

## EXTENSIONS OF REMARKS

## A SHORTER WORKWEEK IN THE 1980's

HON. JOHN CONYERS JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. CONYERS. Mr. Speaker, in the years I have been in Congress a great many proposals have surfaced for solving unemployment. Some merely have been cosmetic, while others have attempted to come to grips with the real, underlying causes and its true dimensions. There has always been broad support for the goals of a full employment economy, in which every individual who wanted to work could find work. Unfortunately, the strong rhetorical support in Congress for full employment never has been matched by a congressional commitment to the programs that actually could accomplish it.

Our failure as a society to create full employment is a major public calamity. The longer individuals are kept idle, the greater is the likelihood of conflict, turmoil, and violence. Without full employment, there is no hope for revitalizing the economy or rebuilding our communities. The price unemployment persons—and society as a whole—are paying for unemployment is intolerable.

We have on the books a basic law—the Full Employment and Balanced Growth Act—which commits the Federal Government to policies which will reduce the national jobless rate to 4 percent by 1983. Its implementation will require new ideas and bold policies. The realization of full employment also will require long-term national economic planning, so that all our resources, human and material, are decently, productively, and fully utilized. Among the innovative ideas that we should be exploring—an idea that is new for this era, but that was prominent for decades during the history of the labor movement—is the concept of a shorter workweek. One of the principal means, historically, for curbing unemployment and creating new jobs was a shorter workweek. The passage of the Fair Labor Standards Act of 1938, for instance, contributed a great deal to curbing joblessness during the Depression.

A shorter workweek in the 1980's would revive hope for a better economic life for all citizens. It also would be the appropriate response to the vast changes that already have taken place in the workplace—the growing participation of women; the increasing number of multiple-earner house-

holds; the strong need for more flexible working hours; and the need to make room for young people to enter the job market.

William McGaughey, Jr. recently published a book on the role of a shorter workweek in helping solve the problems of the economy. Entitled "A Shorter Workweek in the 1980's," (Thistlerose Publications, 1981) it meets head-on all the relevant issues and provides a much-needed rethinking of economic policy. I wish to share with my colleagues excerpts from Mr. McGaughey's new book, which follow:

## SHORTER HOURS AND THE COMMITMENT TO FULL EMPLOYMENT

During the Great Depression, the American people experienced mass unemployment, running as high as 25%, for a period of over ten years. This was a time of drastic experimentation, as the Federal government assumed and active responsibility for handling the unemployment problem. Policies and programs which were conceived during the Depression are at the foundation of our national economic system. Its experience shaped our thinking about unemployment and other problems. Ultimately, however, it was World War II, rather than any program developed by economists, which brought Depression-era joblessness to an end.

War is an effective manpower policy. A war, conscripting young men into military service, soaks up unemployed people, and gives them a useful and necessary, though destructive, job to perform. At the same time, it can lay the foundation for post-war prosperity in the work of rebuilding devastated factories and cities and by satisfying the unspent purchasing power of wartime workers. The offsetting cost of deficit financing seems much a secondary consideration amid patriotic appeals to "invest in U.S. savings bonds", "win the war", and "bring the boys back home."

World War II was a blockbuster of a war, and quite a cure for unemployment. Figure 1-1 indicated the extent of the manpower shifts between 1939 and 1947. A great build-up took place in military personnel and in defense-related employment between 1939 and 1945. More than 11 million Americans were added to the armed forces, and 7 million to non-military employment during this time. More than 6.8 million of the nation's unemployed thus found jobs between 1939 and 1942, and an additional 1.6 million people between 1942 and 1945. The remaining wartime workers were drawn mainly from the category, "not in the labor force"—mainly women who became employed in war-production industries—and from an expanding adult population.

Between 1945 and 1947, on the other hand, 9.8 million persons left military service. Unemployment, however, rose by only 1.1 million people. Most of the returning veterans found jobs in private nonagricultural industries, as the post-war economy expanded to meet pent-up consumer demand and many married women vacated jobs to become housewives again.

FIGURE 1-1.—CHANGES IN EMPLOYMENT STATUS OF AMERICANS, 1939 TO 1947

(In thousands)

Year	Unemployed	Military service	Not in the labor force	Nonmilitary employment
1939	9,480	370	44,760	45,750
1940	8,120	540	45,380	47,520
1941	5,560	1,620	45,170	50,350
1942	2,660	3,970	43,410	53,759
1943	1,070	9,020	40,280	54,470
1944	670	11,410	39,770	53,960
1945	1,040	11,430	41,410	52,820
1946	2,270	3,450	46,730	55,250
1947	2,142	1,590	47,027	58,026

Unlike World War I, there was no post-war surge in unemployment following World War II. Strong consumer demand was certainly one factor. Another was that the statutory 40-hour workweek was now in effect in manufacturing and other goods-producing industries. Although it is true that the Fair Labor Standards Act of 1938 did not cause hours to be reduced in most industries—because of the Depression, the average manufacturing workweek was already below 40 hours—this legislation did succeed in limiting the rise in hours after the war, so that more people were able to "share the prosperity."

During the Depression, economists had learned to associate unemployment with declines in the business cycle. This affected their attitude towards the shorter workweek as a policy recommendation. Shorter hours are, admittedly, not the best remedy for cyclical unemployment, but, rather, are designed to offset labor displacement, as "labor-saving" technology is applied. Therefore, the post-Depression economists have commonly rejected the shorter-workweek approach to solving unemployment, labeling this a "fallacy". Some have compared its job-creation claims to "carving a (same-sized or smaller) pie into more pieces." Instead, these economists turned to Keynesian economics, having seen in World War II the power of deficit spending.

Prior to the Great Depression, reduced work time was accepted as a legitimate tool for controlling unemployment. The average workweek of U.S. workers declined by approximately 10 hours during the first three decades of the 20th century. Six-day weeks and ten-hour days were prevalent at the turn of the century. Gradually, more workers won the eight-hour day. With the Depression, though, a precipitous decline in hours took place. A bill was introduced by Senator Hugo Black of Alabama during Roosevelt's "first hundred days" to establish a national 30-hour workweek. This bill passed the U.S. Senate by a comfortable margin in April 1933. However, the House Rules Committee buried it because of opposition from the new administration.

Since World War II, economists have recommended various policies with respect to the unemployment problem. The major avenues of approach may be summarized as follows:

- (1) Ignore or minimize the problem.

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

(2) Establish a goal of reaching full employment, and develop better techniques of measuring and reporting unemployment.

(3) Make unemployment financially less painful.

(4) Adopt monetary and fiscal policies which apply counter-cyclical stimulus to expand economic output.

(5) Restrain labor-force participation through prolonged education, liberalized disability, and earlier or more wide-spread retirement.

(6) Combat "structural unemployment" by job-training or retraining programs.

(7) Create jobs in the public sector.

(8) Redistribute the burden of unemployment in politically or socially more acceptable ways.

(9) Reduce the hours of work.

Let us consider what has been done in each area since the end of World War II.

#### REDUCE THE HOURS OF WORK

Historically, the shorter-workweek approach has been taken in industrial societies to keep unemployment in check as productivity rises. During this century, the average workweek of American workers declined quite rapidly for the first four decades. However, since 1940—which is the year that the Fair Labor Standards Act implemented the 40-hour standard in manufacturing industries—the decline has slowed considerably. The average went from 60.2 hours per week in 1900 to 49.7 hours in 1920, to 44.0 hours in 1940, to 41.7 hours in 1950, to 39.1 hours in 1970, and to 38.9 hours in 1979.

As it was mentioned earlier, a 30-hour workweek bill passed the U.S. Senate in April 1933, but it was opposed by the Roosevelt administration, and was killed in the House. Instead, President Franklin D. Roosevelt sought shorter hours as part of a comprehensive program of economic recovery under the National Industrial Recovery Act, passed several months later. The National Recovery Administration (NRA), its administrative arm, drew up industrial codes, which regulated wages and hours in the different industries. Under NRA codes, many workers received a reduction in their workweek to 44 or 40 hours, or even less. However, the U.S. Supreme Court declared the entire program unconstitutional in May 1935.

After an abortive attempt to upset this decision by "packing" the Supreme Court with additional justices, President Roosevelt instructed his Secretary of Labor, Frances Perkins, to prepare drafts for proposed legislation which would meet the test of constitutionality. In 1936, the Walsh-Healy Act was passed, which provided that contractors furnishing \$10,000 or more in materials, supplies, articles, and equipment to the Federal government would be subject to the 40-hour standard. The Fair Labor Standards Act, passed in 1938, extended this practice to a broader segment of industry.

The Fair Labor Standards Act, apparently, has tended to stabilize weekly hours around the 40-hour mark. The "time-and-a-half" premium wages, originally meant to discourage the scheduling of overtime, have failed in that purpose, as the cost of fringe benefits has increased relative to straight-time pay, as well as the cost of hiring and training new employees.

From time to time, the trade unions have resolved to reduce the workweek to below 40 hours, either through collective-bargaining agreements or legislation. This demand has been raised especially by unions in industries where employment has declined because of automated equipment, and in times

of high unemployment. Seldom has the issue been a priority, however. Although the national AFL-CIO has long been on record as favoring a reduced workweek, the last serious attempt it made to achieve this goal was in the early 1960s.

In August 1962, the AFL-CIO Executive Council announced that labor's top priority during the 1963 bargaining sessions, as well as in lobbying Congress, would be to establish a 35-hour workweek with no cut in weekly pay. To discourage employers from scheduling overtime, the unions proposed to raise the penalty rate from "time and one half" to "double time". This was a period of heady predictions about the progress towards leisure. The electricians' union in New York City, IBEW Local #3, had just signed a "breakthrough" contract, establishing a 25-hour week. David McDonald, president of the United Steelworkers of America, was proposing a 32-hour workweek in the steel industry. Walter Reuther of the United Automobile Workers was advocating a flexible workweek, geared to the level of unemployment. "Automation", many said, would necessitate such changes.

Most business leaders disagreed with these ideas. So, evidently, did the Kennedy administration. The Secretary of Labor, Arthur Goldberg, who had previously been general counsel of the United Steelworkers, made it clear that he would not support his former employer, where shorter hours were concerned. Mr. Goldberg declared: "Let me say categorically for the National Administration that the President and the Administration do not feel that reduction of hours will be a cure to our economic problem or to unemployment. . . . It is my considered view that the effect of a general reduction in the workweek at the present time would be to impair adversely our present stable price structure by adding increased costs that industry as a whole cannot bear."

President Kennedy's own views were expressed in a speech delivered to the steelworkers during the 1960 campaign. He said: "In the face of the Communist challenge, a challenge of economic as well as military strength, we must meet today's problem of unemployment with greater production rather than by sharing the work."

The mood at the time was one of abounding self-confidence and optimism regarding technocratic solutions to human problems. The "New Frontier" was deeply committed to a policy of economic expansion. A larger GNP would finance our competition with the Russians in the arms race and in space, and also the various social programs contemplated in government. That, economists argued, was the only real way to achieve prosperity. Education was the key to solving "structural unemployment". Continued growth was essential. Work sharing, designed to meet a general insufficiency of jobs, seemed much too crude and old-fashioned to suit the economic experts.

A report of the Senate Subcommittee on Economic Statistics, issued in 1961, summarized the several arguments which were heard at the time: "In a world in which we have the immense and rapidly growing challenge of Communism to meet, a world in which human needs vastly outreach the maximum production of this nation for generations to come, and in a country in which the need for schools, hospitals, homes, and a myriad of other products is still enormous, it would seem a confession of defeat to reduce the hours of labor, when no case has been made that present hours involve an excessively exhausting burden or are destruc-

tive of useful leisure time. . . . A shorter workweek or longer vacation would either reduce the standard of living of millions of wage earners as their weekly or annual pay dropped, or there would be a sharp increase in labor costs. With increasing productivity, these losses and costs might be temporary, but they would also be real and serious. . . . But to solve the problem, increasing demand by constructive Government and private outlays and by restraining the labor force through effective opportunities to retire and secure adequate education, deserve higher priority."

Striving, then, to meet "the immense and rapidly growing challenge of Communism", the United States Government set about to conduct a limited, "brushfire" war against the Viet Cong guerrillas in South Vietnam. By 1975, when Saigon fell to the Communists, we had spent \$140 billion trying to contain that brushfire. We had lost 46,000 American lives, sustained 300,000 wounded, and loss of inestimable prestige around the world. Meanwhile, the domestic "War on Poverty" was causing many able-bodied Americans to desert to the ranks of the poor. Schools were built in areas which, a decade or two later, faced declining enrollments. Hospital beds were added, only to learn years later from Ralph Nader's research associates that the excess hospital capacity was costing the nation \$8 billion a year.

In 1957, a vice president of Inland Steel gazed far into the future, and reported back: "All the figures we have studied indicate that we will be short 2 million people in 1975, even if the workweek continues as it is. It seems to me that the fear should be whether our technology can keep pace with the demands on it—not whether the workweek will be shorter." There were, in fact, in 1975 an average of 7,830,000 Americans who were unemployed that year, representing 8.5% of the work force.

Lyndon Johnson had tipped his hand on the shorter-workweek issue, when, as a U.S. Senator, he remarked: "Candor and frankness compel me to tell you that, in my opinion, the 40 hour week will not produce missiles." So long as the war was raging in Vietnam and the unemployment rate was below 4%, there could be no thought of changing the workweek. In November 1963, hearings were held before the House Education and Labor Committee to consider legislation to reduce the standard workweek, but nothing came of them. Politically, the country became preoccupied with controversy over the Vietnam war, disturbances in the cities, and the Watergate scandal. The "work ethic" was proclaimed by President Nixon to be the bedrock of our nation's moral and economic strength.

Even so, some progress was made on the workweek front during the 1960s and 1970s. The Fair Labor Standards Act was amended several times. The 1961 amendments brought an additional 3.6 million workers under its jurisdiction, mainly in retail trade and in the service and construction industries. The 1966 amendments, which extended minimum-wage protection to farm workers and others, covered another 10.4 million people. There were also amendments in 1974 and 1977 covering government employees and hotel, motel, and restaurant workers. Yet after 1963, until recently, no serious effort was made to change the 40-hour standard or the penalty rate for overtime. However, a boom in alternative working hours began to build during this period.

Alternative workweeks enjoyed greater support from the business community, which, indeed, had initiated them in many instances. In the early 1970s, the new "4-day workweeks", remaining at 40 hours, appeared to be the coming thing. There were glowing reports of the increased productivity, reduced absenteeism, improved employee morale, and so forth. However, organized labor was opposed to the longer work days. Some problems were noted with scheduling and with fatigue brought on by the 10-hour days.

