies, and construction labor unemployment costs can be alleviated, thus generating additional productive capital investment and Federal, State, and local tax revenue.

I ask the chairman of the Housing Subcommittee, the gentleman from Texas, Mr. GONZALEZ, to schedule hearings as soon as possible so that we may provide relief to the American people.●

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WHITE HOUSE CONFERENCE ON AGING

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. SHAMANSKY. Mr. Speaker, the once-a-decade White House Conference on Aging has ended. Congress authorized the conference to develop "a comprehensive, coherent national policy on aging together with recommendations to implement the policy."

In the past, these conferences have led to important and necessary legislation to improve the lot of America's elderly. The 1961 conference led to the establishment of medicare which provides health to millions of elderly Americans. The 1971 conference led to passage of the Older Americans Act, an important first step toward insuring that senior citizens have proper food, shelter, and the opportunity to be a part of their community.

Unfortunately, the 1981 White House Conference on Aging was subject to unprecedented political pressure. Delegates were polled by the Republican National Committee of their views on the administration's budget cuts, on programs for the elderly, and on the President's handling of the economy. Personal questions, such as, "What organizations are you currently a member of?" were asked with obvious partisan intent.

The administration unexpectedly appointed 400 new delegates to the conference, many of whom received key committee positions. Discussion was controlled with Secretary Schweiker manipulating rules and procedures. In 3½ days of meetings, the delegates were given only one opportunity to vote.

Nevertheless, the delegates were able to produce 600 recommendations. Their recommendations cover a broad range of issues and deserve to be taken seriously by Congress, much as we took seriously the recommendations of 1961 and 1971.

We are a rich and a strong country. We have the means and the spirit to guarantee all our elderly citizens a decent life. To do less would be an insult to our parents, our country, and ourselves.

I wish to commend the delegates who participated in this year's White House Conference on Aging, despite the unpleasant atmosphere of manipulation and partisanship. I promise to take your recommendations seriously and to work as a member of the House Select Committee on Aging for legislation that will guarantee a decent life for all older Americans.●

SUPPLY-SIDE NONPROLIFERATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. BINGHAM. Mr. Speaker, there is real cause for concern that the current drive to give business a freer hand has taken control of our Nation's nuclear nonproliferation policy too. The Reagan administration's theme seems to be that the United States should be a reliable supplier of nuclear fuel and technology in order to influence client states not to build nuclear weapons. As Gerald Warburg, foreign policy aide to Senator ALAN CRANSTON, says in a letter to the editor of the Fall 1981 Foreign Policy magazine—

The fatal flaw of such supply-side policies, however, is that proponents promote the spread of nuclear technology while forever remaining reluctant to exercise leverage once gained.

Mr. Warburg goes on to offer a stinging critique of the Reagan administration's approach to halting the spread of nuclear bombs. His critique is based on the effectiveness, both real and potential, of the Nuclear Non Proliferation Act of 1978. I think my colleagues will find his comments of great interest, and I include the full text at this point in my remarks:

In "Supply-Side Non-Proliferation" in Foreign Policy 42, Ted Greenwood and Robert Haffa, Jr. provide a catchy phrase to describe their suggestions to curb the further spread of nuclear weapons. But the substance of their plan is ill founded and deeply troubling. Does greater non-proliferation security lie in a return to nuclear business-as-usual? Do we really want to legitimate widespread international commerce in pure, weapons-useable plutonium?

Even more troubling, the Reagan administration has adopted its own "reliable supplier" version of this supply-side approach. James Malone, assistant secretary of state for the Bureau of Oceans and International Environmental and Scientific Affairs, in a May 1981 address to a Livermore, California arms control conference, placed commercial export concerns and nuclear energy production aspirations on a par with, if not superior to, proliferation security concerns. Although the administration statement of July 16 included strong non-proliferation rhetoric and was a retreat in some respects from Malone's May pronouncements, the Reagan policy remains a proliferation theory of non-proliferation. It seeks to promote nuclear exports to maximize potential leverage over proliferation developments. The fatal flaw of such supply-side policies, however, is that proponents promote the spread of nuclear technology while forever remaining reluctant to exercise leverage once gained.

Administration spokesmen focus their frustration over sluggish nuclear sales and continued proliferation on the U.S. Nuclear Non-Proliferation Act of 1978 (NNPA), the legislative centerpiece of recent U.S. non-proliferation efforts. As a principal drafter of the NNPA, I do not defend the act with-

out qualification. It is not and was not intended to be a panacea. But the NNPA and parallel efforts have slowed the rate of proliferation and have restrained the spread of a dangerous plutonium economy.

The NNPA was designed to build on the essential bargain of the Non-Proliferation Treaty (NPT). By design, the NNPA stressed the primacy of Article I obligations, intended to prevent the spread of weapons capability—the treaty's *raison d'être*—over those of Article IV, meant to reassure those interested in nuclear energy production.

Critics of the NNPA have deplored disarray in the current regime. But prior to the NNPA, the Atomic Energy Commission—later the Nuclear Regulatory Commission (NRC)—had no standards for export licensing other than an affirmation that an export would not compromise "the common defense and security." U.S. law did not prohibit exports to countries that rejected international inspection or that diverted commercial technology for weapons use. The NRC and the State Department had no timetables for considering license applications. And to deny any license was so unthinkable that U.S. law contained no provision allowing the president to override such a decision by the independent NRC. It was the 1978 NNPA that provided these clearer procedures and meaningful safeguards—the sine qua non of a viable U.S. nuclear export industry.

The NNPA cannot prevent determined nations from approaching the nuclear threshold. Pakistan, in fact, has already undertaken site preparations for a nuclear test. Yet it was the failure of the ineffective pre-1974 nuclear regime to prevent India from going nuclear that spawned Pakistan's nuclear program. Diplomatic efforts and NNPA sanctions on potential suppliers have thus far succeeded in preventing Pakistan from attaining a weapons capability.

The Israeli raid on the Iraqi nuclear reactor has produced a new international consciousness about the dangers of nuclear proliferation and some significant changes in administration rhetoric. Yet the Reagan policy not only fails to capitalize on this heightened awareness, but also actually increases the risk that additional nations will go nuclear. The administration's supply-side theories, once scrutinized, are merely a call for an export standard that is a least common denominator. Each nuclear supplier must be prepared to undertake sales similar to those made by its least responsible competitor if the supplier is to retain its supposed leverage to influence proliferation trends.

Instead of a supply-side approach, the Reagan administration would be wise to build on the NNPA's basic export standards. It should first call for an emergency conference of the nuclear supplier nations. This conference would seek multilateral consensus to deny the exports of nuclear technology to states that do not possess nuclear weapons but that reject frequent international inspection of all their nuclear facilities. Supplier nations also should impose a moratorium on exports of fuels than can be used directly to produce nuclear weapons—highly enriched uranium and separated plutonium. They should adopt new restraints on exports of dual-use technology to countries flirting with a weapons option.

Suppliers must also build a new consensus on the importance of discrimination and realism in nuclear commerce. Suppliers' conferral of legitimacy on the dangerous aspects of the nuclear programs of recipient

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nations has increased proliferation dangers in Iraq, Pakistan, and other countries. Moreover, nations eager for Third World export sales and oil have made matters worse through an over-generous reading of the NPT's Article IV. There is no justification for selling sophisticated nuclear hardware to countries that could just as readily use equipment less easily applied to military uses and whose "peaceful" intentions are open to question. For non-proliferation efforts to succeed, suppliers must transfer nuclear technology only to those nations unlikely to divert the technology for weapons development.

Dramatic testimony presented to Congress in the wake of the Israeli raid by Roger Richter, a recently resigned International Atomic Energy Agency (IAEA) inspector, exposed glaring weaknesses in current IAEA inspection practices. Stronger IAEA safeguards are essential to slowing the spread of nuclear weapons. The IAEA must expand information sharing with member nations to maximize scrutiny of nuclear programs in high risk countries. Moreover, it should consider publishing inspection reports and performing more frequent inspections, some of which should be unannounced.

International cooperation on fuel cycle measures must also be an important goal of our nonproliferation program. Without such cooperation, unresolved questions regarding spent fuel and enrichment capacities will continue to result in agitation for broader commerce in reprocessing technology and plutonium.

The United States must also strengthen certain defense commitments to reduce the incentives for insecure nations to develop nuclear weapons. The retention of U.S. troops in South Korea and the maintenance of informal U.S. ties with Taiwan, for example, help address the insecurity of those countries and thereby reduce their incentives for going nuclear. But this argument must not be oversold; nations such as Pakistan may be determined to go nuclear despite generous U.S. offers of security assistance. A clear statement that U.S. aid will end if nuclear weapons development continues should accompany new offers of U.S. military assistance to such countries.

Without U.S.-Soviet arms control agreements, the preceding steps will meet with limited success. As long as the United States continues to test and stockpile more and more nuclear weapons, it will continue to enhance the prestige of having nuclear weapons. A ratified SALT agreement and a comprehensive test ban treaty would demonstrate that the superpowers were seriously attempting to slow their own arms race, thereby re-establishing their credibility with the nonnuclear weapons states and meeting their obligations under Article VI of the NPT.

The Israeli attack on the Iraqi nuclear facility illustrates a fundamental lesson that should serve to alter substantially the Reagan administration's policies—nuclear export control is a basic security issue, not a commercial one. Nuclear exports advance non-proliferation security only if they yield tangible benefits in terms of supplier restraints. Consensus on such restraints will not be easy to achieve and should not be pursued as an end in itself. The United States must continue to supply leadership and to exercise unilateral restraint. Past efforts to control nuclear proliferation—the NPT, the NNPA, the London supplier group guidelines, and the IAEA safeguards—provide the basis for future success. They

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should be strengthened and improved, not discarded.

And critics of recent U.S. nuclear nonproliferation policies—be they industry executives, Reagan administration officials, or academicians—have the burden of proof on them to demonstrate in security terms what tangible harm past policies have caused to U.S. security interests and what security benefits their export promotion policies promise to reap. It is on this national security foundation that future U.S. nuclear nonproliferation policies must rest. ●

HUMAN RIGHTS AND THE U.N.

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

• Mr. HYDE. Mr. Speaker, Jeane J. Kirkpatrick is one of this administration's most salutary appointments. She brings to her important work as Ambassador to the United Nations high intelligence, courage and the ability to express the views of our Government both forcefully and effectively.

On November 24 Ambassador Kirkpatrick made a statement on human rights that deserves the careful attention of my colleagues:

(Press Release, U.S. Mission to the United Nations, Nov. 24, 1981)

STATEMENT BY AMBASSADOR JEANE J. KIRKPATRICK, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS, IN THE THIRD COMMITTEE, ON ITEM 12, HUMAN RIGHTS

Mr. Chairman, the government of the United States was founded squarely and explicitly on the belief that the most basic function of government is to protect the rights of its citizens. Our Declaration of Independence states, "We hold these truths to be self evident: that all men are created equal, that they are endowed by their creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness." It adds, "To protect these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

These notions—that the individual has rights which are prior to government, that protection of these rights is the very purpose of the existence of government, that the just powers of government depend on the consent of the governed—are the essential core of the American creed. That being the case, we naturally believe that the United Nations has no more important charge than the protection and expansion of the rights of persons. The Charter commits the United Nations to this task; several bodies in the United Nations are explicitly devoted to it. My government stands always ready to join other nations in any serious effort that will expand the perimeters of liberty, law and opportunity. We believe that the rights of individuals are most effectively promoted and expanded by and through democratic political institutions—where governments are elected through periodic competitive elections, elections that feature freedom to criticize government, to publish criticisms, to organize opposition and compete for power. Human rights viola-

tions may occur even in such systems, but they are relatively few and readily corrected. The reason that popular governments protect human rights best is that people do not impose tyrants upon themselves. Tyrants impose themselves upon people.

Mr. Chairman, there would be no serious human rights abuses if all peoples enjoyed self-government and democracy. The dynamics of freedom and political competition could be relied upon to work to protect minorities, dissenters, and critics against the arbitrary use of governments' powers against them. But, unfortunately, many, perhaps even most, people do not live in democracies, but live instead under rulers whom they have not chosen and who cannot be counted upon to respect their rights.

Governments, moreover, are not the only source of oppression and tyranny. Serious political philosophers such as Thomas Hobbes, John Locke, Baron Montesquieu, Rousseau and their medieval predecessors, among others, understood that human rights exist independently of government and that human rights violations exist independently of government as well; that human rights can be and are violated by private violence as well as by public coercion. A government of laws protects and expands rights because it protects individuals against private violence.

Because human rights can be violated by individuals and groups as well as by governments, the protection of human rights should necessarily have a double focus. It should take account of all major sources of abuse: violations by government and violations by private violence, including organized private violence. Tyranny and anarchy are alike incompatible with freedom, security, and the enjoyment of opportunity.

Mr. Chairman, it is, of course, not enough for the partisans of freedom to define the character and identify the sources of human rights violations. A serious commitment to human rights by this or any group also requires that one's judgment be fair and reasonable. Fair judgment of a country's human rights practices would judge all by the same moral standards. A reasonable judgment requires that all nations be judged by criteria relevant to their specific character and situation. Thus it is not fair to judge one nation or group by the Sermon on the Mount and all other nations on the curve; it is not reasonable to judge peaceful countries with a long experience of self-government by the same standards as strife-torn countries with weak legal and political institutions. And it is neither fair nor reasonable to judge the human rights violations of some nations harshly while ignoring entirely the gross abuses of other peoples.

Although these principles would appear to be almost self-evident, some curious practices have grown up in recent years around the standard of human rights, as some persons and some governments have attempted to use human rights less as a standard and a goal than as a political weapon; less to expand the domains of freedom and law than to expand the scope of their hegemony.

To bring about this transformation of function, an effort has been mounted to deprive the concept of human rights of specific meaning by pretending that all objects of human desire are "rights" which can be had, if not for the asking, then at least for the demanding. The proliferation of "rights"—to a happy childhood, to self-fulfillment, to development—has proceeded at

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the same time that the application of human rights standards had grown more distorted and more cynical.

No aspect of United Nations affairs has been more perverted by politicization of the last decade than have its human rights activities. In Geneva and in New York, human rights has become a bludgeon to be wielded by the strong against the weak, by the majority against the isolated, by the blocs against the unorganized. South Africa, Israel and the non-Communist nations of South America have been the principal targets of United Nations human rights condemnation—South Africa on grounds of apartheid, Israel on grounds of alleged practices in the West Bank and in the territories occupied in the 1967 war, and assorted non-Communist Latin American countries because, in addition to being non-democratic, they have been unorganized and unprotected in this body in which from time to time moral outrage is distributed much like violence in a protection racket.

Mr. Chairman, my government believes that apartheid is a morally repugnant system which violates the rights of black peoples and colored who live under it. It is one system through which the inhabitants of one country are denied equal access to freedom, economic opportunity and equal protection of the laws. It is one system by which one ruling minority refuses to share power and profits from its possession of monopoly power. As such it is reprehensible. It cannot be condoned by governments and people who believe in government based on the consent of the governed, freely expressed in competitive elections in which all citizens are permitted to participate.

But let us be clear, Mr. Chairman, apartheid is not the only system for denying people the enjoyment of freedom, the right to choose and criticize their rulers, the rule of law, the opportunity for a good job, a good education, a good life.

There are other grounds on which other regimes in the last decade have denied their citizens dignity, freedom, equal protection of the law, material well-being and even life; other regimes that have more cruelly and more brutally repressed and slaughtered their citizens.

In my government's view, it is entirely appropriate that the agencies of the United Nations should condemn the spirit and the practice of apartheid and deplore its human consequences, providing, of course, that the same bodies of the United Nations demonstrate a serious moral concern for freedom, equality and law. But the record of human rights in the United Nations belies the claim to moral seriousness that would fully justify its judgments.

Mr. Chairman, the human rights agencies of the United Nations were silent while 3 million Cambodians died in Pol Pot's murderous Utopia; the human rights agencies of the United Nations were silent while a quarter of a million Ugandans died at the hands of Idi Amin. The human rights organizations of the United Nations have been silent about the thousands of Soviet citizens denied equal rights, equal protection of the law, denied the right to think, write, publish, work freely, or to emigrate to some place of their own choosing. As we meet here, Andrei Sakharov, one of the world's most distinguished physicists and bravest men, who has been confined to exile in Gorky, has entered upon a hunger strike to protest the refusal of the Soviet government to allow his daughter-in-law to emigrate.

But the United Nations is silent.

Mr. Chairman, the activities of the United Nations with respect to Latin America offer a particularly egregious example of moral hypocrisy. Four countries of Latin America were condemned for one or another human rights violation during the last General Assembly; resolutions condemning El Salvador, Guatemala, Chile and Bolivia were voted last winter in Geneva during the sessions of the Human Rights Commission. Doubtless, some of these countries, some of these governments, are guilty as charged. But the moral standing of their judges is undermined by their studious unconcern with the much larger violations of human liberty elsewhere in Latin America by the government of Cuba. That government has driven over one million of its citizens into exile. It has incarcerated more political prisoners than any other Latin American nation. It has repressed freedom, denied equality, and, incidentally, deprived its citizens of what is termed here the right to development—a talent for which Cubans had demonstrated a large capacity prior to Fidel Castro's "liberating" revolution.

An especially instructive example of the quality of human rights in Cuba is the fate of Cuba's poets—virtually all of whom are in exile or in jail. Among the former are Heberto Padilla, winner of the UNEAC prize for poetry in 1968; Reinaldo Arenas, author of the novel "Hallucinations," which was a best-seller in Europe; Rogelio Llopis, whose short stories have been translated into English, German, Polish and Hungarian; Edmundo Desnoes; Antonio Benitez Rojo, whose stories won a UNEAC prize in 1968 and who, until he sought asylum in Paris in mid-1980, was the director of publications for Casa de los Americas; Jose Triana, recipient of a Casa award for his play "La Noche de los asesinos" (1965).

Less fortunate even than the poets who have been driven from their native land are those who rot in jail. Two of these cases are known and discussed all over the world by those who value freedom and respect human creativity.

Angel Cuadra is an internationally celebrated poet whose works have been translated into English, German, and Russian. He was arrested and charged with conduct "against the security of the State" after having unsuccessfully sought permission to emigrate from Cuba in 1967. Having served two-thirds of a fifteen-year sentence, he was paroled in 1976; but then an anthology of his elegiac, apolitical poetry, entitled "Impromptu," was published in the United States and, as a result, his parole was revoked. From prison, Angel Cuadra wrote to the exiled poet Juana Rosa Pita in May 1979, "there was no legal basis for this new reprisal against me. Only that I am a poet; that the world speaks my name; that I do not renounce my song. I do not put it on bended knees, nor do I use it for other, political or partisan ends, but only literary, universal, timeless ones." After participating in prison "rehabilitation programs," Cuadra was to be released again in July 1979. However, when the authorities learned that he had managed to smuggle out the manuscript of a new collection of his poetry which appeared in English translation under the title "A Correspondence of Poems," they transferred him to Boniato prison instead of releasing him. Under a constitutional provision giving retroactive effect to penal laws favoring prisoners, Cuadra is entitled by Cuba's own laws to be set free; according to their constitutional

norm, he has served his sentence. Nonetheless, his attempts to secure a court order for release have failed.

One of the most pathetic cases of all is that of the poet Armando Valladares, whose case, by the way, was described at length in *Le Monde* of November 13. At the time of his arrest in 1960, Mr. Valladares was 23 years old. He was already writing poetry and painting, but at this young age, he was not as yet published. After his incarceration, he continued to write and to draw, wherever possible. His poetry has been published in several languages in two volumes, the first entitled "From My Wheelchair," the second, "The Heart With Which I Live." His book, "Prisoner of Castro," was published in both Spanish and French. In recognition of Mr. Valladares writing and his talent as a poet, the French PEN Club invited Mr. Valladares to become a member in 1979, and in the following year, 1980, awarded Mr. Valladares its "Liberty Prize." As a reprisal for the publication of these works, in 1979 Mr. Valladares was moved to the remote prison of Boniato, deprived of his possessions, including all his books and his Bible. He is currently confined at Combinado des Este prison. As further reprisals for having written his book and poetry, his elderly parents and sister, having received permission to emigrate, were told that they would be allowed to leave only if Valladares were to write a letter to the foreign press denouncing the publication of his work. In a letter sent to PEN in 1980, Valladares wrote that such a letter would be the equivalent to "committing moral and spiritual suicide," and he refused to write it.

Mr. Valladares has never had specific charges brought against him. He has not violated any of Cuba's laws or regulations. He did not participate in any terrorist activities; no munitions, arms or explosives were ever found in his home or in his possession. The sole reason for his 20 years of imprisonment is that he did not share the Cuban government's ideology. Furthermore, that he refused to submit to its rehabilitation programs. In August of 1974, the prison director ordered that no food be given to Mr. Valladares and after 49 days of such imprisonment and punishment, he was left a total invalid. This is, of course, a direct violation of Article 5 of the Universal Declaration, regarding cruel punishment. Armando Valladares has been officially adopted by Amnesty International as a prisoner of conscience and Amnesty International has submitted numerous appeals in his behalf. The International PEN Club has also appealed for his release as well as the London-based Writers and Scholars International and many other human rights organizations all over the world. On November 12, 1980, the French PEN Club wrote to the Cuban ambassador in Paris but received no reply. The Venezuelan government has repeatedly asked for the release of Mr. Valladares. In 1979, a Venezuelan official met with Carlos Rafael Rodriguez, Vice Prime Minister of Cuba, to ask for Valladares' release. During the Non-Aligned Conference held in Havana during the fall of 1979, the same official met with Fidel Castro and pleaded again for Valladares' release on humanitarian grounds. Since then, the President of Venezuela, Herrera Campins, has also explored the possibility of gaining Valladares' release through various Cuban government channels. But all attempts have failed.

What are we to think, Mr. Chairman, of defenders of human rights who ignore the victims of major tyrants and focus all their

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ferocity on the victims of minor tyrants? Mr. Chairman, nothing is more necessary with respect to the treatment of human rights questions in the United Nations than to affirm and to adhere to a single standard. For if we do not have a single standard, then our resolutions and recommendations are merely tendentious political statements without moral content. Either we consistently uphold the right of all people to be free regardless of the kind of system they live under or we do not, ourselves, have the right to talk about human rights and to make recommendations that we expect others will follow.

In a word, nothing less than the moral integrity of the United Nations is at issue in our deliberations here. Nothing less than the commitment of this organization to its own reason for being is at stake.

Thank you, Mr. Chairman.●

HUMAN RIGHTS HYPOCRISY

HON. EDWARD J. DERWINSKI
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. DERWINSKI. Mr. Speaker, my attention was recently directed to an editorial which appeared in the November 14 edition of the Blade of Toledo, Ohio. The predictable pattern of debate on the issue of human rights policy is the subject of this editorial. As we begin consideration of foreign aid authorizations and appropriations, I believe this editorial to be especially timely and pertinent.

The article follows:

HUMAN RIGHTS HYPOCRISY

There is something crassly hypocritical about Americans standing on a soap box and preaching to other peoples of the world about human rights. One of the disasters that beset U.S. foreign policy in recent years was the sanctimonious human-rights activism initiated by former President Jimmy Carter.

It is unfortunate, therefore, that President Reagan has been pressured by congressional do-gooders to back away from his basic policy of putting human rights elsewhere in the world in reasonable perspective.

Congressional pressure has been evident ever since the Senate rejected the nomination of Ernest Lefever for the post of assistant secretary of state for human rights. He was the President's first choice for the job, but the nominee was perceived as only superficially committed to the concept of human rights.

The fundamental issue is not the official condoning of human-rights violations in other nations, whether Communist or non-Communist dictatorships or police states. The fact that in some parts of the world torture, imprisonment without cause, summary executions, and other forms of mistreatment and killing go on is naturally abhorrent to all decent people. But what is so apparent to the rest of the world—and so difficult for us to comprehend—is that Americans have a long way to go before they can dictate moral behavior to the rest of mankind.

How effective a voice can Washington have in this matter when it speaks from a land where the citizenry owns more guns

than any other people in the world, where the annual murder rate far surpasses that of any other nation, where the toll from crime in our city streets continues to shock, and where immorality in places both high and low flourishes with an abandon unmatched in most parts of the globe? We are a nation of lawbreakers and can hardly pretend to be a model practitioner of human rights.

President Reagan was on the right track when, upon entering the Oval Office, he toned down human rights as a central issue in the conduct of foreign policy. He recognized, correctly, that Americans have no divine right to set the moral, ethical, or spiritual standards for peoples everywhere, and that the United States could be more successful in influencing other leaders in the treatment of their own citizens through quiet persuasion than by pious or flashy rhetoric.

Mr. Reagan's new appointee to fill the human-rights post in the State Department is Elliott Abrams, now serving as the department's liaison with the U.S. delegation at the United Nations. He is regarded as a conservative Democrat turned Reagan Republican who subscribes to a more balanced application of a human-rights policy. That was spelled out by President Reagan in a statement that accompanied the Abrams' nomination: "The promotion of liberty has always been a central element of our nation's foreign policy . . . We will encourage those who seek freedom, not the least by telling the simple truth about their efforts and the efforts of those who seek to oppress them."

No doubt some congressional critics of the Reagan approach to human rights will still not be mollified. But that should not deter the President from conducting foreign policy on the basis of what is best for this country in terms of security and our geopolitical interests. If that means subordinating a human-rights policy in a particular situation, then so be it.●

TRIBUTE TO TOMMY "THE CORK" CORCORAN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. McCLORY. Mr. Speaker, we observe with sadness today the passing of one of 20th century America's controversial but undeniably influential figures, Tommy "the Cork" Corcoran.

For more than half a hundred years, the wit and wisdom of Tommy Corcoran have been felt in the Nation's Capital. He seemed truly to love politics and never tired of observing and becoming involved in the interplay of ideas, events, and personalities that combine to give Washington its kaleidoscopic fascination.

For Tommy Corcoran was both a theoretician and a performer. His observance of life, knowledge of history, and acute intelligence enabled him to be creative in the advancement of new political ideas, and his good-natured charm and zest for activity allowed

him to carry those ideas from the drawing board onto the political stage.

Tommy Corcoran was one of the bright young Harvard lawyers recommended to the Roosevelt administration by Felix Frankfurter, then on the Harvard faculty. One of Corcoran's first assignments resulted in the drafting of the Securities Act of 1933, which led eventually to passage of legislation setting up the Securities and Exchange Commission. Corcoran also had a hand in legislation dealing with the TVA, fair labor standards, Federal housing, wage and hour laws, and other precedent-setting New Deal laws. Whether one agreed philosophically with Corcoran then or now on much of this legislation, I think we may all agree that Corcoran left an indelible mark on the course of American affairs.

Tommy Corcoran left his imprint not only upon the Nation's laws but upon her political literature as well, as speechwriter for President Roosevelt. His natural Irish way with words probably contributed more than we will ever know to the stirring utterances of the Nation's leadership during one of the most trying times in our country's history.

Mr. Speaker, in addition to my observations of Tommy Corcoran as an adviser to Presidents and other high-government officials, I have been privileged to be with Tommy at a number of social gatherings at which his delightful personality combined with exceptional talents enhanced every such occasion. For instance, Tommy was an excellent pianist and entertainer at the keyboard. His music and song delighted friends on many occasions, and my wife Doris, and I were privileged to be included among the friends whom he entertained in his inimitable way. Doris, who shares this view of "Tommy the Cork," on occasion has described him as a human Irish leprechaun. Indeed, he was as delightful as the mystical leprechaun, and Doris joins me in extending to the family of this unique and historic man our heartfelt sympathy at his passing.●

INDUSTRIAL REVENUE BONDS IMPORTANT FOR NORTHEASTERN PENNSYLVANIA

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. NELLIGAN. Mr. Speaker, we have heard rumblings about the possibility of eliminating or severely limiting industrial revenue bonds. I want to state my opposition to such attempts. Industrial revenue bonds have worked well for small businesses in my area, and they have spurred economic development. At a time when the Nation is

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in recession and my district faces high unemployment rates, I believe it would be wrong to eliminate or limit an important tool for economic development.

My sentiments are shared by the Economic Development Council of Northeastern Pennsylvania, a seven-county organization which works to encourage the economic development of the region. At this point, I would like to put into the RECORD a resolution passed by the economic development council on the issue of industrial revenue bonds. The resolution follows:

RESOLUTION OF THE ECONOMIC DEVELOPMENT COUNCIL OF NORTHEASTERN PENNSYLVANIA

Whereas, Industrial Revenue Bond Financing has been a critical economic development tool supporting the economic revitalization of Northeastern Pennsylvania for many years;

Whereas, Industrial Development Authorities in Northeastern Pennsylvania have used this financing mechanism to encourage the expansion of existing industries and the growth of new industries and therefore, new jobs in the Region;

Whereas, such authorities have joined together with their counterparts in a statewide association and held a meeting in the conference room of EDCNP recently to discuss proposed federal changes which would limit the use of authority financing for economic development;

Whereas, EDCNP staff has studied the proposed changes being considered by federal officials to limit the use of Industrial Revenue Bond financing; and

Whereas, severe limitations on the use of such bonds would restrict and constrain economic growth in Northeastern Pennsylvania: Now therefore, be it

Resolved, that the Executive Committee of EDCNP concludes that:

1. The use of industrial development authority revenue bond financing be continued as an important tool for economic growth throughout the nation and in particular in Northeastern Pennsylvania.

2. Such changes as are necessary to strengthen, not weaken, this type of financing as a major economic revitalization tool be accomplished by the Congress of the United States.

3. Resolutions similar to this be adopted by local industrial development authorities, chambers of commerce and other appropriate organizations to demonstrate region-wide support for industrial bond financing.

4. Copies of this resolution be forwarded to appropriate federal and state officials.●

ROBERT W. LEE ON PEARL HARBOR—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. McDONALD. Mr. Speaker, for the past few days I have entered some well documented and thought-provoking information for the dual benefit of colleagues and historians on the subject of Pearl Harbor. Now comes Robert W. Lee, University of Utah graduate, former corporation presi-

dent, and contributing editor for the Review of the News, with yet more information on Pearl Harbor. The article, simply titled "Pearl Harbor," appeared in the December issue of American Opinion.

Mr. Lee is definitely a capable researcher as well as writer, and the tenor and context of this article is yet another of the revisionist variety. By that I mean one that attempts to get at the truth without being beholden to selfish interests, be that interest motivated by greed or politics. Mr. Lee is motivated only by truth.

In this, part I, readers will be particularly fascinated with the role of Soviet spy Richard Sorge working in Tokyo at the time of Pearl Harbor. I think this interesting in view of the fact that only this past Sunday, December 6, the Washington Post was citing Richard Sorge as a German and not Soviet spy. Part I follows:

PEARL HARBOR

(By Robert W. Lee)

December 7, 1981, marks the fortieth anniversary of the Japanese attack on Pearl Harbor which killed 3,303 U.S. servicemen and wounded another 1,272. In an address to Congress the next day, requesting a declaration of war against Japan, President Franklin D. Roosevelt described December seventh as "a date which will live in infamy," asserting that the U.S. had been "at peace" with Japan and implying that the attack was a complete surprise. That night, in a radio address to the nation, he declared: "We don't like it—we didn't want to get in it—but we are in it and we're going to fight it with everything we've got."

The bombing of Pearl Harbor was indeed an act of infamy. But, as subsequent events have proved beyond question, the infamy was not entirely Japan's. The record clearly, and tragically, shows that President Roosevelt and other top officials in Washington not only knew in advance that the attack was coming, and failed to warn our military commanders in Pearl Harbor, but they actually connived for many months to provoke Japan to make a military move which would justify U.S. entry into World War II. It is a horrifying scenario which stands as a crucially important lesson of political intrigue, subterfuge, and conspiracy.

It is impossible here to review all of the important evidence in the massive Pearl Harbor record. It is therefore my hope that the outline which follows will encourage readers to pursue one or more of the many excellent books which treat the subject in more detail.¹

¹ For example: Harry Elmer Barnes (Editor), *Perpetual War For Perpetual Peace* (Caldwell, Idaho: The Caxton Printers, Ltd., 1953); Husband E. Kimmel, *Admiral Kimmel's Story* (Chicago, Henry Regnery Company, 1955); George Morgenstern, *Pearl Harbor: The Story Of The Secret War* (New York, The Devin-Adair Company, 1947); Frederic R. Sanborn, *Design For War: A Study Of Secret Power Politics, 1937-1941* (New York, The Devin-Adair Company, 1951); and, Robert A. Theobald, *The Final Secret Of Pearl Harbor: The Washington Contribution To The Japanese Attack* (New York, The Devin-Adair Company, 1954).

Any outline must begin with the extent to which actions by the Roosevelt Administration helped to implement the goals of the Soviet Union in Asia. The Soviets were anxious to promote war between the U.S. and Japan in the hope of destroying Japan's anti-Communist influence in Asia, thereby clearing the way for the Communist conquest of China, Manchuria, and contiguous nations. As early as 1920, Soviet dictator V. I. Lenin had granted exclusive mining rights in Siberia to an American firm for the express purpose, as he later explained to intimate associates, of giving "America a territory for economic use, in a region where we have no naval or military forces. In this way we incite American imperialism against the Japanese bourgeoisie."

In 1940, former Communist Party, U.S.A., official Benjamin Gitlow wrote in his book, "I Confess", that "As far back as 1927 when I was in Moscow, the attitude toward the United States in the event of war was discussed. Privately, it was the opinion of all the Russian leaders to whom I spoke that the rivalry between the United States and Japan must actually break out into war between these two."

And on July 19, 1935, U.S. Ambassador to Moscow William C. Bullitt wired a dispatch to Secretary of State Cordell Hull, prophetically reporting: "It is . . . the heartiest hope of the Soviet Government that the United States will become involved in war with Japan. . . . To think of the Soviet Union as a possible ally of the United States in case of war with Japan is to allow the wish to be father to the thought. The Soviet Union would certainly attempt to avoid becoming an ally until Japan had been thoroughly defeated and would then merely use the opportunity to acquire Manchuria and Sovietize China." That is exactly how it developed. The U.S.S.R. remained aloof from the Pacific conflict until August 8, 1945, when her last-minute declaration of war on Japan made her our "ally" a mere two days after the atomic bomb fell on Hiroshima and six days before Japan's surrender was announced.

Germany invaded Russia on June 22, 1941, giving Japan a golden opportunity to launch an assault on Soviet Siberia which might have helped crush the threat of Communist power for decades. The Germans at once began to urge Japan to do just that and the prospect of a joint German-Japanese assault horrified Soviet officials. In Tokyo, the German Embassy had been infiltrated by Soviet master spy Richard Sorge. According to historian Anthony Kubek, Sorge and his cohorts worked tirelessly to convince Japanese officials "that if they struck north, their forces would encounter powerful Red armies, there would be little of value in Siberia, and she [Japan] would probably meet greater difficulties than in her war with China. If Japan struck south, it was pointed out, she would find many useful resources."

On July 2, 1941, a rare Imperial Conference in Tokyo decided to move south (at the risk of war with the U.S. and Great Britain) rather than against the Soviets. This Top Secret military decision was immediately transmitted by Sorge to his Soviet masters, who were greatly relieved, since they could now safely move troops from Siberia to assist in the battle with Hitler's forces. As described by Victor Kravchenko, a high Soviet official who eventually defected to the United States, the conflict with Hitler had improved for the Communists by mid-October because, in large part, "The first seasoned Siberian and Far Eastern forces

began to arrive . . . Far Eastern troops, hardened in border struggle with the Japanese, and Siberian forces inured to winter warfare were rushing westward across a continent to hold the [Nazis] invaders." By year's end, the German front near Moscow would collapse and Japan would attack the U.S. as a result of the crucial, Communist-influenced Japanese decision to move south.

But all of the effort to maneuver Japan into an attack on the United States was ultimately based on the determination of the American people to stay out of the brewing world war. Throughout his first term, aware of the national mood, President Roosevelt had publicly endorsed traditional American foreign policy regarding foreign quarrels. For example:

October 13, 1933: "As a Nation, we are overwhelmingly against engaging in war. . . . The United States is opposed to war."

August 31, 1935: "It is the policy of this Government to avoid being drawn into wars between other Nations. . . . The policy of the Government is definitely committed to the maintenance of peace and the avoidance of any entanglements which would lead us into conflict."

October 17, 1935: "I have pledged myself to do my part in keeping America free of those entanglements that move us along the road to war."

October 23, 1935: ". . . it shall be my earnest effort to keep this country free and unentangled from any possible war that may occur across the seas."