Later, the concept of "flexible working hours", which gave workers greater freedom to set their own hours, caught on with many business firms. This idea originated at the Messerschmitt plant in Ottobrunn, West Germany, as a means of reducing traffic congestion during the rush hour. Again, many advantages were cited. In 1978, the Federal government passed a law which required federal agencies to develop experimental "compressed workweek" or "flex-time" schedules, which would be evaluated during a 3-year trial period. Another law passed at that time required that a certain percentage of federal jobs be set aside as "permanent part-time jobs", with benefits and staffing allocated on the basis of full-time equivalence.

In the mid 1970s, the more traditional "shorter-workweek" movement again began to stir. The 1974-75 recession, worst since the Great Depression, hit the Detroit automobile plants especially hard. As a result, the United Automobile Workers made reduced working hours its principal demand in the 1976 contract talks with Ford, General Motors, and Chrysler. The UAW raised this issue specifically for the purpose of preserving jobs. A month-long strike at Ford won union members 12 additional days of paid leisure over the contract period. These days, known as Paid Personal Holidays (PPH), were to be spread out evenly during the year, so that employers might hire additional workers without disrupting production. In the 1979 contract negotiations, which were concluded without a strike, the automobile workers gained a total of 26 PPH's over the three-year contract. Workers at all the "Big Three" automobile companies won such an agreement, although the Chrysler workers had to give up their personal holidays in connection with the Chrysler bailout legislation.

Following the 1976 strike at Ford, a group of local union leaders organized the "All Unions Committee to Shorten the Work Week" for the purpose of coordinating the shorter-workweek activities of unions around the country. Frank Runnels, president of UAW Local #22, was elected its leader. The All Unions Committee held a national rally in Dearborn, Michigan, on April 11, 1978, which attracted 700 participants. The UAW's international president, Douglas Fraser, and Congressman John Conyers of Detroit were among the featured speakers. Later in the year, a group was organized in Minnesota, known as "General Committee for a Shorter Workweek", which sought to arouse support for the shorter-workweek cause on a community-wide basis.

Although initially the All Unions Committee stressed collective-bargaining agreements, it also sought to reduce working hours through legislation. Rep. Conyers was persuaded to introduce a bill in Congress which would amend the Fair Labor Standards Act. The Conyers bill, introduced in April 1978 as HR-11784, proposed to amend this law in three respects: (1) to reduce the

standard workweek to 37½ hours in two years, and to 35 hours after four years, (2) to increase the penalty rate for overtime from "time and one half" to "double time", and (3) to prohibit mandatory overtime.

HR-11784 attracted five co-sponsors in the 95th Congress. In the following session, the bill was resubmitted as HR-1784. On April 6, 1979, the All Unions Committee held a "Second National All-Unions Conference and Legislative Lobby" in Washington, D.C., which attracted several hundred delegates from around the country. It was announced then that hearings on the Conyers bill were scheduled in the House Education and Labor Committee during three days in late October. By the time of the hearings, thirteen members of Congress had become co-sponsors.

The hearings opened on October 23, 1979, in the Subcommittee on Labor Standards, chaired by Rep. Edward Beard of Rhode Island. On the first day, the AFL-CIO, UAW, UE, and other labor organizations sent representatives who testified in favor of the bill, as did Congressmen John Conyers and James Oberstar (from northern Minnesota). Mayor Coleman Young of Detroit paid a surprise visit to lend his support. On the second day, spokesmen for the U.S. Chamber of Commerce and several trade associations, representing the restaurant and convenience-store industries, testified against. The third day featured testimony from academic experts, including Professor Wassily Leontief of NYU, winner of the 1973 Nobel Prize in economics, who supported the bill. Many of the others did not.

Rep. John Conyers, chairman of the House Judiciary Committee's subcommittee on crime and prominent member of the Congressional "black caucus", is currently serving his ninth term in Congress, having been re-elected by margins exceeding 90% of the vote in Michigan's First District. He has a particular interest in relating the problems of unemployment and crime. Rep. Conyers was one of the leaders in the struggle to enact the Humphrey-Hawkins bill. He and other supporters of a shorter workweek see the Conyers bill as a means of implementing the goal of Humphrey-Hawkins of reducing the general rate of unemployment to 4% by 1983, while simultaneously controlling inflation.

During the past several years, other concerns, such as those with energy and inflation, have tended to overshadow the unemployment problem. However, that situation is changing. As the nation moves through another period of economic decline, with more people out of work, it is anyone's guess whether the old ineffectual remedies—"pump priming", WPA-type projects, extended unemployment benefits, job-training programs, and the like—will be brought out of mothballs, repackaged, and put on the political market once again; or whether something more "radical", such as the Conyers bill, addressing itself to the fundamental relationships and causes of unemployment, will at last be considered.●

DINA G. BEAUMONT TO BE  
HONORED

HON. GLENN M. ANDERSON  
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. ANDERSON. Mr. Speaker, on Friday, May 29, one of the labor move-

ment's most outstanding representatives, Dina George Beaumont, the executive assistant to the president of the Communications Workers of America, AFL-CIO, will be honored by her many friends and coworkers at a dinner at the AMFAC Hotel in Los Angeles.

For more than 20 years now, Dina has worked in the labor field. She became vice president of the Federation of Women Telephone Workers in 1959; and was elected president 3 years later, a position she was to hold until 1974. In that year she resigned her presidency to accept the responsibilities of four different positions in the labor field: vice president of CWA district II, member of the CWA executive board, vice president of the Los Angeles County Federation of Labor, and chair of the CWA Concerned Women's Advancement Committee. A year later she added the vice presidency of the California State Federation of Labor to her responsibilities, and also became a member of the Trade Union Council for Histadrut. In 1980 she resigned all these positions except the latter to take on her present duties of executive assistant to the president of CWA.

Mr. Speaker, Dina is one of the most active and dedicated persons you could hope to find in any field, but her labor affiliations tell only half the story. She is committed to civil rights issues, and was honored as the 1975 Labor Woman of the Year by the American Civil Liberties Union. She has been active in the United Way, an organization that has also honored her with its United Way of America Joseph Anthony Beirne Community Services Award in 1977. Dina is interested in religious questions, serving on the board of the National Conference of Christians and Jews, and receiving the Distinguished Service Award in 1979 from the Catholic Labor Institute. Finally, she is an active member of the Democratic National Committee, and has been a delegate to several Democratic conventions and conferences. She maintains her membership in the Monterey Park, Calif., Democratic Club.

My wife, Lee, joins me in thanking Dina for her good work over the years, and wish her and her children, Walter and Madeleine, only the best in the years ahead.●

SUPPORT MODERATE HANDGUN  
LAW

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. RODINO. Mr. Speaker, the impersonal, passionless gunning down of our fellow citizens continues at a terrifying pace. Afraid that the Govern-

ment lacks the ability or the will to protect them, the law abiding are buying handguns in record numbers, perhaps with the hope of achieving an armed standoff with the criminals who threaten them. We in the Congress must make an effort to control this menace, so that we might be safer in our streets and our homes. That is what the people expect of us.

There is one step we can take quickly, one that costs little in terms of dollars and nothing in terms of liberties, but one that might save at least some of our citizens from deadly criminal assault.

What we need now is broad support for the moderate handgun law that I and 50 cosponsors have introduced. It is a modest proposal, and I make no extravagant claims as to what it might accomplish, I say only that it is a small step that we can take now without in any way trampling the rights of the millions and millions of honorable gun owners in our society.

Before outlining what my bill would do, let me state quite clearly what it would not do. It would not outlaw handguns, although it would keep those weapons out of the hands of some outlaws. It would not require registration. It would not require licensing. And it would not disarm the millions of sportsmen or those other honest citizens who believe they have a right and a necessity to have a handgun for protection.

Mr. Speaker, my bill would do two things. It would tell handgun owners that, if they commit a crime with a handgun, they will lose their freedom. And it would make it more difficult and expensive for a criminal to get a handgun.

It would accomplish these goals in several ways.

First. It would provide mandatory minimum sentences for anyone using or carrying a gun in the commission of a felony.

Second. It would totally ban Saturday night specials, those cheap, easy-to-hide pistols that are disdained by hunters, sportsmen, and collectors. As we recently were abruptly reminded by the attack on our President, those pistols have only one purpose—to kill a human being. Data from the U.S. International Trade Commission indicate that 10 percent of the approximately 2 million handguns produced annually in the United States are Saturday night specials, assembled from foreign parts to circumvent the import restrictions of the 1968 Gun Control Act. And make no mistake, this weapon is the favorite of felons. A recent study in Florida, where most Saturday night specials are assembled, concluded that only 12 percent of the handguns owned by law-abiding citizens could be classified as Saturday night specials. However, 68 percent of the handguns used in the commission

of felonies were Saturday night specials.

Third. It would require a 21-day waiting period before the purchase of any other type handgun to allow the FBI or local police time to verify the eligibility of the purchaser. This provision can be crucial, as a recent study indicates. A review of 2,000 purchase forms in the files of 12 dealers in one State revealed that 187 purchasers—nearly 10 percent—would have been identified as felons by a simple FBI name check. Those 187 would not have been eligible to buy firearms.

Fourth. In addition, this legislation would ban the sale of handguns by pawnbrokers, would require better record keeping by the handgun industry, would require that the theft or loss of a handgun be reported, and would control multiple purchases of handguns.

Mr. Speaker, opponents of handgun legislation correctly point out that gun ownership is broad and that handguns used in crime are a fraction of that total ownership. My proposal recognizes this. It would simply reduce that fraction further by restricting the flow of handguns into the huge lethal pool that now exists.

Those who argue against a national law say we already have enough gun laws on the books—that the welter of 25,000 State and local statutes could reduce handgun violence if they were properly enforced. I agree that we need aggressive enforcement of those laws and that these laws should not be preempted by national legislation. But we must recognize that, as it is now, anyone with a few dollars can get a handgun, no questions asked, merely by crossing into a jurisdiction which does not control the sale of such deadly weapons. We need a national law to provide a uniform standard of accountability for the ownership, distribution and transportation of handguns.

We hear that the availability of handguns does not increase crime. That may be true, but the fact is that a gun is the most efficient death weapon. Handguns may not increase the incidence of crime, but they surely increase its severity. Studies in Massachusetts, which has a strict handgun law, suggest that, while the level of criminal activity has not declined since passage of the law, the offenses committed are less deadly. A national law that would supplement State and local laws surely could help reduce the number of deaths, even if violent attacks would not decrease.

Mr. Speaker, I fully realize that despite a national law criminals would continue to find some way to get these deadly weapons. But surely that realization is no argument for inaction on our part. Would any one of us suggest that we should have no controls on

drugs because lawless persons find ways to obtain illicit drugs?

This issue is marked by deep, emotional divisions. Finding a solution to such issues, however, is the test of government. A civilized society demands that we embark on thoughtful discussions to find a compromise that could lead to the arrest of violence in our cities.

To me, the question is clear: Do the criminals, the addicts, the deranged have an unchecked right to handguns? Or do we begin those thoughtful deliberations that could lead to moderate, sensible, reasonable legislation to curb the criminal violence that snuffs out thousands of innocent lives each year and causes fearful citizens to arm themselves against those who would prey on them?

I do not believe that sportsmen, hunters, and gun collectors are unyielding foes of handgun legislation. They are good and reasonable citizens. I understand the culture and heritage that make their guns their most prized possessions. I would join in opposing any effort to separate them from their guns.

But can any of us oppose a law that would make it harder for the criminal, the sick, the would-be assassin to get a handgun?●

#### RETIREMENT PROGRAM COULD DOUBLE IN COST

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. CONABLE. Mr. Speaker, the Congressional Budget Office has recently submitted a report describing the financial problems afflicting the civil service retirement system and, of course, the taxpayers. If we do nothing to deal with the sharply rising costs, CBO warns, the cost will more than double in the next 5 years to \$30 billion annually.

Mr. Speaker, when we are cutting countless Government programs in an effort to bring Federal spending under control and reduce our destructive deficits, there can be little justification for ignoring the costly, excessive provisions of the Government retirement programs. The CBO report merited the attention of Mike Causey, who identifies closely with the interests of Federal employees, and prompted him to write about it yesterday in the Washington Post. I submit his article for the information of all.

[From the Washington Post, May 20, 1981]

#### RETIREMENT PROGRAM COULD DOUBLE IN COST

(By Mike Causey)

The Congressional Budget Office says that if changes are not made the price tag

on the federal retirement program will more than double in the next five years to \$2.5 billion a month because of inflation and the addition of 462,500 new retirees by 1986.

CBO has given Congress a series of options to cut retirement costs, now \$14.7 billion a year, either by forcing employees to kick in more for their pension program or reducing both the size and frequency of future cost-of-living adjustments.

If the current system is left intact, the CBO says, the cost of the retirement program for U.S. aides will jump to \$30 billion by 1986, and nearly 70 percent of the increase will result from twice-yearly COL raises retirees now get to keep pace with inflation.

The Senate and House are working on legislation that would limit federal, postal and military retirees to one inflation catch-up each year. Retirees now get COL adjustments each March and September.

CBO says the civil service retirement fund is in good financial shape. Its \$73.6 billion in reserves is five times the annual payout. But it says the fund will continue to shrink over the years unless contributions (employees and the government each pay 7 percent of salary into the fund) are raised, or COL raises are held to one a year. One of the options identified includes limiting future COL raises to 70 percent of the inflation rate as measured by the Consumer Price Index.

CBO data given to Congress indicate that the federal retirement program is generally much more generous than pension systems for private workers under Social Security because federal employees can retire earlier and get two guaranteed COL raises each year. CBO says the true cost of the federal retirement program amounts to nearly 30 percent of payroll.

If Congress wants to change the federal retirement program, CBO lists the following options:

(1) Increase the amount of money that agencies contribute to the retirement fund. They now match employee contributions. CBO says the government contribution, to be borne by the agencies (and taxpayers) in this option, should be 29.5 percent of payroll, up from the current 7 percent.

(2) Increase contributions by employees and by agencies. Employees who now pay 7 percent into the fund would be required to pay 9 percent of their total salary for retirement benefits. Agency contributions would be raised to 27.5 percent.

(3) Keep the current contribution rate but limit retirees to one COL raise a year, with that increase being held to 70 percent of the rise in living costs as measured by the Consumer Price Index. This CBO option would penalize employees who retire before age 65, with a 10 percent annuity reduction for those retiring at age 60 and 20 percent for persons retiring at age 55. CBO says this should be phased in gradually over a 20-year period.