Armistice Day, 1935: "The primary purpose of the United States of America is to avoid being drawn into war."

December 9, 1935: "You and I know that we have no intention of getting mixed up in the wars of the rest of the world."

October, 1936 (in more than one speech): "The Nation knows that I hate war, and I know that the Nation hates war. I submit to you a record of peace; and on that record a wellfounded expectation for future peace with the world."

And so, based on that record, F.D.R. was elected to a second term in November 1936. But then, things began to change. On October 5, 1937, the President made his famous speech in Chicago in which he suddenly advocated a "quarantine" of aggressor nations. His criticism was directed chiefly at Japan and marked a key turning-point in U.S.-Japan relations. It was the beginning of the pressure policy which exploded at Pearl Harbor. As historian Frederic R. Sanborn records it in "Design For War": "To say that the Republic was amazed by the speech would be an understatement. It was not only amazed; it was frightened. . . . Those who had distrusted Mr. Roosevelt's judgment commenced to distrust his motives and to suspect his purposes. It seem [sic] to them (in retrospect, rightly?) that this reversal portended the choice of a path which descended only to war."² A Resolution to amend the Constitution was introduced in Congress to require a public referendum before war could be declared. It did not pass.

Stung by this new and hostile development, the President became publicly silent on the subject for a time. Yet, behind the

scenes, the whole national defense picture was being reorganized and pieces of a pro-war puzzle fitted into place. On July 26, 1939, for instance, Japan was given notice that the long-standing Commercial Treaty of February 21, 1911, was being abrogated, effective January 26, 1940. And the appointment of Henry L. Stimson as Secretary of War on June 20, 1940, was an especially revealing indication of the President's determination to increase hostilities with Japan.

Stimson's personal animosity toward Japan was well known, stretching back to his term as War Secretary in the Administration of President William Howard Taft. As President Herbert Hoover's Secretary of State in 1931, he had urged the imposition of economic sanctions after Japan moved to protect her Manchurian interests against the lawless activities of Communist-incited Chinese. President Hoover refused to go along, however, describing such sanctions as "roads to war."

Following F.D.R.'s election in 1932, Stimson met twice with the President-elect, during which time he made his views about Japan quite clear. And, as Roosevelt's Secretary of War, Stimson once again pressed hard for economic sanctions against Japan and opposed all meaningful negotiations which might have avoided war. In the words of Professor Anthony Kubek: "With the arrival of Stimson in the Cabinet, the Roosevelt Administration began to forge an economic chain around Japan that foreclosed any hope of understanding between the two countries."

The links in that "economic chain" included such steps as closure of the Panama Canal to Japan's ships; termination of shipments of airplane fuel, scrap metal, machinery and tools; discontinuation of subsidies on wheat sent to the Far East; and, on July 25, 1941, the Executive Order (effective the following day) which froze all Japanese assets in the U.S. and created what amounted to a full-scale economic embargo. It was under such economic pressure that Japan was compelled to expand south to seek control over areas which could supply both the necessities of life for her people and military essentials (oil, rubber, tin, food, etc.).

As Vice Admiral Frank E. Beatty, an aide to Navy Secretary Frank Knox at the time, wrote in U.S. News & World Report for May 28, 1954: "I can say that prior to December 7 [1941], it was evident even to me . . . that we were pushing Japan into a corner. I believed that it was the desire of President Roosevelt and of Prime Minister Churchill that we get into the war as they felt the Allies could not win without us and all our efforts to cause the Germans to declare war on us had failed. The conditions we imposed upon Japan—to get out of China, for example—were so severe that we knew that nation could not accept. We did not want her to accept them. We were forcing her so severely that we should have known that she would react toward the United States. All her preparations in a military way—and we knew their over-all import—pointed that way."

Events surrounding the embargo order of July twentieth are especially revealing. Admiral Richard K. Turner, Chief of the War Plans Division, had prepared for the President and State Department an analysis of the impact which an embargo would have on Japan. Dated July 22, 1941, the report asserted that an embargo "would probably result in a fairly early attack by Japan on Malaya and the Netherlands East Indies" and would have "an immediate severe psy-

²The reason for the policy change is unclear. Some historians have speculated that, with his New Deal programs in trouble, and his popularity dropping as a result, Roosevelt recognized the historic value of war as an economic stimulant—and as a way to save the New Deal, the Democratic Party, and himself.

chological reaction in Japan against the United States." The analysis also predicted that Japanese action against the British and Dutch would further include the Philippines, thereby involving the U.S. in a Pacific war. The report recommended "that trade with Japan not be embargoed at this time."

Despite (or perhaps because of) this clear warning that an embargo was likely to precipitate war, President Roosevelt three days later signed the Executive Order imposing one.

For an attack on our Pacific Fleet to occur at Pearl Harbor, of course, the Fleet had to be there. President Roosevelt saw that it was, from April of 1940 until the bombs dropped. Admiral J. O. Richardson, Fleet Commander at Pearl Harbor in 1940, visited Washington on two occasions during the latter part of the year to confer with the President and other officials about the situation and plead for the transfer of the Fleet to the West Coast. He asserted that the Fleet was inadequately manned for war, the Hawaiian area was too exposed for proper training exercises during the existing U.S.-Japanese tensions, and defenses against both air and submarine attacks were below required standards of strength.

In rebuttal, President Roosevelt argued that the Fleet was needed in Hawaii to serve as a deterrent to "Japanese aggression." So there the sitting ducks stayed. And, on February 1, 1941, Admiral Richardson was relieved of his command, apparently as a result of his disagreement with the President, after serving only thirteen months of an expected two-year tour of duty.

The President's claim that the Fleet was in place to guard against Japanese aggression lost all credibility in March, 1941, when the already depleted American flotilla was further weakened by the transfer to the Atlantic of three battleships, and aircraft carrier, four cruisers, and eighteen destroyers.

There were a number of indications prior to December seventh that Japan was considering Pearl Harbor as a prime target for surprise attack should diplomacy fail. On January 24, 1941, for instance, Navy Secretary Knox had warned of a possible air attack on Pearl Harbor in a letter to Secretary Stimson. Three days later, U.S. Ambassador to Japan Joseph C. Grew telephoned the State Department: "The Peruvian minister has informed a member of my staff that he has heard from many sources, including a Japanese source, that in the event of trouble breaking out between the United States and Japan, the Japanese intend to make a surprise attack against Pearl Harbor with all of their strength and employing all of their equipment. The Peruvian minister considered the rumors fantastic. Nevertheless, he considered them of sufficient importance to convey this information to a member of my staff."

In August of 1940, a cryptography expert broke the Top-Secret "Purple" Japanese diplomatic code. Thereafter, we were able to read all of Japan's diplomatic messages like a card player with a mirror at his opponent's back. Among the most important of the resulting intercepts was a series, begun on September 24, 1941, requesting specific

¹On February 1, 1941, the Chief of Naval Operations (Admiral Harold R. Stark) wrote to the Hawaiian Fleet Commander (Admiral Husband E. Kimmel), asserting: "The Division of Naval Intelligence places no credence in these rumors," and stressing that "no move against Pearl Harbor appears imminent or planned for in the foreseeable future." This estimate was neither withdrawn nor reviewed prior to the attack on December seventh.

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details regarding the location of our ships in Pearl Harbor. Prior to that time, the Japanese Consulate in Honolulu had been following the common practice of reporting the movements of all U.S. naval units in the Hawaiian area. But the request of September twenty-fourth telegraphed a new ball-game entirely, as did subsequent communications (while diplomatic tensions increased) requesting that reports about the exact location of ships be increased to two a week (November fifteenth) and that reports on non-moving ships be added to the agenda (November twenty-ninth). Why the need of such information?

To Admiral Robert A. Theobald, "There was only one conceivable answer—to prepare the detailed plan for a surprise attack on the major units of the Fleet moored there." And that conclusion is strengthened by the fact that no other harbor base in U.S. territory (or our possessions) was being subjected to such detailed Japanese scrutiny. Yet, not so much as a single word about those crucial ship-placement intercepts was ever passed along to our commanders in Pearl Harbor! (Indeed, although a "Purple" decoding machine had been sent to Great Britain, none was sent to Hawaii.)

On May 17, 1951, the New York Daily News featured an article by its Washington correspondent, John O'Donnell, concerning various old Far Eastern intelligence reports which were being closely guarded in Washington. Among those documents was the 32,000-word confession of Soviet spy Richard Sorge (to whom we referred earlier) and the Japanese secret police reports which had been surrendered to the U.S. at the end of World War II. Reporter O'Donnell later confirmed that the "complete record of the Sorge confession" was available to him before he wrote the article. Here is the crucial segment of his dispatch:

"When the spy's confession was sent here, somebody in the Pentagon deleted from the original the damning statement by Sorge that he had informed the Kremlin in October, 1941, that the Japs intended to attack Pearl Harbor within 60 days and that he had received thanks for his report and the notice that Washington—Roosevelt, Marshall, Adm. Stark, et al.—had been advised of the Japanese intentions. There is no record that this information was acknowledged here. But the [Japanese] police documents make it clear that Stalin & Co. had this accurate information and passed it back to us in return for our information about the impending attack by Germany on Russia."

In short, our top officials had received additional "hard" evidence two months in advance that Pearl Harbor would be the target for an attack. And, as Admiral Theobald points out, "certain portions of the Sorge confession had been deleted from the file copy in the Pentagon, obviously for the purpose of preserving the secret of Pearl Harbor and President Roosevelt's part therein from the knowledge of anyone who might see that file copy."

But wait. Why would the Soviets go out of their way to "warn" official Washington of the pending attack when, as we have seen, it had long been a Soviet goal to have the U.S. and Japan embroiled in war? It could only be because they knew that such information would have no effect on deterring the attack. They apparently knew, as the American people did not, that Roosevelt's war policy (which would result in enormous eventual benefits to the Soviets as an "ally" of the United States in both Europe and

Asia) was firmly set. No other explanation makes any sense at all.

President Roosevelt and Prime Minister Churchill met from August 9 to 13, 1941, on a battleship off the coast of Newfoundland for the so-called Atlantic Conference. It was at this time that Churchill was apparently given secret assurances of military support by F.D.R. The details were partially revealed by Churchill in a speech to the British Commons on January 27, 1942, during which he asserted: "... the probability since the Atlantic Conference, at which I discussed these matters with President Roosevelt, that the United States, even if not herself attacked, would come into the war in the Far East and thus make the final victory assured, seemed to allay some of these anxieties, and that expectation has not been falsified by the events."

In other words, as explained that same day by Senator Arthur H. Vandenberg (R.-Michigan), "we were slated for this war by the President before Pearl Harbor. Pearl Harbor merely precipitated what was 'in the cards.' To whatever extent this is true, it indicates how both Congress and the Country were in total ignorance of the American war-commitments made by the President and never disclosed."

The President's war pledge to Churchill, however, created a serious problem. The American people were still overwhelmingly against going to war, and should the U.S. become involved in it as an aggressor (i.e., without ourselves first being attacked), the country would be terribly divided. Also, he had publicly asserted on October 23, 1940, during his campaign for a third term: "I repeat again that I stand on the Platform of our Party: 'We will not participate in foreign wars and we will not send our army, naval or air force to fight in foreign lands outside of the Americas except in case of attack.'" Note those final five "weasel" words. They are the key to the solution of the President's dilemma. If somehow the United States could be struck first, then the country would be united behind the war effort, and the strict language of the platform would be upheld. And the way to provoke Japan into attacking was simply to keep on applying the economic and diplomatic pressure.

For instance, also in August, 1941, Japanese Prime Minister Fumimaro Konoye proposed that he and Roosevelt meet at Honolulu to see if differences could be ironed out and peace preserved. Ambassador Grew was firmly convinced that Konoye was sincere and, in a dispatch to Secretary of State Hull dated August 18, 1941, strongly urged that "prayerful consideration" be given to the proposal "for the sake of avoiding the obviously growing possibility of an utterly futile war between Japan and the United States." He continued: "The opportunity is here presented . . . for an act of the highest statesmanship . . . with the possible overcoming thereby of apparently insurmountable obstacles to peace hereafter in the Pacific."

The Ambassador was convinced that Prince Konoye would be willing to compromise on a number of crucial issues, including the eventual withdrawal of Japanese forces from Indo-China, and expressed the opinion in yet another communication to Hull the next day that the "most important aspect of the proposed meeting" was that, even if the results were not entirely favorable for one side, or the other, or both, there would nevertheless be a "definite op-

portunity to prevent the situation in the Far East from getting rapidly worse."

On August twenty-eighth the Japanese Ambassador formally handed President Roosevelt the Konoye proposal for a meeting. It was rejected. And, once again, Communist hands working behind the scenes had helped assure that it was. Lauchlin Currie, who was F.D.R.'s Administrative Assistant, had vigorously argued that a meeting would harm Chinese morale. In a memorandum to the President on September thirteenth, Currie asserted that the proposed meeting should be rejected because it "would do irreparable damage to the goodwill we have built up in China" and might offend other friendly governments. Lauchlin Currie was later identified under oath as a Communist agent by Elizabeth Bentley, Whittaker Chambers, and former top Communist Party functionary Louis Budenz.

The Treasury Department also voiced its opposition via a memorandum signed by Secretary Henry Morgenthau, but actually drafted by Assistant Secretary Harry Dexter White, which described those who favored the meeting as "plotters of a new Munich." White was subsequently identified, by the Federal Bureau of Investigation, and publicly exposed by Attorney General Herbert Brownell in 1953, as a Soviet spy.●

ENGLISH COSPONSORS LEGISLATION TO AID RAIL SERVICE IN MIDWEST

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. ENGLISH. Mr. Speaker, I am pleased to join my colleague from the State of Kansas, Mr. PAT ROBERTS, as a cosponsor for the Milwaukee Railroad and Rock Island Railroad Amendments Act. It is my sincere hope that this legislation will help to remedy the potentially disastrous outcome now facing farmers, ranchers, and other businessmen who depend upon rail service along the former Chicago, Rock Island & Pacific Railroad lines in Kansas, Oklahoma, and Texas.

In late 1979, the Chicago, Rock Island & Pacific Railroad discontinued its rail services subsequent to its filing for bankruptcy. This action created a major gap in rail service through one of our Nation's vital grain, cattle, natural gas, and oil regions. Cooperation among existing rail lines helped to maintain rail service on much of the Rock Island track and thereby avoided economic and logistic dilemmas of unknown magnitudes. A major portion of this trackage, however, remains in operation solely on a temporary and repeatedly challenged basis. Two years after the Rock Island rail company discontinued its services, over 700 miles of rail line serviced on an interim basis by the Oklahoma, Kansas & Texas Railroad remains under judicial control.

Despite repeated bids from a bona fide purchaser to buy these lines

EXTENSIONS OF REMARKS

which extend from Herington, Kans. to Ft. Worth, Tex.; El Reno, Okla. to Oklahoma City; and Chickasha, Okla. to Anadarko, Okla., the bankruptcy trustee last week convinced judges in the seventh circuit of appeals to discontinue interim service provided since June 1980 on these lines no later than December 31, 1981. As of January 1, 1982, farmers, ranchers, oil and gas companies, besides hundreds of communities which include a military base in Enid, Okla., will face tremendous uncertainties without rail service.

I am not talking about sporadic use of a sparsely traveled trunkline. I am addressing a major track system which, during the first 9 months of this year, hauled over 51,000 railcars of revenue freight commodities. Wheat shipments alone topped 17,000 cars. Petroleum and coal products required almost 2,500 revenue freight cars. We cannot allow selfish interests to forestall shipments of these and other vital commodities to our Nation.

This is not the first time that a major rail company has suffered financial hardships which force it into bankruptcy, and there is no guarantee that it will be the last. In the unfortunate event that additional railroad companies find it necessary to file for bankruptcy, estate trustees must not have the discretionary power to terminate major lines of transport for vital commodities provided by the rail service. The legislation which we are introducing does not propose to bail out bankrupt companies. This legislation will permit healthy and financially stable companies which want to purchase and revitalize the capital resources of defunct railroads and to restore desperately needed rail service to do so.

This act will insure that persons throughout America whose livelihoods depend upon reliable rail service will not be threatened with interruptions of those services resulting from the capricious and economically disruptive actions of estate trustees. I am equally confident that this legislation will enable the courts in conjunction with the Interstate Commerce Commission to restore permanent and reliable service on those Rock Island lines presently under judicial control as provided for in the language of the act.

The text of H.R. 5137 follows:

H.R. 5137

A bill to amend the Milwaukee Railroad Restructuring Act to facilitate the purchase of lines of bankrupt rail carriers to provide for continued rail service, and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be referred to as the "Milwaukee Railroad and Rock Island Railroad Amendments Act of 1981".

FINDINGS

SEC. 2. The Congress finds—

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(1) that it is necessary to establish procedures to facilitate and expedite the sale of rail lines of certain bankrupt rail carriers to financially responsible persons in instances where service is not being provided over the line by the bankrupt carrier and where the prospective purchaser seeks to provide rail service over the line;

(2) that procedures set forth in the amendments made by this Act will provide a practicable means for preserving rail service, this benefiting shippers, employees, and the economies of the States in which such bankrupt rail carriers have operated service, while at the same time providing safeguards to protect the interest of the estates of the bankrupt carriers by requiring payment of a reasonable purchase price; and

(3) that it is in the public interest that the Interstate Commerce Commission's authority to issue orders involving temporary authority to operate rail service over lines of certain bankrupt rail carriers be clarified.

MILWAUKEE RAILROAD RESTRUCTURING ACT AMENDMENT

Sec. 3. Section 17(b) of the Milwaukee Railroad Restructuring Act (45 U.S.C. 915) is amended by inserting after paragraph (3) the following new paragraph:

"(4)(A) In any case pending under section 77 of the Bankruptcy Act on the date of enactment of this Act, any financially responsible person who has made an offer to buy a rail line or lines of the carrier involved in such case over which no service is provided by such carrier, which offer has been rejected by the trustee in bankruptcy of such carrier, may submit an application to the Commission for the purchase of such line or lines. A copy of any such application shall be filed simultaneously with the court.

"(B) The Commission shall, within 30 days after receipt of an application under subparagraph (A), determine whether the applicant—

"(i) is a financially responsible person;

"(ii) has made a bona fide offer for the purchase of the line or lines at a reasonable price; and

"(iii) has in its application given sufficient indication of its intention to use, to the maximum extent practicable, employees or former employees of the bankrupt carrier in the operation of service on the line or lines applied for.

"(C) If the Commission's determination under subparagraph (B) is affirmative with respect to the matters referred to in clauses (i) through (iii) of such subparagraph, the applicant and the trustee shall have 60 days from the date of such determination in which to negotiate terms for the transfer of the line or lines applied for. If the parties are unable to agree within such 60-day period to such terms, either party may, within 30 days after the expiration of such 60-day period, request the Commission to prescribe terms for such transfer, including a reasonable purchase price for the line or lines involved. For the purposes of this subparagraph, a reasonable price shall be not less than the net liquidation value of such line or lines as determined by the Commission. The Commission shall prescribe such terms within 60 days after any such request is made. The terms prescribed by the Commission shall be binding upon both parties, subject to court review as provided in subparagraph (D), except that the applicant may withdraw its offer within 10 days after the Commission prescribes such terms.

"(D) With 15 days after the Commission prescribes terms under subparagraph (C),

the Commission shall transmit such terms to the court, unless the offer is withdrawn under subparagraph (C). Notwithstanding any other provision of law, the court shall approve the transfer under terms agreed to by the parties or prescribed by the Commission if the purchase price for the line or lines is not less than required as a constitutional minimum.

"(E) No purchaser of a line transferred under this paragraph may transfer or discontinue service on such line prior to the expiration of two years after such transfer.

"(F) As used in this paragraph, the term 'financially responsible person' means a person capable of paying the purchase price of the line or lines proposed to be acquired and able to cover expenses associated with providing service over such line or lines for a period of not less than two years.

"(G) The Commission shall, within 45 days of the date of enactment of this paragraph, prescribe any regulations and procedures which are necessary to carry out the provisions of this paragraph."

ROCK ISLAND RAILROAD TRANSITION AND EMPLOYEE ASSISTANCE ACT AMENDMENT

SEC. 4. Section 122(a) of the Rock Island Railroad Transition and Employee Assistance Act (45 U.S.C. 1017(a)) is amended by inserting at the end the following new sentence: "The Commission's authority under this subsection shall continue until a plan of reorganization or liquidation for the Rock Island Railroad or the Milwaukee Railroad, as the case may be, is approved by the Commission and the court."●

FOREIGN AID AUTHORIZATION

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. PEYSER. Mr. Speaker, today I have written the President a letter on the subject of yesterday's vote on authorizing foreign aid appropriations for international security and development assistance. I am inserting a copy of that letter in the RECORD:

HOUSE OF REPRESENTATIVES,

Washington, D.C. December 10, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I stated on the Floor of the House yesterday that I intended to vote for the first time against the Foreign Aid Bill. My reason for wanting to do this was brought about by the severe cuts you have authorized in domestic programs. However, I found that when it came time to vote, I could not reverse the actions I have taken over the years in supporting Foreign Aid as a means of maintaining peace for the United States and the rest of the world.

Mr. President, you are sitting in a unique position of leadership in our country. I find it hard to believe that you are aware of the unnecessary hardships you are causing an increasingly large percentage of our country, young and old alike. It is unfortunate that sometimes the President is the last to know the impact of his acts, particularly on the domestic scene. I feel you are still in a position of changing your direction on tax cuts and by so doing, reducing the huge pending deficit in the federal budget and of stopping additional budget cuts that will begin to shred the fabric of our country.

EXTENSIONS OF REMARKS

I realize that my changing my mind on the Foreign Aid vote pales insignificance to what I am asking you to do. Nevertheless, I beg that you reconsider and take us off the disastrous road we are now on.

Sincerely,

PETER A. PEYSER,
Member of Congress.●

PATH TO MIDEAST PEACE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. FINDLEY. Mr. Speaker, I would like to commend to the attention of my colleagues "The Path to Peace, Arab-Israeli Peace and the United States." This exciting perhaps historic, document, released in October 1981 by the Seven Springs Center, is the report of an August study mission to the Middle East undertaken by four individuals: Joseph Greene, Jr., president, Seven Springs Center; Philip M. Klutznick, former Secretary of Commerce, and president emeritus, World Jewish Congress; Harold H. Saunders, resident fellow, American Enterprise Institute for Public Policy Research, and former Assistant Secretary of State for Near Eastern and South Asian Affairs; and Merle Thorpe, Jr., president, Foundation for Middle East Peace.

This report has important insights into recent developments in the Middle East and suggests needed steps to break the Arab-Israeli deadlock and promote reconciliation in the region. The report is pessimistic in that it finds hopes for a negotiated settlement between Israel and its eastern neighbors to be fading. Both Arabs and Israelis see the other party "as more ready to resort to violence than to negotiation." The Arabs see Israel settlements in the West Bank and military actions against Lebanon and Iraq as a demonstration of Israel's attempt to resolve issues through the use of force. Israel, in turn, sees the PLO and other Arab States as committed to terrorism and other actions which demonstrate their intention to annihilate the Jewish state.

Hope of peace in the Middle East remains, according to the four authors, in negotiations in which the United States plays a major and determined role. And they stress that the need for such negotiations is urgent. The first step toward these negotiations is a statement of mutual acceptance and recognition among the parties and of readiness to negotiate peace. Israel, Jordan, Syria, and the Palestinians should participate with the support of Egypt and Saudi Arabia. The United States, in promoting such a statement, should confer with the PLO to determine whether it would be ready to negotiate peace. As the report states,

"the United States is not prevented by any agreement from exchanging views formally or informally with the PLO."

Although I urge my colleagues to read the report in its entirety, I have extracted the basic conclusions from the summary of the report and have included the complete final chapter: "Next steps on the path to peace."

SUMMARY: CONCLUSIONS AND CHOICES

Reflection on our intensive conversations in the Middle East leads us to cluster our observations on the present situation around points which policy-makers, political leaders, and peoples everywhere who are concerned for peace must face.

First: Hopes for a negotiated peace between Israel and its eastern neighbors are fading. Many Arabs and Israelis are beginning to resign themselves to prolonged confrontation and violence because they see no alternative that promises a just comprehensive peace.

The sense that a decisive change in evolution of the Palestine problem is in the making has generated a new atmosphere of tension and danger which unpredictable events could spark. Events may deprive decision-makers both in Washington and the Middle Eastern capitals of the capacity to choose between confrontation and negotiation.

The first choice, therefore, before all those who will make or pass judgement on policy is one of timing and urgency and lies in the answer to these questions: Is progress in negotiating resolution of the Arab-Israeli conflict important enough to U.S. and global interests that we cannot afford to allow the present possibilities for negotiation to fade? Or do we judge that possibilities will remain open for some time because Palestinians and other Arabs have no realistic option of immediate conformation, so that we can afford to treat the diplomacy of peace routinely? Our judgement is that it is essential to re-establish the momentum in negotiation. We reject the thesis that the United States can only assume leadership in the pursuit of peace when it is driven by tragic events.

Second: Hopes for a negotiated peace are fading just at a moment when acceptance of Palestinian national identity in the Arab world and beyond and growing Arab willingness to accept the Israeli state have created the best possibility of an Arab-Palestinian-Israeli negotiation since Israel was established.

The issue is whether to accept the Palestinian people as a people having an identity of their own with rights of political self-expression. We do not believe it is appropriate for the United States now to express its views in favor of a Palestinian state, but we do believe that it is inconsistent with the principle of a freely negotiated settlement to rule out a sovereign Palestinian state before the negotiations have taken place. Foreclosing the Palestinians' right to a fair consideration of their views will undermine the authenticity of the negotiation, perpetuate instability in the area, and sacrifice a moment when peace may be possible.

Third: Palestinian nationalism and the Palestinian desire for a state—whatever their roots and their status may have been when Resolution 242 was written in 1967—must be fairly faced and dealt with in negotiation in ways consistent with the rights and security of their neighbors, or the prospect for peace will be radically diminished.

The policy choice is between a) leaving Israel in effective control in all of the formerly mandated area west of the Jordan River including Gaza and b) a settlement in which that area is divided between Israelis and Palestinians. There can be no peace until that decision is faced. In our view, there can only be a durable peace with a negotiated settlement and there can only be a negotiated settlement if there is a fair compromise between Israelis and Palestinians. A winner-take-all solution favoring the more powerful party will perpetuate conflict.

Fourth: If a fair settlement is to be negotiated, a basis for negotiation between Israel and its eastern neighbors—the Palestinians, Jordan, and Syria—will have to be developed. It will have to acknowledge but transcend what was achieved under the Camp David accords and go on to define practical steps toward the peace envisaged in these conclusions.

The policy choice is between a) only continuing the post Camp David negotiations on autonomy in the West Bank and Gaza and b) mounting a parallel diplomatic campaign among Israel's eastern neighbors to build a foundation for their engaging in peace negotiations. Such a diplomatic campaign would be designed both to win understanding for whatever might be achieved in the autonomy talks and to develop the basis for negotiations beyond the autonomy talks. We would hope that Israel and Egypt could produce an autonomy agreement which would offer the Palestinians in the West Bank and Gaza such powers and responsibilities that it would be difficult to reject. In our view, however, the next breakthrough on the path to peace is not most likely to come in the autonomy talks but in the evolution of an eastern Arab negotiating front that will present Israel an offer of peace Israel cannot easily dismiss. The decision facing the United States is whether it will play an active role in dialogue with Jordan, Saudi Arabia, Syria, and the PLO—directly or indirectly—to encourage such front or stand back and let it evolve. We believe the U.S. role should be an active one. We also believe that the PLO will have to become involved in some way in negotiation but recognize that the tactics governing their involvement would have to be carefully managed by the authorities involved.

Fifth: There is widespread conviction in the Middle East that only the United States can effectively help to achieve peace, but there is deep doubt that the U.S. is prepared to play a role as a just mediator and to work actively for a negotiated peace.

The choice before the United States is whether it will rely in developing its position in the broader Middle East on strengthening American military capability and encouraging strategic consensus for dealing with Soviet aggression or, whether, in addition, it will decide that an active peacemaking role is also an essential part of U.S. policy there. We believe that the U.S. must, in the words of one Mid-Easterner, "wed military and diplomatic strength" in a coherent strategy.

CHAPTER 8.—NEXT STEPS ON THE PATH TO PEACE

A STARTING POINT FOR NEGOTIATION

Negotiations must have a point to begin—some understanding on the purpose of the negotiation and some understanding on the shape of a possible negotiated solution. The first purpose of such an understanding is to remove obstacles that prevent any negotiation at all. The second purpose is to try to

put in the open points on either side's hidden agenda that would stalemate the negotiations soon after they start. It is not a purpose of such an understanding to resolve issues which can only be resolved in negotiations.

There will be no peace unless Israel and its eastern neighbors negotiate peace. Movement toward peace requires a renewed effort to build a basis for negotiations between them. Today there is no agreed basis for negotiations. We have every interest in seeing the positive achievements of past negotiations consolidated, but they must be developed. Egypt, Israel, and the United States will resume the negotiations on autonomy for the inhabitants of the West Bank and Gaza as agreed upon at Camp David, but it may well not be possible to produce sufficient progress to create the possibility of Palestinian participation. Whatever the outcome of those talks, steps are now necessary to begin building a basis for negotiation of peace on Israel's eastern front.

To stimulate discussion within the U.S. and with the negotiating parties, we conclude this report with the main points in a possible understanding on terms of reference for negotiations. These points begin with a statement of mutual acceptance and recognition among the parties and of readiness to negotiate peace. Parties to such understandings will have to include Israel, Jordan, Syria, and the Palestinians. The support of Egypt and Saudi Arabia is important. The involvement of the PLO in an appropriate fashion is essential. We recognize that there are impediments, but the situation demands that they be overcome.

The United States is not prevented by any agreement from exchanging views formally or informally with the PLO to determine whether the Palestinians would subscribe to the points below if Israel subscribed. In 1975, the United States in a memorandum of understanding with Israel committed itself not to "recognize or negotiate with" the PLO unless it accepted Resolution 242 and Israel's right to exist. Subsequently this commitment was interpreted as foreclosing exchanges of views with the PLO, although President Carter later declared that the U.S. would talk with the PLO if it met the 1975 conditions. The U.S., therefore, would be violating no formal agreement if it explored the PLO's readiness to negotiate peace. The objective is to negotiate peace among the parties to the conflict, and the PLO will have an important influence on that process.

POINTS OF UNDERSTANDING

1. The purpose of the negotiations is to achieve a just and lasting peace among the negotiating parties in which each party can live in security. To that end, the parties are prepared to negotiate and sign agreements confirming the state of peace among them and describing the exact nature of the relationship of peace that will exist among the parties to the peace agreements.

2. The parties to the negotiations will be Israel and those parties neighboring Israel, including representatives of the Palestinian people, who along with Israel declare authoritatively and unambiguously by subscribing to these points of understanding their readiness to negotiate peace and to live in peace with each other.

a. The Arab parties state that they are prepared to negotiate in good faith an agreement to live within secure and recognized borders at peace and in a relationship

with the state of Israel normal to parties at peace with one other.

b. Israel states that it is prepared to negotiate in good faith an agreement to live within secure and recognized borders at peace and in relationships with the Palestinian people and with neighboring Arab states normal to parties at peace with one another.

c. The negotiating parties state their readiness in a negotiated peace to abide by all the provisions of the United Nations Charter.

d. The negotiating parties state that they will do all in their power to prevent violent acts from territories under their control during negotiation. They will be prepared to agree not to resort to the threat or use of force and to settle disputes by peaceful means in accordance with the provisions of Article 33 of the United Nations Charter.

3. The negotiations will establish secure and recognized borders between the negotiating parties and measures to make those borders secure for all parties. All the principles and provisions of Security Council Resolutions 242 and 338 will be the basis of these negotiations as well as agreement to resolve the Palestinian problem in all its aspects.

4. In order to enable withdrawal of Israeli armed forces, military government, and civilian administration to the agreed borders in the West Bank and Gaza and to ensure an orderly transition to Palestinian authority, the negotiating parties are prepared in the peace agreements to provide for:

a. An international body to assist in development of a Palestinian Arab authority that will have the consent of those whom it governs and that will observe the commitment to live at peace with its neighbors;

b. Periods of time for such Israeli withdrawal and for the transition to a Palestinian authority;

c. Protecting the rights and safety of citizens of all parties during the transition period and after;

d. Defining stages of negotiation and implementation when the need for a sequence of steps requires phased implementation.

5. The negotiating parties are also prepared to negotiate procedures to provide either for the return of those who have left their homes in the course of the conflict or, where they cannot return or do not wish to return to property which they have left, for just compensation if they have suffered loss.

6. The negotiating parties are also prepared to negotiate arrangements of peace for Jerusalem. It must not again be divided. Its holy places must be in the hands of representatives of the appropriate faiths. Freedom of access to the holy places of all religions must be assured. The municipal government must reflect the city's ethnic, cultural, and religious diversity. Israel's capital is in west Jerusalem. An Arab role in Jerusalem will have to be recognized and agreed in the negotiations.

These points of understanding constitute an agenda of the principal questions on which the parties must be prepared to negotiate and an agreed context in which detailed solutions could be negotiated. We believe the United States should out of its own interest help build the foundation for those negotiations.●

ABUSES IN LEGAL SERVICES CORPORATION

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. SMITH of Alabama. Mr. Speaker, I offer another portion of Mr. Hammond's monograph on the Legal Services Corporation. I trust this will help inform all Americans of the true nature of this entity.

MISSIONARIES FOR LIBERALISM, UNCLE SAM'S ESTABLISHED CHURCH

(By Michael E. Hammond)

INCITEMENT OF LITIGATION

All of this raises the fundamental question of whether the types of litigation engaged in by LSC recipients are being determined by the needs of particular clients or the ideological predilections of taxpayer funded lawyers.

Section 1007(a)(10) of the Act requires that the Corporation "insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association . . .".

Yet, there is extensive documentation that blatant and persistent incitement of litigation takes place.

For example, Bob Duren of the Legal Aid Foundation of Los Angeles advertised in a Los Angeles newspaper that six offices of his organization were open "to receive complaints from victims of police misconduct." The announcement went on to offer legal assistance and referral services for "any person complaining of police abuse or misconduct."

Likewise, the Veterans Education Project advertised in Clearinghouse Review of the availability of material to help homosexuals thrown out of the Army upgrade their discharges.

DISREGARD OF FORCED BUSING RESTRICTIONS

The list of presumably explicit proscriptions against Legal Services recipients covers several pages in the United States Code. And, for virtually every specific prohibition contained in the Legal Services Act, there are reported instances of abuse. While the major areas suggesting pervasive patterns of illegal activities have already been discussed, it would be unfair to suggest that unlawful practices have been limited to these.

Other highly questionable activities include: Preparation of a friend of the court brief in the Bakke case in favor of the University of California's unconstitutionally discriminatory admissions system, in violation of the section 1006(c)(1) prohibition against LSC "participation" in litigation unless the Corporation or a recipient of the Corporation is a party . . ."; and participation by the LSC-funded Center for Law and Education in a suit which led a Federal district court to place South Boston High School in receivership in order to accomplish integration, in spite of the section 1007(b)(9) restriction on "legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system."

EXTENSIONS OF REMARKS

INTERPRETING THE PUBLIC INTEREST

Section 1007(b)(5) makes it unlawful for the Corporation to make grants or enter into contracts with any private law firm which expends 50 percent or more of its resources or time litigating issues in the broad interest of the majority of the public. No one has yet defined with specificity what kinds of litigation fall into this category, and no inventory exists of the amount of "broad public interest litigation" that is annually engaged in by various recipients.

California Rural Legal Assistance brags that it spends 35 percent of its time litigating class action suits alone. As the following examples illustrate, moreover, class action suits represent only a small percentage of litigation proscribed by section 1007(b)(5). Hence, many of these lawsuits, while perhaps not falling within specific ambit of any other Legal Services Act prohibition, do represent controversial issues which may put the Corporation and its recipients in violation of section 1007(b)(5).

At any rate, these cases divert funds from the sort of landlord-tenant, business-consumer, and husband-wife suits which the Legal Services Act was intended primarily to address.

Massachusetts Law Reform Institute offers a revealing illustration of this problem when it lobbies for a graduated state income tax or challenges efforts to reduce welfare fraud. Both of these activities take enormous amounts of organizational time and represents a clear attempt by legal services officials to legislate their particular view of what is good for the poor as a class.

In the District of Columbia, the Migrant Legal Action Program challenged the Secretary of Labor's failure to promulgate OSHA regulations for farm labor.

Gabe Kaimowitz and Kenneth Lewis of Michigan Legal Services sued to compel the Ann Arbor school district to give special bilingual education in "black English."

The Federally funded Western Center on Law and Poverty of Los Angeles and San Fernando Valley Neighborhood Legal Services of Pacoima, California litigated to compel payment of Federal SSI benefits to alcoholics.

The Legal Action Support Project of the Bureau of Social Science Research, Inc., studied food stamp recipients in order to lay the groundwork for a suit by Alaska Legal Services to require people to draw food stamps.

In Florida, Legal Services recipients are engaged in lawsuits to strike down vagrancy laws—state criminal statutes—presumably in violation of section 1007(b)(2) of the Act, which prohibits legal assistance with respect to criminal proceedings.

In Dallas, Texas, Legal Services has been active in school desegregation litigation.

In Tampa, Bay Area Legal Services filed suit challenging Florida high school competency testing.

In *In re Evans*, Montana Legal Services Association successfully sued to obtain disability payments for a "biological male and emotional female who is presently attempting to pass in society as a woman." Ruling that ridicule of his/her transsexuality by fellow workers caused him/her "severe emotional trauma," an Administrative Law Judge found eligibility for Federal SSI and disability benefits.

In *Stevenson v. Stevenson*, the Legal Aid Society of Louisville successfully sued to establish the principle that a mother's lesbianism is not sufficient grounds for changing custody of a child.

All of the activities outlined above were brought by organizations directly Federally funded by grants from the Legal Services Corporation. But as has already been suggested, Clearinghouse Review also performs a very controversial function. A typical recent article was "Police Brutality," by the Research Institute on Legal Assistance. According to this article: "Legal services lawyers and others continue to litigate these difficult cases and contribute to an evolving body of law regarding them. As part of this effort to combat [so-called] police abuse, several publications have been developed to assist both lawyers and clients." It proceeds to refer readers to a publication by the radical National Lawyer's Guild.

REMEDIES

Politically, the response of the Legal Services Corporation and its proponents to complaints about these abuses does not suggest that they could be corrected by mere adjustments in the Corporation's statute.

In the first place, given that the problem is pervasive violation of the LSC statute, how is it possible to alter the statute and thereby correct the deficiency?

Second, the Corporation's illegal activities are effectively insulated by statute from judicial review. In 1977, ostensibly as a result of large numbers of motions challenging the legality of Legal Services representation decisions, the Senate Human Resources Committee reported a bill which would have almost totally divested the courts of jurisdiction to determine that a particular client could not be legally represented with Legal Services money or that a particular issue could not be litigated with Federal funds. Although proponents agreed to remove the proposal from the Senate bill as a result of conservative pressure, the conference committee reported language which severely limited judicial scrutiny of unlawful Legal Services activities.

Third, concessions making incremental changes in the Legal Services statute have never been regarded by the Corporation as imposing any permanent restrictions on its conduct. Invariably, as soon as the political climate improved, LSC was actively working to obliterate the last authorization's compromises. For example, in 1974, a pivotal portion of the compromise which allowed the passage of the Legal Services Act was the Green amendment, a provision prohibiting the establishment of "backup centers" for legal advocacy and research not directly related to the representation of clients.

After having established a political base, the Legal Services Corporation proceeded to successfully work in 1977 for elimination of the Green amendment. As partially recounted herein, backup centers have subsequently been at the forefront of the illegal and politically questionable activities engaged in with Corporation funds. [see Appendix A]

Fourth, the LSC has thus far successfully resisted an in-depth impartial study of allegations of improper conduct, and the Senate has not been willing to investigate charges of illegalities. In 1980, the Corporation succeeded in defeating, with only 24 favorable votes, and amendment by Senator S. I. Hayakawa (R-Calif.) to condition out-year funding for the Corporation on the performance of an audit by the General Accounting Office of alleged abuses and illegalities.

One of the representations used to defeat the Hayakawa amendment was a promise that liberals on the Labor and Human Resources Committee would sign a letter re-

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questing a GAO audit once the bill was passed. Yet, Senator Jacob Javits (R-N.Y.)—who has made such a commitment—subsequently refused to sign a letter requesting the audit when it was forwarded to his office.

Fifth, the very nature of the staff attorney system frees Legal Services attorneys from the economic constraints against high-profile litigation imposed on most law offices. When the client pays the lawyer's fees he has a financial interest in keeping the litigation focused on his particular grievances. If too much energy and money is spent on issues with only broad social ramifications, the client will find another lawyer.

Because Legal Services recipients do not rely for their income on the poor people who come to them for help, they have been able to remain accountable to their own priorities and concerns, as well as those of backup centers and other ideological brethren.

It is hard to understand how any client-responsive system could be structured under which recipients were not reliant on clients for funding.

Sixth, so long as the Legal Services Corporation and its recipients are allowed to engage in representation of groups as opposed to individuals, the practical political effect is the enforcement of an "iron triangle" in which liberal congressional committees, liberal outside groups, and liberal officials of Legal Services Corporation recipient groups join together to tie the hands of whatever titular overseers might be appointed by a hypothetical conservative administration.

President Reagan's political appointees in areas such as the Department of Justice already have seen how difficult it is to exercise any effective control over the monstrous liberal bureaucracies which they are appointed to supervise.

Additionally, political alliances involving Legal Services recipients have built a strong and dedicated constituency which is prepared to work politically in order to thwart any efforts to reign in the bureaucracy. These include homosexual rights groups, "tax reform" groups, "Indian rights" groups, anti-business groups, and any other movement which has benefitted from Legal Services representation.

As long as the Legal Services Corporation continues to exist as a Federally-funded entity, it will represent a type of mechanism different from and in many ways more insidious than any other Federal governmental entity: it is a political apparatus, largely unresponsive to the American electorate, with a broad legal mandate (with which it cannot seem to comply) allowing it to engage in active lobbying and politicking for the purpose of retaining and expanding its status as an ideological free agent. The continued existence of this form of mechanism has severe ramifications for our system of democracy.●

LET US ALL KICK IN MONEY TO
CHEER UP A DEPRESSED
RIGHTWINGER

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. DOWNEY. Mr. Speaker, I recently received a rather surprising

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Mailgram, which I think I am going to frame.

We all know about Richard Allen, the fellow who was too far out for Henry Kissinger and who has more recently shown pecuniary tendencies of unusual vigor.

Well, it seems certain public exposures have been bad for his morale, and, in an effort to cheer him up, Jerry Falwell and various sidekicks are holding a \$30-a-plate luncheon for him.

They have generously invited me to contribute. I think I will pass this one up, but for the benefit of anyone otherwise inclined, I insert the Mailgram in the RECORD at this point:

MAILGRAM SERVICE CENTER,
Middletown, Va., December 8, 1981.
Hon. THOMAS J. DOWNEY,
House of Representatives,
Washington, D.C.

Richard Allen is a dedicated Reaganaut who has earned the support of conservatives from all over the United States. We invite you to join the friends of Dick Allen for a tribute to him at the Mayflower Hotel in Washington at noon on Wednesday, December 16. The price of the luncheon will be \$30. We hope you will be able to join his many friends on this occasion. RSVP to 202/638-1038 by Friday.

WILLIAM BUCKLEY,
JOSEPH COORS,
JUSTIN DART,
ED FEULNER,
JERRY FALWELL,
WILLIAM SIMON.●

HOSPICE OF NORTHERN VIRGINIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues the Hospice of Northern Virginia, a health care organization dedicated to providing comprehensive service both at home and in an inpatient setting to help terminally ill patients and their families face the physical, emotional, social, and spiritual aspects of their lives together in an atmosphere of support and acceptance.

The Hospice, a nonprofit, community-based corporation, was founded on April 22, 1977, as a result of the conviction of five dedicated individuals—Josephino B. Magno, M.D., Dorothy N. Garrett, H. Lawrence Garrett, Patricia M. Pastore, and Richard M. Pastore—that hospice care should be available to dying persons and their families in Northern Virginia.

During Hospice's first year, a board of directors was formed and an organization began to take shape. Much effort was spent in those early days on spreading the word about the hospice concept and the organization's plans. The response was enthusiastic and

strong community support has continued and increased.

As Hospice began to move from concept to reality, staff members were hired, usually part time and one by one as finances allowed. A milestone was reached when hospice home care was inaugurated in early 1978 with the help of the Visiting Nurse Association of Northern Virginia. Over the succeeding 3 years, the program expended its services both in comprehensiveness and in numbers of patients and families served. The Hospice interdisciplinary team—physician, nurse, social worker, and volunteer, supplemented by community clergy and other caregivers—has now provided care to almost 600 patients and their families. Eighty percent of Hospice's patients have been able to die at home surrounded by family and friends.

In 1978 the possibility of converting the soon-to-be closed Woodlawn School into a comprehensive hospice facility was proposed by the community and explored by Hospice. On December 2, 1978, after hearing extensive favorable public testimony, the Arlington County Board voted unanimously to lease the Woodlawn property to Hospice. Renovations of the building began the following spring.

A certificate of public need, required for the operation of a new health program, was granted in June 1979. Later that year, Hospice was selected by the Department of Health and Human Services as one of 26 programs to participate in a national medicare and medicaid project to evaluate hospice care. Then, in February 1980, Hospice received its license as a home health agency from the Commonwealth of Virginia and was also certified as a medicare provider.

In 1981, Hospice added bereavement services for families, a chaplaincy program, and home care services for dying children.

More than 150 active volunteers provide essential support and add a special sense of commitment and enthusiasm to the program. Volunteer efforts in patient services, office work, public education, and fundraising have formed the backbone of Hospice's expanding organization.

Hospice moved its offices from its first home at the Church of the Covenant in Arlington to the newly renovated lower level of the Woodlawn Building in April 1980. Renovation of the rest of the building commenced that fall. Great care has been taken in the design of the inpatient unit. Every item of equipment and furnishings has been selected to achieve a homelike atmosphere in which patients can receive the highest level of care.

As the finishing touches are added to the inpatient unit and Hospice is licensed as a special hospital, patients will be admitted to a comprehensive

program including both home care and inpatient services. In only 4 short years, thanks to the hard work of dedicated volunteers and staff, and tremendous support by the community, Hospice of Northern Virginia will have achieved its goal to bring the hospice concept of care to Northern Virginia.

In addition, I would like to recognize the 1981 board of directors of the Hospice for their fine work and dedication to the concept and the reality of the Hospice of Northern Virginia. The are: Joseph S. Wholey, president; Edward J. Kelly, vice president; Nancy Shands, secretary; Paul Hughes, treasurer; Rabbi Laszlo Berkowitz, Rev. Richard Eick, H. Lawrence Garrett, Jr., Henry A. Gray Gillem, Sr., Alton C. Hlavin, James H. Pickford, Bruce A. Plecinski, Eleanore Rickover, Dorothy Rigdon, Alice Scott, and Martin P. Wasserman, M.D.●

THE INS EFFICIENCY BILL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. MAZZOLI. Mr. Speaker, the House recently passed an important piece of legislation, the Immigration and Naturalization Service Efficiency bill, H.R. 4327.

I am proud to have authored this legislation along with my six colleagues on the Immigration, Refugees, and International Law Subcommittee.

This bill will save the American taxpayer an average of \$2 million per year over the next 5 years. It will also streamline and modernize some of the operations of the Immigration and Naturalization Service, one of the most burdened and long ignored agencies.

The Washington Post recently prepared an excellent editorial outlining the value of the INS efficiency bill. I ask unanimous consent that a copy of that Washington Post editorial be inserted in the RECORD at this point:

[The Washington Post, Dec. 2, 1981]

IMMIGRATION: WHAT TO DO NOW

Soon after the Christmas recess, Congress will have to grapple seriously with the problem of immigration reform. It will be taking on such thorny subjects as 1) an overall limitation on the number of immigrants, 2) what to do about undocumented workers already living in the United States, and 3) the difficult moral and economic questions regarding various nations' responsibilities for the world's refugees. The administration has sent Congress its own comprehensive package of reforms, and the Commission on Immigration and Refugee Policy, created by Congress in 1979, has also proposed substantial amendment to the Immigration and Nationality Act. Naturally, there is no unanimity concerning what to do. Experts and government officials do agree, however, on the issues that need to be addressed, and there

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appears, for the moment anyhow, to be a general air of good will and determination to approach the complicated subject as a coherent whole.

Because the job is so important and difficult in human, not just national policy, terms, a comprehensive revision of the act will require certainly months or maybe years of work. So it is encouraging that Congress has excerpted from this morass of emotionally charged choices a few less controversial amendments and proceeded to deal with them in a separate bill that could be passed fairly quickly.

This proposal (H.R. 4327), which got through the House recently and is now ready for action by the full Senate, addresses some quirks and anachronisms in the law that have long been in need of cleaning up. It would, for instance, eliminate the Draconian provision in the act that permanently bars from this country any person convicted of a single offense involving possession of marijuana. The bill would not grant admission to drug traffickers or even to multiple offenders. It would simply allow the attorney general to grant a waiver allowing admission to persons once convicted of possession of a small amount of marijuana for personal use—and only if these petitioners were immediate relatives of American citizens or permanent residents. Such a measure could eliminate the welter of private bills introduced each year to reunite families in cases where the prospective immigrant has been found guilty of what would be considered a minor offense in this country.

The bill would also raise the legal age for adoption of aliens by American citizens from 14 to 16—another change that has in the past been accomplished by the tedious passage of private legislation—and would eliminate an injustice visited upon a small group of alien doctors, fully qualified and living and practicing in the United States. These doctors would have been required to leave the country for failure to take a qualifying test by January 1978, even though that test was not available to be taken until September 1977. Doctors now entering the United States must take and pass the test, but those already practicing on Jan. 9, 1978, would be allowed to stay.

The final reason this bill should appeal to all members of Congress is that it would save the taxpayers money. Eliminating the requirement that all aliens register every year and substituting a simple notification procedure for change of address, for example, would, according to the Congressional Budget Office, result in savings of \$800,000 a year. Other provisions eliminating paperwork at the INS are expected to produce total budget savings of \$2.5 million a year.●

DEMAGOGUERY ON PIPELINE WAIVERS CLOUDS NEED TO END ENERGY VULNERABILITY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mr. PORTER. Mr. Speaker, never have I seen so much misinformation, biased reporting, and outright demagoguery on an issue as on the Alaska pipeline waivers. The news telecast I first viewed implied that there was \$40 billion of Federal money in the project. There is none. Another implied

that political favors would dictate the result and a third stated that consumers could end up paying the entire cost of construction without the pipeline ever being built. Nonsense. It is simply amazing how people want to believe the worst about their fellow man.

The important issue in all this was forgotten by the media I watched and read in their haste to impugn the motives and integrity of the Members of the Congress: The vital need for greater energy supplies for our country to hasten the end of energy vulnerability and to bring down high energy prices.

That issue was lost in all the irresponsible rhetoric. But, Mr. Speaker, the real, bottom-line issue was whether we need to have this pipeline built or not.

It seems to me if we look at the history of our country it becomes apparent that no project of this size—over \$40 billion—is going to get off the ground without some public participation. It is simply too large. The railroads of America would never have been built and the economic benefits to all Americans of opening the West never realized if the Federal Government had required the railroad companies to purchase the rights-of-way before track could be laid.

Who paid for that right-of-way? The public, of course, but the public ultimately received the benefits as well.

In this case, the energy consortium is asking that the gas-consuming public help finance the building of the pipeline from which that same public will benefit by the availability of gas supplies and lower prices. Without that help, the pipeline will not be built. One alternative, of course, would be for the Government to build it, a la TVA. In that case, who would pay? The public would, with tax revenues, only the work would undoubtedly be far more costly, take much longer to be accomplished, and be heavily burdened with politics. Another alternative, of course, would be that no pipeline be built, one to me that is totally unacceptable.

The representation that the public can be bilked and left holding the bag, having helped to pay for a pipeline without one being built, is plainly misleading. No consumer funding can occur until the consortium has constructed one segment and the Federal Energy Regulatory Commission has certified that it is fully and properly constructed and operative.

Are the remaining segments then without risk to the consortium or to the public? Of course not; nothing is without risk. But with a profit incentive to move it forward and huge private investment up front to get this incredibly large project underway the chances for its successful completion appear extremely good.

Mr. Speaker, I am willing to take the chance and to pay my share of the cost, as every consumer would ultimately pay in any case, to insure that this vital transport system goes forward and helps to end our OPEC energy dependence and secure adequate natural gas supplies for our country for the future. Given proper information, I feel certain the vast majority of the American people would feel this way, too.●

REVISED CUSTOMS BILL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

- Mr. FRENZEL. Mr. Speaker, today I introduced H.R. 5170, which will serve as a substitute to an earlier bill of mine, H.R. 4134.

H.R. 4134 restated the intention of customs law that imports, other than intangible materials, must be entered by a licensed person, or by the owner of the merchandise. It also provided for the entry of an additional category of intangible materials, that of business documents, by unlicensed individuals, such as courier services.

Recent Customs Service regulations have attempted to do the same thing, but appear to have the potential of allowing many unlicensed individuals to transact customs business of goods requiring entry by a licensed agent.

After discussions with various parties interested in H.R. 4134, it was decided that a slightly revised bill would have the support of all parties. Basically, all we have done is change the sequence of the sections and to spell out exactly what is included in the new category of intangible materials. The intent of the bill remains as it was in H.R. 4134, but I intend to pursue the new bill, H.R. 5170, in its place.

Shortly I will be asking for cosponsorships and would appreciate any interest any of my colleagues may have.

The bill reads as follows:

H.R. 5170

A bill to amend the Tariff Schedules of the United States and the Tariff Act of 1930 to expedite the international transmission of business documents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Tariff Schedules of the United States (19 U.S.C. 1202) are amended as follows:

- (1) General headnote 5 is amended—
 - (A) by striking out "and" at the end of subdivision (d);
 - (B) by redesignating subdivision (e) as subdivision (f); and
 - (C) by adding immediately after subdivision (d) the following:

"(e) records, diagrams, and other data with regard to any business, engineering, or exploration operation conducted outside the United States, whether on paper, cards,

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photographs, blueprints, tapes, or other media; and".

(2) Item 870.10 is repealed.

Sec. 2. Section 483 of the Tariff Act of 1930 (19 U.S.C. 1483) is amended by adding at the end thereof the following new paragraph:

"(3) A nominal consignee (as defined in section 641(a) of this title), unless licensed as a customhouse broker under section 641 of this title, may not transact customs business on behalf of any other person.".

Sec. 3. Section 484(h) of the Tariff Act of 1930 (19 U.S.C. 1484(h)) is amended by adding at the end thereof the following new sentence: "A carrier shall not certify a person pursuant to this subsection unless it has actual knowledge or reason to believe that the person so certified is the actual owner or consignee of the merchandise, or the duly authorized agent of the actual owner or consignee.".

Sec. 4. Section 641(a) of the Tariff Act of 1930 (19 U.S.C. 1641(a)) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "Except as provided in subdivision (c) of this section, no person shall transact business as a customhouse broker without a license granted in accordance with the provisions of this subdivision. Nothing in this section shall be construed to authorize the requiring of a license in the case of any person transacting at a customhouse business pertaining to his own importations, or, if the importations are noncommercial, to prohibit him from appointing another individual as his unpaid agent to transact such business; except that a nominal consignee (whether or not certified by a carrier pursuant to section 484(h) of this title) may not enter merchandise in his own name unless he is a duly licensed customhouse broker. For the purposes of the preceding sentence, the term 'nominal consignee' means a person who is neither the ultimate consignee nor the purchaser of the merchandise, or who otherwise has not beneficial interest in the merchandise.".

Sec. 5. (a) The amendments made by the first section of this Act shall apply with respect to articles entered on and after the date of the enactment of this Act.

(b) The amendments made by sections 2, 3, and 4 of this Act shall apply with respect to merchandise entered on and after the 30th day after the date of the enactment of this Act.●

VA—CONTINUING RESOLUTION

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

- Mr. MONTGOMERY. Mr. Speaker, earlier today, during debate on the continuing resolution (H.J. Res. 370), I commended the distinguished gentleman from Massachusetts (Mr. BOLAND) for the great job he has done all year to make certain that we provide an adequate level of benefits and service for our veterans.

The agreement reached with the other body on this bill reflects the sensitivity of the Appropriations Committee for all veterans. A lot of work is involved in reaching agreement on any

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appropriations measure. The HUD/Independent Agencies appropriation is especially difficult.

I just want to say, Mr. Speaker, that I am most pleased with the amounts contained in the agreement reached with the other body on this bill for the Veterans Administration. I supported the bill when it initially passed the House. I supported the conference agreement we passed several weeks ago and sent to the other body. Since that time it has become obvious that some reductions had to be made in almost all accounts and the reductions proposed by the other body to the conference agreement will have some impact on veterans' programs, especially the medical and prosthetic research program. The reductions proposed from what we previously adopted will not in my view however, have a major adverse impact on the level of benefits and services to be provided during this fiscal year.

I am pleased to note that the funding levels we are agreeing to in this bill as amended by the other body, are the same levels as those provided in the continuing resolution we adopted earlier today. In that regard I would point out that the funding levels and the personnel levels (FTEE) for medical and prosthetic research, medical administration and miscellaneous operating expenses, and medical care in the pending measure are the same as the levels proposed in the continuing resolution. Therefore, Mr. Speaker, my comments pertaining to the funding and personnel in these three accounts during debate on the continuing resolution are fully applicable to this bill.

Finally, Mr. Speaker, I would like to point out that from the total amount appropriated in this bill for medical administration and miscellaneous operating expenses, \$4 million is earmarked for the Veterans' Administration Health Professional Scholarship Program to be implemented by the Department of Medicine and Surgery in this fiscal year.

Again, I am most grateful to Mr. BOLAND, Mr. GREEN and other members of the committee who have worked so much to make certain that there will be adequate funds and personnel during this fiscal year to take care of the needs of our Nation's veterans.●

THE VIETNAM MEMORIAL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

- Mr. PHILIP M. CRANE. Mr. Speaker, much has been said in recent days about the proposed design of a national memorial to veterans of the Viet-

nam war. The following is a fact sheet and overview that will shed some light on this controversy. I commend it to the attention of my colleagues:

THE VIETNAM MEMORIAL
INTRODUCTION

With the enactment July 1, 1980, of Senate Joint Resolution 119, authorizing the Vietnam Veteran's Memorial Fund to establish a memorial "... in honor and recognition of the men and women of the Armed Forces of the United States who served in Vietnam," it appeared that at long last the U.S. would pay tribute to the 2.7 million Americans who fought in Southeast Asia. The broad support for building such a monument was demonstrated by the fact that 196 Members of the House and all 100 Senators co-sponsored the law. In short order, the VVMF assembled an impressive list of project sponsors ranging from Bob Hope, the perennial champion of GI's to George McGovern, one of the Vietnam War's harshest critics.

For the Vietnam veteran, authorization of a memorial was of special importance. In contrast to his World War II and Korean War predecessors, the Vietnam veteran came home to no triumphal welcome. In too many instances, he was received with hostility and ostracism. At worst, his contemporaries viewed him as some sort of wanton destroyer who supported a corrupt and repressive regime. At best, he was simply ignored. No one thanked him.

The media also made reintegration of the Vietnam veterans difficult by constantly portraying them as drug-crazed walking time bombs. This characterization has been used so frequently that it has now become a Hollywood cliche—despite the fact that the overwhelming majority of Vietnam veterans have proved themselves responsible, productive members of their communities. Negative characterizations simply have reinforced the subtle prejudices which militate against the complete assimilation of the Vietnam veteran into the American mainstream. Is it thus any wonder that many Vietnam veterans monitored the progress of the VVMF with anxious anticipation of the day when their sacrifice would receive the same tribute and recognition as that of veterans of prior conflicts?

Recognition is well-deserved. The average combat veteran of a year in Southeast Asia saw more actual fighting than the World War II G.I. who fought in every major campaign in Europe. U.S. troops in Vietnam had one of the lowest desertion rates in American military history and fought in one of the roughest climates ever experienced by the Americans.

THE DESIGN OF THE MONUMENT

The most traditional means of designing a national monument has been to choose a noted architect or sculptor to execute it. The design of the Vietnam veteran's memorial, however, was selected by a national competition. Designs were judged by a blue-ribbon panel, with the winner receiving a \$20,000 prize. Money was raised from the public and few problems arose until the design selection was announced.

The selection panel chose the proposal of Maya Ying Lin, a Yale undergraduate. Her design consists of two 200-foot long horizontal walls of black granite, forming a "V." The top of the walls are level with the ground, and the inside of the "V" is at the bottom of a five degree incline so that only that portion is exposed. Those killed or missing in Vietnam are to be listed on the

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ten-foot high exposed portion in chronological order of their death or disappearance.

Almost as soon as the design was announced, controversy erupted. The Washington Post characterized the design as "a black rift in the earth." Tom Carhart, a decorated combat veteran, called it a "black gash of shame and sorrow." Other veterans expressed similar dismay at "the black trench." Contributors to the memorial fund were also taken aback. The VVMF was to be supported solely through private contributions solicited through direct mail. All solicitation letters were of a general nature, stressing patriotic themes and the need to pay some sort of tribute to the Vietnam veteran. By and large, contributors expected that a conventional design would be selected and that the design would honor the living as well as the dead. Many who learned of the stark nature of the proposed monument thus feel that they have been misled.

Those involved in the design's selection quickly rallied to its support. An official of the Fine Arts Commission, one of the agencies which approved the design, called it "a suitable, dignified, and understated type of memorial." In a letter to the Marine Corps League, Robert W. Doubek, Executive Director of the VVMF, stated that the memorial "... makes a powerful statement that this society pays tribute to Vietnam Veterans."

A MEMORIAL FOR WHOM

Many veterans, however, seriously question how the memorial is supposed to pay them tribute. Not only does the memorial lack the traditional symbols normally found on monuments erected to veterans, but nowhere on the Vietnam veteran's memorial is there any indication that the nation is grateful or appreciative to those who fought. The prologue inscribed before the list of honor states simply:

In honor of the men and women of the Armed Forces of the United States who served in Vietnam. The names of those who gave their lives, and of those who remain missing, are inscribed in the order they were taken from us.

This inscription fails even to include the minimal language of the law authorizing the memorial to be in "honor and recognition." The epilogue following the names uses the same minimalist tone:

Our nation remembers the courage, sacrifice, and devotion to duty of its Vietnam veterans.

These inscriptions contrast sharply with other memorials. To many veterans of the Vietnam conflict, the language of the memorial seems but one more manifestation of the fact that they are an uncomfortable reminder for many Americans of a conflict which they would like to forget.

C. L. Kammeier, Executive Director of the Marine Corps League, wrote to the VVMF: "... there appears to be a general consensus that nothing in the design represents the purpose of the commitment of those who served and survived the Vietnam experience. The [sic] particular common sense criticism is based on the fact that none volunteered to serve their country in Vietnam for the express purpose of dying or to ultimately have their name engraved on a tombstone; as represented by the current design of the memorial. Most readily agreed, however, that duty, honor, and country were the main motivating factors toward their service. . . ."

The notion that the Vietnam veteran memorial, as currently designed, is a monument only to the dead particularly offends

veterans. The congressional mandate is quite clear in calling for a memorial for those "who served in Vietnam." According to VVMF guidelines for those submitting designs, however,

the purpose of the Vietnam Veterans Memorial is to recognize and honor those who served and died. It will provide a symbol of acknowledgement of the courage, sacrifice, and devotion to duty of those who were among the nation's finest youth. Whether they served because of their belief in war policy, their belief in their obligation to answer the call of their country, or their simple acquiescence in a course of events beyond their control, their service was no less honorable than that rendered by Americans in any previous war. Those who served and died embodied values and ideals prized by this nation since its inception. The failure of the nation to honor them only extends the national tragedy of our involvement in Vietnam.

While the phrase "served and died" might have been unintentional, other evidence also points to an intention to honor only the dead. In an article published in the Washington Post on May 25, 1977, VVMF President Jan Scruggs stated: "No effort can provide compensation, of course, to the Americans who made the ultimate sacrifice in Viet Nam. For them, perhaps, a national monument is in order to remind an ungrateful nation of what it has done to its sons."

Other aspects of the design also are being criticized. A principal complaint, for example, is the choice of black granite as the material for the memorial. Black normally is associated with death and dishonor. While a number of other war memorials use some black stone, it generally is for heroic figures, rising from the earth. The Vietnam veteran's memorial, however, is not just black, but also descends into the ground, further reinforcing the image of a "tomb."

Another complaint is that the memorial will be relatively inaccessible to wheelchair-bound veterans; some 75,000 Vietnam veterans are permanently disabled. When queried about this by the Army Times, Jan Scruggs stated: "I hadn't even thought of that." According to Robert Doubek, Executive Director of the VVMF, artificial turf may be installed to make wheelchair access somewhat easier and at least would meet Park Service minimum requirements for access by the disabled.

Listing of the names of the dead and missing in chronological order also is being criticized. Although this may be of some symbolic value, it will make it extremely difficult for family members to locate the name of a relative. Present plans call for a directory of names in a closed pavilion near the memorial's entrance. The directory is to be in the form of a rotating card file. This means that when large numbers of visitors come to the monument, which is very likely during the summer months, there will be a great deal of inconvenience. Any mechanical breakdown in the file's mechanism, moreover, could make it impossible to look up a name. It would seem preferable to list the names alphabetically.

Other criticisms of the design include that it readily lends itself to graffiti. It also has been suggested that the memorial may present a hazard at night since visitors unfamiliar with the park might inadvertently fall off the upper level.

The most telling complaint is that nowhere at the memorial site will there be the Stars and Stripes, the flag under which the

Vietnam veteran fought. It is on this issue more than any other that the veterans seeking changes seem to agree. As C. L. Kammeier stated in his letter to the VVMF:

for the sake of the many non-artists who have served their country under the standard American symbol of duty, honor, and country, in every war since our nation was founded, as represented by our flag; I suggest that your committee make every effort to include the flag in a suggested modification to the current design, or even scrap the current design altogether and reopen the bidding for a selection by a committee comprised of at least several members who have actually served in Vietnam.

The extent and vehemence of the opposition to the design selected raises questions about the process of the selection. One brochure used by the VVMF to solicit entries for the design competition states: "It was the longest war in our nation's history, and the most unpopular. Not since the Civil War has any issue so divided Americans. Although many of our present problems such as inflation and lack of confidence in our institutions have been attributed to the war, the average citizen has eliminated it from his consciousness. Any discussions of Vietnam tend to recall the bitter and seemingly unresolvable debate over whether the U.S. should have become involved militarily in Southeast Asia and subsequently how the war was conducted."

The brochure goes on to describe the experiences of the Vietnam veteran as "horror, bitterness, boredom, heat, exhaustion, and death" and states "because of inequities in the draft system, the brunt of dangerous service fell upon the young, often the socially and economically disadvantaged." It is not until the fourth paragraph that the brochure discusses the memorial. And there the emphasis is on the negative aspects of the Vietnam conflict, ending with what is surely, at best, an extremely questionable statement: "The failure of the nation to honor them only extends the national tragedy of our involvement in Vietnam."

Ironically, after thus restating most of the anti-war charges, and describing the conflict as a national tragedy, the brochure adds that "The memorial will make no political statement regarding the war or its conduct." Many veterans, however, regard the lack of any statement about the role of the American serviceman in defending the freedom of the Vietnamese people as a political statement of the strongest kind: a statement that their war was a meaningless sacrifice. It is this, perhaps which triggers the most strong feelings about the memorial. Given the rhetoric of the brochure, it is understandable why the designs entered conveyed a negative feeling about the Vietnam conflict.

Throughout the materials for those submitting designs and on which the jury was to make its selection, an anti-heroic theme was stressed. Is it surprising that an anti-heroic design was selected? To make matters worse, not a single Vietnam veteran sat on the selection jury. Indeed the jury contained at least one anti-war activist, and several members were strongly opposed to the war.

Had there been a broader participation by Vietnam veterans, the anti-heroic nature of the design might have been modified, or even rejected. Perhaps the most unfortunate aspect of the selection is that rather than fulfilling the goal that "the memorial will begin a healing process, a reconciliation

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of the grievous divisions wrought by the war," it has added yet another element of controversy to one of the most controversial episodes in our history.

MILTON R. COPULOS,
Policy Analyst.

(Milton R. Copulos is a disabled veteran of two tours of duty in Vietnam where he served with elements of the 25th Infantry Division. He holds the Bronze Star Medal among other decorations.)

NATIONAL SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. ASHBROOK. Mr. Speaker, during a recent hearing before the Subcommittee on Elementary, Secondary, and Vocational Education, Congressman LARRY E. CRAIG made some very candid observations regarding our national school lunch and child nutrition programs.

I would also like to compliment my friend and colleague from Idaho on the invaluable contribution that he made in helping to shape the important child nutrition legislative changes that are now incorporated in the provisions of the Omnibus Reconciliation Act of 1981.

Mr. CRAIG's clear understanding of the major policy issues underlying the present and future operations of these important programs is reflected in his statement before the subcommittee.

Mr. Speaker, I would like to take this opportunity to insert the text of this excellent statement in the RECORD at this time.

NATIONAL SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

(By Hon. LARRY E. CRAIG)

Mr. Chairman, as a freshman Member of this Committee, I do appreciate having an opportunity to share with you and my colleagues some of my observations and concerns regarding the National School Lunch Program specifically and the Child Nutrition Programs in general.

At the outset, I would like to extend a personal word of thanks to my colleague from Pennsylvania, Congressman Bill Goodling. Congressman Goodling has demonstrated, time and time again, his strong commitment to the well-being of these programs and his keen understanding of the many and complex issues that surround their implementation at the Federal, State, and local levels—in short, issues that will, to a large degree, determine their future. From a personal standpoint, Bill has reached out to all of us on this side of the aisle—sharing with us the challenge of major changes that would be forthcoming, developing options for our consideration, and soliciting our input at every step along the way.

As a Member of the House-Senate Mini-Conference Committee that hammered out the various National School Lunch and Child Nutrition Program changes that were incorporated in the Omnibus Reconciliation Act of 1981, I was acutely aware that the

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policy decisions at hand were difficult ones. And, I fully recognize that the \$1.5 billion reduction in the level of fiscal year 1982 Federal support will have a major impact on many of these vital programs. Clearly, we must assess carefully the impact of the major changes that have been made to date.

In this regard, it was most heartening to hear Mr. Hoagland testify, in what seemed to me to be unequivocal terms, that the Administration will not seek additional Fiscal Year 1982 budget reductions in the National School Lunch and Child Nutrition Programs. Let me say, too, that I sincerely hope that Mr. Hoagland accurately reflects a final Administration decision on this matter—and not merely his preference or recommendations as the Administrator of the Food and Nutrition Service.

It would seem to me that Administration spokesmen—whether from within the Department of Agriculture, the Office of Management and Budget, or elsewhere, would be well-advised to refrain from continuing to issue statements that the Administration's January 1982 budget submission to the Congress will contain requests for further NSLP/CN budget cuts for fiscal year 1983. I fail to see how prudent policy-makers can consider and present to the Congress next January a package of specific proposals designed to achieve additional Federal dollar savings, absent hard data on the impact of major changes which are now in the early stages of implementation.

Equally important, in my judgment, Mr. Chairman, is the negative and adverse impact that these statements are having on the overall perception of and commitment to these programs by students, teachers, parents, school administrators, school boards, and State legislatures.

In the testimony presented before this subcommittee by many local school food service directors—directors who are deeply committed to providing our youngsters with attractive, nutritionally well-balanced school meals at reasonable costs, there is a common theme. It is the same theme that comes through loud and clear in discussions with school food personnel in my District. What I am hearing is this: the past year has been an uncertain one for us and the cuts which have been made in the various child nutrition programs will not be easy to absorb. Nonetheless, we are committed to continuing to provide our students with a high quality meal service. We can and will succeed in this difficult task but we must have a moratorium on further reductions in Federal assistance.

Mr. Chairman, I believe that this Committee and the Congress fully understand this message. I hope that the Department of Agriculture and the Administration are listening carefully, too. Instead of continuing to declare an open season for future budget cuts in the National School Lunch and Child Nutrition Programs, the Administration and the Department of Agriculture should concentrate their efforts and resources in a joint effort with State and local program operators to the end that these programs will continue to meet their long-standing goals.