The Reagan administration, so far, has resisted plans to give retirees COL raises that are below the actual rate of inflation. But it is backing Senate and House legislation that would limit retirees to a single COL adjustment each year. ●

## HOUSTON NAVIGATION PROJECTS

### HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. FIELDS. Mr. Speaker, as the congressional Representative for the area surrounding the Houston ship channel, I am pleased to introduce today three pieces of legislation to improve navigation along this vital waterway.

However, before discussing the specifics of these bills, I would like to share briefly with my colleagues the ship channel's importance to Houston's economy.

According to recent tonnage figures, the Houston ship channel is our Nation's third largest port, with its facilities receiving more foreign cargo and imported crude oil than any other domestic waterway.

It has been estimated that \$1 of every \$3 in the Houston economy can be attributed to the ship channel. Directly or indirectly, the channel provides employment to thousands of citizens in the Houston metropolitan area.

Nevertheless, in recent years, there has been a significant change in the type of vessels which are utilizing our port facilities. In an effort to reduce rising energy costs, companies now are shipping their products in so-called supertankers, many of which are larger than three football fields.

As a result of this movement to larger and larger vessels, several industries along the channel have found it necessary to spend large sums of money to deepen their port facilities in order to accommodate these supertankers.

The first of my three bills would require the Army Corps of Engineers to maintain a 40-foot depth at the Barbours Cut Terminal at Morgan's Point.

Private funds have already been expended to dredge this tributary of the ship channel from 16 to 40 feet. I believe that the corps should now assume responsibility for maintaining a 40-foot depth.

This responsibility is consistent with Congress mandate to the Army Corps of Engineers. I am convinced that such maintenance costs to the city of Houston and the Federal Government will be offset by the creation of new jobs and other types of positive economic activity.

It is interesting to note that the greatest amount of cargo growth along the channel last year occurred at the port's Barbours Cut multi-purpose intermodal terminal. Tonnage at the new facility increased by 35 percent from 1,701,586 tons during 1979 to 2,294,727 tons in 1980. The number of

ship-carried barges handled at the terminal increased from 1,294 to 1,563.

The second bill I am introducing is similar to the first in that it requires the Army Corps of Engineers to maintain a 40-foot depth at Greens Bayou, which is also a tributary of the Houston ship channel.

This bill, which is identical to provisions incorporated within the Water Resource Development Acts of 1977 and 1979, as passed by the House of Representatives, amends section 301 of the River and Harbor Act of 1965 to authorize that the corps maintain the depth of this section of Greens Bayou at 40 feet rather than the present 36 feet.

As my colleagues on the Water Resources Subcommittee may well recall, when the Houston ship channel depth was increased to 40 feet in 1958, the Port of Houston Authority deepened, at its own expense, this portion of Greens Bayou.

Unfortunately, however, because the 1965 act authorizes the corps to maintain the depth at only 36 feet, the port authority has borne the cost of keeping this section free of silt and debris to 40 feet.

Once again, I believe that this is contrary to Congress mandate to the Corps of Engineers, and I believe that we must eliminate the present technical limitation of 36 feet. By doing so, there will be no appreciable additional cost to the corps to maintain it at 40 feet since once the initial dredging has been completed, a similar amount of silt and debris must be removed to maintain the channel's depth.

The third and final bill I am introducing today will allow the Port of Houston Authority to receive Federal reimbursement for the raising of a railroad bridge which the Coast Guard ruled an obstruction to navigation over Greens Bayou.

While the actual modifications were completed in November 1980, I believe the Federal Government should provide partial reimbursement for these repairs which became necessary, through no fault of its own, because of severe land subsidence in this areas.

Regrettably, however, like so many other worthwhile projects, funding for this project was included in the last two water resource development authorizations, both of which failed to become law.

While the Port of Houston Authority has spent in excess of \$1 million to make the necessary modifications, I am hopeful this Congress will provide to it a portion of the costs in the form of a reimbursement.

Let me also say in closing, Mr. Speaker, that I would like to urge my colleagues to join with me in requesting early action on a Water Resources Development Act which will continue

the process of developing a comprehensive water policy for this Nation. Thank you, Mr. Speaker. ●

**NSF HELPS UNITED STATES STAY TECHNOLOGICALLY AND SCIENTIFICALLY AHEAD**

**HON. DOUG WALGREN**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. WALGREN. Mr. Speaker, the administration's proposed deep cuts in selected National Science Foundation programs has been a matter of great concern to my Subcommittee on Science, Research, and Technology. Keeping in mind the need for budget restraints, the subcommittee sought to keep some scientific research and education programs from obliteration. The subcommittee heard strong testimony on the effects the drastic reductions would have on scientific enterprise as a whole, and after careful deliberation restored partial funding in some of the most crucial areas. This was sustained in the full committee.

Since we will be debating the Foundation's fiscal year 1982 authorization shortly, I would like to call the attention of my colleagues to a statement by the American Chemical Society in support of the committee's action. The ACS urges the Congress to take similar action to keep the United States in its position of world leadership in scientific and technological creativity.

The statement follows:

**STATEMENT OF THE AMERICAN CHEMICAL SOCIETY**

The American Chemical Society generally supports an equitable reduction in governmental spending. Nevertheless, we are concerned about the impact of proposed cuts in the National Science Foundation's budget for fiscal year 1982. Such a plan, if carried out, would deal a severe setback to U.S. science and technology, and to the country's industrial, commercial and military strengths.

The ACS, therefore, applauds and supports the restoration of the funding of several scientific research and education programs of the Foundation by the House Subcommittee on Science, Research and Technology in its authorization bill. This action is wholly consistent with the foundation's mandate "to initiate and support basic scientific research, and programs to strengthen scientific research potential and science education programs . . ."

We urge the Congress to take similar action to maintain the U.S. science enterprise which has made us the world leader in scientific and technological creativity and invention.

The national interest requires that high priorities be given to scientific research, both pure and applied, and to education. It is unthinkable that our nation should eliminate or diminish its scientific and technological resources, especially its human potential, in an age when the atom is split, the gene decoded, the laser developed, and the

computer is a household tool. These, and many other scientific and technical achievements, have helped produce and sustain a standard of living unmatched in history. An explicit national commitment to strong support of the discovery and development of new knowledge and new technology is required in order to maintain this position.

Scientific education is the foundation of the entire scientific enterprise, and also must have the support commensurate with this commitment. This nation could not have attained its present position in science and technology without the strong support by the National Science Foundation of science education programs. Not only do we need scientifically and technically qualified professional men and women, we also must have scientifically and technically literate lay men and women.

Each day, every citizen is faced with energy, environmental, computational, and other scientifically-related problems of increasing complexity. The majority of the nation's regulatory and policy decisions that set directions for scientific inquiry and technological developments are made by people who frequently have no direct involvement in science and technology. It is, however, essential that they, and those who elect and support them, make these important and vital decisions on the basis of knowledge and understanding. These people need to know and understand science sufficiently, and have problem-solving skills, so they can function intelligently as involved citizens in a world being continually changed by science and technology.

The Federal role in scientific research and education, exemplified by the National Science Foundation, has been constructive and productive. The Federal role has been appropriately supportive without being prescriptive.

Considering the critical importance to the nation's welfare of fully developing both material and human resources in science and engineering, the nation needs the widest possible range of advice in their development. We recommend that the Foundation and the National Science Board call upon the Congressionally-chartered scientific societies such as the American Chemical Society, and other scientific, engineering, and professional societies, for information and advice when priorities and directions for scientific research and education programs are determined. ●

**H.R. 900 CANNOT WITHSTAND CONSTITUTIONAL SCRUTINY**

**HON. DON EDWARDS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. EDWARDS of California. Mr. Speaker, to the list of eminent legal scholars who have provided me with their opinion that the "Human Life" bill is unconstitutional, can be added Prof. Telford Taylor and Louis Henkin, of the Columbia University

School of Law. Their views are provided below:

COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK, SCHOOL OF LAW, New York, N. Y., May 7, 1981.

DON EDWARDS, Chairman, Subcommittee on Civil and Constitutional Rights, Committee on the Judiciary, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN EDWARDS: This will acknowledge your letter of April 24, 1981, requesting my opinion on the constitutionality of bills such as S. 158 and H.R. 900, which undertake to define "person" as used in the Fourteenth Amendment to the Constitution as including the human fetus from the moment of conception. It is understood that the purpose of these bills is to override the Supreme Court's rulings in *Roe v. Wade*, 410 U.S. 113 (1973) and subsequent decisions based on the principles of that case. Since those decisions are based on the Constitution itself, it appears that the purpose of these bills is to bring about a change in the scope and effect of the relevant Constitutional provisions by statutory means, rather than by amendment of the Constitution in accordance with the procedures prescribed in Article V.

The bills in question rely explicitly on the power of Congress under Section 5 of the Fourteenth Amendment as the constitutional basis of their provisions. The scope of this power, during the last fifteen years, has been the subject of at least four significant Supreme Court decisions. *South Carolina v. Katzenbach*, 383 U.S. 301 (1966); *Katzenbach v. Morgan*, 384 U.S. 641 (1966); *Oregon v. Mitchell*, 400 U.S. 112 (1970); *Rome v. United States*, 446 U.S. 156 (1980); see also *Fullilove v. Klutznick*, 448 U.S. (1980). In all these cases except the first, the Court was divided in opinion on the governing principles, and professional comment on the problem has reflected its controversial nature.

Despite this division of opinion, I believe it to be clear that the bills in question are unconstitutional. The majority opinion in the *Morgan* case goes further than any other in giving scope to Congressional power under Section 5 of the Fourteenth Amendment, but in that opinion it was categorically stated that Section 5 gives Congress no power "to restrict, abrogate, or dilute" constitutional guarantees. *Katzenbach v. Morgan*, 384 U.S. at 651 n.10. There can be no doubt that the purpose and purport of the bills in question is to "restrict, abrogate, or dilute" the constitutional rights of pregnant women as established in *Roe v. Wade*.

As for the members of the Court who do not share the expansive views of Congressional power under Section 5 articulated by the majority in the *Morgan* case, it is my belief that, regardless of their agreement or disagreement with *Roe v. Wade*, they would conclude that the constitutional principles it established cannot be nullified by statutory action.

For the foregoing reasons, stated above in summary form, it is my opinion that the bills you have called to my attention are unconstitutional.

Sincerely yours,

TELFORD TAYLOR,  
Nash Professor of Law, Emeritus.

COLUMBIA UNIVERSITY IN THE  
CITY OF NEW YORK, SCHOOL OF LAW,  
New York, N. Y., April 3, 1981.

Rep. DON EDWARDS,  
Committee on the Judiciary, House of Rep-  
resentatives, Washington, D. C.

DEAR REPRESENTATIVE EDWARDS: I have your invitation to comment on the constitutionality of H.R. 900, the "Human Life Statute." In my view, the proposed declaration would not be effective to achieve its apparent design: if adopted, a state abortion statute would face essentially the same constitutional obstacles as if Congress had not spoken.

In *Roe v. Wade* the Supreme Court held that a state cannot interfere with a woman's right to have an abortion except at certain limited times and in certain limited circumstances. That determination by the court in effect held that the woman's liberty outweighed any rights the foetus may have, or any interest the state may have in protecting the fetus. Congress, authorized to carry out the provisions of the Fourteenth Amendment, cannot deprive the woman of rights which she has under the Amendment by setting up new countervailing rights under it in the guise of interpreting the Amendment.

I add that if Congress could impose this definition of "person" on the states, the consequences might be far-reaching and baneful in other respects. For example, it might result in states having to treat every accidental miscarriage as a form of homicide as well as a tort. It might give the foetus a "right to be born" with claims against parents, doctors, the state, strangers, who might interfere with it. It might vest property interests in every foetus, which the parents, others and the state itself could not modify.

Congress should not enact H.R. 900.

Sincerely,

LOUIS HENKIN.●

#### VIETNAM VETERANS: AN UNFINISHED AGENDA

#### HON. WILLIAM R. RATCHFORD

OF CONNECTICUT  
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. RATCHFORD. Mr. Speaker, on the eve of Memorial Day, it is important that the Nation pause to mourn our countrymen who sacrificed their lives in defense of our great and free Nation, to express our gratitude to the thousands of living veterans who have served their Nation with distinction, but also to consider to what extent we have met our commitment to provide for the special needs of some 2.7 million men and women that served in a distant conflict that few understood and a Nation was so willing to forget.

Only recently have we come to recognize the breadth of their unique experience—from the frightening stories of torture and grueling battle during service, to a homecoming characterized by rancor and slight, and to a civilian life for many that is filled with

self-doubt, stress, and physical suffering. Once the Nation was willing to trade insults with gratitude, the Congress moved with unusual speed to provide for the construction of what will be a truly beautiful and lasting memorial to pay tribute to those that served and who gave their lives in Southeast Asia.

Once the Nation was able to understand the special problems that Vietnam veterans experience in readjusting to civilian life, Congress, in 1979, established the very successful Operation Outreach program to provide critical counseling and related mental health services. Once the Nation learned of a killer chemical herbicide used throughout the Vietnam countryside during the sixties, and its frightening effects for many exposed to it, the Congress ordered a thorough study of agent orange and the hundreds of cases of cancer, birth defects, miscarriages, skin eruptions, ulcers, nerve damage, and depression that have been linked to it.

As we observe Memorial Day of 1981, Mr. Speaker, I hope that we will redouble our efforts to complete consideration of an unfinished agenda for our veterans of the Vietnam conflict. To offer reassurance to our Vietnam vets that indeed their sacrifice and their suffering holds a special place in our hearts, we must give swift approval to reauthorization legislation pending that would extend the Operation Outreach program for an additional 3 years and that would provide medical care for those exposed to agent orange. To do less in the name of budget austerity would be a tremendous disservice to these honorable Americans who have endured so much pain and anguish since their unheralded return home.●

#### FREE ENTERPRISE—THE FREEDOM TO CHOOSE

#### HON. JOHN B. BREAU

OF LOUISIANA  
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. BREAU. Mr. Speaker, I include the winning essay from Louisiana's statewide high school free enterprise essay competition:

FREE ENTERPRISE—THE FREEDOM TO CHOOSE  
(By Lisa Gaye Weber, Carencro High  
School, Lafayette, La.)

In the Soviet Union, unless one is found at an early age by the "state" to be of exceptional intelligence or capabilities and placed in special "state" schools, chances are one will ultimately be condemned to be what one's father or mother was (farmer, housewife, etc.). Even those who are given "opportunities" by the "state" do not have the freedom to choose what they will do in life as a livelihood. That is determined by the "state."

Olga Korbut, the international darling of the gymnastic world, appears to be, at first glance, a successful "enterprise" in her own right. Not so. She did not have the freedom of choice. The state perceived her gymnastic talent when she was but a young girl. Therefore, the "state" decided for her what her "enterprise" in life would be.

With that as a background and point of comparison, consider the story of John Adams. (The name of the real-life party is to remain anonymous for the purposes of this essay.) He is a local man who grew up with my dad under our system of free enterprise and who, because of the American freedom of choice, "did well for himself" in a business of his own.

John was born of poor parents some thirty-two years ago. His dad earned a meager living by driving a truck for a local shipping firm. His mother's mission was that of a housewife, trying to make ends meet while raising a son. John decided upon completing high school that college was not for him. (And that was easy to understand when one considers the limited financial means of his family and the absence of a "go-to-college-son" push in his home as compared to what might have otherwise been the case in the home of a college-trained doctor or lawyer.)

After making his decision, John took a job with a local machine shop. The booming oil industry in Lafayette and its needs made it rather easy for any young high school graduate to find a job just out of school—whether as a roughneck or a pipeline laborer, etc.

A short few years later, after seeing the demand for machinist work in Lafayette and particularly in the area of the Oil Patch, the dream of "free enterprise" and the feeling of "the freedom to choose" came to John.

Acknowledging the risk involved in the venture but moved by the vision of profit and self-employment, John "made the break" and, in partnership with two of his fellow machinists, borrowed money for the construction of a new machinist shop and the purchase of new equipment and all other essentials to begin that new enterprise.

There was a little bit of the man who said way back when "there can be no freedom without responsibility" in that John knew full well of the responsibilities that came with the risk he was taking.

If the new shop did not work out, how would he meet his house payment, car payment, food bills? Could he then find another job? What volume of business would it take to pay back that large amount of money he and his partners borrowed? All of this concerned John.

On the other hand, if the new venture "worked out," maybe he could build that nice new home he dreamed of. If things worked out, he would be his own boss and could take time to do the things he wanted to do—when he wanted to do them. Maybe he could provide jobs for other people.

The bottom line: John chose to take the risk and personally became an active (with potential of loss) participant in the free enterprise system.

That was some fourteen or so years ago. The formerly low-paid John who returned home each afternoon in dirty uniforms and went to bed each night under sufferance of the dream of owning his own business today has one of the largest, if not largest, machine shops in Lafayette with computerized equipment and more people working for him than he ever dreamed of. The trips to

Europe and new market places, the direct dealings with the OPEC nations, the nice home with the swimming pool and tennis courts, the many jobs which he has personally caused to be created, and the impact of his business on the economic cycle of his community are all testimony to the viability of the free enterprise system, revealing what can be achieved in a system where one has the "freedom to choose" whatever he or even she wishes to do.

Olga Korbut, the internationally acclaimed gymnast, was never more excited then when she was allowed the freedom to buy Levi jeans in one of her trips to America. And you know what? My dad's friend, John, and many other Americans who dared to exercise the freedom to choose through the free enterprise system collectively made that delightful moment possible for Olga!

VETERANS OF FOREIGN WARS  
VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM 1980-81  
STATE OF MAINE WINNER—  
GILBERT JAMES GASTON, JR.

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. EMERY. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a "voice of democracy" contest. This year more than 250,000 secondary school students participated in the contest competition for the five national scholarships which are awarded as top prizes.

The topic for the contest in 1980-81 was "My Commitment to my Country." The winner of the State of Maine contest was Mr. Gilbert J. Gaston, Jr., a senior at Yarmouth Junior-Senior High School, Yarmouth, Maine. Because of the importance of youth in America to realize that they have a commitment to their Nation, I take great pride in placing his speech in the CONGRESSIONAL RECORD:

MY COMMITMENT TO MY COUNTRY

(By Gilbert James Gaston, Jr.)

Many people talk of joining one of the armed services, but when a conflict turns to war, they're nowhere to be found. Many people say that Americans should take more pride in their country, yet most of these same people cannot even sing half of our national anthem. In times when elections are held, many people complain about the faults in our governmental system which need correction, but yet these people don't exercise their right to vote.

A country can only be as strong as its people make it. If the inhabitants of a country don't take any pride in their heritage and are unconcerned about the well-being and survival of their government, the country will most assuredly disperse into insignificant, unorganized factions. But if a country's people are united and they are willing to make sacrifices to ensure their country's future and prosperity, the country, and as a result, its people, will flourish. A country needs the support of a united people to make certain that its ideals will continue to grow and prosper. But a govern-

ment also needs an individual commitment from each of its inhabitants to remain strong and stable. No two people are willing to make the same commitment, and the sacrifice a person is willing to make, is a decision which must be deliberated with great thought and concentration. It must not be a whimsical idea or fancy, but a goal which is in the best interest of the country and its people. For some people, it is a decision that takes years to make. For others, such as myself, the decision is obvious. My commitment to my country is this:

I will give what is needed. I will do what needs to be done. I will serve in public office if that is the way in which I am best able to serve my country. And, if the need should arise, I will give my life in battle to ensure the safety and survival of this great land.

To merely state one's objectives is of little significance. The idea must be brought to life through action. Wherever I travel, I try to convey my enthusiasm to the people around me. If people speak harshly about this country, I remind them of the bounty which we have reaped for over two centuries. If they say people have lost their pride, I give myself as an example of renewed trust. So many people speak of what they wish they had when they already have so much. To these people I say this, "It is not important to have what you want, but to want what you already have". I am proud to be an American, and as long as I live, I will continue to spread my faith in our way of life.

For mine is an endless commitment to service, but the sacrifices made by others, no matter how small they may seem, are equally important. For a commitment to service is a statement of faith. A country cannot survive or prosper if its people do not believe in the fundamental values for which their government stands.

I challenge each of you here today. If you have not yet decided on some goal to complete which will benefit this country, do it now. It does not have to be some monumental accomplishment, for the successful completion of any task is a tribute to the spirit of perseverance which has made this country great.

EXPORT TRADING COMPANY  
ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LaFALCE. Mr. Speaker, one of the most pressing challenges confronting the Congress is the need to boost U.S. exports in order to eliminate our staggering balance of trade deficits. Increased exports means a sounder dollar, less inflation, and the creation of new employment opportunities in this country.

One of the most important and effective ways of boosting exports is through the creation of U.S. export trading companies which could provide a wide variety of export services to small- and medium-sized companies which do not export at the present time. Export trading companies could market financial, commercial, and informational services to the 20,000

small- and medium-size companies which have the potential to export, although these companies do not do so at the present time.

In order to achieve this goal, I have introduced H.R. 1648, the Export Trading Company Act of 1981 which has received the enthusiastic endorsement of the Reagan administration and the broad bipartisan cosponsorship by more than 80 of my colleagues. The companion bill in the Senate passed by a remarkable 93-0 margin.

Although Commerce Department studies have clearly indicated the imperative need for this bill, I recently received confirmation of those findings in a letter from the Committee of Publicly Owned Companies which is an organization of primarily medium-sized companies that are not presently engaged in the export business. Mr. C. V. Wood, Jr., chairman of the committee, strongly endorsed H.R. 1648 and explained why it would help boost exports from medium-sized businesses. Since Mr. Wood represents those who would benefit most from the bill, I hope that all of my colleagues will carefully read his letter and support this important export bill. In light of the fact that this is World Trade Week, this bill's prompt passage would be particularly timely and appropriate.

The letter follows:

THE COMMITTEE OF PUBLICLY  
OWNED COMPANIES,

New York, N.Y., May 12, 1981.

Hon. JOHN J. LaFALCE,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN LaFALCE: The Committee of Publicly Owned Companies (COPOC) on behalf of its 700 chief executive officer members across the country, heartily applauds your efforts to secure the establishment of American export trading companies.

COPOC, founded in 1973, is a nationwide association of chief executive officers united behind a legislative and regulatory program to stimulate capital formation, create jobs, trim overregulation and promote exports. COPOC members are listed on the New York Stock Exchange, the American Stock Exchange or traded on NASDAQ.

In our view, were the LaFalce bill (H.R. 1648) the law of the land, a substantial portion of our nation's \$32 billion trade deficit last year would have evaporated.

Only a small number of our members are among the 100 elite American companies which accounted for almost 50% of U.S. exports last year. Almost all of our members are, however, among the 20,000 American companies which the Commerce Department estimates could export profitably but presently do not.

Why don't more companies export? For one thing, the government imposes anti-trust, financing and other restrictions which impede the outflow of American goods and services. Also, unlike our leading trading competitors such as Japan and West Germany, there is no coherent policy in place to reduce the risks and overcome the complexities involved in exporting.



Until recently, American export policy adhered to the quaint view that our huge domestic market was a vast, limitless, private preserve to be serviced by American industry, labor and enterprise. Foreign markets for our goods and services were a marginal factor and foreign efforts to penetrate our market were not to be taken seriously. After all, not too many years ago the imprint "Made in Japan" on a product met with considerable resistance from the quality-conscious American consumer.

In today's global marketplace, of course, all that has dramatically changed. As you correctly concluded: "The United States has marked time while out trading competitors have marched forward into the rapidly growing markets of the world." Yet in many fields, such as agriculture, financial services, biogenetics, energy exploration and semiconductors, America is still the technological leader of the world.

This country must swiftly develop a foreign trade policy to maximize the potential advantages of a bountiful nation, an enterprising work force and a skilled and innovative private sector. The centerpiece of such a policy is the immediate formation of export trading companies to enable small and midrange as well as large American corporations to have access, under one roof, to the necessary financial, technical, legal, marketing, informational and research services to seize overseas trading opportunities. This would provide American goods and services ready access to foreign markets and build long term relationships between American producers and foreign consumers.

Passage of H.R. 1648, in our view, would reduce the balance-of-payments deficit, strengthen the dollar and vastly increase employment opportunities at home. Just one billion dollars of additional exports would create 40,000 new jobs.

Secretary of Commerce Malcolm Baldrige recently stated that the Reagan Administration "acknowledges the responsibility of the government to create a legal and economic atmosphere conducive to exporting . . . The proposed Export Trading Companies Act is especially important for small- and medium-sized firms, to which we should increasingly look for increased export activity." With this bipartisan approach, we are confident that the sleeping American economic giant will take its place as the preeminent player in the world market of the future.

Sincerely,

C.V. Wood, Jr., *Chairman.* ●

#### LONG BEACH JUNIOR CHAMBER OF COMMERCE CELEBRATES 50TH ANNIVERSARY

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. ANDERSON. Mr. Speaker, from May 20 until May 30, 1981, the Long Beach Junior Chamber of Commerce will celebrate its 50th anniversary as an organization of service to our community.

The Jaycees organization was founded in 1931; a multifaceted organization, its membership comprised of young men between 21 and 35 who are committed to its political, civic, and charitable goals.

The list of notable accomplishments that this organization has contributed to Long Beach includes some of the city's most famous projects. The Jaycees have been the driving force behind the Long Beach Marine Stadium, the Long Beach Airport, and the Downtown Marine Development.

The junior chamber of commerce has also done wonders for the charitable organizations of Long Beach. In its 50-year history, the junior chamber has raised and donated over \$1 million.

Mr. Speaker, the Long Beach Junior Chamber of Commerce is a service club that has bettered community life on all fronts. Its members have gone on to become some of the more notable public and private figures in southern California. The Jaycees have truly made a reality of the motto: "Service to humanity is the best work of life." My wife, Lee, joins me in saluting this fine service organization for its first 50 years in Long Beach, and we have every confidence that the Jaycees will continue to hold its place in the forefront of our community. ●

#### REAGAN-STOCKMAN-GILDER ECONOMICS KEEP WOMEN IN THEIR PLACE

**HON. GERALDINE A. FERRARO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Ms. FERRARO. Mr. Speaker, one of the many causes for concern that I have with the Reagan budget is its treatment of programs of importance to the women of America. Programs that are of special benefit to women—such as assistance to day care centers and the WIC program—have been subjected to the budget-cutter's meat ax, and I think the cuts are critically damaging to the struggle to improve the condition of women in our country.

Besides the damage that will be done by the cuts themselves, however, what concerns me is the underlying rationale. One writer has said that there is more philosophy than economics in the Reagan budget. I am inclined to agree, and I think the philosophy with regard to women's issues is right out of the 19th century.

In a recent column in the Washington Post, Ellen Goodman recalled an interview she conducted several years ago with George Gilder, the author of "Wealth and Poverty" and a man greatly admired for his economic views by the Reagan administration. Ms. Goodman notes that in the interview, and in the book, Gilder argues the importance of women remaining in a completely dependent state for the advancement of society.

I think that any thinking American who is concerned about the well-being

of women will find the column frightening. I recommend it to my colleagues.

GEORGE GILDER HASN'T CHANGED A BIT

(By Ellen Goodman)

BOSTON.—I met George Gilder before he had become the author most in demand by the supply-siders, before "Wealth and Poverty" had hit the best-seller lists.

In those days, David Stockman was an ex-divinity student, Ronald Reagan was an ex-governor and George was a bachelor.

This last fact was not, I hasten to add, extraneous. George had just finished a dreadful little book called "Naked Nomads," a postscript to "Sexual Suicide" in which he set out to prove how miserable single men were. They were prone to everything from poverty to pornography, psychosis to syphilis. Those who were not violent to others were likely to inflict violence on themselves.

What I remember most about our interview was that George arrived wounded. He had cut his unwed chin while shaving. As he talked about the self-destructiveness of single men, a small piece of Kleenex kept jiggling ominously along his wound.

George was ardent in his belief that women should devote their lives to rescuing poor needful men. Jiggle, jiggle. He maintained that if only women would stop being so damnably independent and would follow nature—see Lionel Tiger—all would be right with the world. Jiggle, jiggle.

Frankly, I thought Gilder was a bit dippy. By then, as I recall, I had already heard the stories. Heard about his uncanny ability to lose overcoats. Heard about the time he had driven to Philadelphia to see a track meet, flown back to Boston and gone looking for his car. It never passed my mind that he would become a darling of presidents. I mean, who would trust the economic philosophy of a man who cannot keep track of his overcoat?

But I must be kind about this. I chauvinistically assumed that Bachelor George would do what he said all men do: straighten out as soon as he got married.

However, here he is six years, one wife and two children later, and lordy, the man is still at it. Once again in his book about hope, faith, charity and the capitalist system, he bases his beliefs on some mysterious, mystical sexual powers.

"Civilized society is dependent upon the submission of the short-term sexuality of young men to the extended maternal horizons of women," he writes.