In this context, it would appear that the Department of Agriculture has been remiss in developing and issuing, on a timely basis, the regulations or guidelines that will assist State and local school food service and child nutrition personnel in accomplishing the changes mandated in the Omnibus Reconciliation Act of 1981. I would strongly recommend that the Department take a care-

ful look at the terms of the Reconciliation Act of 1981 with reference to the effective dates of the various provisions incorporated therein. Based on the testimony that I heard yesterday (coupled with the delay in the issuance of revised meal pattern requirements), I have the impression that the Department has not issued, and in some cases, does not intend to issue regulations that are called for by a date certain, in spite of the fact that the effective dates in the law were those requested by the Department.

I do not intend to dwell at length on the September 4 meal pattern changes which were issued by the Department and quickly rescinded by higher levels within the Administration. One cannot help but question the capability (and perhaps the motives) of those within the Food and Nutrition Service who have the responsibility for the development of these regulations. It is a sad and ludicrous state of affairs when Cabinet officers, White House staff, and the President himself must address their attention to the "nitty-gritty" of what does or does not appear on a school lunch plate! The Administration should have cleaned house further down the line than they did.

On November 12, I sent a letter to President Reagan respectfully urging that favorable consideration be given to the early issuance of revised meal pattern regulations. With your permission, Mr. Chairman, I would like to have the full text of this correspondence included in the record.

HOUSE OF REPRESENTATIVES,
Washington, D.C., November 12, 1981.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have and continue to remain very supportive of your efforts to turn this Nation's economy around. It is a task that has long since needed to be addressed.

At the same time I respectfully urge that the administration withhold any further cuts in the school lunch program until there has been ample opportunity to review the impact of the budget reductions that were imposed in the Omnibus Reconciliation Act of 1981. The school lunch people in my State are working very carefully to implement those budget reductions, at the same time preserving the overall health of the program.

As a Member of the House Committee on Education and Labor who has worked closely with my Republican colleagues on the Committee to achieve approximately \$1.5 billion in reduced federal outlays in the child nutrition programs, I would respectfully recommend that favorable consideration be given to the immediate issuance of new meal pattern requirement regulations.

While the past year has been a difficult and uncertain one for those who administer these vital programs, it is the consensus of opinion among respected, local school food service directors that regulatory relief (including revised, common-sense meal pattern regulations) must be forthcoming immediately. The local cost savings to be achieved by such regulatory changes will enable them to offset the recent reductions in federal assistance, reduce costly and needless plate waste, and continue to provide a nutritionally-sound meal service to our Nation's school children.

In closing, Mr. President, I again respectfully request that favorable consideration be given to early issuance of revised National School Program meal pattern requirements by the U.S. Department of Agriculture.

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Thank you.

Very truly yours,

LARRY E. CRAIG,
Member of Congress.

Finally, Mr. Chairman, I believe that many of the news media and representatives from a number of well-meaning child nutrition advocacy groups have failed in contributing their resources and expertise in a positive campaign to insure that our Nation's school children continue to receive the full benefits to which they are entitled under the National School Lunch and Child Nutrition Programs. I believe that the negative publicity that has been generated recently—and which focuses on the most unfortunate elements of the Department's September 4 proposal—has served only to undermine, in a most unfortunate and irresponsible way, the public image and continued support for these programs. I have to question whether these groups were more intent on trying to undermine the Administration or advance child nutrition. At a time when local school boards and other governing authorities are confronted with making a series of difficult decisions on how best to invest what are necessarily limited resources, national media coverage, picturing the school lunch as an emaciated hamburger, a handful of grapes, and a serving of relish instead of a vegetable, does little to convince local decision-makers that the NSLP and CN Programs are wise investments. Moreover, it has given many parents cause to wonder whether their children should continue to participate in the program; at the same time destroying the appetite of the hungriest youngster. It is an unwarranted insult to the thousands of dedicated school cafeteria personnel who feed our children as they would their own.

Some among us seem to lose sight of the fact that local participation in the National School Lunch and other child nutrition activities is optional. Without strong school feeding programs in every school district—programs which guarantee a free or reduced-price meal service, youngsters from low-income families who can least afford it will suffer the most.

Recently, at the invitation of Mrs. Elizabeth Cagan, Director of the New York City Office of School Food Services, I had an opportunity to visit a national school lunch program in operation at the Benjamin Franklin High School in Harlem. This experience is one that I shall not forget—for I believe that it was the national school lunch program operating at its very best. An excellent and varied meal service is provided under the supervision of Ms. Lorraine Chambers and her hard-working staff. But there is much more at work here. Thanks in large measure to Assistant Principal Eugene Brown's total commitment to making the school lunch program an integral part of the overall learning experience at Benjamin Franklin, the lunch program has served as an important vehicle for practical learning that will prove invaluable to these students when they enter the job market. With a student nutrition committee taking the lead, the Benjamin Franklin student body is involved in and must assume major responsibilities for all aspects of their lunch program or "Energy Factory" as they have named it. For many Benjamin Franklin High School students, the school lunch program has been the vehicle for a renewed interest in their education, school, and community and a key element in their personal pride and self-development.

In closing, Mr. Chairman, I would very much hope that other Members of this Sub-

committee will have an opportunity to personally visit National School Lunch success stories like that of Benjamin Franklin High School in New York City.

What we have in this Committee have done to date will work if allowed to. Revised meal pattern requirements must be brought forth soon if we are to accomplish our desire to cut plate waste and achieve the savings we set out last January to obtain. These programs are working and will continue to work if we will provide support to those who implement these programs at the local level.●

UNIFORM PORT USER FEES

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. MATSUI. Mr. Speaker, a Senate Committee recently reported a bill which would require that each port in the country pay not only for the landside facilities which have been the ports' traditional responsibility, but also for the dredging work in its harbor and channels, which has for 200 years been the responsibility of the Federal Government.

In response to this type of approach, the U.S. Port System Advocates, a group of 53 ports from every part of the country, has prepared a short paper on the question of port-specific vs. nationally uniform user fees to pay for harbor construction and maintenance. I would like to share that paper with my colleagues. It raises serious questions about the national implications of creating new and unbalanced competitive elements in an industry which is already as competitive as it is vital.

THE CASE FOR UNIFORMLY APPLIED DREDGING USER CHARGES

In their concern for cutting the federal budget, the Administration has put forward proposals that would break the 200 year old partnership between the federal government and local interests that created a national port system. This system did not come about by chance, but as the clear-cut objective of a determined effort to satisfy very basic national economic and military necessities. Open, operable seaports are invaluable to defense in peace and war.

While few can argue with the need for attention to our economy, how the new relationship is structured must be tested against a number of critical questions:

Should the procedures favor those ports previously dredged with federal funds as opposed to those that require dredging in the future? Can the country do without many of the smaller and newer ports for its national defense? What effect will the concentration of cargoes in a fewer larger ports have on the landside transportation system? What motivation would smaller and newer local port authorities have to undertake long term financial obligations for the benefit of the commerce of landlocked states or the national defense needs? If the procedure leads to the demise of a port, what happens to the sizable public and private in-

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vestment in place and the outstanding public debt? Are not private industries with major investments at ports entitled to protection against high dredging fees? Does not the procedure installed need to be workable and equitable to all users? Must not the procedure be designed to avoid balkanizing the port system? Is a user fee nationally imposed a tax whereas one imposed locally not considered a tax? Likewise, why would one be a violation of the General Agreement on Tariffs and Trade (GATT) or the Constitution whereas the other would not?

It is not a matter of perception whether the payer of a federal uniform user charge is the user of a previously federally dredged channel or the user of a local port? With a port-specific charge, to what extent would those shippers with a high ability to pay shape the port system of the country to meet their needs and affect all shippers and other users?

UNIFORMLY APPLIED CHARGE

The imposition of a uniformly applied user charge collected by the federal government would preserve a port system that has been shaped by demonstrated need. The charge would be assessed upon all vessels and/or cargoes at rates that reflect a balance of ability of each to pay, the need for funds and the prevention of diversion of cargoes. These factors would need to be reviewed from time to time to keep up with changing transportation technology and world trade factors.

The disposition of funds from a uniform charge would remain with Congress. The appellation of "pork barrel" notwithstanding, Congress can take much credit for the creation of the world's finest port system with a modest outlay of federal funds.

PORT-SPECIFIC RATES

The other system proposed would place the burden on the local port authority to finance all or various amounts of required dredging work. The local port would then be permitted to charge fees as it saw fit to meet its financial obligations. At the least, this will lead to varying charges as well as a variety of methods of meeting the obligations. Included would be those few ports that being blessed by nature, would require no fees because it required minimal dredging.

The most immediate result of such a user fee would be a disruption of cargo movement in this country. It is fact that the movement of waterborne cargoes is highly flexible and rate sensitive. Shippers are in a position to seek out the best possible rate structure and take advantage of it. This complete mobility combined with the varying user fees to be imposed by ports under the port specific concept, will clearly divert cargo from small, new, or otherwise less developed ports to the large, previously developed or less costly ports. As cargo totals fall off and dredging costs remain the same, the smaller ports would become even less competitive as user fees are increased on a regular basis.

Shippers attempting to compete among themselves, would face the prospect of their competition enjoying a more favorable dredging user fee due to proximity to a port requiring less dredging. It is important to note that such an advantage would not be the result of any astute business strategy, but by legislative mandate alone. Furthermore, consideration must be given to the shipper forced to deal with port rates which will change with the rise and fall of tonnages as measured against dredging costs.

DESTRUCTIVE FORCES

The perils of a shipper tied to a particular port by a large fixed investment (e.g., an industrial plant or a grain elevator) certainly cannot be overlooked. It would seem that industries with such investments should be protected against high dredging fees, since it is doubtful the government can afford to displace them.

The concentration of cargoes at a few large ports would also threaten the landside transportation system (rail, highways, barge networks) already in place to serve long-standing transportation needs. Indeed, if the future of the smaller ports themselves is in doubt, it is reasonable to wonder what will become of the very sizeable public and private investment in port facilities now existing. The long-term debt incurred to build such facilities would remain outstanding with insufficient revenue, if any, to satisfy obligations.

In addition to this, with an uncertain future, there would be little justification for smaller ports to assume any new debt for the purpose of improving cargo-handling capabilities. The effect on the economic development of their service areas would be far-reaching. The displacement of port-related employment can only further complicate the displacement of people to the large population centers.

OPPOSITION TO UNIFORMITY

Objections to uniformly imposed user charges have been based on suggestions that such fees (1) would be a tax, (2) would be a violation of the constitutional provision against taxing exports of other states, (3) would be a violation of GATT, (4) would result in larger ports subsidizing smaller ones and (5) lack the market place test.

The first three objections seem to imply that administered by local port authorities makes a user charge acceptable but not so if administered by the federal government. At most there might be a technicality which can and should be overcome for the overriding public benefit. Logically the charge is for services rendered and should be just as acceptable if federally administered.

The cross-subsidy argument cannot be supported. Except for a very few ports that enjoy naturally deep water, virtually all ports have benefited from some dredging at federal expense. It is the users of those federally provided channels that would be charged a uniform user fee, not the users of a particular port.

The market place test argument presupposes that the market place is the local port. In reality, for drafts 45 feet or less, the market place is a wide variety of cargoes and shippers possessing an inordinate flexibility in the choice of one port over another. Yet the port must have reasonable means of assuring their ability to meet the financial obligations undertaken to perform the dredging.

FEDERAL INTEREST

The federal interest extends to the international trade of the country, to serve the trade needs of the landlocked states and the national defense (during wartime the government takes over the ports for its cargo handling requirements). These interests alone require that they remain a viable partner in the creation of the port system. If they require assistance in funding its maintenance and development, then the structuring of the user charge should be done in such a way as to protect our national port system and enhance orderly future port development while achieving the goal of federal cost recovery.

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CONCLUSIONS

Re-examination of the questions posed in light of the comments above clearly favor the imposition of a uniformly applied user charge. A uniformly applied user charge, assessed upon all vessels and/or cargoes at all ports is the only approach which passes the tests of practicality, simplicity and equity. None of the disruptions of normal business patterns; one of the threats to the very existence of valuable port communities and related public and private investment; no risk of stagnation in future port development; and no destruction of a vigorous national port system in favor of a few regional ports flourishing at the expense of their neighbors would result from this concept of user fees.●

TRINITARIAN SISTERS
CELEBRATE 50TH ANNIVERSARYHON. CHARLES F. DOUGHERTY
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. DOUGHERTY. Mr. Speaker, on November 22, 1981, an event of great significance took place in the Fourth Congressional District of Pennsylvania. At their Motherhouse, the Missionary Servants of the Most Blessed Trinity, a Roman Catholic religious community of women, celebrated the beginning of their 50th year of service to the poor and abandoned of America. The Missionary Servants, now some 400 sisters, labor tirelessly throughout the United States, in Pennsylvania, Alaska, California, Massachusetts, Florida, and Puerto Rico. The sisters remain uniquely committed to the service of those with special needs and difficulties, sharing a message of love. The Missionary Servants of the Most Blessed Trinity live that "volunteer spirit" about which many so lightly speak these days. Their community spirit is a charisma of endless, unselfish giving, in spite of hardship and suffering; and often without evident reward.

Today, I ask my colleagues to recognize with me the work and lives of the sisters who share their lives together as Missionary Servants. "Voluntarism" will never replace the witness of these loving women for the less fortunate throughout America.

MISSIONARY SERVANTS OF THE MOST BLESSED TRINITY CELEBRATING 50 YEARS OF MISSIONARY SERVICE

The Missionary Servants of the Most Blessed Trinity will begin the celebrations of their 50th jubilee year, Nov. 22, with a noon Mass at their mother-house, 3501 Solly Ave. The opening of the year-long celebration will coincide with the 50th anniversary of the death of the order's co-founder, Mother Boniface Keasey.

For the Missionary Servants it is a time to remember their past; to remember the people and events that led them to their Canonical Recognition just 50 years ago.

It was during the early 1900s that Father Thomas A. Judge, a young Vincentian

priest, began working intensely with the laity in New York. He believed that every Catholic should be a missionary reaching out to the poor and abandoned right in their own land. His love of the God and his desire to do God's will grew as time went on.

It was a mission in Alabama that caused Father Judge to call upon the generosity of his lay friends in New York. Aware of the educational needs of some of the children in the parish and the lack of school teachers in the area, he asked these Northern friends for help in opening a school. Although Alabama seemed like half a world away, several made the journey. They came for only one reason: their love of God and their desire to share His Love.

Word spread about this small missionary group, its service and its need for more help. In 1916 a young woman, Margaret Louise Keasey, was told of this missionary activity and joined the group in the south.

Steadily the missionary group grew. Soon the women expressed their desire to become a religious community. Father Judge realized their need for a capable leader and recognized the leadership potential in Lou Keasey. So, on Jan. 1, 1919, he appointed her their first General Custodian and named her Mother Mary Boniface.

Bishops across the country began to seek the help of these Sisters for their dioceses. Women who shared the same commitment as Mother Boniface and Father Judge joined and served in some of those dioceses. There was the conviction that the Church in the United States needed home missionaries to serve their own poor and abandoned.

During these same years a constitution was developed for this young missionary community. This constitution received their approval. Thus, on Feb. 20, 1932, the Missionary Servants of the Most Blessed Trinity were officially recognized as a religious community.

Hardship and sacrifice were continually demanded of the new community. A fire leveled their newly built Motherhouse in Holy Trinity, Alabama, and left them almost penniless. At the invitation of Philadelphia's Dennis Cardinal Dougherty, Mother Boniface and Father Judge moved the Community north to Philadelphia in 1931. On November 22, of that same year, Mother Boniface died at the age of 46 after a few weeks of fighting typhoid fever. Two years later on Nov. 23, 1933 Father Judge died at the age of 65.

In the early years of the Missionary Servants in the Archdiocese of Philadelphia, and even today, the Sisters were involved in the ministry of Religious Education and in serving the immigrant population, especially in south Philadelphia. Often on Saturday afternoons, the Sisters gathered neighborhood children for religious instruction. Linked to that ministry was home visiting, in which the Sisters became more involved with families and family problems and became a very active part of the Missionary Servants' goal.

Today, many of the Sisters staff the Archdiocesan Catholic Social Services, which as the largest non-profit social service agency in southeastern Pennsylvania assists more than 70,000 people annually.

At the time of Canonical Recognition over 200 Sisters belonged to the Community and 35 missions were open.

The 50 years between that time and today mark years of growth, challenge, suffering and joy. They mark years of development for the Missionary Servants passing on the

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charism of their co-founders to new generations of Sisters. They mark years of expansion and diversity in ministry—from Alabama to California, Pennsylvania, Massachusetts, Florida, Alaska and Puerto Rico; from the first response as school teachers to religious education, social work, parish ministry, health care.

Today there are almost 400 Sisters serving on 100 missions. The Sisters are a part of the Missionary Cenacle Family, sharing the same spirit as the Missionary Cenacle Apostolate, and the Missionary Servants of the Most Holy Trinity (brothers and priests).•

NATIONAL ORCHESTRA WEEK

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. REGULA. Mr. Speaker, today TED WEISS and I introduced a joint resolution which would authorize the President to designate the week beginning June 13, 1982 as "National Orchestra Week."

This Nation's 1,572 symphony and chamber orchestras, more than any other country in the world, are among the finest artistic and cultural resources, bringing inspiration and enjoyment to listeners in nearly every community in the United States.

Last year, more than 23 million Americans attended orchestra concerts, and millions more heard performances on radio, tape, television, and record.

I am particularly proud of my district's orchestra, the Canton Symphony Orchestra and its music director, Gerhardt Zimmermann. Now in its 46th season, the Canton Symphony brings the highest quality symphonic music to Stark County and the surrounding area with a full subscription series of concerts at Umstadd Hall in Canton.

In addition to being an orchestra of outstanding quality, the Canton Symphony serves our community as a total musical resource.

The orchestra helps to encourage additional local arts activity by sustaining a ready pool of talented musicians. As a result, many musical theater, opera, and choral performances have been made possible in the area with the help of Canton Symphony musicians.

The Canton Symphony's successful education program lets schoolage children explore symphonic music for the first time. Last year, the orchestra, with a program of youth concerts, ensemble performances, and demonstrations in the schools, reached nearly 35,000 students in 11 counties.

In addition, the Canton Symphony Orchestra has made special efforts to reach diverse audiences beyond the concert hall. Small ensembles of musicians regularly play free concerts for the elderly and disadvantaged

throughout the area, and a chamber orchestra offers performances for the handicapped.

This important outreach effort helps bring the orchestra to those who cannot hear it in the concert hall.

Free Fourth of July concerts by the orchestra have also proven popular. Last summer, 10,000 listeners helped celebrate the Fourth at the Canton Symphony Concert.

My colleagues may remember that here in Washington a crowd of 130,000 heard a congressionally sponsored performance by the National Symphony Orchestra, and millions more watched the festivities for the first time on a nationally televised broadcast.

Residents of my district are also privileged to live in close proximity to one of the world's premier orchestras, the Cleveland Orchestra. The Cleveland Orchestra and its music director, Loren Maazel, have built on a long standing tradition of the highest excellence, with concert series in Cleveland at Severance Hall and during the summer at the Blossom Music Center in the Cuyahoga Valley National Recreation Area, national and global tours, weekly radio broadcasts, and many successful recordings.

Mr. Speaker, orchestras like the Canton Symphony and the Cleveland Orchestra serving their communities and the Nation, justify our praise and recognition.

Representatives of America's orchestra staffs and boards of directors will gather for an annual conference of the American Symphony Orchestra League in Washington, D.C. beginning June 13. I believe designation of this week as "National Orchestra Week" is a fitting tribute in recognition of all the pleasures and benefits our Nation's orchestras offer us.

I urge my colleagues to join Mr. WEISS and me in a salute to America's orchestras by designating the week of June 13, "National Orchestra Week."•

PERSONAL EXPLANATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. McDONALD. Mr. Speaker, yesterday afternoon I unavoidably missed two recorded votes. I was paired on each vote but failed to receive a live pair on both. Therefore, I would like to take this opportunity to explain how I would have voted had I been present.

No on rollcall No. 350, the rule under which it was made in order to consider Senate Concurrent Resolution 50, the second concurrent budget resolution for fiscal year 1982. A live pair was received.

No on rollcall No. 351, passage of Senate Concurrent Resolution 50, the second concurrent budget resolution for fiscal year 1982.●

THE PRESIDENT'S DEFICIT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. LaFALCE. Mr. Speaker, during the last election, the voters were repeatedly harangued by Republican candidates on the subject of Democratic budget deficits. We were told that these insidious deficits undermined the very safety and stability of our economy, snatching the benefits of their labor from the pocket of unsuspecting American workers, and crippling the country with both inflation and disincentives for work.

Now, however, we are told that the future Federal deficit, growing at an alarming rate in each recalculation, is nothing to worry about, that deficit control has never been a top priority with this administration. This is no traditional deficit, we are assured; this is one of those harmless new deficits—a supply-side deficit.

Supply-side deficits are, by definition, self-destructive. Well, if you will believe that argument, I have got a bridge I would like to sell you. I will even finance it—but only at a floating rate, since I am convinced that enormous and continuing budget deficits can contribute to high interest rates.

I would like to call to the attention of my colleagues an article by Hobart Rowen from the Washington Post. The article, reprinted below, points out the huge risks of the administration's new-found tolerance for Federal deficits and outlines the limited options for reducing the deficits.

(From the Washington Post, Dec. 1981)

REAGANOMICS: IT'S TIME FOR A "PHASE II"

(By Hobart Rowen)

For weeks now, it has been clear that a deepening economic recession is making hash out of the Reagan administration's economic game plan. Not only was the prospect of a balanced budget in fiscal 1984 so ludicrous that it had to be abandoned by the president, but the size of the deficits ahead began to assume frightening proportions.

Three sets of numbers tell a grim story. In July, the Office of Management and Budget delivered these budget deficit estimates, which assumed there would be no serious recession: Fiscal 1982—\$42.5 billion; fiscal 1983—\$52.7 billion; fiscal 1984—\$44.2 billion.

As unemployment climbed and factory output fell, OMB revised its data so that, by November, it has changed its internal projections of the deficits as follows: Fiscal 1982—\$96.7 billion; fiscal 1983—\$126.5 billion; fiscal 1984—\$145.7 billion.

And this week, the OMB, basing its estimate on an assessment by the Council of Economic Advisers, upped the deficit this

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way: Fiscal 1982—\$109.1 billion; fiscal 1983—\$152.3 billion; fiscal 1984—\$162.0 billion.

Thus, in the space of just a few months, the administration was forced to admit that the deficit for the current fiscal year had doubled. And the three-year budget outlook has exploded from a cumulative deficit of \$139.4 billion to \$423.4 billion, mostly because of recession and to a lesser degree because high interest rates had swelled the cost of financing the national debt.

Each percentage point increase in the unemployment rate automatically boosts the deficit by about \$25 billion a year because revenues fall off and unemployment payments soar. But the Reagan administration is standing pat. Beyond abandoning the impossible balanced budget goal for fiscal 1984, the president is clinging to what is surely an untenable do-nothing position.

On Dec. 3, Economic Council Chairman Murray Weidenbaum, while assuring that the huge budget deficits are not regarded with "indifference," had this to say:

"... the president's program plus the built-in stabilizing elements in the federal budget are ample assurance that the appropriate policies for dealing with the near-term situation, as well as the long run, are already in place, 'baked into the cake,' if you wish. That they also happen to be the critical elements in achieving our long-term objectives is not simply coincidence, but a reflection of their fundamental soundness."

Baloney. The notion that an all-wise administration has established an all-purpose program, good for all eventualities, short-term as well as long-term, just won't wash. It is greeted with dismay in the business world, which believes that if the administration hasn't lost its senses it will respond with a "Phase II" of Reaganomics in January. Phase II would recognize that no president can send an official budget forecast to Congress incorporating anything like the new budget deficits for fiscal 1983 and 1984.

They can't be brushed aside, as Weidenbaum and his colleague, William Niskanen, tried to do this week by suggesting—inaccurately—that deficit control was never a top priority in the Reagan campaign, and that besides, deficits aren't too damaging to the economy.

As an influential outside adviser to the administration told me: "They are going to have to come to grips with the deficits. They can't do anything about the current fiscal year, but they must make deeper cuts in the entitlement programs, or reduce the big increase in military spending, or raise taxes—or some combination of these things."

Of course, this is what David Stockman was saying in the now-famous Atlantic Monthly article. But it is the reverse of what the supply-side "loyalists," led by Treasury Secretary Donald T. Regan, have been telling the president.

The real question is how long Reagan and Regan will cling to a no-tax-increase position. The well-publicized fears of local and state Republican officials, such as Gov. Richard A. Snelling of Vermont, that social program cuts have already gone too far show clearly that basic repairs must come through tax increases and Pentagon budget reductions.

No one is arguing that taxes ought to be raised in recession year 1982: in this respect, everybody seems to be a Keynesian, including—unwittingly—the supply-siders, who are anxious to accelerate the mid-year 1982 stage of the Kemp-Roth tax cut, which is nothing more than an old-style, Keynesian tax reduction.

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But if the economy does get over recession, and is expanding in fiscal 1983 and beyond (as Murray Weidenbaum is forecasting), Reaganomics, unaltered, could touch off the kind of Draconian Federal Reserve policy that will make a 20 percent prime rate look cheap.●

THE STOCKMAN ARTICLE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, November 25, 1981, into the CONGRESSIONAL RECORD:

THE STOCKMAN ARTICLE

Budget Director David Stockman's comments in a magazine article on President Reagan's economic program have dominated conversation in Congress this week. The article is a fascinating piece of political literature, based as it is on 18 candid interviews with the nation's top budgetary officer from December 1980, to September 1981.

Mr. Stockman's many statements add up to a stunning confession that the Reagan program cannot work. The heart of the program is the idea that huge cuts in taxes and spending will increase government revenues, eliminate budget deficits, stimulate growth, and halt inflation; yet Mr. Stockman says, "I've never believed that just cutting taxes alone will cause output and employment to expand." One wonders at Mr. Stockman's willingness to pretend in public about the adequacy of the program when he believes that it is inadequate. Mr. Stockman has been saying privately that the budgetary numbers are chaotic and uncertain, but he has been using them in public with great assurance. The admission of ignorance about the data is especially distressing. Mr. Stockman confesses that "none of us really understands what's going on with all these numbers." He states that the President's own numbers are constructed on shaky premises which, at bottom, do not add up. Time and again, Mr. Stockman is quoted as saying that the administration's budgetary projections are unreliable. There is, he notes, "less *** than met the eye" to the \$35 billion in cuts enacted last summer. Deficit projections have been made "by hook or by crook, mostly the latter."

When budgetary rhetoric produces such dramatic claims from all sides, it is deeply disturbing to hear that the numbers have been conjured up. There is a tone of desperation in Mr. Stockman's comments as his high hopes for the economy are overwhelmed by the reality of an unforeseen recession and the prospect of enormous deficits which will again drive interest rates up.

For months, opponents of the Reagan program have charged that it is tilted toward the wealthy. Mr. Stockman acknowledges the tilt when he says that the cutting of taxes across the board is a "Trojan horse" designed to make the reduction of maximum tax rates for the wealthy politically acceptable. He also acknowledges that by permitting the biggest share of the tax cut to go to the wealthy, the Reagan program espouses a subtler version of the old "trickle down" theory of economics.

Most of the deficiencies of the budgetary process are plainly revealed in the article.

Acknowledging that the power of organized groups is stronger than even he has realized, Mr. Stockman says that "unorganized groups can't play in this game" and that "weak clients" suffer for their weaknesses. He admits accepting projects he has long criticized because they are supported by powerful legislators whose backing of the budget is essential. Illustrating the government's short-term perspective, he rejects long-term reform in social security because he is "just not going to spend a lot of political capital solving some other guy's problem in 2010." He admits that the Defense Department has been handed a "blank check," that his subordinates have not given its budgetary estimates the usual scrutiny, and that "the defense numbers got out of control." The pressures of time on top policymakers are exposed when he says, "I don't have time, trying to put this whole package together in three weeks, so I just start making snap judgments." He also says, "the thing was put together so fast that it probably should have been put together differently . . . we were doing that whole budget cutting exercise so frenetically . . . we didn't know where we were ending up for sure."

The illuminating statements of the budget director show a sensitive, intelligent man overwhelmed by the difficulty of the budgetary process, assailed by doubt about the complexity of the decisions to be made, aware of the insufficiency of the data, and frustrated by the thought that neither he nor anyone else really understands what has been happening. His statements show that even a budgetary reformer dedicated to radical change who starts out from a solid base in policy can be engulfed in the political "horse trading" of organized interest groups as he loses the fight for a lower deficit. "Do you realize," he says, "the greed that comes to the forefront? . . . The greed level, the level of opportunism, just got out of control." The statements also show him losing the battle within the administration for a cut in military spending. He accuses the Pentagon of "blatant influences, poor deployment of manpower, contracting idiocy," and \$30 billion in waste.

The President's decision to retain Mr. Stockman after the embarrassing article is a political gamble. One can only conclude that the President considers Mr. Stockman an indispensable member of the economic team. Mr. Stockman has been the principal spokesman of the Reagan program, yet it is doubtful whether he can remain a persuasive proponent.

In the end, perhaps our judgment of Mr. Stockman should not be too harsh. He is a capable and important member of the President's economic team even if his usefulness to the President is not as great as before. Mr. Stockman has given opponents powerful ammunition to use against the President. He has surely increased the vulnerability of the Reagan program. However, if we understand that we have ahead of us an awesome struggle to get the budget under control, and if we recognize that all of us could be a bit more humble with respect to the economic theories we so confidently toss around, then maybe the education of David Stockman can be our education.

Finally, I think that the President should be worrying less about Mr. Stockman and more about the economy. As attention is refocused on consideration of the budget in Congress, I hope that we will not fail to see that behind the numbers and computer projections are real people with real problems. These people and their problems—not eco-

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nomic and political abstractions—are what the budgetary process is all about.●

EL SALVADOR

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Ms. MIKULSKI. Mr. Speaker, on several occasions, I have spoken against what is happening in El Salvador. My recent trip to Central America and my thorough study of the situation in El Salvador has convinced me that the El Salvadoran Army is brutalizing and murdering thousands of innocent men, women, and children. I urgently believe that the United States must rethink its foreign policy in this country.

In this regard, I would like the following article inserted in the RECORD for the benefit of my colleagues. It was written by William Hughes, a respected Baltimore lawyer, and it appeared in the Baltimore Enterprise newspaper on November 26, 1981. I think it is a good description of the horror of the war and the misdirected policies in El Salvador.

(From the Enterprise, Nov. 26, 1981)

BILL HUGHES' COMMENTARY

The Country of El Salvador in Central America is at war. But the war is not against a neighboring nation. The war is against its own people and the Roman Catholic Church. Since 1979, 22,000 of its citizens have died in a bloodbath unprecedented by even Latin America's grisly revolutionary standards. Among the dead have been one Roman Catholic Archbishop, 10 priests and four nuns. None of the murderers of the revolutionists have ever been brought to the Bar of Justice by the State authorities.

The Catholic Church's "crime" in El Salvador has been that she has fully identified with the plight of the beleaguered poor. According to the Sojourners Magazine, El Salvador is "both the smallest and most densely populated country in Latin America, with 4.8 million people living in an area the size of Massachusetts. Two percent of its population owns 60 percent of the land, with 75 percent of export earnings in the hands of 200 families—Unemployment is at 50 percent, and is the highest in the Continent; 90 percent of the people make below \$100 per year.

One of my earliest memories of my childhood was my learning, in Our Lady of Good Counsel School in Locust Point, of the fine missionary work being done in Central and South America by the Maryknoll Order.

Recently, at a sparsely attended public meeting held at St. Mary's Star of the Sea Parish hall, I listened to Sister Joan Petrik, a Maryknoll nun, recount her moving and painful experiences as a result of her eight years of toiling in the vineyards of El Salvador. She worked with the indigenous peasant population in the areas of literacy, health, community welfare and political education.

"I knew I had a missionary's vocation while I was still in grade school in Overlea," said the 53-year-old nun who was also a 1946 graduate of Seton High School. Her hair is

starting to turn white. She stands a little over five feet, five inches tall on an evenly proportioned frame and her eyes are light blue.

She speaks softly but with deep feelings of her recent memories. Her face is full of character and expressive of her committed Christian love for all of God's children.

Sister Joan Petrik, of Bohemian ancestry, has witnessed the effect of the violence of the right wing death squads and the absolute terror of a country truly under siege from its own military forces.

NO MIDDLE GROUND

In the ongoing battle between the political right and the left, Sister Petrik says there is "no middle ground." She was a friend of the four female missionaries brutally slain on December 2, 1980, as well as the late Archbishop Oscar Romero and the Jesuit, Father Rutilio Grande, the first priest slain in El Salvador.

She described Father Grande as "the most loved priest in El Salvador."

She recalled, with admiration how the courageous Archbishop Romero "spoke out about the repression, the atrocities by the military. Even though he knew he was signing his own life away when he wrote then President Jimmy Carter urging him to cut off all military aid to the Junta running the country."

AS A PEOPLE

Sister Petrik continued, "if we ignore those who suffer, then we will be condemned for it. The people of El Salvador do not want to sell their country to the Russians but they do want to establish their own identity as a people."

Sister Petrik believes our own country is making a serious foreign policy mistake by seeking a military solution to a problem that is really political and economic. In 1981, despite the continuing cruel repression, the Reagan Administration approved \$5.7 million in military assistance to the junta.

The former distinguished Ambassador to El Salvador, Robert White, who was fired by Secretary of State Alexander Haig, also thinks our policy is a mistake. According to the New York Times of March 8, 1981, he called some of the militarists in El Salvador to be "the most out of control, violent, bloodthirsty men in the world."

LA prestigious international study group headed by Willy Brandt of West Germany has recently called for the U.S. to end all military aid to the junta and for a negotiated end to the hostilities.

Archbishop Romero prophesied, just before his assassination, while saying Mass at a hospital "if I am killed, I will rise again in the people of El Salvador."

When I heard the words of Sister Petrik, I was proud to be a Catholic and of this noble struggle of the Church. I am confident the vision of that great martyred Churchman will indeed live on after him. And also that an awakened and outraged American people will demand an end to our discredited and immoral foreign policy towards El Salvador and its embattled people.●

1982 "YEAR OF THE EAGLE"—A TRIBUTE TO AMERICA'S MAGNIFICENT, NATIONAL SYMBOL

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. LeBOUTILLIER. Mr. Speaker, June 20, 1982, will mark the 200th anniversary of the bald eagle as the national symbol of the United States of America.

It is with great pride that I offer these remarks to acknowledge both the symbolic and natural importance of this magnificent creature, and regrettably, call attention to the threatened extinction of this symbol of our national heritage.

Millions of Americans would be shocked if they realized the extent of damage to the bald eagle caused by guns, pesticides and habitat destruction.

During this time in the history of America when we are experiencing a rebirth of patriotism, we must rededicate ourselves to protecting the abundance of natural beauty which contributes so much to the grandeur of our blessed land. We must take up once again the sincere commitment to respecting and preserving natural resources in the same manner as advocated by America's great conservationist President, Theodore Roosevelt.

Eagle Valley Environmentalists, Inc., have planned a wide range of activities in 1982 designed to call attention to the American bald eagle. They have asked President Reagan to proclaim 1982 the "Year of the Eagle."

I urge my colleagues to similarly work toward this yearlong recognition of our national symbol.

The symbols of American enterprise and liberty are, in many respects, as important as the principles themselves, and as such, are deserving of similar respect and protection. America and her symbols are beacons to millions who seek freedom from oppression.

Both should be revered and protected for future generations. I wish the organizers and supporters of the 1982 "Year of the Eagle" project much success. •

HAPPY (?) BIRTHDAY
SUPERFUND

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. LaFALCE. Mr. Speaker, superfund is 1 year old today.

The signing of the superfund law on December 11, 1980, by then President Carter, had a special significance for

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me and the people of western New York. The crisis at the Love Canal provided the catalyst that drove the Congress to pass the law. It was a long hard drive. I joined several of our colleagues in the House and Senate who introduced superfund proposals in 1978. Mr. Speaker, at that time we did not fully anticipate the obstacle course that lay ahead, and that we are still negotiating.

The size of the superfund was reduced from the original proposals to secure congressional passage. Those of us who argued that \$5 billion was needed to fully address the problem of abandoned hazardous waste disposal sites throughout the Nation, heralded passage of the \$1.6 billion trust fund as a milestone in the Federal Government's response to the toxic time bombs that dot the American landscape. In speeches on the floors of the House and Senate we declared that the superfund could help insure that the Love Canal nightmare would not be repeated.