This time, capitalism, as well as mental health and crime prevention, rest on the ability of a woman to get her man and keep his nose to the grindstone. "This is what happens in a monogamous marriage: The man disciplines his sexuality and extends it into the future through the womb of a woman. The woman gives him access to his children, otherwise forever denied him; and he gives her the product of his labor, otherwise dissipated on temporary pleasures. The woman gives him a unique link to the future and a vision of it; he gives her faithfulness and a commitment to a lifetime of hard work."

Gilder identifies the enemies of this blissful romantic-capitalistic union as (1) women who allow sex without marriage, (2) working wives, (3) women with independent means, (4) government programs that in any way support (1), (2) or (3).

The basic point about family and the economy is that a man needs a thoroughly

dependent wife and needful children to become a dependable, upwardly mobile worker. The woman (or government) who undercuts the male role as provider merely produces another naked nomad, as the capitalist system goes kapooey.

Jiggle, jiggle.

Gilder is blissfully unconcerned about what happens to the dependent wife and children when a man's nose is not permanently attached to the grindstone, or when it is not permanently attached to a wife. He's blissfully unconcerned about women who are not wives and mothers.

Under his plan for fun and profit, the only decent thing for a woman to harbor is a fund of trust for her man, rather than, say, a trust fund. Under his plan a woman is supposed to provide, rather than to have, a meaning for life.

All this would be amusing, in a dippy sort of way, except for the fact that Gilder's mystical philosophy has been officially dubbed "Promethean in power and insight" by David Stockman. The ideas underlie the budget plans of the former divinity student and the former governor.

It is no accident that the Reagan cuts are aimed at any programs—welfare, child nutrition, food stamps—that would "undermine the motivation of men" by helping women and children. It was all in the works years ago, in the mind of the man with the Kleenex on his chinny, chin, chin.●

#### THE CANADIAN ENERGY PLAN

### HON. DOUGLAS APPLIGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. APPLIGATE. Mr. Speaker, I believe the time has come for the United States to take a long, hard look at our relations with Canada. Recent moves by the Canadian Government indicate that Canada is in the process of replacing the trust and cooperation which have marked Canadian-United States relations in the past with a new spirit of confrontation. This spirit of confrontation is particularly evident in the new Canadian national energy plan which grants special incentives to Canadian-owned energy firms, while denying those incentives to American firms.

Because the Canadian national energy plan discriminates against U.S. companies and their subsidiaries operating in Canada, the value of these U.S. firms and their Canadian holdings has declined. This loss of value of U.S. energy holdings in Canada can be likened to a form of expropriation without compensation because Canada has reduced the value of these companies while offering nothing in return. Because the Canadian national energy plan has reduced the value of U.S. energy companies operating in Canada, these companies are now vulnerable to takeover at prices far below their real worth. The current attempt by Dome Petroleum to buy stock in Conoco, Inc., and force Conoco to sell Hudson's Bay Oil & Gas is an exam-

ple. Because the eventual result of this Canadian national energy plan could be complete elimination of American participation in Canadian energy investments, I recommend that we begin to examine the impact that this new Canadian energy policy may have on the whole range of United States-Canadian cooperation.

At the very least, I recommend the State Department examine the degree to which the Canadian national energy plan violates international agreements that prohibit artificial constraints on investment flows. In particular, I am concerned that the Canadian program violates OECD guidelines designed to encourage the equal treatment in member countries of both foreign and domestic investments.

I am equally concerned that the new Canadian national energy plan may affect other areas of United States-Canadian cooperation. If the plan is likely to limit the amount of additional oil and gas that U.S. companies can produce in Canada, then the United States should be particularly concerned about any United States-Canadian programs that would force the United States to consume additional amounts of oil and gas. A case in point is Canadian concern over acid precipitation and the potential for this concern to increase the demand for oil and gas in the United States. If in fact Canadian demand for control of U.S. coal combustion results in increased U.S. demand of oil and gas, it would seem reasonable for the Canadian Government to encourage the production of additional gas and oil. Because the new Canadian national energy plan is likely to have the opposite effect, I would urge that both the Department of State and the Environmental Protection Agency examine this interrelationship in any future discussion about controls on acid precipitation.

A final area of concern is the degree to which the Canadian Government is demanding access to prospective areas for oil and gas off the coast of the United States, while at the same time denying similar access to American firms with the new Canadian national energy plan. This issue is particularly relevant as negotiations proceed to determine the boundary line between United States and Canadian waters in the North Atlantic off the coast of Maine and Massachusetts and in the Pacific off the coast of Washington and Alaska. I would recommend that both the Department of Interior and the Department of State consider the impact of the Canadian national energy plan on any agreement to determine these boundaries and I would recommend that my House colleagues review any agreements with the Canadian Government carefully to deter-

mine whether American firms have been fairly treated.

Mr. Speaker, these are only a few areas in cooperation between Canada and the United States that are being jeopardized by the new Canadian national energy plan. Before any additional damage is done to United States-Canadian cooperation, I would hope that Canada would reconsider those parts of its national energy plan that have put U.S. firms at such a disadvantage.●

#### A "SHELL GAME" WITH MONTANA'S RURAL LIFE

### HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. MARLENEE. Mr. Speaker, I would like to express concern today regarding a problem that could destroy the small town concept in Montana and drastically alter rural life in my home State.

Burlington Northern, one of the world's largest railroads, has developed a master scheme that proposes to abandon branch lines in Montana. This plan would completely reverse the priorities of Montana's grain transportation system, and would terribly hurt transportation in an area that is already transportation poor.

Burlington Northern's plan is nothing short of corporate terrorism. It is a "shell game" where towns disappear and profits show up in boardrooms.

Burlington Northern has not been honest with the people of Montana. They have devised their master scheme in secret, behind closed doors, and is now waiting to unleash their plan of Montana's rural demise.

A newspaper in Montana, a new statewide weekly newspaper called the Montana Eagle, has clearly written the facts, and I present the story here for my colleagues:

#### THE OCTOPUS: BURLINGTON NORTHERN

(By T. J. Gilles)

When they were first laying track in Montana more than a century ago, railroad publicist Sam Wilkerson wrote home to his boss proclaiming that the region was destined to become "the chained slave of the Northern Pacific Railroad."

Imagine how ecstatic Wilkerson might have been had he envisioned Northern Pacific as only a part of a one-railroad monopoly over Montana and other grain-belt states. Eventually, the NP merged with two other railroads to become the Burlington Northern.

Governor Ted Schwinden has referred to the Burlington Northern as "the Octopus." But on further study of BN, one gets a picture of an entity even more powerful than the grain shipping, land-hungry railroad depicted in the Frank Norris novel of the same name.

Norris's railroad has a puny monopoly compared to Burlington Northern, which is

the country's largest railroad. It is also, with NP's land grant holdings and millions of acres of former Anaconda Co. timberlands purchased after the merger, the state's largest private landowner. It joins the federal government and the Crow Tribe as leaders in ownership of Montana's coal reserves and, of course, it has a monopoly on shipping the very coal and timber it owns.

But it is Burlington Northern's monopoly on grain shipping which, in a dramatic way, will do more than make the railroad money. BN is about to restructure Montana's economy and agriculture industry significantly. It is about to create the biggest changes since the droughts and depression of the 1920's and 1930's, which drove tens of thousands of homesteaders from their farms.

The word has come down from BN itself. What the state needs to do to ship out all of the grain it can export is construct a mere 15 giant loading points, each shipping 52-car unit trains of the same type and protein of wheat, three trains per month.

Many small towns will be handed their death warrants next June when BN publishes its color map of Montana showing which branch lines will be abandoned immediately, which lines are in jeopardy and which have a reasonably good future.

For years Montana farmers have accused BN of pushing them around. Because the railroad handled 80 percent of the state's grain, farmers claimed, it was gouging Montanans. It was cheaper for farmers in Nebraska to ship their grain to Portland than it was for farmers in Montana to ship to Portland, about half the distance.

There is a competing railroad in Nebraska, the railroad men tactfully replied. But after years of listening to the complaints of farmers with stone ears, and coinciding with the collapse of the Milwaukee Road, BN suddenly began offering discounts to grain shippers.

The discounts were small if you were shipping one car or a dozen at a time. They were considerably larger if you could ship 52 cars, fill them with the same class and protein of wheat, load them and send them on their way within a 24 hour period.

Elevator operators noted there were no Montana facilities set up to load such a volume of wheat in so little time and said remodeling and retracking elevators would cost in the neighborhood of \$300,000 apiece. BN said fine, the elevators could do 26-car trains instead, just to practice. Some guys, the railroad said, were trying 52-car trains and making it.

I was at a farmers meeting in Shelby a couple of weeks ago and the Big Question everyone wanted answered was whether the local elevators would be shut off by BN. No, the railroad said, chances were good for Shelby's elevators. The town is in the middle of a big grain area, on the main line and the elevators aren't locked in by the city and have plenty of room to expand.

But if Shelby survives, the town of Conrad won't. Conrad, 24 miles south, is off the main line and isn't going to be one of the 15 loading points, not with competition so close.

If Shelby survives as a loading terminal, almost everybody will have to haul farther to sell. "The 15-cent discount we've got on unit trains is not going to make farmers rich," GTA Cooperative Chairman Gordon Matheson said at the Shelby meeting. "We're going to have to pay more. A lot of our local elevators, I suspect, can't survive."

The scenario is set. Branch lines will be abandoned with small and once-mighty ele-

vators relegated to mere collection points for trucking to the shrinking number of terminals loading 52-car trains on main lines.

The high cost of trucking grain to ever more distant terminals, and only when the elevator manager requests a load, will break some farmers, retire others, and cause some to turn all their cropland back to grass if their wheat can't compete with closer, lower cost shipping points.

And the new rates, with which the trucking industry can't compete, may shatter the state's grain trucking industry, the last remaining shred of competition for the railroad.

With elevators selling only three times per month and filling with uniform grain, a farmer's marketing options are limited. With distance dictating hauling semi-loads, outlying smaller farmers who may grow only two or three semi-tractor trailers full have two or three opportunities to market, period. They will have to store the grain on their farms at their expense while waiting for the call that says the one buyer within reasonable distance is finally taking No. 1 ordinary hard red winter wheat.

The bonus for higher protein wheats may be eliminated as the elevator man informs the farmer that his wheat had better meet certain protein levels, period, or it won't make the train.

As the smaller towns farther from the terminals begin to go to grass or be swallowed up by burgeoning grain giants, many of the small towns of Montana will accelerate their trip to the grave as businesses beside the elevator board up.

Terminal towns, of course, will prosper as smalltime trade centers. All 15 of them. ●

#### DEFENSE DEPARTMENT ACCOUNTABILITY

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. GILMAN. Mr. Speaker, I want to take this opportunity to address an issue that is timely and critical for our Nation.

Mr. Speaker, the administration is calling upon the people of our great Nation to support and cooperate with the President in his economic reforms. Obviously, those reforms will necessitate sacrifices which all segments of our Federal structure will have to share in and which will have to be of an equitable nature as we seek to gain grassroots support for a balanced budget. Accordingly, along with many other Members of Congress, I have expressed concern with the financial accountability and spending methods of the Department of Defense. While we recognize the need for increasing defense spending, we firmly believe that it should be a cost-effective investment and not fraught with waste, fraud, and abuse. Toward that end we have written to the Secretary of Defense, requesting the Defense Department to find ways to save money by initiating a review of their procurement and spending procedures.

Mr. Speaker, for the benefit of our colleagues, I am inserting at this point in the RECORD, a full copy of our joint letter to Secretary Weinberger, and urge my colleagues to take a close look at this issue in the hopes of not only assisting in the administration's economic recovery plan, but also to help mold a more effective and better organized Defense Establishment for the 1980's:

HOUSE OF REPRESENTATIVES,

Washington, D.C., May 7, 1981.

HON. CASPAR W. WEINBERGER,

Secretary of Defense,

Washington, D.C.

DEAR MR. SECRETARY: At home and abroad, our nation is faced with many serious challenges. While our adversaries around the globe have pushed forward in their efforts to expand their power and influence, we have fallen further behind. At the same time, our economic lifeline has come under serious attack by inflation, over-spending and world economic trends beyond our control. The question we now face is not merely a choice of more guns or butter, but how we can address and balance both of these critical interests.

The American people have demonstrated an understanding of our nation's problems and a willingness to share the burden of our necessary reform efforts. It is vital, therefore, that as they make the needed economic sacrifices, we demonstrate a sense of shared responsibility and accountability across the board, including the Department of Defense.

For this reason, we urge you to vigorously pursue all efforts and programs designed to eliminate waste and to improve cost effectiveness throughout our Armed Services. Furthermore, we believe that more public information is needed to demonstrate your commitment to this effort and to help build a consensus that all sectors of our government are full participants in the Administration's economic recovery plan. We also believe that an economic analysis of major programs by an independent body, outside of the Department, would lend credence to such an economization effort.

In your search for ways to bring about savings in our defense expenditures, we call your attention to the recent report by the House Republican Research Committee's Task Force on Defense, entitled "Can The Pentagon Save Money," dated April 7, 1981, which concluded:

"... there are many ways for the Pentagon to reduce unnecessary disbursements. Limiting these expenses is not an easy matter, but with the utilization of a carefully considered plan, reductions can take place, without affecting military readiness or capabilities. An overall strategy should be developed which considers programmatic reductions; waste, fraud and abuse; and a restructuring of the procurement process. In addition, cooperation with and from the Congress and Administration is necessary for developing a comprehensive spending reduction strategy. If such an effort is successful, the ensuing monetary savings, as much as \$25 billion, will benefit the Pentagon and further the Administration's fiscal austerity plan as well."

We share the views of the President concerning the challenges that our nation faces and the need to increase our defensive capability to address those challenges. We are certain that you also recognize the econom-

ic burdens we are asking the American people to share in order to meet these challenges and that these concerns are linked together. A weak economy only increases our vulnerability abroad and decreases our ability at home to provide for the common defense.

Sincerely,

Larry Winn, Jr.; Robert Lagomarsino; Joel Pritchard; Toby Roth; Benjamin A. Gilman; William Broomfield; Olympia Snowe; Jim Leach; Robert Walker; Virginia Smith; Clint Roberts; Marc Marks; Christopher Smith; Daniel Crane; Philip Crane; Arlen Erdahl; Pat Roberts; Don Clausen; Manuel Lujan; Bobbi Fiedler; William F. Goodling; John J. Duncan; John Rousselot; Don Young; David Stator; Tom Corcoran; Marjorie Holt; Matthew Rinaldo; Gene Taylor; Don Ritter; Daniel Lundgren; Jerry Lewis; Paul Findley; Harold C. Hollenbeck; David O'B. Martin; Norman Lent; William Danne-meyer; Hamilton Fish, Jr.; Frank Horton; Raymond McGrath; Gregory Carman; Lawrence DeNardis; Edward Derwinski; John LeBoutillier; James Jeffords; Elwood Hillis; Paul McCloskey; Gary Lee; Carl Pursell; Robert Dornan; Edwin Forsythe; Millicent Fenwick; William Carney; Marge Roukema; Steve Gunderson; Guy Molinari; Clarence Miller; John Myers; George Hansen; Larry E. Craig. ●

PEGGY BRACY BROWN  
HONORED

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. FIELDS. Mr. Speaker, a constituent of mine, Peggy Bracy Brown, of 8407 Rinn Street in Houston, recently was honored by both the Texas Federation of Republican Women and the National Federation of Republican Women. The federation honored Peggy Brown for her outstanding service to her party, the federations and her community.

I would like to take this opportunity here and now to add my commendations to those already paid to Peggy for her unselfish dedication to serving others. Peggy currently serves as president of the Black Republican Woman's Federation of Houston-Harris County. Last year, she worked as a volunteer in both the Reagan-Bush Presidential campaign and in my own campaign.

On April 29, Peggy was honored by former Texas first lady Nellie Connally, national committeewoman Fran Chiles, National Federation of Republican Women President Betty Rendel, and Texas Federation of Republican Women President Cathy Smyth, Texas Secretary of State George Strake added his voice to those recognizing Peggy for her extraordinary civic involvement.

In addition to her involvement in the political arena, Peggy has volun-

teered her time to a number of local charitable organizations in Houston and she serves as secretary of the Women's Council of Realtors.

Peggy is deeply involved in her community in other ways, too. She has worked to set up a number of community meetings to discuss improvements in northeast Houston. On May 9, she spoke to a "jobs search seminar" I held in my district, and she is scheduled to appear at a second such seminar May 23, there, she will share with young people her knowledge of how and where to seek employment in the private sector in Houston.

Mr. Speaker, Peggy Bracy Brown is a woman of virtually limitless energy and commitment. She has inspired other Houstonians to become more involved in their neighborhoods, and she has been a source of inspiration as well to those of us who have had occasion to work with her in any number of projects. I commend her for that energy and that commitment—two commodities that are all too rare these days.

Thank you, Mr. Speaker. ●

FUNDS FOR FUEL-EFFICIENT  
VEHICLES

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mrs. SCHNEIDER. Mr. President, considerable discussion lately has focused on whether to impose import quotas on Japanese automobiles. While 200,000 U.S. autoworkers have been laid off, Japanese auto companies have witnessed a phenomenal growth in U.S. auto sales. Between 1976 and 1980, Japanese imports have climbed from 900,000 to 1.9 million. The American public is clearly indicating their preferences for fuel-efficient vehicles.

At the same time, the U.S. Synthetic Fuels Corporation is embarking upon the first phase of funding that will ultimately mean perhaps as much as \$88 billion spent on underwriting 2 million barrels of oil per day to be developed from shale, tar sands, and coal. The delivered cost to the consumer will be much higher than today's gas, even discounting the effects of inflation.

Mr. President, the SFC was enacted last session in an attempt to wean the United States from foreign oil imports. This costly piece of legislation, however, will do very little to accomplish that goal. And if it does ever accomplish that goal, it will come at a time long after this country may have suffered the consequences of severe oil disruptions and economic dislocations.

It would seem that these several issues—foreign car imports, unemployed autoworkers, a public demand-

ing fuel efficient cars, and a massive Federal spending program to reduce oil imports—could be approached simultaneously from a more cost-effective angle: retooling Detroit.

Detroit has gone from the world's leader in automotive production to a sagging giant. It could, once again, compete against all comers if it were to pursue an extensive accelerated renovation that would result in the output of highly efficient vehicles.

Such a move could reduce oil imports by as much as three-fifths over the next decade, put auto employees back to work, and revive the competitive edge of the U.S. auto industry. Such a plan has been advocated by several prescient thinkers. I would like to share with my colleagues a memorandum that was sent to OMB Director David Stockman by Amory Lovins, coauthor of the recent book, "Energy/War," and consultant physicist on DOE's Energy Research Advisory Board.

The ideas detailed in this memorandum provide a new slant to the debate on how best to resolve the complex energy issues besetting our Nation.

I submit the memorandum for the RECORD:

JANUARY 1, 1981.

HON. DAVID STOCKMAN,  
Director-Designate, Office of Management and Budget, Executive Office of the President, Old Executive Office Building, Washington, D.C.

DEAR CONGRESSMAN STOCKMAN: Having detected in your remarks on natural gas pricing on "Sixty Minutes" last week signs of a fellow economic conservative (as described in our enclosed Washington Post op-ed), I should like to share with you some business arithmetic relevant to oil imports, synfuels, and Chrysler.

Let me start with these simple assumptions:

It is technologically straightforward to make marketable cars with a composite efficiency around 50 mi/gal. (A diesel Rabbit, with 10 percent less interior space than the average domestic car made in 1978, gets 42 mi/gal. Its turbocharged version gets 60-65. VW has tested a larger advanced diesel at 70-80 mi/gal, and DOT is testing a clean 60 mi/gal VW prototype which does well in a 40 mi/h head-on. With a series diesel-electric hybrid prototype using off-the-shelf components, VW exceeded 80 mi/gal—still composite—in a big, 3500-lb car. Optimized, it would have done better.)

The average car today gets about 15 mi/gal and is driven about 10,000 mi/yr. It thus consumes 667 gal/yr, or about 17 barrels of crude oil per year.

To first order, the 10,000 mi/yr figure will not vary much with gasoline price, because other cost components—depreciation, maintenance, insurance, etc.—dominate, and people do not want to spend much more than the present average of nearly an hour per day sitting in their cars.

Retail synthetic motor fuels will be priced at \$40/bbl or more (1980 \$ throughout) in crude-oil-equivalent terms.

The most powerful way to save oil is to scrap gas-guzzlers to get them off the road. Today, however, their residence time in the

car fleet is increasing as they trickle down to poor people who can least afford to run them or (owing to their low trade-in value) to replace them. What is it worth paying to scrap them?

An average 15-mi/gal car lasting for an average 10 years will use in its lifetime some 170 bbl crude oil equivalent. A 50-mi/gal version would use only 51 bbl. The 119 bbl saved would be worth over \$3800 at present OPEC prices and over \$4700 at synfuel prices (ignoring the niceties of discounting and escalation). Thus compared with synfuels, we can save oil cheaper and faster by using the same Federal money to pay upwards of half of the price of giving people a 50-mi/gal car provided they would scrap their Brantomobile.

As a rough approximation, a marginal 1-mi/gal saving in an average 15-mi/gal car will save 1 bbl/yr. Thus offering people a \$200 grant for every mi/gal by which a new car improves on a scrapped Petropig would give an average 5-yr payback against synfuels. (Worse-than-average cars would pay back faster, better ones slower.)

Suppose that an immediate leapfrog straight to 50-mi/gal designs would cost Detroit an extra \$100 billion, in addition to the \$50-odd billion they're planning to spend anyhow for retooling in the 1980s. If that implausibly high \$100 billion were spread over a complete new fleet of cars and light trucks, it would raise their price by an average \$769 per vehicle. That investment would save an average of 467 gallons of gasoline per car per year (a little more for light trucks) worth, at the present average gasoline price of \$1.25 per gallon, about \$584 per car per year. Thus the payback time for the retooling cost would be about 16 months. (This is reasonable enough, since we spent this year over \$70 billion to import a quantity of oil roughly equal to the consumption of our cars and light trucks.) The actual retooling cost would be far smaller than \$100 billion.

The balance-of-trade and national-security benefits of accelerated scrapping of gas-guzzlers could be enormous. For example, a 50-mi/gal fleet would save about 3.3 million barrels of crude oil per day for cars plus another 1.1 for light trucks. This 4.4 million barrels per day could, with prompt action, be achieved by about 1990. (Note that, since fleet efficiency is a harmonic average, scrapping the worst cars has a disproportionate benefit.) The Santa Cruz workshop last August, organized by Jack Hollander at Lawrence Berkeley National Lab, showed persuasively from empirical data how to save 2.5 million barrels per day through highly cost-effective weatherization by 1990. Thus just the two largest oil-saving measures, pursued over the next decade to a level well short of what is economically optimal or technically feasible, could together save more oil (6.9 million barrels per day) than our present total oil imports (about 6.2)—before a synfuel plant ordered now could deliver anything, and at a small fraction of its cost per barrel. (Weatherization in well-designed programs is about \$6.7/bbl; my notional \$200/mpg grants, at a real fixed charge rate of 10 percent a year, correspond to about \$20/bbl. Both generate an immediate cashflow from savings.)

Please note several reservations about the foregoing argument:

A policy to this end would of course have to work out such details as a death certificate for scrapped (preferably recycled) cars to ensure that someone isn't still driving them, the effect of putting a floor price on

old cars, and safeguards against resurrecting wrecks to collect the bounty on them. These things are not unduly difficult, but would have to be thought through.

The arithmetic above is illustrative. It could of course be done in far more sophisticated ways which would, I think, yield broadly the same conclusions more persuasively.

I am not endorsing subsidies: as the enclosed op-ed says, I want to see the whole energy system desubsidized so the cheapest options can win. But subsidizing scrapping of gas-guzzlers, if we are going to subsidize something because of the high social cost of oil imports, is a much better deal than \$20b subsidies for synfuels. The argument here is not for subsidies but for capital transfers to enable capital-short people to scrap their cars—just as utility loans for efficiency improvements can simultaneously remove the capital burden on consumers and help keep utilities solvent by saving them capital and greatly increasing their velocity of cashflow. Deregulation and gasoline taxes increase incentive to scrap without creating opportunity.

You will probably share my ideological bias that a market-pull strategy (which, incidentally, can obviate the need for mandated car efficiency standards) would be nicer—and more politically attractive to the car, coal, and steel industries—than simply pouring more money into Chrysler. And you will probably not be surprised to hear that, on inquiring in my capacity as a member of DOE's Energy Research Advisory Board last November, I was unable to find any DOE analysis of accelerated scrapping on the lines I've described: one contractor report skated nearby but used assumptions so restrictive as to eliminate the potential benefits.

Please let me know if I can help further to advance these concepts or in any other way to introduce economic priorities, genuine competition, and least-cost calculations into Federal energy policy.

Sincerely,

AMORY B. LOVINS.●

### THE AMERICAN HOUSING INDUSTRY MUST BE SAVED

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LANTOS. Mr. Speaker, sky high interest rates are destroying our savings and loan institutions—an \$800 billion industry. During the first half of this year, their losses will exceed \$1½ billion.

The Federal Savings and Loan Insurance Corporation—the principal insurer of deposits of savings and loan associations—is literally swamped by the mushrooming number of savings and loans which are on the ropes. During March alone, 114 savings and loans were added to the sick list, increasing in one single month the total number of thrift institutions in trouble by 86 percent.

In addition to mergers and capital infusions, what the savings and

loans—and more importantly our housing industry need—is a new mechanism to give strong, new, permanent lifeblood for housing in America.

In order to achieve this goal, I am about to introduce comprehensive legislation to provide for tax-exempt housing savings certificates that will rescue the savings and loans, reinvigorate the building industry, and give millions of Americans an opportunity for homeownership.●

### U.S. RESPONSE TO NAMIBIA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. EDWARDS of California. Mr. Speaker, South Africa has twice recently thrown down the gauntlet on Namibia. The question is how the United States should respond.

In January this year South Africa at Geneva disappointed any lingering hopes that its earlier acceptance of the plan of the five Western members of the U.N. Security Council for implementation of Senate Concurrent Resolution 435 afforded a reliable basis for belief that Namibian independence could be achieved without further sacrifice of life or of the principle of self-determination, freely arrived at. More recently, in Washington, P. K. Botha, South Africa's Foreign Minister, publicly stated that UNTAG (the multinational United Nations Transition Assistance Group)—a carefully negotiated kingpin of the plan—was no longer acceptable.

It is instructive to note an editorial comment on the January development in the March issue of the South African journal, *Reality*. A well-known member of Reality's multiracial editorial board is its vice chairman, Alan Paton. The editorial commences with the statement: "Perhaps the most extraordinary thing about the failure of the Geneva talks on Namibian independence is that hardly anyone in South Africa seems particularly concerned. Yet, as far as we can see, unless the negotiating process can soon be going again, and successfully concluded, the long-term results for South Africa will be disastrous. And not only for her. The long-term interests in this part of the world of South Africa's Western friends could also be in jeopardy." However muted may have been popular concern in South Africa, both American and worldwide concern will be shown when the Nobel Prize Winning Amnesty International schedules a weeklong series of public speeches and films on the human rights deprivations affect-

ing Prisoners of Conscience in Namibia and South Africa which will commence next Tuesday, May 26, in Washington, D.C.

Botha's recent announcement reinforces informed speculation that the Nationalist Government of South Africa is unlikely to heed Reality's editorial advice. It tends also to reinforce informed opinion here that any pulling back by the West from forthright opposition to South Africa's continued illegal occupation of the territory of Namibia and violations of the human rights of its people would not be in the interest of those who value freedom and democracy, whether in southern Africa or elsewhere.

The response of the outside world should be firmly based on the law, as stated in the 1971 Advisory Opinion of the International Court of Justice. South Africa's presence in Namibia is illegal. South Africa must withdraw. Nothing should be done to support its presence and further to procrastinate its withdrawal.

[From Reality, March 1981]

#### 1. THE PRICE OF PROCRASTINATION

Perhaps the most extraordinary thing about the failure of the Geneva talks on Namibian independence is that hardly anyone in South Africa seems particularly concerned. Yet, as far as we can see, unless the negotiating process can soon be got going again, and successfully concluded, the long-term results for South Africa will be disastrous. And not only for her. The long-term interests in this part of the world of South Africa's western "friends" could also be in jeopardy.

It is a long way from the antiseptic atmosphere of Geneva to the squalor of Cape Town's Guguletu, but there is a relevance between the collapse of the talks and what happened in Guguletu a few hours later. That night, in Guguletu, a mob of hundreds of black school-children besieged the home of Gerry Magobolok, a nineteen-year-old schoolboy, and frightened the wits out of him and his family, threatening to burn their home down and kill them.