In the privacy of our offices, however, doubts remained. We recognized that the success of superfund would rest largely on the Federal Government's commitment to the program. Not just a commitment of dollars, but a commitment of vision and purpose and effort. The Congress authorized \$1.6 billion for cleanup, but we really did not know what cleanup entailed. Did it require removal of hazardous wastes from existing dumpsites, or the isolation of those sites from the surrounding environment? We directed the Federal Government to provide answers to the often unanswerable question: "My family lives near a dump site; are we safe?" In short, we entrusted to the Environmental Protection Agency and other members of the so-called national response team the task of turning our collective chest pounding into real accomplishments.

Over the past year, these doubts have been intensified. Upon taking office, the Reagan administration cut the 1982 superfund by 20 percent. According to data compiled by the Environmental Protection Agency, the \$50 million budget cut means that 600 fewer site inspections, 30 fewer emergency site actions, and 20 fewer enforcement actions will be performed in 1982. Superfund was not spared from the administration's second round of budget cutting in September, when the President requested an additional \$24 million cutback in the program. Ironically, the new proposal for an outlay of \$176 million in 1982 is only 60 percent of the total industry contribution for the year. That is right, industry, which is providing 87.5 percent of the money for the superfund, will contribute \$298 million in 1982, but the administration only plans on spending a total of \$176 million.

Why? By happy coincidence, the administration has a snap response: "We

are not yet sure how or where to spend it all, so why add to the burgeoning Federal deficit?"—now estimated by administration economists at \$109 billion for 1982. As is the case with most snap responses, it is only a half-truth.

In July of this year, the EPA announced that it would spend \$4 million on part 1 of its plan to clean up the remaining poisons in Black and Berg Holtz Creeks, and the sewerlines at Love Canal. And there are other well documented sites throughout the Nation at which remedial actions are taking place.

On October 23, amid much fanfare, EPA announced a list of 114 top priority sites which are candidates for inclusion on the list of 400 national priority response targets that the superfund law directed the Agency to identify and publish as part of the national contingency plan. These are, again, well-documented sites awaiting remedial actions.

The national contingency plan—the document that will detail methods for identifying and investigating abandoned dump sites, establish cleanup priorities and standards, and specify the division of responsibilities among the Federal, State, and local governments—is now almost one-half year overdue.

This is most perplexing when one considers that the Carter administration began drafting the national contingency plan before the superfund bill was signed into law. When Administrator Anne Gorsuch arrived at her EPA office in May, after directing the Agency from her office in the Interior Department building for 3 months, the draft NCP was ready for her review. She, apparently, had many disagreements with the draft including, most importantly, the issue of "how clean is clean." The superfund office at the EPA had decided that cleanup of abandoned waste sites should bring those sites up to applicable, existing environmental standards. Not a bad idea, if implemented. We would certainly want any waterways that were contaminated with hazardous wastes to be cleaned up to meet the standard we impose on all waterways.

Reports now indicate that the national contingency plan will not be finalized until the summer of 1982. At that time EPA will have to abandon its shoulder shrugging and administer the superfund with the commitment that the Congress intended.

Mr. Speaker, it is always a good idea to have a little fun on your birthday. Unfortunately, in this case, the comedy is black. While the administration continues to cut the superfund, and the Environmental Protection Agency reviews, repeals, rewrites, and reevaluates the national contingency plan, the public health and the envi-

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ronment continue to be threatened at over 2,000 sites throughout the Nation. There will come a time for cut-back and withdrawal, but none of us in our wildest dreams felt that we would celebrate superfund's first birthday with a party to retrenchment and uncertainty. None of us believed that the year would be marked by five steps backward instead of five steps forward.●

EULOGY TO MURDERED FRED YODER

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. JOHNSTON. Mr. Speaker, the city of High Point has recently lost one of its leading citizens in a tragic and senseless murder.

Fred Yoder was a respected businessman and a pillar of the community. Today, I would like to introduce into the RECORD part of the eulogy to Fred, given by High Point Mayor Bob Wells, which expresses so well the sentiments of the community deeply saddened by his loss.

EULOGY TO FRED YODER

We are gathered today in memory of Fred Yoder and in respect and love for him and his family.

In a very real sense we do not mourn for Fred. We mourn our loss. We sympathize with the sorrow of those who are sad, and we look for the good things to give us comfort. There is much worth remembering about Fred Yoder.

Fred was son, husband, father, grandfather, brother, uncle, and friend. He was a community leader. He was a city councilman. He served on many boards and commissions.

His honesty, his integrity, his forthrightness, his sense of humor, his kindness, his helpfulness, his courtly manner, his distinctive speech and way with words all composed the warm, compelling personality that so attracted and held us to him.

Fred loved politics. His personality and passion for politics made him a natural political leader whose advise and support was highly valued and often sought. He conferred with governors, congressmen, mayors, and people from every walk and station in life.

Fred was a politician in the best and most noble sense of the word. He knew how to compromise, but never on principle. He was a fence mender and a bridge builder who brought differing people and points of view together. His special skill was that he was able to oppose a person's point of view while conveying full acceptance of the person who held that view. He knew how to disagree, agreeably.

With his keen mind and gift for language he spoke with power and conviction to issues he cared about. You could never ignore with any degree of intellectual safety Fred Yoder's point of view.

In a true sense we do not pay our last respects to Fred today. Because in our remembering of what he said, and what he did, and what he felt, and what he shared with us

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when he was with us, we find the things that link us to him. And in our remembering of those things we will keep on paying respect to him.

Today we mourn our loss. We will miss him tomorrow and tomorrow. We will miss the force and vitality of his presence, his wise advise, his quick laughter. We will miss his reaching out to touch us with that special brand of understanding, caring, and loving.

He would not want us to be sad, but just to remember him the way he was.

God bless this good and decent man.●

THE WEEK THE GOVERNMENT STOPPED

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

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

THE WEEK THE GOVERNMENT STOPPED

With increasing regularity, Congress and the President have failed to enact spending bills by the beginning of the new fiscal year. Time and again, they have failed to meet the deadlines which govern spending for federal activities. This past week, for the first time in history, all agencies ran out of money when a stopgap financing law expired at midnight on November 20. President Reagan moved in immediately to shut the government down. It was the week the government stopped.

It is instructive to review the background of the impasse which led to the shutdown. Congress' failure to complete action on the regular appropriations bills (the House has passed 12 of 13, the Senate six of 13) made it necessary to consider stopgap financing (in budgetary language, a "continuing resolution") to keep the government in business. Six months after submitting his budget request and two months after Congress approved his spending and tax proposals, the President insisted that Congress trim another \$8.5 billion in spending from the continuing resolution. Later, he said he would accept half that amount. When Congress passed a continuing resolution which the President said did not cut enough, he vetoed it. Most agencies began to furlough "non-essential" employees under an 1870 statute which tells government managers, in effect, that if Congress has not provided the money then they cannot spend it. The impasse was temporarily broken a few days later when Congress approved, and the President signed, a continuing resolution extending current levels of spending to December 15. Since the underlying budgetary problems have not been resolved, another impasse could come in three weeks.

The blame for the impasse must be shared by all concerned. The President believes the free-spending Congress caused it, and he complains that Congress' inaction left the country without a budget for 14 months. Every member of Congress would agree that the late-night, last-ditch legislating of the past week is a poor way to operate, but other reasons are offered to explain the delay in enacting regular appropriations bills. The House has done almost all its work, but the Senate has kept more than half the regular appropriations bills off the

floor because it has been unable to agree with the President on his request for a new round of spending cuts. In fact, the Senate leadership told the President that he should not seek a new round of cuts so soon after the bruising battles of last summer. So the President blames Congress, and Congress blames the President.

By shutting down the government, the President demonstrated his determination to control federal spending. My guess is that his action was good politics—that it played well in the country—and that he wanted to show he would be tough in negotiating spending cuts next year. After a run of bad economic news, the President almost certainly concluded that he had to "take command" of the budget process. The cuts he won with his veto of the continuing resolution were surely not as important as the symbol of a resolute stance against spending. In addition, they were not large enough to have much effect on the 1982 deficit, which is now likely to exceed \$80 billion because of the recession and the huge tax cuts. It is hard to see why a continuing resolution which came down to a difference of one-half of 1 percent caused such a fuss.

Throughout the debate on the continuing resolution, there was much confusion about the underlying budgetary figures. The President contended that the continuing resolution was far over his budget. Congress argued that it was under both the President's budget of March and the budget resolutions which he had supported. The dispute was eventually narrowed to a single issue: whether the continuing resolution was over the President's modified budget of September. Congress thought it was very close, but the President believed the difference was larger.

The sources of disagreement were many. The President may have misread the continuing resolution, anticipated the passage of bills which Congress did not, and used different economic assumptions. Moreover, errors in calculation were easy to make because there were so many separate programs in the continuing resolution, and separate calculations had to be made for each one. Finally, no accord was reached on the programs to be classified as discretionary, and thus subject to cuts, and the programs to be classified as entitlement, which go up automatically with inflation and increases in the population.

Having just gone through this divisive struggle, I have the strong impression that we must avoid legislating budgets with the threat of a shutdown of government hanging over us. Good legislation cannot be passed in such conditions. Unfortunately, stopgap financing has become the focus of too many disputes because Congress has fallen behind in its consideration of regular appropriations bills. We are using continuing resolutions for long periods of time, yet they should be used only when emergencies arise. We are using them to fund almost all government activities, yet they should be used only in isolated instances. The danger is that the continuing resolution will take the place of the regular appropriations process, yet it has none of the legislative safeguards the latter has.

The deadlocks which have plagued the budget process in recent years reflect structural weaknesses in the process. With four money committees and two budget committees, several stages of consideration, and dozens of votes, the process has become unwieldy. These weaknesses must be corrected. An issue of policy makes matters worse. At

the root of the impasse which shut down the government is disagreement between Congress and the President on the segments of American society which should bear the burden of the spending cuts. Until a broader consensus on this issue is reached, Congress budgetary troubles are likely to continue despite all efforts to reform the budget process.●

THANKSGIVING IN ROCKVILLE CENTRE, N.Y.

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. McGRATH. Mr. Speaker, I am pleased to insert in the RECORD a Thanksgiving address delivered by Martha Smith, trustee of the village of Rockville Centre, N.Y. While her remarks are directed toward one particular community, I am sure all of us have similar feelings about the communities in which we live or represent:

THANKSGIVING IN ROCKVILLE CENTRE

This is a happy time of the year and we are here to talk to you about our very own wonderful American Holiday—Thanksgiving 1981—and why we are thankful to be living in this great village of ours—Rockville Centre.

I have been reminded that a good speech, like a woman's skirt should be long enough to cover the subject and short enough to create interest. What we are going to do, is to consider some values. What would your answers be, if I were to ask these few questions?

What are you most thankful for today? What makes living in this community, special from all other Villages? You have made Rockville Centre your own hometown. This village plays a vital part in your life.

Thinking about it right now, and on Thanksgiving, what superior advantages do you and your family enjoy? What quality of life do we, our children and our grandchildren find here? And why is it, that many of our young people want to return to make their homes here again so that their children will have the same opportunities?

When I ask these questions of our long-time Villagers, or of our newly arrived families there is an infinite variety of response. Among all, there is one unanimous answer, "Rockville Centre is special because of the people who live here"—It is a caring community and that, in itself, is a special reason to be thankful.

There are many of us here tonite who share a common bond. We've lived here a long time, some of us for fifty years or more. We have longtime friends and neighbors, who have seen this village grow and develop. Our pride is justifiable. Now, we have many new friends and neighbors, and it is you and you and you who make this Village Alive—It is people who create our history. It is people who have planned with vision to provide us with the benefits, which we and our families enjoy. As someone has said, "If we stopped to think more, we would stop to thank more."

Do you remember the satellite picture in Life magazine, taken during the Great Blackout? The one small white glow on the Eastern Seaboard was Rockville Centre. The lights did not go out here. It was the only

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place, the only village, where there was light and it shone like a beacon.

As we look around us at this point in time, we see it still as a beacon, a very special place to live. It is a community where people of all generations can meet in congenial groups, where there is involvement in programs that support a healthy family life, reaching out to our children—our young homeowners—and to our Seniors. In our present day society, there is a welcome trend to appreciate the extended family. In many instances, we have 3 and 4 generations of one family living here, in the Village. We are thankful that they have available to them—good housing, private services, providing stability and safety, with our own police force and the security to our homes of a dedicated and efficient volunteer fire department. We have our own municipal power plant, since 1890, still with the lowest rates in the area. Since 1895, we have our own municipal water department with the best drinking water anywhere, at the lowest cost to the consumer.

In 1969 Preston R. Bassett and Arthur L. Hodges, former village historians completed a history of Rockville Centre, preparatory to celebrating our 75th anniversary, as an incorporated village since 1893. It is enjoyable reading, beginning with the period, when the first settlers came to this area about 325 years ago. The history continues with the building of the grist mills along the banks of Mill River by the DeMott family in 1710, the Revolutionary War period and with Rev. Mordecai "Rock" Smith, the enterprising miller and outstanding citizen for whom this Village was named in 1849. We read about the courage and resourcefulness of the Sea Captains from New England, who settled here in the last century. Their motivating forces in the building and development of the Village were: religion, education and public service. I found it of particular interest that the Rockville Centre Village Board had its first meeting on July 15, 1893.

As the years progressed, we follow the evaluation of our government and outstanding public services, made possible through the efforts of the later pioneers—men and women who have helped make Rockville Centre what it is today. Let us give thanks for these pioneers, who built the foundation for all we enjoy in this well-loved village.

Let us give thanks, for our beautiful Churches and Synagogues, serving 16 major religious denominations. Let us give thanks for our fine schools and recreational programs, for the athletes' fields and park for our children and their parents. Our people have a great appreciation of family and a deserved sense of pride in their well-kept homes and the many beautiful tree-lined streets.

We are thankful for our community-based health planning, which has given us a superior medical care system with fine hospitals, health facilities, outstanding in the quality of service they provide. That's a great deal to be thankful for. Many of our people work as volunteers, devoting hours of their time and energy in helping the disadvantaged, the handicapped, the frail elderly and at crisis intervention centers. The other day, one of these hard-working volunteers said to me and she said it very happily, "You know, you can't do anything about the length of your life but you can do something about its width and depth." In our growth as a modern community, in tune with the needs and aspirations of many people, we are enriched by other cultures. We have many vil-

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lagers from different backgrounds, who are seeking to establish themselves here, as many of us have done and as our pioneers did in the not too long ago. We are thankful that since the founding of this village, it has always been a place, where people have come, seeking freedom, peace and the right to make a better life for themselves. We all want to live good lives. Last week we heard President Reagan say "Government exists for the convenience of people and to provide as a living reality, peace and security for all. The other day, I asked several of our long-time distinguished citizens—"What is there in this Village, that you are most thankful for this Thanksgiving Day 1981?" One said in reply "Good local government" and went on further—"Our government in Rockville Centre provides us with a quality of life which has been achieved through progressive leadership and a responsible spirit."

With a sense of obligation, our village government effectively protects and cares for its residents. We can be thankful, certainly, for a quality of leadership, which is also committed to financial stability. Today, our citizen committees represent a cross-section of the community. Our Guild for the Arts provides us with a Fine Arts Program, which revitalizes the cultural life of our village. Our merchants tell me that there is a resurgence in the business community, through incentives provided for economic growth and the Beautification and Light program. Rockville Centre is in the forefront with rent stabilization, tax exemptions for Seniors and a Housing Authority. There are many residents, who are very thankful today for these special benefits.

We are a unique community.

In the past year, as a Village Trustee, I have had the privilege of meeting and working with many different people. I continue always to be amazed at the variety of cultures, of backgrounds, the variety of interests and the variety of talent throughout our village. I find this to be one of the most revealing learning experiences of my service in public office. I am very thankful, too, of that opportunity.

Let me share one last thought with you. When Rev. Mordecai Rock Smith looked out at the Great Woods and on his grist mill and the land it stood upon, he must have offered thanks for the peace and security he had gained through his efforts and those of his neighbors.

Now, on Thanksgiving Day 1981, as we look around us, we see a very different place, a village that Rock Smith could never have imagined. We can offer thanks, too, to the good Lord—that we live here in our lovely village; we can offer thanks for each other, as we live here in harmony and for being able to share so many blessings together.

Happy Thanksgiving to you all.●

**GAS PIPELINE LEGISLATION
VOTED AGAINST**

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. MAZZOLI. Mr. Speaker, I voted against legislation to waive certain regulations affecting the construction of the Alaska natural gas pipeline.

The resolution adopted by the House approved waivers which will: Allow the billing of gas customers to cover pipeline costs before the project is completed; permit gas producers to acquire equity ownership in the pipeline; include the gas conditioning plant in the pipeline project for purposes of financing and customer billing; remove the requirement for evidentiary hearings on decisions regarding the pipeline; and restrict the authority of the Federal Energy Regulatory Commission to set the price of gas delivered through the pipeline.

The coalition of Members voting against granting such waivers cut across party as well as ideological lines. This suggests that the issue was not just a simple pro- or anti-consumer or pro- or anti-oil industry vote.

Rather, Members from both sides of the aisle and representing a wide range of political ideology had serious questions about the financing underpinnings for the Alaska natural gas pipeline, the construction of which the waiver-legislation is supposed to expedite.

For instance, why are not there dozens of firms—and lending institutions—willing to put up the capital and take the risk on this pipeline in light of the promise of sky-high profits to its owners once the gas starts moving through?

Could it be that these firms are not standing in line because the project is not technically feasible, or because massive cost overruns are inevitable or because there is no ready market at the price this gas will command?

Why should the gas consumers be required to pay the costs of this pipeline even if the project is not completed? Why should not these costs be borne by the oil and gas interests and the pipeline companies which stand to reap gigantic profits if the project works as advertised?

Since no one could answer these simple but revealing questions, I had no choice but to vote against the waiver bill.

Mr. Speaker, there are alternative methods for recovering this needed natural gas and moving it to the consumers—individual and commercial—who need it. These alternatives should be explored before Congress resorts to this kind of legislation.●

INTERNATIONAL HUMAN RIGHTS DAY

HON. PATRICIA SCHROEDER
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 1981

● Mrs. SCHROEDER. Mr. Speaker, I rise today in honor of International Human Rights Day and the 1981 Women's Plea for Soviet Jewry.

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In honor of this day, I am introducing a joint resolution with Senator PELL calling on the United States delegation to the upcoming meeting of the United Nations Commission on Human Rights in Geneva in February 1982, to discuss with the Soviets our unending opposition to the increasing rise of antisemitic activity in the Soviet Union, as well as the record-low rates of Jewish emigration.

Historically, multilateral forums have proven effective in the goal of attaining guarantees for adherence to international human rights standards, and I feel the upcoming forum in Geneva can prove to be useful in this case as well.

In the last year, there has been 15 arrests of key Jewish activists in the major cities. Such arrests include the tragic story of Victor Brailovsky, a respected physicist as well as a leader of the Jewish cultural movement. Mr. Brailovsky before his arrest was holding scientific seminars in his apartment for the unemployed Jewish scientists in Moscow who had lost their jobs after applying for visas to emigrate. The irony of the situation is that Brailovsky was arrested on the opening day of the Madrid Review Conference on Security and Cooperation in Europe to review the final act of the Helsinki accords.

Now a year later, numerous Hebrew teachers have been warned by the KGB to cease teaching or face almost certain arrest.

The Soviet press has waged an unrelenting antisemitic campaign against these activities—labeling them as part of the “Zionist Network”—some even before they have been arrested.

In addition, Jewish emigration rates have declined by 80 percent this year. Let me read some figures: In 1979, 51,300 Jews emigrated; in 1980 that figure plunged to 21,700 and as of October 1981, 8,500 Jews have been allowed to leave.

The time has come to speak up about the Soviets blatant disregard for human rights, and for international standards of conduct. The Soviets must end their campaign for cultural genocide against the Jewish community, as well as all other minority groups in the Soviet Union.

Finally, we must urge the President to put human rights higher on our agenda in our conduct of U.S. foreign policy.●

THINKING CLEARLY ABOUT GOLD

HON. JOHN J. LaFALCE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. LaFALCE. Mr. Speaker, it is hard to miss the debate over the gold

standard these days, although I am convinced that much of the noise about gold comes from a surprisingly small band of gold loyalists. As economic reporter Robert Samuelson put it: “Acting like a few soldiers impersonating a division, they created a sufficient clamor to get noticed.” With their credibility reinforced by the *Wall Street Journal*’s active embrace of gold, the gold enthusiasts have circumvented an unsympathetic economics profession and attacked the most vulnerable component of the public’s commonsense—its memory of the past. Despite clear historical evidence of frequent depressions much deeper and more painful than those we have known recently, the era of the gold standard is touted as a period of marvelous economic stability. Those in favor of the gold standard would have us look only at the beginning and end points of this long period, not at the awesome fluctuations in between.

With all this eager promotion of gold, it is encouraging to see a healthy skepticism on the part of many observers. Intrigued but not seduced by promises of a dollar “as good as gold,” these more objective analysts look to the Gold Commission for a full and balanced review of the proposal. I would like to call to the attention of my colleagues a recent editorial published in the *Buffalo Evening News* which expresses the caution with which reasonable Americans approach the gold issue. The editorial is reprinted from the November 22, 1981, edition as follows:

NOT ALL THAT GLITTERS CAN CURE ECONOMIC ILLS

Supply-side economists and their political allies in Washington, including Rep. Jack Kemp of Hamburg, urge that the United States return to the gold standard. This would stiffen the spine of monetary policy, the supply-siders contend, and quickly ease inflation and stabilize the dollar—making it, once again, “as good as gold.”

It’s a proposal about which we remain skeptical. It is also an idea now located precisely where it should be, under the microscopic examination of a special commission formed by Congress last year, a commission representing both those who tend to favor, and those who are inclined to reject, the notion of resurrecting the policy of enabling people to convert dollars into gold and vice versa. Thus it should get a fair, expert hearing.

Should the U.S. return to the gold standard, which the nation largely vacated in 1933 and wholly abandoned in 1971, the country would keep on reserve sufficient gold to back a certain fraction of its paper currency. The value of gold would be fixed at a certain price per ounce. If people feared the dollar was being cheapened by inflation, they could trade in their dollars for gold. If they thought the dollar was strong and getting stronger, they could exchange their gold for dollars. Consequently, so the theory goes, the supply of paper money would be regulated and its worth stabilized. With gold backing, currency would win the confidence of the people.

"Throughout America's history, when the link between dollar and gold is severed, inflation appears," argues supply-side economist Dr. Arthur D. Laffer. "And when the link is restored, price stability ensues."

But economics is not called the dismal science for nothing. Magical cures for economic woes are not that easy to come by. And the case for the gold standard is hardly clothed in indisputable evidence.

It is true, according to a study by the Joint Economic Committee of Congress, that the wholesale price index showed no net rise in 1930 compared with 1800. But the country used silver as well as gold to back currency during part of that period. There were recurring boom-bust cycles. The country went off the gold standard during the Civil War. And the ratios of gold and silver to currency were altered on occasion. So there are variables and exceptions to consider.

Moreover, as Henry C. Wallich, a member of both the Federal Reserve Board and the commission studying the gold standard, has observed: "You can say that the gold standard is the cause of stability, but you can also say that it is a consequence. The country always tended to go on it when things were stable."

The question of whether gold brought stability or whether stability made gold work well is an incisive one. The gold standard did not prevent the Great Depression. It was not in operation during the Civil War or World War II. And, in international transactions, the post-war Bretton Woods system of international exchange, where the dollar was backed by gold, creaked to a collapse in the late 1960s, and early 1970s.

Nor are we convinced that the present monetary system does not work. Tight money has certainly helped bring down inflation and interest rates in recent months. And if the existing system is too flexible, as supply-siders contend, it is possible that a fixed gold standard would be too rigid in a dynamic economy intricately tied to foreign factors. That inflexibility could be worsened by the fact that most new gold today comes from either South Africa or the Soviet Union. OPEC teaches hard lessons about insecure foreign sources of vital supplies.

Plainly, then, we are doubters. We offer more questions than answers. But they are questions and doubts that require persuasive evidence before the United States takes the drastic step of resurrecting a gold standard that seemingly proved ineffective just as America was emerging as a world power.●

NATIONAL ORCHESTRA WEEK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. WEISS. Mr. Speaker, I am today introducing a joint resolution on behalf of Mr. REGULA and myself to authorize and request the President to designate the week of June 13 to 19, 1982 as "National Orchestra Week."

The artistic quality and number of this Nation's symphony and chamber orchestras is a source of pride for all of us. Our 1,572 orchestras, more than any nation in the world, are among the country's finest cultural and artistic resources, bringing enjoyment and

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inspiration to citizens in nearly every community in the United States. Last year, more than 23 million Americans attended orchestra performances, and millions more heard orchestras on tape, radio, television, and records.

We as a nation can all be proud of one of New York City's internationally renowned orchestras, the New York Philharmonic, and its music director, Zubin Mehta. As the Nation's oldest orchestra, founded in 1842, the philharmonic has a glorious musical history and is preparing to perform its 10,000th concert. Together with America's other great professional orchestras, the philharmonic has achieved international recognition through tours, recordings, and broadcasts that have helped to set standards of musical excellence toward which many other orchestras strive.

America's orchestras not only play fine music, they also serve their communities as total musical resources. Orchestras help encourage additional local arts activity by sustaining a ready pool of skilled musicians that are equally at home playing for dance, opera, or musicals.

Orchestra members teach students in schools and conservatories. In some areas they provide the only music education that is available, and thereby help to train future generations of musicians.

Orchestras have made special efforts to reach beyond the concert hall into the community with tours and education programs. Millions of school-age children's first exposures to symphonic music occur through local orchestras' highly developed education programs that feature youth concerts, inschool training programs, and demonstrations. Last year, more than 3 million young people across the Nation attended these programs. The New York Philharmonic's young people's concerts have been a New York City tradition since 1924. Many of my colleagues may remember enjoying their first taste of symphonic music in the late fifties when the young people's concerts, led by Leonard Bernstein, were first televised.

On tour, regionally and nationally, orchestras bring music to communities outside their home concert halls. For many people, visiting orchestras are the only chance to experience live symphonic music in major metropolitan areas as well as in small towns. Last year, nearly 3 million listeners had a chance to hear touring orchestras.

Millions more are thrilled each summer by special outdoor parks concerts. The four concerts held by the National Symphony Orchestra last summer at the base of the Capitol that were sponsored by Congress attracted nearly 300,000 listeners. In New York, the ongoing series of concerts in the park that are held

throughout the city attracted 482,500 people, including a record crowd of 200,000 for a concert in Central Park.

Mr. Speaker, our orchestra's artistic successes and achievements are important, but we must not ignore their economic impact. The past 10 years have witnessed unparalleled economic growth for orchestras. Expenditures grew nearly 200 percent to \$250 million, and it is estimated that orchestras generate \$750 million in additional economic activity.

To meet their budgets, orchestras obtain funding from many areas—earned income, foundations, corporations, individuals, and all levels of government—without remaining dependent on any single source. My colleagues should note that direct grants from the National Endowment for the Arts' orchestra program, which began in 1970, have spurred this growth, but that those orchestras that receive Endowment support depend on these grants for only 5.5 percent of their total budgets.

Mr. Speaker, I am especially grateful for the assistance of the American Symphony Orchestra League, the national professional service organization for America's orchestras chartered by Congress, in the preparation of this effort. Through its training, advocacy, communication, and research programs, the league works to prepare orchestra managers and board members for the coming years.

Mr. Speaker, America's orchestras comprise a vital and integral part of our Nation's heritage. I know that my colleagues share my pride in this country's symphony and chamber orchestras and will join us in sponsoring this resolution.

A test of the resolution follows.

H.J. RES. 375

Joint resolution to provide for the designation of the week beginning June 13, 1982, as "National Orchestra Week"

Whereas America's 1,572 symphony and chamber orchestras are among our Nation's finest cultural and artistic resources, providing inspiration and enjoyment to more than 23 million people each year throughout the country;

Whereas America's greatest professional orchestras are internationally recognized as among the finest in the world, setting the standards of excellence against which other musical endeavors are measured;

Whereas America's orchestras serve their communities as total musical resources by supporting other arts activities and cooperating in joint artistic ventures;

Whereas America's orchestras cultivate a national musical heritage by nurturing young talent, providing opportunities for American-trained musicians and conductors, and promoting performances of American music;

Whereas America's orchestras educate the youth of the country by providing high quality music education through youth concerts, in-school demonstrations and training programs, and master classes;

Whereas America's orchestras reach diverse audiences beyond the concert hall through regional and national tours, free outdoor performances, and other special events;

Whereas the success of America's orchestras has been the result of a joint effort of skilled professionals and dedicated volunteers working together to promote and produce music in their communities;

Whereas America's orchestras have grown in size and artistic quality during the past ten years, with the help of direct grants from the Orchestra Program of the National Endowment for the Arts; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 13, 1982, is designated as "National Orchestra Week," and the President of the United States is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies, interest groups and organizations, and the people of the United States to observe that week by engaging in appropriate activities and programs, thereby showing their support of America's orchestras and the arts.●

REAGAN ECONOMIC PROGRAM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. McDONALD. Mr. Speaker, in early April of this year—April 2 and 6—I inserted Murray N. Rothbard's analysis of the Reagan economic program in the CONGRESSIONAL RECORD. Professor Rothbard is a distinguished economist and a key member of the Austrian School of Economics and although he may be subject to criticism for what may be termed "libertarianism," his analysis is nevertheless accurate and timely. His message is simple: We are on the verge of a total and irreparable economic collapse. Half-hearted efforts and lip service to reduced Federal spending and a balanced budget will be far too little, far too late.

Now that President Reagan's economic program has been implemented and additional data is available, I thought my colleagues would be interested in an update of Professor Rothbard's analysis. The following interview appeared in the late November 1981 issue of the Silver and Gold Report:

[From the Silver and Gold Report, November 1981]

REAGAN ECONOMIC PROGRAM
(By Murray N. Rothbard)

ROTHBARD. Reagan's economic program is in shambles. He's going down the same road that Thatcher is travelling in England—and he's winding up with the same terrible result: chronic, continual recession, very high rates of unemployment, and grinding inflation.

A few issues ago, if I remember correctly, you said Reagan's economic program was

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unravelling. No. You didn't go far enough. It's already unravelled. It's collapsed. The whole program is a total mess.

SGR. Strong words, Professor Rothbard. Why do you say that?

ROTHBARD. Where do I start?

Look at inflation. When Reagan was running for office—and when he was putting his program into effect—he was talking about stopping inflation. Ending it, once and for all.

Now, they no longer even talk about ending inflation, just maybe about cutting it back a little. They talk about inflation abatement now.

Inflation was about 12 percent per year when Reagan came in. They cut the rate down to about 9 percent, at which point everybody cheered uproariously.

But nine percent is a terrible inflation rate. Back in 1971, when inflation was so bad Nixon felt he had to put on wage and price controls, the rate was only 5½ percent. Now, anything below 10 percent is considered good.

The central core inflation rate around which everyone's thinking revolves keeps on getting higher and higher. The very fact that people think 9 percent inflation is worth cheering over is a sign of our impending long-run collapse.

Moreover, even the 9 percent rate hasn't held. In July, it was 15.2 percent—and Reagan's people said that it was just a one-month statistical abnormality. But in August it was at a 10.6 percent annual rate. In September, the last month for which the figures are out, it was 14.4 percent.

SGR. Where do you see inflation heading now?

ROTHBARD. You have to look at what the Republicans are talking about now.

First point: the two top Republicans in Congress, Senator Baker and Representative Michel, have been threatening to impose credit controls if interest rates don't go down. Since the Reagan people are supposedly free market, they presumably know how disastrous this would be. It would dry up the supply of money, throw the entire capital market out of whack—and horrible after-effects would ripple throughout the economy. Yet, the Reagan administration never contradicted them. His people never said anything like "We don't agree with them." Rather, they just rode right along with it.

Another point: The Reagan administration has been saying that the Federal Reserve has been too tight with the money supply. Secretary of the Treasury Regan has been pushing for a couple of months for the Fed to increase the money supply.

Can you imagine that? Trying to stop inflation by increasing the money supply still faster?

M2 is about the best of the various M's as a measure of the money supply. From June to September, M2 increased at the rate of 8½ percent annually. That's not tight money.

With the Reagan administration pushing for even faster increases we can only have a new wave of inflation that's worse than before. And it's already begun to hit. Those 10 to 15 percent increases in the Consumer Price Index that you're reading about are just the beginning.

What's happened now is that the Reagan administration's game plan has collapsed. They said that if inflation was reduced—which it was by a few percent at the beginning of the year—that interest rates would immediately come down to a real rate of 3

percent. In other words, if inflation is say 9 percent, then interest rates would drop to 12 percent. But inflation fell from 12 percent to 9, and interest rates stayed at about 18 percent.

This in turn raised the cost of financing the national debt and is one of the reasons we now have a huge budget deficit far larger than Reagan's people estimated—which is exactly what both SGR and I warned early in the year. It's also one of the reasons we're in a recession now.

SGR. Please explain.

ROTHBARD. Look at Detroit right now. It's a basket case. In the third quarter, Chrysler dropped \$150 million; Ford lost over \$333 million; and General Motors over \$450 million. Counting American Motors, the auto industry lost over a thousand million dollars last quarter.

And the start for this model year is another disaster. Sales are at a 23-year low despite rebates, incentives, and every sales gimmick that the best minds in marketing can dream up.

You don't have to be an economist to know that interest rates are behind this. No one can afford to buy a car when they have to borrow at 17 percent, 18 percent or whatever.

The housing industry—another durable consumer good—is also getting killed. Sales of new homes are now at the lowest annual rate since the government began keeping records back in the early 1960s. Sales of existing houses are at their lowest level since World War II.

Here, too, it's the interest rate that's doing the damage. Until we have mortgages at affordable interest rates once again, we're not going to see much improvement. People just can't afford to buy a home with an average loan ranging above the 17 percent interest level.

This slump in housing sales is causing a ripple effect that is putting hundreds of thousands of Americans out of work. Bankruptcies among general building contractors are up 49 percent over last year. Among subcontractors the increase is far worse.

If you think 8 percent unemployment is bad—and that's the rate for the economy as a whole—the construction industry is a total disaster area. There, the unemployment rate is 16.3 percent.

Furthermore, while the recession has hit the auto and housing industries first and the sharpest, it's by no means restricted there. Tens of thousands of businesses in all fields are going broke. It's been the worst period for bankruptcies in almost 20 years. And who wants to bet it won't get worse?

SGR. Not us. But how long do you think this is going to continue?

ROTHBARD. We're in the very worst kind of recession—a slow, grinding, chronic recession. High interest rates, high unemployment rate, and inflation even worse than it was before.

They should let the free market undo the damage that previous administrations have caused. That way you'd have a sharp recession that liquidates the unsound investments caused by all the previous inflation—but it would be short, and over soon.

However, they're afraid of the political ramifications of a sharp recession—no matter how short and beneficial. So, instead, they're trying to slow things up and be very, very gradual.

What they are creating is not what they want. Instead it will be a condition of chronic recession. You hardly ever get out of it.

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When you are out of it, you're still in bad shape.

SGR. I'd like to turn now to the budget deficit. What significance does that have in all this? How large do you think it will be?

ROTHBARD. Yes, the deficit's a key point.

Reagan is saying publicly that if we don't cut the budget and balance it, the economy will face an eventual collapse. He's right of course.

But what's his conclusion from this? That we should cut the budget by \$15 billion. That won't balance it. It's peanuts.

Just the other day, The New York Times had an article on how many people have been cut from the federal bureaucracy. The article said there were 1.86 million people in non-defense, non-postal employment. Guess how many of those people were actually fired in the Reagan administration's orgy of budget slashing?

SGR. We saw the same article. Joan clipped it. Four thousand.

ROTHBARD. That's right. They managed to fire 4,000 bureaucrats out of 1,860,000. That's less than one-quarter of one percent.

So, effectively, all the bureaucrats are in place. Obviously they're going to generate a huge deficit—almost certainly more than Carter's.

The 1982 budget will be the largest in history—an incredible 730 billion dollars. The 1981 budget was about \$660 billion—so 1982 represents about a \$70 billion increase—an increase of more than 10 percent from the year before.

How can this huge, swollen, grotesquely bloated budget—which is far and away the largest in history—possibly be considered an economy model? Lyndon Johnson was the great villain to conservatives like Reagan and his people—and rightly so, I might add—for his gigantic budget for the so-called Great Society. Do you have any idea how large that so-called gigantic budget was?

SGR. Over a \$100 billion, I think. But not by all that much. An interesting contrast.

ROTHBARD. That's right. About \$120 billion.

And Johnson was correctly labeled the villain by conservatives, hard-money advocates, and free-market people. So how does Reagan become the hero of the very same people, only 15 years later, with a budget 6 times as large?

You know, some people attack me for supposedly not giving Reagan's program a fair chance. That's not at all accurate. It's the Reagan administration itself that hasn't given his program a chance.

I love Reagan's program as he expresses it; Slam on the money brake and stop inflating; big tax cuts; huge budget cuts; balance the budget; and let the market function. That's great. I love it.

But the administration hasn't slammed on the money brake; hasn't cut huge hunks out of the budget; hasn't eliminated the deficit; and hasn't really deregulated.

So the program is going to be a colossal disaster. The American people are going to suffer endlessly through grinding, chronic recession. And what may actually be worse in the long-run: the only program that would really do any good—the program that Reagan articulates so beautifully—is going to be discredited.

And that's the shame of it. Once the full extent of the economic collapse is felt, we're going to be locked into another decade of big-brother Keynesian nonsense.

SGR. What recommendations do you have for him?

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ROTHBARD. It's almost paradoxical. The great majority of Reagan's critics are liberals, Keynesians and other knee-jerk spenders. They moan with mortal agony every time the least little dollar is cut from the Federal budget—or a dollar isn't taxed away from the people. These critics are completely wrong. I don't want any possible chance of being confused with them.

SGR. I don't think you have to worry about the point.

ROTHBARD. Good, because my criticism is exactly the opposite from those people. They say he has cut too much; I say he hasn't cut nearly enough.

SGR. Look at the political realities. Where can he cut?

ROTHBARD. Everywhere. Everything. Across the board. They didn't have people dying in the streets in 1950. Cut back to that. Cut back to the 1950 budget.

SGR. Go back under \$100 billion?

ROTHBARD. That's right. Every time Reagan cuts a little bit from the increase, the television interviews some guy whose budget got hit, and he says, "Yes, Yes, I'm starving."

But that wasn't the case back in 1950. We were doing pretty well. Whatever we were spending then, do it again—for starters.

SGR. Excuse me for back-tracking, but I want to go back to the budget deficit. Just how high do you think it will be this year?

ROTHBARD. I want to point out something to your readers. I'm sure you're aware of this but I don't know that they are.

This is the so-called unforeseen factors clause. Somehow the unforeseen factors always act to increase the budget and the deficit. I can't remember a time when it's gone the other way.

This year, the budget deficit is going to be maybe 2½ times the Reagan administration's original deficit—about \$100 billion or so. All due, of course, to unforeseen factors.

This \$100 billion, by the way, doesn't even include off-budget items. These off-budget items are things like loans or loan guarantees made by one government agency or another. They're very hard to keep track of, but will certainly add another \$20 billion to the deficit.

So, you're looking at a true Federal budget deficit of maybe \$120 billion.

SGR. In the March interview, you said inflation would be repressed for 6 to 9 months, and then there would be a new surge. That's exactly what happened. So I want to get your current forecasts for inflation now.

ROTHBARD. Thank you. Actually, it happened faster than I thought it would.

Looking toward the future, a Federal budget deficit of that magnitude is going to have to have a tremendous impact on the rate of inflation.

One thing your readers should look out for is that they're trying to doctor the cost of living index. There's a mystique in the American public that statistics are precise and value free. You put down a number and it's scientific.

But the cost of living index is very imperfect—everybody really has his or her own cost of living index. The cost of living index is essentially the Dayton housewife, with a blue collar husband and 2.2 kids. Nobody in the world has that precise cost of living. It's a make-believe average.

The only good thing about these statistics is that they are consistent. They have to be consistent—everybody admits that. But now they are trying to change them—to doctor the statistics—to make it look as though inflation is lower than it really is.

Housing prices are going way up, so they're going to remove housing from the cost of living index. The argument is that a home purchase is a big item (true) and that only a few million people buy homes each year. But the average is weighted to take those factors into account.

Furthermore, it certainly doesn't hold for mortgage payments that they're also planning on removing. Tens of millions of American families make them.

So, the whole change is to make inflation look not as bad as it really is. One fringe effect of that, by the way, is that it will lower the cost of living adjustments in wage contracts, social security, and so forth.

SGR. What about Reagan's tax cuts? Do you see them helping to lower rate of inflation?

ROTHBARD. No. The cuts weren't big enough. They weren't even a real tax cut. Between bracket creep and the rises in Social Security taxes, the blue collar and middle-class workers break even at best.

One good thing about the supply-siders—at least in theory—is that they oppose raising taxes to balance the budget. But I don't know how long that opposition to tax increases will hold sway in the face of political expediency.

SGR. What do you mean?

ROTHBARD. Well, I'm sure you're aware that key figures in the Reagan administration—Secretary Regan, for instance—are already talking about tax increases.

They probably won't be passed this year—that's a little too blatant—but it's obviously in the works sometime next year or soon afterwards.

Secretary Regan calls them painless. Now that includes doubling the excise taxes on liquor and cigarettes. They'll try to lower the tax deductible allowance on consumer installment credit; and probably also on mortgage interest deductions. This last one may be tough to get through because homeowners have a lot of political clout. But everybody stomps on smokers these days, so that tax increase is a shoo-in.

Then they'll eliminate the income tax energy credit; restrict tax exempt industrial bonds; accelerate payment schedules for Federal taxes; and put on several billion dollars worth of other business taxes.

And this is painless? This is bye-bye to supply-side economics.

What galls me about all this, in addition to it just being terrible for the economy, is that the Reagan administration is adopting the tired, old discredited liberal left jargon to justify these tax increases. You know what they're doing? They're calling it "closing the loopholes."

What is a loophole? A loophole really means being allowed to keep some of your own money. So closing a loophole simply means the tax man grabs more of your money. "Tax enhancement," is another one of their pet phrases. Like "closing loopholes," it means only one thing, a tax increase.

If you'll excuse my bluntness, all these circumlocutions are hypocritical evasions. They're excuses. The Reagan administration knows these tax increases will hurt the economy—but want to do it anyway because the increases are politically expedient.

Speaking of political expediency, there's one more point I have to bring out. It's wage-price controls. * * * The final horror.

I'm not predicting Reagan will put them on. But, I would not be surprised if, in the summer of next year, they put on wage-price controls.

SGR. I can't believe that. Carter, yes. Ford, yes. But Reagan understands economics. He has principles; you may not agree with them, but he seems to stick by them.

ROTHBARD. I think you're being very naive if you rule them out. I'm not saying he'll put them in but consider this:

By the summer of 1982, the Reagan program will be in far worse shape than it is now. They will be in full-fledged panic.

The Congressional elections will be coming up. They'll want to save the Senate. "Why not have a temporary wage-price control program," the reasoning will run, "to stop the rate of inflation and give the economy breathing space."

I don't think your readers need to be told what a disaster that would be for the economy. It was a disaster for Nixon, and the economy was far more resilient back then. It will be far worse now. It could plunge the economy into the worst depression in history.

Don't discount this as a possibility. Just remember Nixon ran against wage-price controls; spoke frequently against them; his main advisors opposed them in theory—yet he put 'em on.

SGR. I'm still skeptical, but thanks for the warning. I'd just like to touch on a few last questions now. Solidarity.

ROTHBARD. I think what's happening in Poland is great. They're destroying the Soviet empire.

Back in March I said Russia probably wouldn't attack because Poland's got a big army and would fight. They are ardently Catholic and hate the Russians. So far I've been right.

Russia still could attack, but probably not until spring. The famous period for attacking Poland is August to the beginning of November. That's when there's no mud, the ground is good and hard—perfect tank weather. Now it's muddy, so figure that saves Poland until at least spring.

Because of Poland, the rest of Eastern Europe is breaking off—generally crumbling as a reliable Soviet ally. China, of course, has already broken off.

Russia is the last stronghold of communism. Even there, from what I can gather, there's nobody who really believes in Marxism-Leninism. They give lip service to Marxism-Leninism the way our liberal politicians give lip-service to the Constitution.

SGR. What about the gold standard? There's been a fair amount of talk about it, recently.

ROTHBARD. Of course I'd love a return to the gold standard—to sound money. But, unfortunately, I have to warn your readers to be careful here. Any return during the next few years could be a trap.

What I fear is that the return will be for cosmetic purposes—to a phony gold standard. The reasoning would be—as with wage-price controls—to persuade the population that Reagan really means business.

It would be great if he did, but already, the proposals coming out from the Gold Commission are so watered down that they're meaningless.

SGR. Last interview, you forecast that gold prices would be weak in the short-term and later shoot up. Obviously, you were right on the button. What do you think now? Do you think the "short-term" is over and we're ready to move into the long-term bull market move for gold?

ROTHBARD. Well, you know that I don't believe precise numerical price forecasts are my forte.

Back then, I said the dollar would be strong and gold weak because Reagan's

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rhetoric was convincing people that inflation would be stopped.

Now, however, inflation is beginning to catch up with realities. It's getting more and more obvious that Reagan's economic program isn't stopping inflation. Once the investing public catches on to that fact, gold should start shooting up.

It's a great investment at this point. But you've got to look on it as a long-run investment and not fret and worry if it goes down somewhat in the meantime. Likewise for silver, but as you know, I think gold is better.

SGR. This has been one of the most disturbing interviews I can recall. Given the accuracy of your past forecasts, I have to say it's been a very depressing afternoon, as well. I do hope you're wrong.

ROTHBARD. So do I. Emphatically so. My parting advice for your readers is to hope for the best but "keep your powder dry." ●

NO RESPONSE TO RUMOR OF GOVERNMENT-WIDE HOLIDAY FURLough

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mrs. SCHROEDER. Mr. Speaker, during our Thanksgiving break I met with a number of Federal employees back in Denver. They informed me of a rather alarming rumor circulating throughout the Government work force. They told me that they had heard that Federal employees who were deemed "nonessential" during the November 23 phasedown of Government operations would be furloughed, placed on leave without pay, from December 15 until the beginning of the new year. Needless to say, they were confused, frustrated, and outright scared by the prospect of this Christmas gift from Uncle Sam. I, too, was disturbed by this damaging rumor circulating among the same civil servants who have been blamed by the Reagan administration for the budgetary problems the administration brought upon itself.

In an effort to dispel this rumor, I, along with Chairman BILL FORD of the House Post Office and Civil Service Committee, wrote to President Reagan on December 2, asking him to speak out to set the record straight as soon as possible. We have yet to receive a response to our letter. What we have heard is a statement from Office of Personnel Management Director Dr. Donald Devine, saying that he was not aware of any Government-wide plans to furlough employees over the holiday season. Given the fact that Dr. Devine has been without advance knowledge of many of this administration's decisions effecting civil servants, we still have no definitive response from the administration.

Efforts by members of my staff to obtain a response to our inquiry have resulted in word from the White

House communications office that a response to the letter in writing would come "eventually." A second-level staffer at the Office of Management and Budget informed us that he knew of no plans for such a Government-wide furlough. He also told us that the letter from Representative FORD and myself was shown to the President to "lighten his day." While I'm glad to be able to lighten the President's day, especially given the depressing economic news his policies have resulted in, I would be happier to receive a response from him to lighten the day of the thousands of men and women who have dedicated their lives to the service of this country through Government employment. These rumors should not be taken lightly. Their impact on productivity is being felt daily and will intensify as the holidays approach. On behalf of myself, Representative FORD, and the Nation's Federal work force, I once again urge the President to speak out to dispel this rumor. ●

CLEMSON UNIVERSITY TIGERS

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. DERRICK. Mr. Speaker, I wish to offer congratulations to Clemson University, located in my Third Congressional District of South Carolina, whose football team is ranked No. 1 in the Nation.

Coach Danny Ford, Athletic Director Bill McClellan, and President Bill Atchley are to be commended for the leadership they have provided to develop such an outstanding athletic program at Clemson.

This 1981 season, Clemson's football team was undefeated in regular season play. My colleague, DOUG BEREUTER of Nebraska, may object to this, but I am confident Clemson will remain undefeated after they meet the University of Nebraska in the Orange Bowl on New Year's Day and can then claim the 1981 national championship.

In addition to the outstanding performance of the entire Clemson team, there are individual players who have been recognized for their own talents. Eight Clemson players—Jeff Davis, Perry Tuttle, Jeff Bryant, Dan Benish, Tony Berryhill, Homer Jordan, Terry Kinard, and Lee Nanney—were named to the 1981 All-Atlantic Coast Conference football team. Selected as All-Americans were Jeff Davis, Terry Kinard, Perry Tuttle, Jeff Bryant, and Lee Nanney. Coach Danny Ford was named as the NCAA Coach-of-the-Year.

This is not a mark of achievement shared just among the football team. Clemson residents, students, alumni,

parents, and fans have all rejoiced in this national recognition. The Clemson spirit is legendary.

South Carolina is proud of her fighting Tigers. I congratulate the team and coaches on their dedication, hard-work, and talent. Best wishes to you for a victory in the Orange Bowl.●

A LETTER TO PRESIDENT REAGAN

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. GILMAN. Mr. Speaker, in my congressional district in New York, I have the honor of working with some highly dedicated people who are deeply concerned about the fate of our missing in action and prisoners of war in Southeast Asia. One family in particular, Joel and Linda Cook of Walden, N.Y., and their 9-year-old son Steven have devoted a great deal of time to bringing to the public's attention the issue of our MIA's. Having formed the National Human Rights Committee for POW's and MIA's, the Cooks spend much of their spare time and funds getting the word out to New Yorkers and the rest of the Nation. Joel Cook recently came to Washington to present to Vice President Bush over 1 million signatures on petitions calling for a full accounting of our missing in action.

Young Steven Cook has written a letter to President Reagan asking him to consider the seriousness of this situation. Mr. Speaker, in order to share Steven's touching letter to the President, I am enclosing it at this point in the RECORD. Although Steven is only 9 years old, his understanding of the problem and its urgency gives us a further opportunity to seek widespread support for a full accounting of our MIA's and POW's.

This is Steven's plea to President Reagan:

WALDEN, N.Y., October 28, 1981.

DEAR MR. PRESIDENT: My father has written numerous letters to you and President Carter which I bet neither of you has bothered to read. This letter is one you should study. My father is chairman for the National Human Rights Committee for POW-MIA's. His name is Joel H. Cook. I am his son Steve Cook. I am 9 years old. Past presidents never cared. I hope you, Ronald Reagan will.

The story began a long, long, time ago. The years are 1964-1973. In these years 2,500 men are shot down, and captured. Today these men are still missing! My mother and father started a committee for these men. Now there are about 2,000 members. We've been selling, for the past three years, bumper stickers, records, pins, flags etc. Maybe you can become a member too. We have had a petition drive and got 1,138,000 signatures. Vice President George Bush accepted them Wednesday, Oct. 28, 1981. The Vietnam War was a terrible expe-

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rience for America. But the American Army didn't lose. The politicians lost! Now what are you going to do about this? Are you just going to let it slip your mind like Pres. Carter did? Don't you want to show the people of America that you are a better president and one that would fight for our freedom? If you do, take action. In Vietnam, Laos, China, and Cambodia they are being held. And always remember, "American POW-MIA's in Southeast Asia Are Hostages Too."

Yours hopefully,

STEVE COOK.●

WEISS CELEBRATES INTERNATIONAL HUMAN RIGHTS DAY

HON. TED WEISS

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1981

● Mr. WEISS. Mr. Speaker, I am pleased to join today in observing the 34th anniversary of the adoption of the Universal Declaration of Human Rights by the United Nations. I also want to commend the gentleman from Washington (Mr. BONKER) for his leadership not only in arranging this special order but in helping to make human rights a primary concern of our Government and our people.

We, as Americans, have made respect for basic human rights a cornerstone of our heritage. Our Bill of Rights is perhaps the most enduring statement of the inalienable rights which should be accorded to all people, regardless of where they live or what they believe.

The United Nations was founded as an institution committed to furthering respect for these rights in all nations. I want to express my strongest support for the Universal Declaration of Human Rights and all those who seek to enforce it.

The International League for Human Rights is one group which is dedicated to assuring equal human rights for everyone. I am submitting for the record the league's statement of support for the important anniversary we are celebrating. The statement follows.

STATEMENT OF THE INTERNATIONAL LEAGUE FOR HUMAN RIGHTS

As we observe the 34th anniversary of the Universal Declaration of Human Rights, we should remember the ordeal faced by many of those individuals who monitor and advocate the human rights principles of that declaration. In its role as an organization seeking to promote the implementation of human rights standards, the International League for Human Rights works closely with a network of 42 affiliated organizations—civil liberty associations and human rights assemblies—in 30 countries. In recent years a number of these organizations and their directors have come under particularly harsh and punitive treatment as a result of their activities promoting human rights.

The persecution of persons promoting the observance of human rights takes many forms. Among the means used to intimidate

human rights advocates are: arbitrary arrest and detention, constant police surveillance, internal and external exile, physical abuse and worse. No one country or region alone is guilty of these devices.

One of the world's leading exponents of human rights is Andre Sakarov, the League's honorary vice president. Since January 1980, Dr. Sakarov has been living in virtual house arrest in isolation from the world, under conditions of constant government intimidation, for his courageous activities on behalf of human rights. Most recently he undertook a hunger strike in support of the individual's right to leave the country, a right enumerated in the Universal Declaration of Human Rights.

In Latin America, human rights proponents have also been singled out for harsh treatment. In several countries there has been a continuation of systematic repression and violations of basic human rights of all those who monitor human rights, including leaders in the Church, universities, trade unions, and the legal profession. Jaime Castillo, the League's affiliate director in Chile and former minister of justice under the Christian Democratic government of Eduardo Frei was exiled in August of this year. He was charged with having signed a petition which protested the imprisonment of two labor union officials. His expulsion from his homeland was imposed without judicial review and is to last indefinitely.

In commemorating the adoption of the Universal Declaration of Human Rights we should also join in honoring these individuals who promote international standards of human rights with such courageous dedication.●

LATVIAN INDEPENDENCE DAY IS OCCASION TO REDEDICATE OUR EFFORTS TO LIBERATE OPPRESSED NATIONS

HON. JOHN M. ASHBROOK

OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. ASHBROOK. Mr. Speaker, again we have the duty to observe a historic milestone which serves as a reminder of a valiant people's struggle for freedom and a solemn reminder that these Latvian patriots are not free today. We should honor and observe two things that are closely related.

One is the anniversary of the Declaration of Independence of the people of Latvia on November 18, 1918. The other is the courage of the Latvian people who fought for their independence six decades ago and continued that fight today.

During the Soviet-Nazi Pact, by agreement with Nazi Germany, the Red Army invaded and incorporated the Baltic states into the Soviet Union. Since that time, the Latvian and other Baltic peoples have fought back against the Soviet occupiers of their countries. Soviet colonization of the Baltic states can be seen by the population statistics. Of the 2½ million people of Latvia, almost one-third

are now Russians, whereas, prior to the conquest of Latvia by the Red Army, there were approximately 12 percent of the population who were of Russian origin.

The Baltic people, together with the other victims of Communism in the Soviet empire continue to fight back. One of the important elements of resistance to Communist rule is the continued belief in religion among the captive peoples. Last month, on October 21, Pravda complained,

The problems associated with molding a scientific-materialistic world outlook in all citizens have not yet been resolved. As previously, the task of overcoming survivals in the sphere of consciousness, including the religious delusions inherent in a certain section of working people, remains an urgent one.

Pravda went on to point out,

We cannot forget, nor have we the right to forget, that religion is a variety of an ideology alien to us and that our enemies endeavor to make active use precisely of religion in their attempts to weaken the magnetic force of Communist ideals.

So, more than six decades after the Communist revolution in Russia and four decades after the conquest of the Baltic peoples, religion remains in the hearts of the people and serves as a weapon against Communist ideology.

Another weapon in the fight against Communism used by the heroic people in the Soviet Union is the dissident movement. Dissidents range from religious dissidents to nationalist dissidents to trade unionists. In all parts of the Soviet Union, we have seen evidence of the resistance movements at work. The Baltic peoples continue their struggle and many have been arrested for their activities. The Ukrainians, the Bylo Russians, the Jews and the Russian people themselves have resisted Communist tyranny and many martyrs have fallen in the cause. We have a report this month from the British press that Aleksey Nikitin, a trade union dissident who met Western correspondents last year and gave them evidence of the terrible conditions in the Soviet coal mines is now in a psychiatric hospital, and is being treated with massive doses of drugs that are causing blindness. From the slave labor camps, we continuously get reports of hunger strikes and resistance by the victims in the heart of the Soviet repressive system itself.

The heroic Polish trade unionists have provided encouragement to the working people throughout the Soviet empire, even in the Soviet Union itself. Last week, leaflets were found throughout the Soviet Union, signed by the Soviet Union Democratic Resistance Front, calling for a nationwide 30-minute strike on December 1. Copies of the leaflet have been found in Riga, Vilnyus, Kaunas and Tallinn, as well as Moscow and Leningrad. Such a strike in the very heartland of the Soviet empire would have enor-

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mous effect on all of the captive peoples. But, efforts are being made by the KGB to suppress this potential danger to Communist rule. Arrests have been made of distributors of the leaflets and we have to wait a few more weeks to know how many courageous people will go on the 30-minute strike on December 1. Had somebody told us a few years ago that in Poland today there would be a real trade union movement representing the interests of the workers against the Communist bureaucratic exploiters and that even in the Soviet Union itself, there would be the development of a legitimate trade union movement, we would have laughed at them. But that is exactly what has taken place. After all these years of Communist rule, Tretyakov, the chief of the organizational department of the Latvian Communist Party Central Committee, described on November 10 in Trud, the Soviet trade union newspaper, the difficulties that the Communist party is having in Latvia in controlling the Communist phony trade union. He complains, "The stratum of Communists among trade union workers in some districts is still inadequate * * *" and he complained, "Party committees do not give sufficient help to trade unions everywhere in improving the style of their work and organizing the Aktiv's study, and they only rarely hear reports from Communists working in trade unions." So, while the Communists pseudo trade unions are not functioning properly, the workers in Latvia are struggling to create legitimate trade unions.

But, the struggle against Communist tyranny does not only take place within the Soviet empire. We in the United States finally have an administration that understands the nature of Soviet power and its threat to world freedom. A recent report from the Secretary of Defense on Soviet military power has been virtually ignored in the American press, but copies are being distributed all over the world and they indicate to those who understand the problem of communism that we now have an administration that understands it with them. The report says:

As self-designed leader of the Communist world and as a super power with global ambitions, the U.S.S.R. and its expansionist efforts abroad are targeted at spreading and solidifying U.S.S.R. political, economic, and military influence and drawing nations into its orbit. The Soviets view the projection of power in much more comprehensive terms than commonly understood in the West. Their programs seek to integrate all instruments at their disposal in pursuit of their goals. . . . Violence and coercion have played a central role in the establishment and maintenance of the Soviet Union and its East European satellites. The Soviet need for and use of force as a tool of domestic control, combined with the historic Russian policy of security through territorial aggrandizement have given it the impetus to

attempt to transform conflicts, tensions, and resentments into concrete political gains.

The report consists of 99 pages of documentation on the growing Soviet military might which is designed to intimidate Western countries into surrendering to Soviet demands. It is for this reason that our President wants us to rebuild our own military strength to make it clear to the Kremlin that any attempt to conquer more peoples will result in severe damage to them and that we provide morale and political support to those people within the Soviet empire who are demanding human rights.

As President Reagan indicated this week, we are prepared for a series of talks with the Soviet Union to reduce nuclear weapons. These talks will not be the same as previous negotiations with the Soviet Union. In years past, American administrations took the Soviet Union on faith and, each time, the Soviets violated their agreements. This President knows better. He knows the history of Soviet violations. This is a President that even knows that the Soviet Union signed a non-aggression agreement with Latvia in 1932 where the Soviet Union resolved to respect the sovereignty, political independence and territorial integrity and inviolability of Latvia. And this President knows that 8 years later, that treaty was violated by an aggressive Soviet Union. So, he is under no illusions. If he makes agreements with the Soviet Union, they will be self-enforcing. The Soviet Union will be compelled to honor the terms of the agreement. At the same time, the President has embarked on a program called Project Truth. The purpose of this program is to tell the world the truth about the Soviet Union, to answer Soviet lies and to provide the world with the evidence of Soviet aggression and oppression.

The people in this room do not have to learn the truth about Soviet tyranny. Many know it first hand. We have in this room people who, themselves, escaped to American freedom and many others here whose parents were refugees from Soviet tyranny. Such people do not have to be taught. They know the necessity to fight back against Communism. The United States has benefited since its founding by the victims of tyranny who have escaped to find freedom in America and who have made substantial contributions to building that freedom for all of us. At the present time, we continue to have a refugee problem in America. This problem is compounded by those who come to this country for economic reasons, from countries where there is little or no political oppression, and who come here as a burden on the rest of us as they milk our welfare system. This is not true of those who come

here to escape the totalitarian dictatorships. The refugees from the Soviet Union, the Baltic countries and the East European satellites and Cuba have come here and contributed much more to America than we could ever give them. Our country will continue to welcome the victims of Communist aggression and all of us will stand with them in the fight against Soviet tyranny. Thank God we now have a President that is with us in this fight. Thank you.●

WESTERNAIRE ELMER WYLAND

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. WIRTH. Mr. Speaker, I would like to call to the attention of my colleagues a truly outstanding citizen from my district. Mr. Elmer Wyland has spent more than 30 years helping young people to become self-reliant and responsible young adults through their love of horses.

My district includes Jefferson County—an 800-square-mile wedge of mountains and plains, just west of Denver. It is a county of farms and ranches, despite its explosive growth in the 1950's.

This spectacular growth has brought many young families to the county, and this has meant lots of kids. Elmer Wyland had the creativity and the resourcefulness to bring together the horses, the kids, and the community to form the Westernaires, an organization which has received national acclaim. This recognition is deserved. Mr. Wyland has not only put together a fine group which has done an excellent job of teaching members not only horsemanship, but respect for our American values and history as well. Through the leadership and caring of Elmer Wyland, these children have learned responsibility, teamwork, and respect for themselves and their Nation.

I would like to include in the RECORD an article written about Mr. Wyland and the Westernaires. It pays fit tribute to a man whom thousands of Coloradans love and honor.

(From the Denver Post, Oct. 18, 1981)

WESTERNAIRES' FOUNDER SITS TALL IN
SADDLE—LIKE KIDS

(By Red Fenwick)

Fella on the next barstool says "Ride a horse and you ride alone. Drive a car and an A-rab rides with you."

But 'taint so in Jefferson County. You get on a broomtail out there in what oldtime Denverites used to call the toolies, and about a millyun kids will saddle up and join you.

They'll all be members, of course, of a now nationally known group of young horse lovers called the Westernaires. By actual statistical record those hearty, healthy,

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happy horsebackers have established beyond doubt that there is splendid chemistry between the hide of a horse and the heart of a boy or girl.

Of all the multiple thousands of youngsters who've graduated from the Westernaires after earning their "saddle," not one has been a failure.

Most important, however, is the fact that not a single one of these youngsters has ever become a juvenile delinquent, a drug addict or a criminal.

In this sick era of distorted social values and erratic patterns of individual behavior, that's truly an exceptional record. It's like a breath of fresh, clean air in an atmosphere of suffocation.

I've waited a long time for this day and special occasion, and several times thought of proposing it in this column. Now it has arrived. The time has come to honor the man who conceived and founded The Westernaires and guided its members and directors to a resounding success.

At first glance back in 1949, he probably would have been one of the least likely candidates for the job. The federal government certainly would have insisted on someone else—a person educated in sociology, perhaps, or a welfare-social worker of long experience, but not—absolutely not—the telephone company official who had volunteered.

And that's exactly what Elmer E. Wyland was—a high official with Mountain States Telephone Co., now Mountain Bell. A few years before he retired from the communications business, Elmer had a dream. All his life he'd enjoyed riding and working with horses. He loved Western history and the role of the horse in the economy and defenses of the nation. Fortunately for them, he also loved kids.

He thought long and hard, talked to many friends and parents and youngsters, too, about forming a horseback group strictly for boys and girls. The organization of parents and civic headliners which would back the kids-on-horseback, would supply the equipment, training and drilling facilities—even the horses if necessary.

The telephone man's suggestion was accepted immediately, but only a handful of youths turned out for those first get-togethers in the saddle. A couple of years later, however, the idea caught and spread like house paint in a high wind.

Every kid in Jefferson County wanted in on the act. Drill teams were formed—and drilled. Youngsters were accepted as rapidly as horses and saddles became available. And they were drilled, often to the point of exhaustion. But it still was great fun.

There were individual triumphs—triumphs over lack of self-confidence, introspection, unacceptable personality traits, attitude, behavior, ill temper and not infrequently a victory over physical handicap.

The Westernaires—around 1,000 strong—learned the value of self-discipline, teamwork, sportsmanship, promptness, durability and self-sufficiency.

Elmer effectively but unobtrusively guided the shaping of character in young bodies and minds. Because of him, a child's dream of being a cowboy, a Union Cavalryman, an Indian, a trick rider, a knight of the Round Table or anything else on horseback, could come true.

That boy or girl learned the mutual love and understanding which warms the hearts of both man and animal, big or small. Along the line they acquired many skills and diversified knowledge, but above all they learned the meaning and value of responsibility.

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So on Saturday next, at 2 p.m. and 8 p.m., and on Sunday at 2 p.m. at the Stockyards Stadium in Denver, the Westernaires and the Denver metro area will honor Elmer E. Wyland, the big city "cowboy" whose first loves are kids and horses.

You can call Fort Westernaire, the group's picturesque headquarters, at 279-3767 for reservations. Attend and you'll see the West's foremost youth horseback organization in exciting performances of speed and precision. You'll understand why they've covered their fort's walls with blazing symbols of honor from presidents, governors, fair boards, charitable enterprises and parade committees in three decades of dedication.

Weather permitting, I hope to attend one performance and doff the old Fenwick Stetson to my longtime friend, Elmer. You see, the Westernaires received their first publicity in this here-now column, 32 years ago.●

INTRODUCTION OF THE
BANKING AFFILIATES ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. VENTO. Mr. Speaker, I am introducing legislation to relieve excessive and outdated Federal regulation in the banking industry. This legislation would revise section 23A of the Federal Reserve Act and bring it into conformity with the reality of the financial industry today.

Section 23A was first enacted as part of the Banking Act of 1933. Originally it applied only to banks that were members of the Federal Reserve System. In 1966, Congress amended section 23A to include all federally insured commercial banks. Section 23A was designed to prohibit extensions of credit from banks to nonbanking affiliates involved in such activities as underwriting and stock speculation. Unfortunately, its effect has been to compartmentalize banks and their affiliated nonbank subsidies within a bank holding company. In 1976, Congress requested that the Federal Reserve Board study section 23A and propose any needed amendments. The Board concluded that the statute was in need of substantial modification to improve compliance, remove loopholes, and to eliminate unreasonable restrictions.

Section 23A requires a bank holding company to:

One. Buy and sell Federal funds only with banks outside its own corporate enterprise;

Two. Incur extra expense by allocating participations in loans among affiliated banks; and

Three. Maintain in each subsidiary bank a separate inventory of pledgable assets to meet collateral requirements in section 23A.

The bill I am introducing today will eliminate these undesirable effects. It

will permit unlimited transactions between and among affiliated banks in a bank holding company when 80 percent or more of the stock of the bank is owned by the parent company. The current prohibition against transfer of low quality assets between affiliates would continue. A bank holding company will be able to deal with its subsidiary banks in a manner similar to the way a single bank deals with its branches. This bill will eliminate the artificial restrictions on Federal funds transactions, the inflexibility in moving surplus funds to meet loan demand, and the separate inventories of pledged assets.

The Banking Affiliates Act provides needed relief to the banking industry. Its passage will be an important sign that Congress intends to closely examine the regulations that impose outdated and unnecessary burdens on the banking industry. I urge my colleagues' support of this legislation.●

**PRESIDENT ENHANCES IMAGE
OF OLDER AMERICANS**

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. BEREUTER. Mr. Speaker, reports from the recently completed White House Conference on Aging indicate that there was disagreement among the delegates on many of the new policies pursued by the Reagan administration.

Despite differences in policy matters, however, one would wonder if the delegates struck among themselves at least a tacit consensus of appreciation for what the President has done to promote the image of older Americans.

Since assuming office in January, President Reagan has poignantly dispelled campaign criticisms that he is too old to assume the duties of the Presidency. He has not only proved that a 70-year-old man can perform well the duties of the Presidency, but he has done so with such vigor, humor, and enthusiasm that he serves as an inspiration to many people decades his junior.

If anything, the elderly American who presently leads this Nation from the Oval Office has done more to dispel the myths and attitudes which unnecessarily limit the potential of many older Americans than any other person in memory.

The Reagan Presidency has underscored the understanding that significant steps can be taken to face the needs of the elderly by first changing our attitudes toward older Americans. Age 65 should not be an artificial barrier that often dictates a painful transition to an isolated and unproductive life. We should not needlessly stereo-

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type nor relegate to menial roles the segment of our society whose size is steadily increasing.

In a time when we desperately need to reform both the attitudes of Americans and the plethora of human service programs providing assistance to the elderly, older Americans should be thankful that they have a President who not only shares their years and concerns, but also inspires their cause. (From the Lincoln Journal, Nov. 30, 1981)

ELDERLY ATTRIBUTES PERSONIFIED

Many delegates to this week's White House Conference on Aging in Washington may not agree with President Reagan's policies. After all, his administration has reduced spending for social programs and even threatened to cut Social Security benefits for early retirees.

But to a man, and woman, the delegates can hardly help but appreciate what the president has done personally to dispel the myths that are too prevalent about the elderly.

At an age when a lot of America's aged are finding personnel managers skeptical of their ability to work and produce, Ronald Reagan landed a new and important job.

Now, at age 70, not only is he discharging his responsibilities with vigor (though not to universal approval, obviously), but he is bringing charm, humor and enthusiasm to his challenges.

As for the question of health, which plagues so many elderly trying to find a niche in society, Reagan has exhibited robust well-being—pursuing a demanding schedule, riding horseback, chopping wood—and in addition has bounced back from a gunshot wound that might have sent many younger persons into long convalescence.

Ronald Reagan, in short, personifies the positive attributes of the majority of American elderly: They are healthy, alert, able, possess a lifetime of experience on which to draw and have something to contribute.●

**ACTION TO ELIMINATE POSTAL
SUBSIDY OPPOSED**

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. ALBOSTA. Mr. Speaker, I would like to point out that the recent action by the House Committee on Appropriations that would have eliminated the Postal Public Service subsidy was an action that I opposed. If I had been on that committee I would certainly have voted against ending this vital subsidy. Unfortunately, I had no control over their actions.

This \$250 million subsidy enables numerous rural post offices to stay open, it helps provide mail 6 days a week, and it allows rates to remain steady for longer periods of time.

To eliminate this subsidy in one stroke would have been an unwarranted shock to the whole postal system. There is good reason to recognize the importance of the services that might

not pay for themselves but that provide true public services that are worth the subsidy in terms of true public benefits.

In order to provide for orderly change in the Postal Service and its rates, two subcommittees of the Post Office and Civil Service Committee are holding an extended series of oversight hearings. I serve on the Postal Operations Subcommittee and I intend to use these hearings to explore the Public Service subsidy and its overall role in the system. Until that review is through, I will certainly oppose any drastic and immediate reduction in the subsidy.●

HEARINGS ON THE ECONOMY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. SCHUMER. Mr. Speaker, the Banking, Finance and Urban Affairs Committee has just completed a six-city series of grassroots hearings on the economy.

These hearings have generated great interest in the different regions of the Nation and almost 400 witnesses representing a wide segment of the economy have testified.

Mr. Speaker, on Monday of this week, the final hearing was conducted in Providence, R.I., the day after a heavy New England snowfall. The comments on this hearing, as carried in an editorial in the Pawtucket, R.I., Times are particularly significant and are illustrative of the findings of these hearings. I had the opportunity to participate in these hearings and the editorial does, indeed, capture the mood.

Mr. Speaker, I ask permission to place in the RECORD a copy of the editorial:

[From the Pawtucket, R.I., Times]

MOOD OF U.S. IS VERY UNEASY

Congressman Fernand St Germain has represented the state of Rhode Island in Washington for 21 years, serving under six presidents. In 21 years in Washington, a man would be a fool not to pick up plenty of political savvy. Fernand St Germain is no fool.