The reason for their terrifying experience? Gerry had been offered, and was on the point of accepting, an athletics scholarship to the United States—something which, not long ago, would have won him the approval and envy of his peers.

Why the change?

There are probably two reasons for it, both of which have to do with procrastination.

The first is local and concerns the dilatory manner in which the people who run black education in our country have responded to the mood and demands of black schoolchildren since 1976. In 1976 the substance of those demands was for full integration into the same education system as that provided for white children, and no discrimination within it. Nothing has been done to meet that basic demand, in what is now going on for five years. And now the emphasis of the demand is beginning to change, in some quarters at least. Where swift action five years ago might have left us with much of the anger of black educational protest defused, there are signs now that, by the time white South Africa gets round to thinking about an integrated educational system,

black children may no longer want it. For, if the reports are correct, what that Guguletu mob was asking Gerry Magobolo to do was to turn down his scholarship and, by so doing, dissociate himself from a "white" education, even if it was in the United States.

During this past year of the Cape school boycotts a growing number of black children and educationists seemed to be bent on rejecting even an integrated education system if it was to be one committed to the inculcation of the "white man's values" and to what they see as an education which prepares them for willing absorption into an economic system primarily designed to serve white interests and not theirs.

Would the fury of the Guguletu demonstration have been so intense if Gerry had won a scholarship to Moscow, "white" though the education there might also be? We suspect not. Which brings us back to the failure in Geneva.

The West, through its historical and economic ties with the South African "establishment" has allowed itself to be maneuvered into a position where it is seen by radical black South Africa as a prop to and an extension of the system which dehumanises and exploits them here. When it comes to taking a stand on apartheid it will invariably procrastinate, its critics say.

This assessment may not be altogether fair but if it is to change the West will have to do something dramatic to convince radical black South Africans that they are wrong. One way to start such a reassessment would be for the West to be seen to have been a decisive influence in bringing about acceptable elections in Namibia. For the moment they have failed to do so. They will have to try harder than ever in 1981. In particular the Western Europeans must try to ensure that the conservative instincts of the Reagan administration do not persuade it to do as little as possible about Namibia, hoping the problem will solve itself. It won't. Violent conflict will escalate and spread.

In our view the major obstacle to an agreement in Geneva, although it was never publicly stated, was the ill-founded belief in South African circles that their military capacity meant that there was no need to hurry over a settlement. This was an illusion shared by the Rhodesian Front for many years. The trouble with this reliance on force of arms to keep oneself in power is that it eventually persuades one's opponents that violence is their only answer to it, the only thing which brings results. It is an insidious doctrine which it is not easy to refute because it does often seem to work. It seemed to work in Guguletu. There the threat of violence made Gerry Magobolo abandon his American scholarship.

The price of procrastination in Zimbabwe was increasing violence. The price of procrastination in the black education system has been increasing violence. The price of procrastination in Namibia will be increasing violence there.

If the West wants to arrest the continuing decline in its credibility in many black South African eyes, of which the Guguletu demonstration was such a vivid illustration, a Namibian settlement should be a top priority for 1981. ●

## NATIONAL HIGH BLOOD PRESSURE MONTH

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. STOKES. Mr. Speaker, May is National Blood Pressure Month. During National High Blood Pressure Month, many professional and lay groups interested in health make a special effort to promote the cause of high blood pressure detection, treatment, and control. High Blood Pressure Month represents a massive community organizational effort beginning in the early 1970's involving organization such as the regional medical programs, American Red Cross, American Heart Association, and later the national high blood pressure education program.

This malady, high blood pressure, affects some 60 million people, costs the society over \$8 billion a year through loss of production, wages, and medical and hospital costs. Although high blood pressure contributes significantly to the No. 1 and No. 3 cause of death in the United States, remarkable progress has been made in the area of high blood pressure control since the early 1970's.

Progress in reducing the difference in the fatality rates of stroke, renal and heart disease between blacks and whites has as yet not occurred. The discrepancy between stroke death alone contributes to over 7,000 excess lives lost per year in the black community. Most of these lost lives come from the 35- to 54-year-age group. These people are contributing significantly to the gross national product, raising children, and providing leadership and role models which are so desperately needed in the black community.

Extensive recommendations with respect to this problem have been developed by the Black Health Providers Task Force on High Blood Pressure Education and Control. Last year, the Appropriations Committee commended the Heart Lung Blood Institute for sponsoring this task force and urged the Secretary of the Department of Health and Human Services to develop a Department-wide special initiative utilizing the recommendations of this task force. The Appropriations Committee is looking forward to the Secretary's response to this important, cost-effective, lifesaving program.

One of the most exciting possibilities of this program involves the possible coordination of effort between the Department, major voluntary organizations such as the American Red Cross, with major national black organizations already involved with the task force process. These activities should

attract and obtain cooperation from foundations, corporate entities, and other funding institutions. It is hoped that entities representing the black community, voluntary organizations, private sector, along with the Department can work together to get maximum effectiveness and efficiency from this new collaboration through a coordination, working group mechanism.

One of the most exciting possibilities for collaboration rests within the millions of black Americans who are members of the black church family. These organizations have an enormous capacity to reach on a regular basis millions of people within the black community.

This approach is not to exclude the research and demonstration to be carried on through the National Heart Lung and Blood Institute in the areas of community demonstration, behavioral and collaborative international research. All of these areas are vital to the acceleration of blood pressure control so desperately needed in the black community. My colleagues and I look forward to a thoughtful and sensitive implementation of this very exciting program. ●

#### U.S. POLICY TOWARD EL SALVADOR AFFIRMED BY FIGUERES

### HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. PORTER. Mr. Speaker, an interview in the Chicago Tribune with José Figueres, three-time president of Costa Rica and an architect of the 1948 democratic revolution in that Central American country, sheds some light on the problems the United States faces in El Salvador. Figueres, a Latin American patriot, strongly opposes communism as a solution to his region's economic problems yet has an equally long history of opposition to fascistic governments in the area. Now an elder statesman with a good deal of wisdom and a sense of history about his region's politics, Figueres has a great deal of significance to say about U.S. policy in El Salvador.

#### LATIN LEADER HAILS UNITED STATES ON EL SALVADOR

(By Mark Starr)

Jose Figueres, three-time president of Costa Rica and the architect of the 1948 revolution that preserved democracy there, supports the current United States policy in El Salvador, he told The Tribune in an interview.

Figueres, now 74 and last elected president in 1970, is an avowed antifascist who sold arms to Fidel Castro before he toppled Fulgencio Batista, and long plotted against Anastasio Somoza in Nicaragua before assisting the Sandinista revolution. Yet, as an equally fervent anti-Communist, he has re-

mained a staunch friend of the U.S., albeit a critical one.

Recently, he visited the University of Chicago and discussed Central American and U.S. policy there in an interview. An edited transcript follows.

Q—What is your reaction to the current U.S. policy in El Salvador?

A—Now that for the first time in a long time the U.S. has finally taken an interest in what's going on down in Central America, I think it would be to our disadvantage if it stopped. The U.S. has intervened down there all the time either by commission or omission, unfortunately mostly by omission or not caring. So I would prefer to have an American presence.

Look, the U.S. is practically at war with the Soviet Union and what you are seeing is the possibility of a government that will be friendly to the Soviet Union. So I don't blame the U.S. I approve of the shipment of arms, but only to the extent necessary to stop the shipment of arms from Cuba.

Q—Yet isn't the U.S. again in the position of supporting a right-wing regime?

A—Many contend that President (Jose Napoleon) Duarte and the U.S.' centrist option is a charade. But of course the Salvadoran oligarchy, the traditional right-wing, says just the opposite thing. They say the government has taken their property, and they're spending a lot of money and have a lot of machinery in Miami to fight this present government. Of course, as so often happens, what they're doing is financing pro-communist ideas unknowingly.

The military in El Salvador simply isn't the military of the past. If it were, there wouldn't even have been an attempt at agrarian reform, they would have been against expropriations, and there would have been no nationalization of the banks. Contrary to what American liberals want to believe, the military in El Salvador today, and even for the past 15 years, has been deserting the oligarchy and has stopped being a force for them.

Q—This puts you at odds with most of your fellow Socialists, liberals, and democrats throughout the world.

A—I'm used to being in disagreement with many people. I have a serious suspicion that in the great confrontation between the U.S. and the Soviet Union, the Soviet Union has the advantage of having an international party working for it, particularly in Europe. I've too often seen pro-Soviet views turn up in the pages of the New York Times and other American (media) because there was a parade in Paris.

Take, for example, when my dear friend, Salvador Allende, was overthrown (in Chile): 100,000 marched and protested in Paris. Now the Europeans have never cared less for Latin America, so who mobilized the Parisian crowds? The international communist movement. I have a feeling that my friends, the liberals here, are indirectly influenced by the communists. Now I don't fear communism as an ideology, only as a military competitor of the U.S.

Q—What do you see as the solution for El Salvador?

A—If the U.S. succeeds in stopping the flow of arms from the enemy, which is Cuba, then they (Salvadorans) will straighten out their own situation. All the democratic forces will eventually have to get together. The Social Democrats and the Christian Democrats now are rivals for power, but they're all democrats.

Q—Aren't you disappointed in how the U.S. seems to have backed off the human

rights issue while pushing for resumption of aid to right-wing regimes like Argentina, Chile, and Guatemala?

A—So much is just words and political gimmicks. Of course, the U.S. should stand for human rights, but only to the extent that it doesn't create serious problems for the U.S. Remember, it's just words. The Carter administration couldn't go half as far as it wanted, and the Reagan administration won't be able to go back half as far as it wants. U.S. politicians are subject to the pressures of politics so much that it has gotten out of hand.

When we were in the struggle to change the Panama Canal contract, I spoke to a lot of senators who said, "We think Panama is right, but I cannot afford to say so because my constituents are not so enlightened." Politicians here seem to always vote like their constituents are right, which is seldom so. The only U.S. political figure who would take a stand on most issues was Adlai Stevenson, but the business community decided he was too idealistic and he'd never win and they ruined him.

Q—How do you feel about the U.S. backing away from the Nicaraguan government?

A—This is not the U.S.' fault. The U.S. has made all the overtures and done everything possible to make friends with the Sandinistas. But it is the Sandinistas who, under the influence of the Cubans, would like to have the U.S. aid without being friends. During the war I operated Radio Sandino for them, and I begged them not to make those recordings about 'Yankee imperialism.' Now I beg them not to fight the U.S. I tell them the Soviet Union cannot give them large amounts of aid. But they won't listen. They're young. It is not hard to see how they think they will get all they want, through Marxism.

Q—Yet you still support them? In fact, you call yourself a Sandinista.

A—Most of the people in Costa Rica who supported them now oppose them. But (not) me; they are my babies. I'd been fighting Somoza for 35 years, and they come along with a little heroism and a great deal of idealism and oust him. Still, I would like to give them a spanking for being so anti-U.S. I do love them, but none of them is a great leader. That's why they have collective leadership. But they haven't yet succeeded in making me an enemy.

Q—Do you now regret aiding Fidel Castro?

A—I fought with all my might (against) the Batista dictatorship, and I don't regret it. I would rather have Castro's kind of dictatorship, which has a dose of idealism, than a stupid kind of military dictatorship like Batista.

Of course, Fidel's a psychopath. He is competent, but he has had enormous advantages by converting himself into a tool of the Soviet Union so that he has received more foreign aid than all the rest of Latin America. So when I hear people talk about how great he is, I remember the amount of aid he receives and the amount of authority he wields. If I could wield one-tenth the authority he does, well, I'm not short of ideas about what to do in handling the economy of Costa Rica. But I have always faced the limitations of the law and democratic principles. ●

**EVANGEL CHRISTIAN ACADEMY  
GRADUATES FIRST STUDENTS**

**HON. CLARENCE D. LONG**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Sunday, May 24, the Evangel Christian Academy in Middle River, Md., will honor its first graduates. This academy, founded 3 years ago, is an independent Christian school affiliated with the Church of God.

Graduating this Sunday will be Norma Jean Landis and Gerald Eugene Blosser. Miss Landis, who previously attended Christiansburg Christian School in Christiansburg, Va., enjoys photography and music in addition to her scholastic studies. Mr. Blosser, who previously studied at Kenwood Senior High School, has maintained interests in fishing, gardening, and cooking as well as in his schoolwork.

This first graduation marks a gala day for the school, which includes kindergarten through 12th grades and presently has 65 students. The founder and principal is Dr. E. Lamar McDaniel, who is also pastor of the Evangel Temple Church of God. Vice principal of the academy is Mrs. Ardys McDaniel. Mr. William Pratt supervises the junior-senior high school.

It will be my privilege, Mr. Speaker, to give the first commencement address on Sunday.●

**UPLAND, CALIF., CELEBRATES  
DIAMOND JUBILEE**

**HON. DAVID DREIER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. DREIER. Mr. Speaker, I want to take this opportunity to join with the residents of Upland, Calif. in celebrating their diamond jubilee. I am proud to represent the city of Upland in Congress and it was a great honor for me to be a part of the festivities which commemorated the city's 75th year.

The city of Upland, nestled at the base of the majestic San Gabriel Mountains, proudly claims the historic honor of being the last leg of the trail taken by westward-bound pioneers as they headed toward what is now Los Angeles. The Madonna of the Trail stands gracefully on the lush green median of Euclid Avenue, "a memorial to the pioneer mothers of the covered wagon days." This Madonna is one of 12 cast in St. Louis, Mo., in 1929, to mark the pioneers' trail.

Upland is a thriving community that exemplifies the success of individual efforts by many dedicated citizens in

**EXTENSIONS OF REMARKS**

the true pioneer spirit. Through hard work and a strong commitment toward building a cohesive community, citizens of Upland have developed the city into one of the most prosperous and vibrant communities in southern California.

Today, Upland is indeed a city of "gracious living" as envisioned by the pioneers of the late 1800's. The warm contagious spirit of its residents and its prime location in the midst of southern California's cultural and recreational offerings make it an ideal place to live and a thoroughly enjoyable city to visit.

On Saturday, May 16, 1981, the city of Upland culminated a week-long celebration of its 75th anniversary. Last Saturday's festivities began with a prepat breakfast at the home of Mr. and Mrs. George Kunde. The grand marshal was Dr. George Fishbeck and resident grant marshal was Nedra Volz.

Mayor and Mrs. John McCarthy were gracious hosts. General Brainer represented the Armed Forces. Jean Raymond, Miss Upland, was accompanied by her court. Council members Frank Carpenter, Frank Hoover, Al Canestro, and Mayor pro tem Ina Petokas, all joined the McCarthys in welcoming State Senator Ruben Ayala, Assemblyman Jim Cramer, Supervisor Cal McElwain. Special presentations were given by sister city mayors, Lloyd Pebeasy of Mildura, Australia and Horacio Montiel of Caborca, Mexico.