Monday St Germain and six members of the committee he heads, the House Committee on Banking, Finance and Urban Affairs, held a hearing in Providence to gauge the pulse of the people on the current state of economics in this country. It was the sixth stop the committee made in going almost coast-to-coast to hear how the average American, the little guy with no lobbyist in Washington to tell congressmen how they feel at \$1,000 a plate fundraisers, feels about the progress we're making.

Well, 55 of these people spent eight and a half hours before St Germain and company in Providence and what they had to say was not pretty. The owner of a Pawtucket clothing store told the committee that for the

first time in 10 years he is going to lose money this year. A Warwick steelworker said he has been out of work since May and has no prospect of immediate employment. A homebuilder from Massachusetts said high interest rates were "devastating" his industry. A Pawtucket jeweler said in all probability he will lose money this month—at the height of the Christmas shopping season when he does about one-third of his business for the year.

There are two points to this. First, the average American is standing up and saying—no, it's shouting by now—loud and clear. President Reagan's economic policies are not working. Addressing the committee Monday were state officials, municipal officials, unemployed workers seeking work which no longer exists, representatives from the real estate industry, spokesmen from education and the Catholic church, representatives for senior citizens and those on welfare. In other words, this was not a hearing to get the views of special interest groups, unless you consider the average American a special interest group.

In short, none had a good word to say about Reaganomics. Except one. Cranston Mayor Edward DiPrete, a Republican said he supported, in principal, Reagan's economics policies and was willing to give them a fair opportunity to work. Then he warned the President of what might be down the road: "The cumulative impact of additional cutbacks would break the back of many local budgets."

One out of 55 is anything but a clear indication there is widespread support for Reagan's economic programs. It is a clear indication a lot of people in this country believe they are a total failure.

THE SECOND POINT

St Germain and six other members of his committee wanted to know what the people were thinking, checking to see "how it was going down in Peoria," as Richard Nixon used to say. Invitations to attend the six hearings were extended to all members of the committee. Seven Democrats decided it was time to check the mood of the country. The Republican members of the committee did not.

Steny H. Hoyer, a committee member from Maryland, made note of the fact no Republican members were present. He termed it "lamentable," "unfortunate" and "terrible." The absent members, he asserted, have "chosen to sit in Washington and ignore the voice of the people." Added St Germain: "If it were a trip to the Far East or some glamour spot, maybe we'd have better luck."

Then the state Republican chairman, John A. Holmes Jr., said the hearings were "ridiculous" and were "wasting the taxpayers' money in a three-ring circus of economic witch hunting."

Holmes' comments are predictable. He is trying to cover for a president whose economic programs have the little people in this country in an uproar. Jimmy Carter certainly was not the answer but if the election were held today.

EXTENSIONS OF REMARKS

ELIE WIESEL DESERVES NOBEL PRIZE

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. WORTLEY. Mr. Speaker, my esteemed colleague JACK KEMP is best known for his tireless and dynamic leadership in restoring incentive to America's economic infrastructure.

He is less visible in another arena, but equally effective as a champion of human rights. Whenever a religious or political dissident becomes the victim of persecution or oppression by the enemies of freedom anywhere in the world they seek out the advice and counsel of JACK KEMP.

Thus, when he becomes personally involved in pointing out an injustice or singling out an act of courage in the face of adversity his colleagues turn around and take note.

Recently JACK KEMP has become involved again. This time it is the cause of justifiable recognition for the literary achievements of just one man, Elie Wiesel, who has touched the emotions of many of us who have read his works. Our colleague has recommended Mr. Wiesel for the Nobel Peace Prize.

I ask that his recommending letter be reprinted in the RECORD so that my colleagues can take note of Mr. Wiesel's credentials for this award.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 4, 1981.
THE NOBEL COMMITTEE,
Dromensveien 19
Oslo, Norway

DEAR DISTINGUISHED MEMBERS: I am writing you to give my whole-hearted endorsement of Elie Wiesel for the Nobel Peace Prize.

I have known Elie personally for a number of years; through his writings I feel that I have known him even longer. I know that he will always occupy a unique place in the chronicles of civilization, for he is a unique chronicler of its lapses. A survivor of the Holocaust, Elie lost his mother, father and younger sister in the Nazi death camps. His writings are vivid and haunting reminders of the tragedy that claimed so many millions of lives. More than that, they are reminders of the moral imperatives that forever confront mankind.

During his days in the death camps, Elie Wiesel vowed "to bear witness, to testify." In his brilliant writings and eloquent speeches, he has fulfilled this promise admirably. His first work, "Night," an autobiographical account of the horrors of Auschwitz, memorializes the suffering of the victims and explores the guilt and the doubts in God that torment the survivors. In "Beyond the Wall," Wiesel enunciates a theme central to his life and writings: apathy toward evil is man's greatest sin. Yet despite his great personal suffering, he has resisted the temptation to be vengeful. A dedicated man of peace, Wiesel once wrote, "Were hatred a solution, the survivors,

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when they came out of the camps, would have had to burn down the whole world."

Throughout his life, Wiesel has made recourse to peaceful means to promote human freedom and to oppose oppression. In 1965, he visited the Soviet Union and conversed with hundreds of Jews in five cities. His account of his travels was published the next year as "Jews of Silence: A Personal Report on Soviet Jewry," a volume that helped awaken the West to the fear and despair of three million Jews in the Soviet Union.

For his writings and efforts, Elie Wiesel has received numerous honors and distinctions, including the Prix Rivarol, the National Jewish Book Council Literary Award and, for his novel "A Beggar in Jerusalem," the Prix Medicis. Currently Chairman of the United States Holocaust Memorial Council, he served previously as Chairman of the President's Commission on the Holocaust.

Elie Wiesel is often regarded as the prominent spokesman for the victims and survivors of the Holocaust; and this is certainly so. But he is also one of the great moral philosophers of our time and a longstanding advocate of peace. As he once said of armed conflict, "Victory does not prevent suffering from having existed, nor death from having taken its toll." Elie Wiesel emerged from the crucible of war and genocide to remind us of our responsibility to preserve peace. I can think of no more worthy candidate for the Nobel Peace Prize.

Many thanks for your consideration.

Respectfully,

JACK KEMP,
Member of Congress.●

TRIBUTE TO STEVE BRINKER AND TIM MARA

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. LUKEN. Mr. Speaker, as the Representative of the Second Congressional District of Ohio, I would like to congratulate Steve Brinker and Tim Mara on their November 3, 1981, election to the Green Township Board of Trustees.

Green Township is one of the largest townships in the State of Ohio, numbering over 50,000 people. A community as large as Green Township needs leaders who possess vision to anticipate future needs and the intelligence and wisdom to respond to those needs. Steve and Tim meet these requirements.

Steve Brinker is no stranger to Green Township activities. Before practicing law in the area, Steve served a total of 9 years as an educator in Green Township. Leaving his mark on the community, he has brought dedication and insight to his positions as chairman of the St. Aloysius Education Commission and member of the board of directors of the Western Hills Exchange Club. I commend Steve Brinker for his active record of service and for his effort to continue to serve

the community as a member of the Green Township Board of Trustees.

Tim Mara has proven himself to be a man of true generosity and community spirit. In addition to his full-time law practice, Tim has pledged his energies to the community as vice president of the Monfort Heights Civic Association, trustee of LaSalle High School, and president of the Bridgetown Civic Association. The Jaycees have recognized Tim's continual mark of excellence by naming him one of the "Outstanding Young Men of America." It is truly an honor for me to congratulate Tim Mara on his election to the Green Township Board of Trustees.

Green Township and the State of Ohio will be well served by these two outstanding young men, both attorneys and both experienced members of civic groups.●

BUT WHY PUNISH THE FLYING PUBLIC

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. OBERSTAR. Mr. Speaker, many of us in this House have disagreed with the manner in which President Reagan has dealt with striking air traffic controllers. I doubt that any Member would disagree, however, that President Reagan has accomplished what he intended to do. He has effectively punished the controllers for the strike and destroyed their union. He has won a victory of sorts.

The issue now is what is best for the American people. The answer is not to undertake a costly, lengthy process of training thousands of new controllers. He should look to rehiring individual air traffic controllers who struck. He has already indicated a willingness to offer them some other Federal employment. They are, however, best qualified to be air traffic controllers.

The New York Times editorial of Sunday, December 6, 1981 suggests a commonsense solution to problems resulting from rehiring controllers. I include the Times editorial at this point in the RECORD, and I urge my colleagues to consider carefully the course of action suggested by the Times's editorial.

The editorial follows:

[From the New York Times, Dec. 6, 1981]

BUT WHY PUNISH THE FLYING PUBLIC?

Allowing the former air controllers to get other Federal jobs, as President Reagan has hinted, would be a humane gesture to an already severely punished group. The point that illegal strikes against the Government will not be tolerated has been made. Nothing more would be gained by denying those with transferable skills a chance to earn a living.

But the gesture would do nothing to relieve the economic damage done by the con-

EXTENSIONS OF REMARKS

frontation. To restore normal air service anytime soon, a way needs to be found to put at least some of the 12,000 dismissed strikers back in the control towers. That need not compromise the Government's legal position.

With fewer than half the normal number of controllers at work, the Federal Aviation Administration has been forced to limit flights to 80 percent of pre-strike levels. That is adequate in uncongested corridors. But in congested regions, notably the Northeast, the limit means costly delays, layoffs and red ink for most carriers.

The F.A.A. is training new controllers, but it will take two or three years to get back to pre-strike capacity. When the recession ends, well before then, the demand for air service is sure to grow, lengthening delays and interfering with much travel at peak hours and holidays.

Most important, the strike has reduced competition in the newly deregulated airline industry. Fledgling airlines have been denied permission to open competitive routes; established discounters, like New York Air and Peoples' Express, have been unable to expand. Once demand for seats increases by 10 or 15 percent, travelers will pay for these restraints in higher fares and poorer amenities.

The Reagan Administration understands the problem but is unwilling to rehire the dismissed workers as controllers. It thinks that would be unfair to the minority who defied union threats and stayed on the job. It also fears that putting embittered former strikers next to non-strikers in the tower might compromise the safety of the system.

But there is no need to rehire all 12,000. The F.A.A. says that pre-strike manning levels far exceeded the system's requirements. Just a few thousand more experienced controllers could bridge the gap over the next few years.

That suggests two possible remedies:

Selective rehiring. The F.A.A. could offer to rehire controllers who can persuade supervisors that they would work conscientiously. To maintain morale, controllers who refused to strike might be given a cash bonus and even a veto over the reappointment of anyone with whom they could not work.

Private contracts for some towers. Private operators who use F.A.A. licensed personnel now manage traffic at dozens of smaller airports. Dozens of other towers could be contracted out, thus allowing the transfer of Government controllers to larger airports in congested regions. To do that quickly, the contractors would have to hire some former strikers. But they would not then command their old salaries, nor would they be in direct contact with non-strikers.

The country has lived without the 12,000 controllers and, if need be, could live without them indefinitely. But there is no need. The Government has won the battle. It's time to get on with the task of providing safe skies in which airline competition can thrive.●

A SALUTE TO PROF. THOMAS A. DORSEY

HON. WALTER E. FAUNTRY
OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. FAUNTRY. Mr. Speaker, I want to bring to the attention of my

colleagues Prof. Thomas A. Dorsey. He is the author of that famous hymn "Precious Lord Take My Hand," and he is our Nation's oldest arranger, composer, and singer of gospel music. Thomas A. Dorsey's music has inspired, comforted, and brought great spiritual joy to people not only in our country but throughout the world. On Monday, December 14, 1981, he will be in our Nation's Capital at Bible Way Church in concert. Let me take just a few moments to cite his history and just a few of his many accomplishments.

Prof. Thomas A. Dorsey was born on July 1, 1889 in a small town just outside of Atlanta, Ga. His parents were deeply involved in the church; his father was a preacher; his mother was church organist. It was in this environment that Dorsey developed a love for music and a talent which would later produce some of the finest religious music the world has ever known.

Being poor was no handicap to this determination. In his quest to draw out his musical gift, Dorsey would walk 4 miles a day, 4 days a week just to take his music lessons.

Thomas Dorsey left home when he was a teenager to seek new opportunities in the big city of Chicago. There he continued his musical career, studying and working with two of the best pianists of the era, Eddie Haywood and Eddie Butler.

In 1917 he began playing piano for Ma Rainey, a fine blues signer, and he became known as Georgia Tom. He composed Ma Rainey's popular theme music:

Rain on the ocean

Rain on the deep blue sea,

not to mention scores of other blues.

At about this same time he also met and married his first wife, Nettie.

In 1920 Dorsey gave up singing the blues and returned to the music of the church and an entire new era of music began. Dorsey combined jazz and the blues to form a new sound—gospel.

In 1929 Dorsey was enterprising enough to start his own publishing company, becoming the first person to have gospel music in manuscript form.

In 1932 Dorsey founded the National Convention of Gospel Choirs and Choruses, an organization of which he is still president.

Professor Dorsey is known throughout the country as the patriarch and father of gospel music. His music has dominated the gospel scene for more than a quarter century. His great appeal is the simplicity of his music and lyric:

"How many times did Jesus lift me?

How many times did my burdens he bear?

How many times has he forgiven my sins?

And when I reach the pearly gates, he'll let me in."

Professor Dorsey is truly a national resource and his music a national treasure.●

LIMITING REMEDIAL JURISDICTION OF FEDERAL COURTS IN CERTAIN SCHOOL DESEGREGATION CASES

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. YOUNG of Missouri. Mr. Speaker, I am pleased today to be able to introduce a bill to establish guidelines consistent with the U.S. Constitution regarding the circumstances under which Federal courts may order the transportation of students across school district boundaries for the purpose of desegregation.

It is my belief that forced busing has been given a chance to remedy the problems associated with segregation and it has failed. The polarizing effects of busing and the requisite expense have deflected attention, energy and resources from critically important efforts to improve the educational quality of our schools. Further, in their efforts to enforce desegregation plans, Federal courts have assumed an ever greater role in the administration of public education and have reached deep into the once private confines of family life to engineer social change that separates children from their families and communities. The overwhelming majority of Americans, black and white, oppose busing as a means of achieving equal educational opportunities. There is an emerging consensus among educators, sociologists, and legal scholars that forced busing, far from reducing the inequality of education has, in fact, had the exact opposite effect.

In pursuit of its authority to enforce the guarantees of the 14th amendment, Congress has on several occasions legislated both with respect to school busing and racial balance in schools. However, Congress has never established limits on the authority of Federal courts to order forced busing.

Mr. Speaker, the legislation I propose would establish such guidelines by limiting the power of Federal courts to mandate the busing of students between two or more school districts and by limiting the power of Federal courts to alter State or local tax rates in school desegregation cases. The Chief Justice of the United States has said, in his opinion in the case of *Wright against Council of the City of Emporia*, that since the goal of any desegregation remedy is to dismantle dual school systems rather than to reproduce a microcosmic reflection of the racial proportions of a

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given geographical area in each and every school, there is not need to ignore independent government entities established by the State in order to disestablish those systems or districts which are found to be unconstitutional. Rather, where two independent government entities exist, the assignment of children to schools depends solely upon their residence and assignment to schools would in no sense depend on race. Based on this logical principle articulated by the Chief Justice, the bill I propose today would require that before the boundaries of separate and autonomous school district boundaries may be set aside by imposing a cross-district remedy it must first be shown that school district boundaries were established for the purpose of creating, maintaining or perpetuating segregation of the races. This means that before any interdistrict remedy could be ordered by the court, plaintiffs must prove the elements of intentional segregation as to each and every school district. The burden may never be shifted to State or local authorities to prove the absence of a constitutional violation.

Mr. Speaker, I would like to point out that the Justice Department has recently changed its policy toward desegregation along the lines I just mentioned. The Justice Department has stated that it will no longer automatically seek systemwide remedies to desegregate schools, but rather, will focus on specific schools where there is evidence of intentional, State enforced segregation. Because of this newly articulated Justice Department position, I feel confident that the bill I introduce today will receive administration support.

Further, this Congress has attempted in the past to severely limit Federal funding of forced busing orders. As a result, the cost of forced busing is being born largely, by State and local school districts which are already strapped with serious financial difficulties and are being forced to reduce teaching staff and cut back on educational programs. At the same time, the prospect of increased taxes places a difficult burden on local taxpayers, particularly property owners, who are already paying high taxes to support public schools. I am opposed to shifting funds from educational programs and teachers salaries to pay for systemwide busing. I do not believe Federal courts should have the power to tell local school boards or taxpayers how to spend school district funds. The legislation I introduce today would prohibit Federal courts from reallocating school district funds or from imposing any new tax rate in relation to any school desegregation case.

In referring to busing, the Supreme Court has said that they "had to im-

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provise and experiment without detailed or specific guidelines." It is time for the busing experiment to end and for Congress to establish guidelines for achieving equal opportunity. This bill would establish for the Federal courts clear limits concerning the use of busing where only isolated acts of discrimination are proven and I urge my colleagues to join me in this important effort.●

NEW STUDY STEALS AMMUNITION FROM GUN CONTROL LOBBY

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. SNYDER. Mr. Speaker, bad ideas die hard in Washington. They keep coming back. Gun control is a perfect example.

Every time the crime statistics move up a notch or a public figure is shot at, the gun control lobby drags out all their voluminous studies and reports that show how guns cause crime and wag them in front of the noses of anyone who will listen.

However, a new study has been released which punches a big hole in the argument for gun control. Researchers working under a Federal grant reviewed the very same literature and studies the gun control proponents have been waving around all these years and they discovered those studies actually contain little or no persuasive evidence that widespread ownership of guns causes crime or that restrictions on guns would reduce crime.

This 2-year study conducted by Profs. James D. Wright and Peter Rossi of the University of Massachusetts has found "there is little evidence to show that gun ownership among the population as a whole is, per se, an important cause of criminal violence." In addition, there is "no persuasive evidence" to support the popular gun control argument that "much homicide would not occur where firearms are generally less available."

Not only does the study dispute the gun control myth that guns cause crime, the researchers could find no conclusive evidence which demonstrated that restrictive gun laws—local, State, or Federal—either reduce the amount of violent crime or limit access of criminals to firearms. The lack of any apparent crime control effect virtually eliminates the basic reason why restrictive gun control laws are enacted.

On the other hand, Professors Wright and Rossi found that firearms actually play a substantial role in self-defense and crime deterrence. There is "some evidence that the risk to a robber or burglar of being shot by the

intended victim is about the same as the risk of being apprehended, convicted, and imprisoned."

Over the years the proportion of American families acknowledging gun ownership has remained at about 50 percent since 1959, but the percentage of families owning handguns has increased. About three-fourths of privately owned guns are used for sport and recreation—the remainder for self-defense.

In analyzing the costs and relative benefits of restrictive gun laws to the Nation, Professors Wright and Rossi state:

Any action taken to deny firearms to would-be criminals would necessarily deny them to a vastly larger group of persons who will never even contemplate, much less commit, a violent criminal act.

Although the researchers have recommended further empirical studies on weapons, crime and violence in the United States, this study provides a valuable review of the gun control issue and existing data. The research clearly supports the tremendous costs and lack of benefits of restrictive gun control laws to the United States.

I certainly do not expect this new study to put an end to the perennial gun controllers crusade. Proponents of gun control have never let logic or facts slow them down before. Hopefully, however, this report will cause more openminded people to question the arguments in support of gun control before swallowing them.

Bad ideas die hard but once we recognize that there is no evidence to support the theory that more restrictive gun laws would reduce crime, we can sweep aside this particular bad idea and fall back to logic and commonsense in our efforts to get crime under control.●

STATEMENT ON DEATH OF JERRY WURF

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. WIRTH. Mr. Speaker, as you know, Jerry Wurf, the leader of the American Federation of State, County, and Municipal Employees, died Thursday evening.

Jerry Wurf was a veteran organizer who played a key role in building a small struggling union into a strong and healthy one. He provided vigorous leadership to AFSCME for many years, and during his tenure it grew into the largest public employee union in the United States.

Jerry Wurf will be sorely missed by his members and by millions of others who valued—and profited from—his outspoken advocacy of causes he believed in.

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He was a man who spoke forcefully of the necessity for infusing public policy with compassion, and the importance of setting national priorities which put people at the top of the list. His message was a gentle one, but he also knew how to drive a hard bargain when necessary.

Jerry Wurf's was a life of integrity, of commitment, and of adherence to high principles.

He will indeed be missed in our Nation, and I would like to extend my condolences to his wife and three children, as well as to all those whose life he touched.●

AL BARKAN—THE ARCHITECT OF LABOR'S POLITICAL ROLE RETIRES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. SOLARZ. Mr. Speaker, this January one of the architects of labor involvement in the world of politics retires after 27 years as national director of the Committee on Political Education of the AFL-CIO.

Al Barkan practically invented political action committees. Many of today's PAC's, including even right wing ones, have modeled themselves on the innovative and practical model Al created at COPE, for the AFL-CIO PAC was a positive force for political education and effective action.

A dynamic platform speaker, Al Barkan tirelessly crisscrossed the country appearing before audiences of workers in big urban cities and small towns stirring up union members to the important political and economic issues of the day. But despite the pressures of his work, Al Barkan always had time for his friends and coworkers; whether they were clerks, Congressmen, or union organizers. The zest and enthusiasm which characterized his 27 years of organizing, building, and improving COPE will be a major challenge for all who come after him.

He has left a mighty imprint on the American political scene through his efforts to improve the well-being of millions of Americans.

Mr. Speaker, I am proud to pay tribute to this wonderful man, and to say how fortunate I am to count him and his family as friends. Al's sister, Gertrude Iris, is an able volunteer worker in my Brooklyn office and I must say that she, too, is blessed with the same gracious manner and dedicated zeal that characterizes her brother.

We here in Washington will sorely miss Al Barkan—but we will not be able to forget what he has done through 35 years of dedicated and effective trade unionism to affect the course of this Republic.

Mr. Speaker, I raise my voice today with that of countless others in recognizing the accomplishments of Al Barkan and to express my personal gratitude for all that he has done for me, for the Democratic Party, and for the people of our Nation.

Mr. Speaker, I ask that an editorial from COPE's Legislative Alert on its founder be included in today's RECORD:

AL BARKAN—A PLACE IN POLITICAL HISTORY

In early January, Al Barkan will retire after 35 years in labor political action—the past 27 of them with COPE, and the last 19 of those as its National Director.

He is a unique man, with a unique and secure place in the political history of these three decades—both for all he's been and all that he's done. He is the architect of a labor political structure built on a firm foundation and built to last.

If political programs are to be judged by a standard of election wins and losses, the COPE record under Al Barkan's leadership is unmatched by any PAC or party. During his lengthy stewardship, 62.9 percent of all COPE-endorsed candidates for President, U.S. House and Senate and governor were elected.

If political programs are to be judged on the degree of citizen participation they generate, COPE's record under Al Barkan again is unequalled. More than 140,000 union members, their spouses and offspring participate year-around in their communities as volunteers in the COPE registration, education and get-out-the-vote programs.

The result of their efforts has been a dramatic increase in union member participation in the democratic process. Whereas 20 years ago, union members registered and voted in numbers 10-15 percent lower than the electorate-at-large, they now register and vote in numbers 10-15 percent higher than the general voting public.

If political programs are to be judged on the degree of innovation they introduce, COPE under Al Barkan has been a trailblazer. Barkan began moving labor's political activities into the computer age in 1965. Today, in the COPE computer are the names of nearly 15 million union members. Because of this constant urging over the years, all State AFL-CIO bodies and virtually all international unions now have staff people working full time on political programs.

In every respect, the COPE program is stronger, better organized and more effective than it was 20 years ago. This is Al Barkan's legacy to the labor movement he has served selflessly.

Nothing in him as an individual or leader smacks of personal vanity or aggrandizement. Everything he has done as COPE National Director has been motivated by his determination to serve through political education and action the purposes of the AFL-CIO, the well-being of the millions of members it represents, and the nation itself.

The COPE Al Barkan built has countless admirers and imitators in the political field, even among its foes. Many "new right" PACs openly patterned themselves after the COPE structure and program that Al Barkan developed.

Director Barkan has been a mover, a motivator, an innovator, an inspirer. From the platform, he is pure dynamite. No one who hears him address a labor audience fails to be galvanized by the energy, drama and enthusiasm he pours into a speech.

Off the platform he has been a forward-looking and innovative leader, a builder, a person admirable both in achievement and character, an extraordinarily considerate and decent person to work for and with.

In his case, the person and the job were one—a perfect fit.

The COPE structure Al Barkan developed inevitably will be embellished and altered by time, circumstances and events. But always, ineradicably carved in its cornerstone, will be the name Al Barkan.●

MADELINE DELL'UOMO TO RETIRE

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. LONG of Maryland. Mr. Speaker, on January 2, 1982, Mrs. Madeline Dell'Uomo will be retiring as administrator of the Board of Supervisors of Elections of Baltimore County after 21 years of dedicated service. She will be missed by her colleagues.

Mrs. Dell'Uomo began her career as an election clerk in 1961 dealing with the day-to-day tasks which insure an efficient and smooth running office. Recognizing her tremendous ability, she was appointed by the Governor of Maryland, in 1967, as chief clerk of the board of election supervisors responsible for supervising the clerks' section. In 1974, Mrs. Dell'Uomo was appointed administrator of the board responsible for supervising and certifying all primary and general elections in Baltimore County.

Mrs. Dell'Uomo is a dedicated public servant and her service to Baltimore County government is an inspiration to all of us.●

PUBLIC LAW 480

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. ZABLOCKI. Mr. Speaker, I am pleased to offer for the record the following exchange of letters between the Honorable WALTER B. JONES, chairman of the Committee on Merchant Marine and Fisheries, and myself:

COMMITTEE ON MERCHANT MARINE AND FISHERIES,

Washington, D.C., December 8, 1981.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs,
Washington, D.C.

DEAR MR. CHAIRMAN: I appreciate your agreeing to engage in a colloquy with me when the International Security and Development Act of 1981 is debated on Wednesday, December 9, 1981. Unfortunately, our Committee, working against a deadline, must meet to markup a highly significant and controversial bill at about the time when we would have engaged in our dis-

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The issues which I would like to resolve remain as important now as they were yesterday, and since we are in agreement as to the outcome of our colloquy, I would appreciate it if you could read into the record and respond to the following questions as part of your explanation of the bill.

As Chairman of the Merchant Marine and Fisheries Committee, I have a great concern over the effect which movement of government impelled cargoes in United States flag vessels has on the well-being of the United States merchant marine. Am I correct that section 401 of H.R. 3566 repeals certain provisions of Public Law 480 relating to the sale, under Title I, of agricultural commodities for foreign currencies?

Would the repeal of section 108 of Public Law 480 by Section 401(7) of H.R. 3566 be considered purely technical and with no effect on the requirement that certain cargoes resulting from Public Law 480 transactions move on United States-flag vessels?

I think it most worthwhile that the record show that the amendments to Public Law 480 which H.R. 3566 would make, in no way were intended to affect the cargo preference laws, nor do they in fact have that effect.

Thank you for your many courtesies.

I am,

WALTER B. JONES,
Chairman.

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., December 11, 1981.
Hon. WALTER B. JONES,
Chairman, Committee on Merchant Marine
and Fisheries, Washington, D.C.

DEAR WALTER: Thank you for your letter asking certain questions relating to section 401(7) of H.R. 3566, the International Security and Development Cooperation Act of 1981.

I regret that circumstances prevented us from having a colloquy at the time of floor action on the bill. However, I am pleased to provide for the record the following responses to your questions:

You are correct in stating that section 401 of H.R. 3566 repeals certain provisions of Public Law 480 relating to the sale, under title I, of agricultural commodities for foreign currencies. Those provisions are repealed in this legislation because the authority to sell under those conditions was terminated as of December 31, 1971. The repeals were requested by the Administration because the provisions have become obsolete.

You are also correct in stating that the repeal of section 108 of Public Law 480 by section 401(7) of H.R. 3566 is to be considered purely technical and with no effect on the requirement that certain cargoes resulting from Public Law 480 transactions move on United States-flag vessels. Section 108 has become obsolete since it allows the financing of a portion of ocean transportation in those instances where we have a sale in which foreign currencies are not convertible to dollars. Since that type of sale for foreign currency was ended 10 years ago, section 108 is no longer operative. Its repeal in no way affects any existing legal obligations of agencies of the United States to comply with the cargo preference laws.

I thank you for your interest in this matter.

With best wishes, I am

Sincerely yours,

CLEM, Chairman.●

December 11, 1981

DALLAS BEGINS TO SEE EFFECTS OF REAGAN BUDGET CUTS

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. MATTOX. Mr. Speaker, the residents of south Dallas have recently discovered just how devastating President Reagan's budget cuts can be. The community health clinic located in the Martin Luther King Community Center has received a notice from the Department of Health and Human Services, which funds the facility, that it must close its doors as of December 31, 1981.

This section of the city has an infant mortality rate double the national average, the incidence of tuberculosis is four times the national average, and the rate of deaths due to heart disease is 13 percent above the national average. These figures show the great need for health care in this area of Dallas.

The health center is the only such facility serving this portion of Dallas. Its patients are primarily low-income wage earners and senior citizens. It opened on May 27, 1980, and has 7,000 families registered to participate in its health program. In 1 year it had over 16,000 patient visits for medical and dental treatment. Ninety-five percent of the people it serves have incomes at or below the poverty level. Half of its adult patients are female heads of households. Three-quarters of its adult patients have illnesses which require long-term care, such as hypertension, diabetes, and heart disease. Forty percent of the adult patients are over 50 years of age. At this moment, the health center has 5,000 patients in active care. This means that they must return for followup visits.

The Reagan administration has cut \$70 million from the community health center program. These cuts have forced the Bureau of Community Health Services to close over 100 community health centers nationwide. The Dallas center is one of the facilities which is scheduled for closure.

I have met with both regional and national officials of the Bureau to point out the disastrous effect that the closure of the clinic will have on the surrounding community. Although the center has had some management difficulties, it is doing a job of great benefit to the residents of the area. The mayor and the city council of Dallas have gone on record as supporting the facility and have offered to lend the center any managerial and accounting expertise that they can. The Citizens Council of Dallas has also offered to aid the clinic with its management difficulties.

Despite these offers, the Bureau of Community Health Services is remaining firm in its determination that the program cannot be saved. I disagree with this position. The center has only been in operation for 18 months, and I believe that its problems can be resolved. I do not feel that the people who use its services should be deprived of medical care because of management problems at the facility. I have requested that the Bureau grant the clinic a 6-month probationary period in which to correct the difficulties. I will be discussing this option further with the Bureau and am working hard on saving the center for Dallas residents.

While I agree with the need for Federal budgetary constraint, I do not believe that budget saving should be made at the expense of the health of Dallas residents. Our most important resource in this time of economic trouble is our citizenry, and the health of our citizens is an important factor in our ability to work and be productive members of our society.●

INTRODUCTION OF THE MEDICAID WORK INCENTIVE AMENDMENTS OF 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

● Mr. WAXMAN. Mr. Speaker, I am today introducing H.R. 5199, the Medicaid Work Incentive Amendments of 1981. I am pleased to be joined in sponsoring this legislation by Chairman FORD, Chairman RANGEL, Mr. BAILEY, and Mr. ANTHONY of the Committee on Ways and Means.

This legislation will give States the flexibility to continue Medicaid coverage for working poor families who lost this coverage because of changes in the aid to families with dependent children program (AFDC) enacted in the fiscal 1982 Budget Reconciliation Act. Our bill is an effort to eliminate some severe work disincentives resulting from these changes and also to repair an intolerable gap in the social safety net the administration promised to maintain.

This legislation is the direct result of hearings which we conducted on November 9, 1981, in Memphis, Tenn. At those hearings, which were held jointly by three House subcommittees—Subcommittee on Health and Environment of the Energy and Commerce Committee, Subcommittee on Public Assistance and Unemployment Compensation of the Ways and Means Committee, and Subcommittee on Oversight also of the Ways and Means Committee—we heard testimony from State officials, health and social services providers and recipients on the ef-

EXTENSIONS OF REMARKS

fects of the recently enacted budget cuts on health and welfare programs in Tennessee, Arkansas, and Mississippi. The hearings were held jointly because of the interrelationship of these programs and the concern we shared that the policy changes and budget cuts contained in the fiscal 1982 budget reconciliation bill were resulting in hardships never intended by either the President or the Congress.

Our concerns were well founded. Testimony at the hearing showed that, as a result of changes in the AFDC program, mothers who are working and were receiving some amount of AFDC assistance plus Medicaid are now faced with a choice of either stopping work or losing Medicaid coverage for their children. This is a cruel choice and one that hits directly at those recipients who are making the greatest effort to work and become self-supporting.

The AFDC program provides cash grants to States for needy children and their caretakers. States control the income limits for eligibility and the maximum level of benefits provided, which range from a high of \$506 per month for a family of three in California to a low of \$96 in Mississippi. Families who are eligible for AFDC payments are automatically eligible for Medicaid.

In order to encourage AFDC recipients to seek employment, Congress required the States to disregard a certain portion of an applicant's earnings when determining eligibility for AFDC payments. This included work-related expenses such as transportation and child care expenses. In addition, once a family was receiving AFDC payments, \$30 plus one-third of the remaining income of the family would be disregarded in determining the amount of AFDC benefits.

The President's budget package dramatically altered these earnings disregards. For example, the work expense was capped at \$75 a month, regardless of the real cost of holding a job. The \$30 plus one-third disregard will now apply only to the first 4 months of AFDC assistance. The new requirement that States assume that those who are eligible for the Earned Income Tax Credit (EITC) receive it on an advance monthly basis could disqualify for AFDC and Medicaid some working individuals who are not receiving or even aware that they could receive EITC on a monthly basis.

In addition, the budget cuts eliminated AFDC assistance to any family whose income exceeds 150 percent of the State's standard of need, the amount a State has determined to be essential for basic consumption items such as food, clothing, shelter, household supplies, and personal care items. The result: A working mother with two children in the State of Arkansas can have gross earnings of no more

than \$351 a month before she loses all AFDC assistance and Medicaid benefits. That equals 26 hours a week at the minimum wage. If the mother works more than this she loses AFDC and Medicaid benefits. However, if she stops working, she would be eligible for \$161 a month in AFDC, tax free, plus Medicaid coverage, which provides the health insurance protection that is absolutely essential to a family with young children.

The cumulative effect of these changes is to substantially reduce the amount of earnings a family can have before losing all AFDC assistance and Medicaid coverage.

The loss of Medicaid benefits, which provides coverage of physician services and hospital bills, is of great concern to those working families who have now become ineligible for AFDC. Employer paid health plans are simply not provided in the kind of low paying jobs available to these individuals. And, individually purchased private health insurance coverage is prohibitively expensive. Their choice is to continue to try and be self-supporting with no health insurance protection, hoping that no one in the family becomes ill, or to stop working, and abandon their goal of self-sufficiency, in order to qualify again for Medicaid.

This is the choice being faced by thousands of families today because of recently enacted changes in AFDC. For example, in Memphis we heard from Linda James of Chattanooga, Tenn., who has a daughter with asthma. Mrs. James works 20 hours a week and is paid \$3.35 an hour. Because of changes enacted in the fiscal 1982 Budget Reconciliation Act, she is no longer eligible for AFDC benefits or Medicaid coverage for her daughter. Her take home pay is about \$70 every 2 weeks. Health insurance is not available to her through her employment, and private hospitalization insurance for her family would cost \$36 a week, which she simply cannot afford.

Her daughter had to be hospitalized a few months ago because of her asthma. Mrs. James pointed out that if this happens again in the coming months, as it very likely could given her daughter's health problems, without Medicaid there is simply no way she could pay the hospital and physician bills.

She now faces a devastating dilemma: Whether to stop working in order to regain eligibility for AFDC and Medicaid, or to keep working and run the risk of medical bills she cannot pay for and being unable to obtain the medical attention her daughter requires. This is a classic example of the interrelationship of Federal health and welfare programs and the risk of making program changes without careful examination of their effects.

December 11, 1981

According to administration estimates, over 300,000 families nationwide will lose their AFDC benefits because of AFDC policy changes. Some of them will continue to be eligible for medicaid under the medically needy program, which provides coverage for families with too much income for AFDC assistance but too little to afford health care. Not all States have such a program, however, and in those that do, relatively few people outside of institutions such as nursing homes are covered. In addition, the reconciliation bill allows States to discontinue the medically needy program for working people. This means that virtually all of the 300,000 families who will lose their AFDC benefits could also lose medicaid coverage.

Most of these families are in situations similar to those of Mrs. James. They are women raising young children by themselves and trying to support them by working at the only jobs that are available. These are some of the lowest paying jobs in the country and they are jobs that usually do not provide health insurance coverage.

According to the most recent information we have, one-half of the working AFDC mothers nationwide make less than \$400 a month, 70 percent earn less than \$500, and 90 percent have monthly earnings under \$700. Typically, these women are paid the minimum wage and work as receptionists, waitresses, hospital orderlies, nurses aides or clerk-typists. Many of them work part time because they can not find full-time employment or because they cannot obtain necessary day care for their young children. Two-thirds of these families have one or two children, and about one-half have a child under 7 years old.

Because of the low wages they receive, they and their children were receiving small amounts of AFDC which made them eligible for medicaid. Now, however, because they are working, and because of changes in the AFDC program, they have lost eligibility for AFDC and the health insurance protection of medicaid.

These women share the goal of those who testified in Memphis. They want to work and remain as self-sufficient as possible. However, the kinds of jobs that provide health insurance coverage or pay sufficient wages to purchase individual coverage are not available to them. And just like every other family in the country, they do not dare and cannot afford to be without health insurance. To them this means that they cannot, without seriously endangering the health of their children and themselves, give up medicaid.

The Congressional Budget Office estimates that because of this loss of medicaid, nearly 200,000 working AFDC mothers will quit their jobs in order to retain medicaid health cover-

EXTENSIONS OF REMARKS

age for their families. This will mean greater costs to the Government as they will now be eligible for maximum AFDC benefits.

Loss of medicaid will not only discourage working mothers from continuing their jobs, in the not too distant future it will result in higher local, State, and Federal health care costs. Physicians and other health experts testified that neglecting the health needs of pregnant mothers and infants is penny wise and pound foolish. The treatment of health problems resulting from early neglect is far more expensive than the cost of medicaid benefits that have been taken away from these families. Furthermore, this loss of medicaid coverage will place an intolerable burden on public hospitals. In the case of medical emergencies which these working mothers pray will never occur, it will be the financially strapped city and county public hospitals who will end up treating these children whose families have no ability to pay.

There will be other costs resulting from the lack of medicaid. In the words of William Jackson, administrator of the City of Memphis Hospital, cuts in medicaid and other health programs will lead to the "rationing of health care" among the Nation's poor, with fewer services, less attention to patients, and a decrease in the standard of care. Dr. Sheldon Coronas, director of the Newborn Center at the City of Memphis Hospital, described the consequences this way:

We won't close our doors . . . but what will happen, there will be fewer nurses to take care of the babies; there will be less equipment and more babies will die while we are trying.

The bill we are introducing today is certainly not a solution to all of these problems. It is a modest, first step toward a remedy for some of the worst situations created by hastily drafted and inadequately examined policy changes and budget cuts. It would simply allow States to continue medicaid coverage for those working AFDC recipients who are ineligible for AFDC, and therefore medicaid, because of recent changes in the treatment of earnings under the AFDC program. States will have maximum flexibility under this legislation. They would be allowed—for medicaid eligibility only—to ignore any or all of the provisions in the fiscal 1982 budget reconciliation bill that pertain to the treatment of earnings under AFDC, or to apply a State developed set of earnings disregards that are somewhere between prior law and the recent changes.

The specific provisions that this bill would allow the States to ignore or modify are: The limitation of AFDC eligibility to those families with income below 150 percent of the State need standard; the \$75 per month cap

on the work expense disregard; the \$160 per month cap on child care costs; the limitation to four months of the \$30 plus one-third disregard and the order in which this disregard is applied; and the required assumption of advance receipt of EITC refunds and the requirement to prorate refunds which are received in a lump sum.

The legislation will not restore AFCE benefits but it will allow medicaid coverage to be restored at State option.

We are convinced that this small change in the recently enacted budget cuts is justified and necessary. It will allow States to take steps that will encourage AFDC recipients to continue working and avoid devastating choices and unbearable medical and financial hardships.

We have requested a cost estimate from CBO, but we do not believe the costs will be substantial—particularly since the effect of the legislation will be to keep working women at work and off welfare.

I would like to insert in the RECORD at this point the text of H.R. 5199.

H.R. 5199

A bill to amend title XIX of the Social Security Act to permit States to provide medicaid coverage with respect to certain dependent children and relatives without regard to certain work disincentives imposed by the Omnibus Budget Reconciliation Act of 1981.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Medicaid Work Incentive Amendments of 1981".

Sec. 2. Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new paragraph:

"(3)(A) A State may treat, for purposes of the State's plan approved under this title, as an individual receiving aid or assistance under the plan of the State approved under part A of title IV, an individual who would be eligible for such aid or assistance under such plan but for any or all of the limitations or requirements described in subparagraph (B), if the individual meets such alternative requirements as the State may provide for under subparagraph (C).

"(B) The limitations and requirements referred to in subparagraph (A) are as follows:

"(i) The limitation to \$75 in any month in section 402(a)(8)(A)(ii) on the total amount of the disregard from earned income for work expenses.

"(ii) The limitation to \$160 in any month in section 402(a)(8)(A)(iii) on the total amount of the disregard from earned income for certain child care (and other care) expenses.

"(iii) The fact that the earned income disregard contained in section 402(a)(8)(A)(iv) is only computed after the disregards described in clauses (ii) and (iii) of section 402(a)(8)(A) are taken.

"(iv) The limitation in section 402(a)(8)(B)(ii) to four months on the period for which the disregard described in section 402(a)(8)(A)(iv) can be taken and to twelve consecutive months on the length of the additional minimum period which must

expire before such disregard can be taken again.

"(v) The provisions of sections 402(d)(1) and 402(a)(17) as they require an earned income advance amount (under section 3507(a) of the Internal Revenue Code of 1954) or a refund of Federal income tax by reason of the earned income tax credit (under section 43 of the Internal Revenue Code of 1954) to be considered as income for any month other than the month in which the amount or refund is actually received.

"(vi) The limitation to 150 percent of the State's need standard under section 402(a)(18) on the total income that families may have and still be eligible for aid under part A of title IV.

"(C) With respect to the alternative requirements referred to in subparagraph (A), in lieu of the limitation or requirement referred to in—

"(i) clause (i) of subparagraph (B), the State may provide for a dollar limitation on the disregard in section 402(a)(8)(A)(ii) equal to an amount greater than \$75;

"(ii) clause (ii) of subparagraph (B), the State may provide for a dollar limitation on the disregard in section 402(a)(8)(A)(iii) equal to an amount greater than \$160;

"(iii) clause (iv) of subparagraph (B), the State may provide that the disregard described in section 402(a)(8)(A)(iv) shall not apply after a period (specified by the State) of longer than the four months described in section 402(a)(8)(B)(ii) or may again apply after the expiration of an additional period (specified by the State) of less than the twelve-consecutive months described in section 402(a)(8)(B)(ii)(II);

"(iv) clause (v) of subparagraph (B), the State may provide that receipt of a refund of Federal income tax by reason of the earned income tax credit may result in ineligibility for a period (specified by the State) of less than that provided under section 402(a)(17); and

"(v) clause (vi) of subparagraph (B), the State may substitute a percentage (greater than 150 percent) for the percent specified in section 402(a)(18).

Nothing in this paragraph shall be construed as requiring a State to provide for any alternative requirement described in this subparagraph. •

NEWSLETTER AND QUESTIONNAIRES

HON. CHALMERS P. WYLIE OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. WYLIE. Mr. Speaker, in late October I mailed a newsletter and questionnaire to all postal customers in the 15th Congressional District of the State of Ohio. To date over 16,000 completed questionnaires have been returned to my Washington office and more than 12,000 responses have been tabulated. The results are surprising and enlightening. The questions and responses, by percentage, follow:

In addition, Dr. Herbert Asher, political science professor at Ohio State University, distributed several hundred questionnaires to students in undergraduate political science classes at Ohio State University, which is locat-

EXTENSIONS OF REMARKS

ed in the 15th District. More than 450 questionnaires were completed and returned by the students. The results of this survey provide an interesting contrast to the general district findings. The results follow:

OHIO STATE POLITICAL SCIENCE CLASS RESULTS

[In percent]

	Yes	No	Undecided
1. The problem of social security financing is one of the most difficult issues now facing Congress. Listed below are some possible solutions to the financing problems. Which of these proposals would you favor?	11	81	8
(a) Eliminate or reduce future student aid benefits	52	35	13
(b) Gradually increase the full retirement age from 65 to 68	69	9	22
(c) Revise the formula for automatic adjustment of benefits to reflect actual change in cost-of-living more accurately	39	29	32
(d) Include Federal employees in the system	26	42	32
(e) Finance the revenue shortfall in the system through general tax revenues	13	70	17
(f) Raise social security payroll taxes	56	28	16
(g) Slowly phase in reduced benefit levels for those electing to take early retirement	33	.....	.....
2. Should the Clean Air Act: (check one)	25	.....	.....
(a) be extended in its present form, or	42	.....	.....
(b) be amended to give automobile manufacturers more time to meet emissions standards?	.....	.....	.....
(c) be made more strict?	33	.....	.....
3. What percentage of the money returned to you by the tax cut will you save? (check one)	15	.....	.....
(a) None	10	.....	.....
(b) 10 percent or less	15	.....	.....
(c) 25 percent or less	15	.....	.....
(d) 50 percent or less	14	.....	.....
(e) 75 percent or less	7	.....	.....
(f) 90 percent or less	3	.....	.....
(g) All	12	.....	.....
4. If further budget cuts are needed to balance the budget in fiscal year 1984, would you support reductions in the planned increases in the defense budget?	54	32	15
5. Do you favor production of the neutron bomb?	33	48	19
6. Should U.S. dollars be convertible to gold?	32	37	31
7. Would you have voted to approve the AWACS sale to Saudi Arabia?	43	37	20
8. Do you approve of President Reagan's performance thus far?	52	29	19

GENERAL DISTRICT RESULTS

[In percent]

	Yes	No	Undecided
1. The problem of social security financing is one of the most difficult issues now facing Congress. Listed below are some possible solutions to the financing problems. Which of these proposals would you favor?	73	20	7
(a) Eliminate or reduce future student aid benefits	44	49	7
(b) Gradually increase the full retirement age from 65 to 68	84	10	6
(c) Revise the formula for automatic adjustment of benefits to reflect actual change in cost-of-living more accurately	53	36	11
(d) Include Federal employees in the system	36	49	15
(e) Finance the revenue shortfall in the system through general tax revenues	24	66	10
(f) Raise social security payroll taxes	70	23	7
(g) Slowly phase in reduced benefit levels for those electing to take early retirement	28	.....	.....
2. Should the Clean Air Act: (check one)	53	.....	.....
(a) be extended in its present form, or	19	.....	.....
(b) be amended to give automobile manufacturers more time to meet emissions standards?	.....	.....	.....
(c) be made more strict?	34	.....	.....
3. What percentage of the money returned to you by the tax cut will you save? (check one)	16	.....	.....
(a) None	9	.....	.....
(b) 10 percent or less	12	.....	.....
(c) 25 percent or less	6	.....	.....
(d) 50 percent or less	3	.....	.....
(e) 75 percent or less	20	.....	.....
(f) 90 percent or less	52	39	9
(g) All	45	37	18
4. If further budget cuts are needed to balance the budget in fiscal year 1984, would you support reductions in the planned increases in the defense budget?	31	38	31
5. Do you favor production of the neutron bomb?	62	25	13
6. Should U.S. dollars be convertible to gold?	.....	.....	.....
7. Would you have voted to approve the AWACS sale to Saudi Arabia?	.....	.....	.....

GENERAL DISTRICT RESULTS—Continued

[In percent]

	Yes	No	Undecided
8. Do you approve of President Reagan's performance thus far?	70	19	11

HANDGUN BODYCOUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. LEHMAN. Mr. Speaker, 672 persons dead is the appalling handgun statistic for the month of October 1981. That brings the total number of handgun deaths to 6,891 for 10 months of this year. As the number increases, more and more Americans seem to be arming themselves, and the sale of handguns soars. The vicious circle of fear and handguns, handguns and fear is producing many tragic accidents. It is statistically proven that law abiding citizens in this country possess more guns than the citizens of any other country in the world. If such guns are a genuine protection and deterrent to crime, then why does America have the highest crime rate of any country? Obviously this tremendous arming does not deter anything. On the contrary, it seems to promote crime. It provides many of the guns for criminals who steal them, and worse than that, leads to shootings during domestic disputes that might otherwise have been minor scuffles. A gun in every hand is not the answer to crime. If you have a gun, and you get into a tight situation, you are likely to reach for it, and blood may be spilt, more than likely your own.

The handgun bodycount follows:

HANDGUN BODYCOUNT, OCTOBER 1981

ALABAMA (5)

Mario Bush, Kenneth Cartwright, Calvin Johnson, C. W. Lawson, Frank Quarles.

ARIZONA (7)

James Baker, George Carrera, Daniel Geyer, Oscar Johnson, Tad Lee, Alberto Morales, Richard Roberts.

ARKANSAS (7)

Lawrence Donnell, Dwight Duran, Eugene Haril, Lisa Kimball, Bobbie Robertson, Kenneth Stepp, 1 unidentified male.

CALIFORNIA (85)

Dale Acamo, Darlene Acamo, Lamar Balara, Eliseo Betancourt, Bridgette Bradshaw, Perry Boyd, Sharon Brown, Ivory Calloway, Foo Chia, Frank Coffelt.

Santa Combs, Mark Coombs, Robert Cooper, Jr., Armado Diaz, Gary Dingman, Leroy Eilers, Paul Elliott, Lorenzo Flores, Rosemary Fuqua, Matthew Grant, Duane Greeley, Joya Henderson, Penelope Houser, Patricia Hunter.

Pedro Izaguirre, "Jim," Andrew Johnson, Debra Jones, Leroy Kelly, Rachel King.

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Susan King, Harold Knox, Henry Korman, Andrew Kurocik.

Mila Lim, Gloria Lindsey, Genaro Lopez, Luis Macias, Omar Majied, John Martinez, Moises Martinez, Victor Martinez, Ken Mass, Charles Merchant.

Donaciano Minamontes, William O'Connor, Donald Osborne, Petter Pettersen, William Petty, Ronald Phillips, Mary Poeltler, Alonso Ramirez, Sharon Reed, Floyd Robinson.

Ronald Schuerings, Ignacio Solorsano, Carlos Soto, James Sterrett, Jr., Cathy Swanson, Jackie Swanson, Robert Swanson, Hong Tgo, James Travis, Herbert Walker, Jr.

Julian Wallace, Cornelius Watson, Frank Webb, Joya Williams, Tommy Wilson, Larry Wood, Yeng Yang, Fred Ibarra, 1 unidentified female, and 12 unidentified males.

COLORADO (16)

James Balderson, Dale Curtis, Rocky Evans, Jr., Judith Librande, Dwight Lumbert, Tammy Moore, Willie Norflee.

Wendell Partee, Ernest Phillips, Jr., Tamara Richardson, Leo Ryan, Anthony Tiatt, Joyce Woods, 1 unidentified female, and 2 unidentified males.

CONNECTICUT (5)

Edward Carter, Dwayne Dodd, Albert Gonzalez, Julio Santos, Albert Stefano III.

DELAWARE (5)

Alaska Beckett, Michael Foraker, Daniel Kerrigan, Scott Kibler, Bernice Makuck.

DISTRICT OF COLUMBIA (6)

Jesse Carson, Timothy Hampton, Gary McKenzie, Roselle Newman, Melesse Tlahumun, Otis Womack.

FLORIDA (46)

Michael Bedford, Luis Boffill, Bridgette Bradshaw, Debra Byrd, Christel Cioffi, Israel Concepcion, Timothy Davis, Jr., Gustavo Diaz, Jeffery Ellison, Ron Ferguson.

Gerald Fitzgerald, Rose Garrett, Charles Gilbert, Elia Gonzalez, Eric Gonzalez, Ben Henderson, Kelvin Hyatt, Jeffrey Lanham, Pearlie Mills, Isidor Martinez, Houston Price, Sharon Reed, Luis Rodriguez.

David Santiago, Carl Smith, Marshall Thrift, "Tom", Lourdes Vergara, Tomas Villegas, Alonso Williams, Fred Woodberry, Yanya Zilberman, 14 unidentified males.

GEORGIA (13)

John Cox, Jr., Annie Hawthorne, James Hawthorne, J. R. Herrington, Milo Jellison, Jr., Bobby Jordan, Gregory Lowe, Demetrius Palmer, William Sharp, Sara Spence, Cleo Surrenny, Milton Taylor, 1 unidentified male.

IDAHO (1)

Nathan Pooley.

ILLINOIS (76)

John Anderson, Michael Anderson, Karlene Ashcraft, Opheous Beck, Quinton Bellamy, John Berra, William Braun, Charles Brown, Leila Brown, Francisco Cardona, Richard Carlen, Byung Chang.

Gladys Christmas, Billie Collins, Cornelio Cruz, Warren Cunningham, Mario D'Andrea, Jerry Davis, David Demuro, Howard Donavan, Argelio Duarte, Francis Eneman, Juan Gomez, Russell Griffith.

Felix Guettierrez, John Hagan, Roosevelt Harris, Mary Harrison, Lonnie Hash, Juan Hirreuelo, John Hogan, Tommie Hopkins, Larry Huddleston, Edward Jasper.

Jimmie Johnson, Carl Jones, Kenneth Koran, Randel Lada, John Laing, Marcus Lenton, Alexander Major, Curtis Meeks, Charles Meinke, Peter Mirdita.

EXTENSIONS OF REMARKS

Pablo Moldinado, Miguel Morales, Theodore Ordonez, Webster Palmore, Darlene Pavlovich, Miguel Quiles, Lavette Raymon, Abbott Raymond, Ruby Redmond, Rita Feed.

Robert Riley, Cornell Russell, Michael Saffold, Scott Sanders, Gerald Sibley, Hugh Smith, James Taylor, Leon Thuillez, Johnny Tirado, George Volino.

Stan Wade, James Ward, Jack Ware, James Williams, David Wojtonic, 2 unidentified females, 5 unidentified males.

INDIANA (9)

James Anderson, Elmore Duncan, Judy Murphy, Donald Quinlin, Rogelio Saenz, James Shelly, Jacqueline Walker, Randy Willoughby, B. Reynolds.

IOWA (7)

Gary Anderson, Michael Anderson, Melanie Barker, Clark Fisher, Rodney Keoppel, Rocky McCoy, Danita Straw.

KANSAS (9)

Richard Beams, John Collins, Truman Ferguson, Collette Horner, Odies Horner, Lawanne Jackson, Theodore Johnson, Kevin Keating, Ollie Lawson.

KENTUCKY (5)

Richard Carlin, Jonly Coleman, Ada Haton, Don Ruebusch, and an unidentified male.

LOUISIANA (8)

Daniel Breaux, Joseph Cosby, Paul Holder, Reginald Jarvis, Lawrence Mackey, Kimberly Preada, Thomas Smith, Johnnie Williams.

MAINE (4)

Donald Dahlstrom, Debra Drier, Nancy Drier, Laurie Tranton.

MARYLAND (13)

George Alston, Stanley Brown, Alimany Conthe, Alexander Flower, Sherry Foster, Melvin Fullwood, Leroy Hopkins, John Hubbard, Jacob Liplewsky, Michael O'Callahan, Lewis Savage, and 2 unidentified males.

MASSACHUSETTS (5)

Matthew Burde, George Pappas, Robin Shea, and 2 unidentified females.

MICHIGAN (50)

Robert Adams, Wendel Baker, Richard Ball, Richard Berry, Aaron Bowman, Charles Brantley, Effrage Bray, Noah Chaney, Andrew Cherry, Lou Ann Cherry, Ronald Coleman, George Collins, Thomas Cross, Phillip Collins, Antoine Crushon, Allen Darton, Douglas Davis, Douglas Denning, Ron Finley, Patricia Golfin, Stephan Hearn, Willie Holmes, Michael Horton, James Jones, Patricia Johnson, Herman Jones, Josep Kiewicz, Janet Kocharoff, Frank Mamon, Gilbert Maher, Florence Matlock, Cynthia McGhee, Sharon Miller, Terry Petrie, Delbert Phelps, Gerald Plautz, Richard Revels, Ronald Robertson, Gerald Ruffin, Christine Rybicki, Richard Segodnia, Alice Tees.

Herbert Walls, Costello Washington, Linda Wells, James Williams, Medard Wojtowicz, Mark Woods, Gregory Wright, Roderick Wright.

MINNESOTA (3)

Robert Jones, Robert Lawson, David Lund.

MISSOURI (26)

Clyde Boucher, Willie Burnett, Joseph Capone, Nick Conners, Sylvester Ellis, Raymond Frye, Jr., Charles Grinston, Ricky Gillespie, John Harbin, Donnell Harris.

Randall Harris, Robert Jenkins, Eddie Johnson, Larry Jones, Roy Jones, Andrew

Luster, Bobby Pierson, Sherrill Prentice, A. B. Smith, Sherald Taylor.

Isaac Washington, Russell Whited, Henry Wiley, Stephen Williams, Mark Williamson, and an unidentified male.

MONTANA (1)

Clyde Gregory.

NEW JERSEY (9)

Patrolman Peter Egnor, Ernest Holder, Mary Jarrett, Melvin Jeffcoat, Thomas Kerr, Darryl McClain, Emilio Medina, Phillip Miller, Elmirinda Settineri.

NEW MEXICO (9)

Mary Apodaca, Helen Chavez, Terry Lynch, Dexter Patton, Mary Rodriguez, Luis Romero, Leo Ryan, Theodore Van Basstian, and an unidentified male.

NEW YORK (28)

Raymond Adler, Quince Anderson, Ben Babanof, Police Officer Brown, Hollis Daniels, Waymon Darty, George Distler, Clark Fisher, Ernest Holder, Andrew Kalina.

Albert Kapel, Errol McIntosh, Esther Normile, Police Sgt. O'Grady, Peter Paige, Juan Pionbaez, Elizabeth Platzman, Albert Pries-tia, James Robinson, Miguel Rodriguez.

Rodney Ross, Harvey Shild, Ronald Sisman, Allen Spiegel, Willomina Williams, Dock Wright III, and two unidentified males.

NORTH CAROLINA (25)

Peggy Beckham, Roland Black, Willie Bowman, Jr., Faith Brandon, James Brewer, Joe Brown, Thomas Flacks, Terry Fornew, Victor Hornaday, William Lewis.

Jay Lockhart, Carnell Marshall, James Myers, Roger Palmer, Daniel Pardue, Jean Rash, Paul Rash, Jerry Stutts, Kenneth Stevens, Leonard Teel.

Steven Williams, unidentified female, and three unidentified males.

OHIO (17)

Steve Baker, Lacy Burnett, Robert Crabtree, Vincent Davis, Hubert Dutton, Dennis Garland, John Irvin, Clarence Jennings, Patrolman Johnson, Robert Johnson.

John Litch, Donald Manson, Aaron Massey, Judith Mehalic, Sylvester Mitchell, John Swinehart, Jr., Van Voorhis.

OKLAHOMA (8)

Brandon Cox, John McCullough, Henry Molina, Joe Owenby, Francis Villanueva, Bennie Wagner, and two unidentified males.

OREGON (3)

Sidney Billings, Leslie Garth, Jr., Kevin Kerns.

PENNSYLVANIA (12)

Kari Beckman, Kirsten Beckman, Marilyn Beckman, Franklin Brown, John Calabrese, Dr. Peter Galamaga, Lyle Hannold, Darryl Jones, Daniel Kerrigan, Jose Luzu, Thomas McLaughlin, Robert Webb.

RHODE ISLAND (1)

Louise Gardner.

SOUTH CAROLINA (5)

Police Chief Conroy, George Davie, Lance Cpl. Richard Kash, David Nesmith, Glenn Sanders.

TENNESSEE (15)

Flora Bogard, Gianna Cleveland, Chastity Cooper, Timothy Costner, James Curtis, Douglas Henard, Mrs. C. W. Lawson, David Leslie, Jr., Charles Manners, Tony Miller.

Jack Scarbrough, Jr., Eugene Schroeder, Claudia Walker, Kenneth Williams, and an unidentified male.

TEXAS (91)

Donna Arthur, George Baldwin, Alvin Bicknell, J. C. Bristo, Robert Brouard, Leslie Brown, Samford Brown, Wesley Bullard, Maggie Bustos, Thelma Champ.

Phillip Chapman, Ruby Cloud, Charles Coaty, Ella Dairy, Waymon Darty, Stafford Davis, Jason Dean, Robert Dean, Amelia Delgado, Antonio Delgado.

Alfred Dunne, Ron Ferrenburg, John Foutz, Jimmy Gardner, Margarita Gonzales, Ronald Goode, Sally Gray, Owen Gray, Roley Gray, Rodney Grooms.

William Guant, Baltizar Guerrero, Robert Guillen, Mary Guzman, Felipe Hernandez, Yguacio Hernandez, Albert Hesenthaler, Ernest Holder, Vanessa Hudson, Ramona Hupp.

Tommy Ivy, Robert Jackson, Blake Jameson, Roger Knox, Michael Lewis, James Lenthal, Rick Lopez, Jimmy Macias, Craig McGowan.

Frank McWayne, George Medina, John Moore, Ernest Orsak, Guillermo Quintilla, Juan Ramirez, Michael Reeves, Rudy Rendon, Jose Resendez, H. C. Roach.

Doris Roark, Harry Saffer, Wesley Bulard, Mohumed Said, Robert Sanders, Amiel Shelton.

Steven Simms, Henry Slack, Julie Sauter, Gilford Sonnier, Elton Taylor, John Taylor, Willie Taylor, Jr., Ira Tutt, Michael Webb, Craig Weight.

Karen Weight, Ronnie Wilcox, Jeremiah Willis, Anna Wilson, Scott Woods, Joe Wright, Bendito Yanez, Clarence Yanez, Jr., 8 unidentified males.

UTAH (1)

Dr. Reginald Mason.

VIRGINIA (18)

Ned Bennett, Russell Bullock, Charles Chambers, Oliver Connor, Steve Frick, Morton Grossman, Sylvia Grossman, Norman Glover, Robin Holland.

Garland Johnson, Gary Johnson, Ayodele Kelejaive, Rose Robinson, Henry Shakkour, Richard Sunday, Randolph Walker, Michael Wyatt, and 1 unidentified male.

WASHINGTON (11)

Katherine Allen, Melanie Barker, Dale Borneman, James Chin, Deanna Custer, Roger Hacker, Luke Hatley, Franklin Leach, Mary Montgomery, Lucky Schiwe, Marsha Weatter.

WISCONSIN (1)

David Moureau.

WEST VIRGINIA (7)

(3-yr.-old girl) Fulkerson, Paul Lipford, Richard McClain, Forest Napier, Timothy Smith, Fredrick Stewart, Madeline Tabor.

NUCLEAR REGULATION: WHO NEEDS IT?

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 11, 1981

• Mr. UDALL. Mr. Speaker, recently I called our colleagues' attention to two recent speeches by NRC Commissioner Victor Gilinsky. The first of these speeches, dated October 30, appeared in the December 9 issue of the RECORD. The second speech, dated November 5, follows:

EXTENSIONS OF REMARKS

REMARKS OF VICTOR GILINSKY, COMMISSIONER, NUCLEAR REGULATORY COMMISSION, BEFORE THE WASHINGTON SECTION OF THE AMERICAN NUCLEAR SOCIETY

NUCLEAR REGULATION: WHO NEEDS IT?

Last week I talked to a nuclear fuel conference about the effect on the nuclear industry of the President's recent policy statement. I said that the reasons for the decline of nuclear power had been misunderstood by the Administration, and consequently, its attempt to aid the industry was both misguided and wrongheaded. I would like to summarize those remarks and then take up the subject where I left it last week.

I said that a plant-by-plant examination led me to believe that at least another 20 of the 77 plants with construction permits would be cancelled—for economic reasons; that the plants under construction permit review will probably not be built; and that this means installed nuclear capacity is likely to level off, sometime in the next decade, at something less than 120,000 megawatts. A large figure, but a disappointing one to the industry in view of earlier projections.

Disappointing or not, these numbers are not going to be improved by the announced Administration policy. The most severe problems of the industry have to do with matters not directly under federal control: difficulties of large-scale high-quality construction, tight financial markets, and reduced electrical demand growth. I pointed to a number of problems, ignored in the new policy, on which federal assistance is important, and even vital: spent fuel storage, organizing the Three Mile Island cleanup, adequate insurance for reactor damage in accidents, and, the item most conspicuous by its absence, reactor safety.

Nothing would be more devastating to the industry than another serious accident. If another plant is damaged on anything like the scale of TMI, whatever credibility the electric utility industry has with the financial community will be shot.

In response to this situation, the Administration offers an ineffectual mixture: build the Clinch River Breeder, try to breathe life into private reprocessing, and increase the pressure on the safety regulators to ease off. I want to talk to you today about that last point.

The regulations: Problem or solution?

The President's statement said "Nuclear power has become entangled in a morass of regulations that do not enhance safety but that do cause extensive licensing delays and economic uncertainty."

I raise this subject with you, first of all, because the industry lobbyists can't escape responsibility for this attack on the safety regulators. We all know how things like this get put together in Washington. A few days after the White House statement of October 8, a full-page industry ad in the Washington Post singled out for reprinting in large bold type the President's attack on the regulators. Here it is (attached).

By the way, this ad suggests that 33 plants can be made ready to operate in the next two years if only the regulators will stop dragging their feet. I've examined those projects. On the basis of our experience with nuclear construction schedules, I would guess that not more than 20 of the 33 will actually be completed by then. I'm talking about construction delays and not licensing delays.

I wish I could find a way to convince you, especially those of you representing utili-

ties, that blaming the regulators for all your ills is not a very smart tactic and will ultimately backfire on you.

Legitimacy

It might be well to remember that without the legitimacy that comes with NRC approval, you cannot carry on your business. I don't mean that the law would not permit it; I mean that the public would not stand for it. The public may not trust us very much, but they don't trust you at all. When the average person hears from you and the Administration that the safety regulators don't know what they are doing, he doesn't conclude that the industry and the Department of Energy are right and the NRC is wrong. He concludes that nuclear energy is even more dangerous than he thought.

Of course the industry may think its life would be easier with a more compliant NRC, if legitimacy could be had on the cheap. That, I take it, was the purpose of the various efforts to turn the NRC into an Executive agency, the plans talked about during the turnover of administrations, the American Nuclear Energy Council's instigation of attacks on us by the House Appropriations Committee, and now the new Administration policy. I want to suggest to you that this is also not a wise approach, even in terms of your crassest interests. If you succeed here, you also lose, because you will have devalued the legitimacy that comes with NRC approval.

Safety

More importantly, let's come back to how nuclear power looks to Wall Street. On more than one occasion, I have heard utility financing experts deliver the warning to the industry that TMI has already brought an end to the traditional ease with which electric utilities obtained private money. Never mind whether any member of the public is killed or injured. The money men are saying, one more Three Mile Island and there is not going to be any private financing. Not just for nuclear plants. For utilities. In other words, the country may have to decide between reactors and utilities. In that case, reactors won't go because they're too valuable. Which means if you don't watch out, you're going to be devoured by your own technology.

You may regard that as just scare talk. Well, let's take a look at what's really going on. Let's not talk rhetoric and policy statements, let's talk power reactors.

The 70 operating reactors are in the hands of 40 utility companies. When the construction projects to which there is now a serious commitment are completed, we'll have about 120 reactors in the hands of about 60 utilities. Three quarters of these companies will own no more than two reactors; more than half will be operating only one.

I'm not saying a utility with one or two reactors can't do a good job—there are some very well run reactors in this category (such as at the Farley station which I recently visited). Bigger is not necessarily better; some of the larger utilities have not performed well at all. But it is more difficult for small outfits to put together the necessary technical support for first-class reactor operation.

We should recall that the early nuclear power projects, as is always true in pioneering new technologies, drew exceptional people. But the rapid expansion of the 1960's and early 70's brought in less competent organizations. Even where experienced engineering and construction firms were involved, they were overextended and design

and construction was often no longer done by the first team.

It should not be surprising, therefore, that there are a lot of real problems out there. Some utilities are in over their heads. Some have lost control of their projects and have had to be reined in by the NRC. That applies both to plants under construction and in operation.

Of the plants under construction, I remind you of Marble Hill, South Texas, and Zimmer. On the operating side, I recently visited a plant which I can only describe as having been saved from itself by NRC's firm action in imposing a strict remedial regime on the operation. To my surprise, that is the way the plant management saw it, too. I got the impression they were damned glad the NRC forced corporate management to devote the resources, and make the changes necessary to snap the plant out of a dangerous situation. Our regional offices have had to do this over and over again, to educate one slow utility after another to the demands of nuclear technology.

You are all in this together

So I ask you, can you really be confident that all of these electric utilities are going to build their plants and manage their operation carefully without NRC supervision? Are you really ready to put your commercial future in the hands, not of the average performer, but in the hands of the worst performer? And who but the NRC is there to maintain a minimum standard? Do you really think the industry can regulate itself? I don't. Irritating as it may be, NRC performs a badly needed service, not just for the public but for the industry as well. We help keep your plants safe and thus help protect the enormous investment they represent.

Whether we are doing enough is another question. I think we have not been nearly tough enough. I must tell you that, if I had had my way in the past, enforcement would have been swifter, and more severe. I think, by the way, that we are going to get tougher and you'll be making a big mistake if you

EXTENSIONS OF REMARKS

fight this. Do you really want us to ease off on the weakest of our fellow utilities? If that happens, the whole industry will end up sharing their mistakes.

Now, I don't want to leave you with the impression that I think the NRC is above criticism. If we're doing something that's technically wrong, you should let us have it. We need that criticism to keep us on our toes. It may be, for example, that out of an excess of caution, we have overestimated how much radioactive iodine may escape from a failed reactor. We will sort this question out without your help and criticism over the next couple years. The same holds for our procedures. If you think our procedures are wrong, by all means say so. We might even agree with you. What I am protesting is the incessant, indiscriminate broadside attack on the safety regulators.

An invitation

I wonder whether we could not put an end to this way of dealing with each other. So far as I can see, it's just not in the cards for the nuclear enterprise to grow much beyond the number of current firm projects. There is no point in trying to balloon that number or to argue about where all those earlier rosy forecasts went. It's mostly the work of Adam Smith. Let's try to make sure that the reactors we are building and operating are built and work right. NRC is an essential element. It can only do its job if the industry and the Administration work with it, not against it.

[Advertisement in the Washington Post]
President Reagan Says:

"ONE OF THE BEST POTENTIAL SOURCES OF NEW ELECTRICAL ENERGY SUPPLIES IN THE COMING DECADES IS NUCLEAR POWER."

"Nuclear power has become entangled in a morass of regulations that do not enhance safety but that do cause extensive licensing delays and economic uncertainty."

—From a Statement by the President,
October 8, 1981.

Thirty-three new generating plants can be ready to operate during the next two

December 11, 1981

years—thus making nuclear energy the second largest supplier of America's electricity.

The President recognizes that the two biggest obstacles to greater use of nuclear power are unnecessary regulatory delays and this country's failure to define a national nuclear waste management program. These obstacles have driven up the cost of electricity to the consumer and eroded public confidence in nuclear energy—at a time when we need all the domestic energy we can produce.

Inefficient regulation of nuclear power has drastically lengthened the amount of time required to construct a nuclear power plant and bring it on line. These unnecessary delays have resulted in higher electric bills for the American consumer—adding to the already high cost of living.

Reforming the licensing process, without compromising safety, will relieve utilities and their ratepayers of these costs and once again restore the role that a safe commercial nuclear power program can play in helping meet America's future energy needs.

The public demands—and is entitled to—prompt demonstration of the Federal Government's commitment to the safe storage and disposal of nuclear waste. We support the President's initiative to encourage Congress to expedite pending waste management legislation.

We also support the President's views that the Clinch River Breeder Reactor is a necessary step toward insuring America's energy security into the next century.

We accept the President's invitation to work with the Administration to identify and eliminate obstacles standing in the way of increased use of nuclear energy. For our part, we are prepared to assure that all safety requirements are met in the most expeditious manner.

Electricity from nuclear power—energy made in America—can help spark our country's economic recovery.

AMERICA'S ELECTRIC ENERGY COMPANIES,
Washington, D.C.●