Mayors Larry Walker of Chino, Harold Hayes of Montclair, Adrian Wright of Pomona, Robert Ellingwood of Ontario, and Phillip Schlosser of Rancho Cucamonga all joined in honoring the great city of Upland. Former mayors of Upland, George Gibson, Abner Halderman, and Donald Carr also helped the city celebrate its anniversary.

It was indeed a tremendous week of celebrating the outstanding achievements of the city of Upland. I am sure that my colleagues will join me in applauding the fine efforts of the city fathers.

We are all anticipating another 75 years of progress and accomplishment for the city of Upland.●

**INTERCITY BUS DEREGULATION**

**HON. BUD SHUSTER**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. SHUSTER. Mr. Speaker, today I will be introducing two pieces of legislation, the Motor Bus Act of 1981, endorsed by the Interstate Commerce Commission, and the Bus Regulatory Modernization and Improvement Act of 1981, endorsed by the American Bus Association. I am joined in this effort

by my distinguished colleague, Mr. ANDERSON, of California.

We are introducing these two bills at the request of the ICC and the ABA so that an opportunity will be given for interested parties to comment on these and other approaches.

The Surface Transportation Subcommittee of the Committee on Public Works and Transportation will begin hearings on May 27 to receive testimony on the reform of Federal regulation of motor carriers of passengers. This is in keeping with efforts during the past two Congresses where we have reformed Federal regulations for airlines, railroads, and motor carriers of freight. Hopefully our efforts will lead to a constructive reform of Federal regulation for the intercity bus mode, so that all modes of passenger transportation will be better equipped to deal with the transportation challenges that must be faced during the remainder of this century.●

**IN RECOGNITION OF ETIQUETTE  
EXPERT, MARJABELLE YOUNG  
STEWART, OF KEWANEE, ILL.**

**HON. TOM RAILSBACK**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. RAILSBACK. Mr. Speaker, I would like to take this opportunity to share with my colleagues the achievements of one of my constituents, Mrs. Marjabelle Young Stewart, of Kewanee, Ill.

Mrs. Stewart is an etiquette expert whose latest book was published in March 1981 by St. Martin's Press. Entitled "Marjabelle Stewart's Book of Modern Table Manners," the book provides helpful information on proper etiquette at corporate dinners and restaurants, both here in Washington and around the world. The book is also a very helpful guide for teaching proper table manners to children.

Mrs. Stewart will be discussing her book and her career tomorrow, May 22, on the television program, "Good Morning, Washington," ABC channel WJLA-TV, beginning at 9:30 a.m.

Mrs. Stewart's career is certainly an interesting one. At the age of 20, she was originator and first president of Shadel, Hinson & Young, a modeling corporation located in Washington, D.C. The same year she produced and narrated her own television show, "Meet the Models," for WMAL-TV in Washington.

In 1954, Mrs. Stewart was selected businesswoman of the year by the National Junior Chamber of Commerce. In 1964, she was appointed to the Commissioner's Youth Council for the District of Columbia. Soon after the birth of her daughter, Jacqueline,



Mrs. Stewart opened her own School for Young Ladies in Silver Spring, Md.

In 1965, Marjabelle wrote her first etiquette book with Ann Buchwald, wife of columnist Art Buchwald, entitled "White Gloves and Party Manners." This book gave Mrs. Stewart the idea to form her own company of the same title. Marjabelle is now president of this successful corporation, which provides classes on manners for young boys and girls. Mrs. Stewart also developed and franchised etiquette classes sponsored by department stores across the country.

Mrs. Stewart has been featured in such magazines as *Life*, *Look*, and the *Ladies' Home Journal*, as well as over 75 major newspapers. She has appeared on many major national television shows, including "The Dinah Shore Show," "Phil Donahue," "Mike Douglas," and "Merv Griffin."

Mrs. Stewart is the author of several books: "Stand-Up—Shake Hands," "Say How Do You Do," "What To Do—When and Why," and "Your Complete Wedding Planner." Her most recent books dealing with matters of modern etiquette are: "Executive Etiquette" (with Marian Faux), and "The New Etiquette Guide to Getting Married Again."

Marjabelle Young Stewart has become one of America's leading authorities on etiquette and style. I hope my colleagues will find her work useful and enjoyable. ●

#### THE WORTHY LAWYER

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. RODINO. Mr. Speaker, last Saturday I was fortunate to share the platform with Securities and Exchange Commission member Stephen J. Friedman at the Columbus School of Law's commencement exercises in Washington, D.C. Commissioner Friedman's address to the graduating law school class posed serious questions for all lawyers to consider as they seek to serve the cause of justice in our society. I recommend the speech to my colleagues:

#### THE WORTHY LAWYER

I would like to share with you two alternative scenarios for your future as lawyers—indeed, alternative scenarios for the legal profession itself. While history and tradition are powerful shaping forces for the bar, it is in a constant process of re-creation and reformulation. In a far greater sense than you can appreciate today, you hold the future of the legal profession in your hands. Years from now, that profession will be the sum total of what you and your colleagues have become.

In its most fundamental sense, law is the basic instrument for ordering human affairs. It allocates power and responsibilities among people and among institutions of

government. It sets the ground rules which constrain and direct liberty, self-expression, innovation, and the forces that drive men and women to place their imprint on the world. This is not mere rhetoric. Taxes and torts, securities law, energy law and anti-trust are only subsets of the attempt to impose order in ways consistent with the general welfare and individual liberty.

The law is truly a noble undertaking, and lawyers have played a special role in the history of this country and the evolution of its political institutions. While planters dominated the contributions of Virginia to our Founding Fathers, in the Northeast it was the legal profession that played the major role. That role has continued and has been pre-eminent in our public life in this century, particularly since the 1930's. As such, the legal profession should deserve the respect of the whole society. But it does not do so today to a degree that I find satisfactory. Whether it will do so in the future rests with you.

There are two major sources of the current public views about lawyers. The first is a natural by-product of the commanding role played by lawyers in the New Deal and in the evolution of the institutions it generated. Social and political institutions often have a relatively short life cycle (unlike social and political values). Precisely because they represent an attempt to control human conduct in a highly diverse and complex society, all but the most fundamental are doomed to failure—or at least ossification—over the longer term.

The Carter Administration's dismantling of so much economic regulation in the airline, trucking, communications and banking industries is the last stage of those regulatory experiments. The current Administration is carrying deregulation forward. New institutions will take the place of the old. A similar pattern is discernible in the flowering in the 1970's of the seeds of social welfare that were planted in the 1930's. Some of the limitations of those experiments are becoming sharply visible and the process of reassessment is in train.

Those instruments of social control and income redistribution depended very heavily on the law and the adoption and enforcement of rules—rather than incentives. As history exposed some of the limitations and excesses inherent in government by prescription, Americans began to lose respect for the rules and the people who wrote and enforced them.

The debates about the efficacy of price controls in dealing with inflation are a microcosm of this development. If the evil of inflation is excessive price increases, there is a compelling directness in saying that we can stop inflation by commanding prices to stand still. Quite apart from the fact that price controls do not deal with the underlying reasons for inflation, and thus are of only limited usefulness, price decisions are made by millions of people every day. Although the system always begins with promises to keep it "limited and sensible," conventional considerations of uniformity and equity produce powerful forces to extend controls to as many of those price decisions as possible. The system is drawn inexorably to seeking to control more and more transactions until it reaches the price of paper clips in the corner stationery store. The result can only be contempt for the law and for the people who insist upon rules that reach down into the details of everyday life.

I trust that this experience is running its course, and that the legal profession will

have the ability to step back and consider with clear eyes some of the infirmities of the old ways of dealing with social and economic issues. There is a critical role for lawyers to play in the creation of new approaches and the design of new institutions, for the underlying social problems will not disappear.

I can think of no better example of this role than an article written last year for *Foreign Affairs* by Lloyd Cutler, a distinguished Washington lawyer who was serving as the President's Counsel. He focused on the sharp limitations on Presidential leadership created by our constitutional system of checks and balances. Instead of suggesting a radical change to a parliamentary system—which would be quite unworkable in this country—he proposed some far more modest changes to tie the political fortunes of legislators more closely to those of the President. It was, in my mind, a classic example of the lawyer's public role in America.

The second reason for some loss of the respect the legal profession enjoys is both more fundamental and more within the control of individual lawyers. It reflects a diminished institutional identity of lawyers as members of an ancient and noble profession as opposed to a service business whose sole function is to serve the interests of clients. It represents the carrying to a debilitating extreme of the principle that a lawyer's primary duty is to his client, and that both inside the courtroom and around the conference table, a lawyer's job is to represent his client's interests within the restrictions of the law and the Code of Professional Responsibility. That conventional wisdom is true, but not the whole truth. No person can live a worthy life and observe only the written rules. No professional can represent the best in his profession and be governed only by the Code of Professional Responsibility.

There has been much confusion in recent years about the ethical problems which face lawyers. For many, that question has become one of the propriety of a lawyer's bending his talents to serve a client of whose business or practices the lawyer disapproves: for example, a company that pollutes the environment or does business with authoritarian regimes in other countries. You may view this as splitting hairs, but while I recognize the legitimacy of those questions, they strike me as issues that are common to all men and do not arise out of the lawyer's special role. They simply ask the question, "Do I want to be associated with this kind of a person or company?"

There are, however, a unique set of ethical problems which lawyers face every day. They can be summed up with the question, "how far do I pursue the interests of my client?"

That is a question that becomes more difficult as the lawyers come increasingly to view their responsibilities as congruent with their clients' interests. There are structural changes occurring in the bar that increase that sense of identity of interests. The enormous growth of corporate law offices deepens the identification between corporate counsel and their employer-client. The very size and scope of the largest law firms creates institutional imperatives for management techniques and business-like behavior that, in a subtle way, alters the lawyer's self-image.

The question of a lawyer's standards is involved in a hundred small ways countless times each month:

Is it appropriate to try to impeach a witness whose testimony you know to be true?

Is it proper to use the discovery system to drag out a litigation because time redounds to the benefit of your client?

How far do you push an ambiguity in the tax law in claiming favorable tax treatment in a system that depends upon voluntary compliance?

In making a difficult judgement about the materiality of unfavorable information that has not yet been disclosed to the securities markets, how much weight do you give to your client's desire to remain silent?

Before adoption of the Foreign Corrupt Practices Act, what should you have done upon discovery that your client is bribing foreign government officials, in violation of their law?

I could multiply the examples, but the nature of the problem is very clear. On the one hand, it is not appropriate for you to substitute your ethical judgment for that of your client. But you are clearly a participant in the judgment your client makes. And you are the primary actor in the legal judgment. The law is necessarily broad, and if you interpret your mandate as pressing that vagueness as far as it will go in the interests of your client, then the sum total of all your efforts will not be worthy of this great profession. Your professional life will be best characterized by having achieved the lowest common denominator.

Nor will you earn the respect of your clients. Whatever their desire to come out on top in a particular litigation or negotiation, they will not think much of a legal system that appears capable of being bent in a way that defeats its own objectives. It is here that a lawyer's relationship with his client is most subtle and important. A businessman who asks for an opinion that a proposed course of conduct is legal is doing more than seeking protection from a later claim that he engaged in it knowing it to be wrong. No matter how aggressively he deals with his lawyer, he is ordinarily seeking independence of judgment as well as analytical skill in thinking up "arguments" that can be made to justify the proposal.

Moreover, losing your independence is not in the best interests of your client. A tax lawyer who influenced heavily my early years as a lawyer always counselled his clients about the dangers of "putting both feet in the trough." Harold Williams made the same point more formally when he said that "conduct which is fashioned to comply only nominally with the law merely invites, if the public's expectations are breached, more detailed and prescriptive law and regulation describing what is, and what is not, permissible behavior."

When all is said and done, however, more is involved than the interests of your client. The decision on each of these small issues, in total, represents the success or failure of our legal system.●

#### ALAMEDA MEALS ON WHEELS

### HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. STARK. Mr. Speaker, on January 28, 1981, I submitted for publication in the CONGRESSIONAL RECORD an article on a very special project in my district, known as Meals on Wheels.

Meals on Wheels provides hot meals for senior citizens in Alameda County. These meals are delivered to the homes of the recipients, and the program is staffed by an entirely volunteer staff.

I want to take this opportunity to express my thanks to Abe Koffman for his unending support of this wonderful program. Mr. Koffman is the editor of the Alameda Times Star and has been a supporter of Meals on Wheels from the beginning. Through his column he generated approximately \$18,000 in contributions in 1980, and as of April 30 of this year, contributions have reached \$3,400.

I want to express again my support for this invaluable program and my thanks to all those who help make it possible. I take great pride in knowing that the people of Alameda really care.●

#### TRAGIC SITUATION IN EAST TIMOR

### HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. EDWARDS of California. Mr. Speaker, several recent press articles regarding the tragic situation in the former Portuguese colony of East Timor are of particular cause for concern, and I would like to commend them to my colleagues' attention.

These articles, however, are not from the American press, but from the Indonesian press, including an army newspaper. They describe massive military maneuvers carried out in East Timor in late March by over 10,000 troops. These exercises included simulated bombing attacks with American equipment notably Rockwell OV-10 "Bronco" counterinsurgency aircraft.

While the Indonesian press articles contain no evidence that the military exercises have extended to actual military operations against Timorese nationalists who are resisting the illegal Indonesian occupation of their homeland, I find it significant that the exercises were carried out in areas where nationalist resistance is reported to be heaviest.

Should Indonesian military operations be taking place at this time—as refugees assert they are—they should be condemned in the strongest possible terms. The Indonesians invaded East Timor 5 years ago and remain there today in violation of international law. Indeed, whether or not they culminated in combat operations, the March military maneuvers are in themselves a further violation of East Timor's territorial integrity and in contravention of United Nations resolutions on the issue. It is regrettable that U.S. policy, which stands firm

against aggression in Cambodia and Afghanistan and the Soviet threat to Poland, continues to acquiesce in Indonesia's brutal occupation of East Timor.

The human costs of the Indonesian occupation should be made clear. American press reports give an East Timorese death toll of up to 200,000 out of a population of 650,000. Last October, before the United Nations, Amnesty International described reports of large scale summary executions of surrendered Timorese guerrillas—who are entitled to humane treatment under the terms of the Geneva Conventions—and the "disappearance" of those whose only "crime" was peaceful opposition to the Indonesian occupation. Reports from recent refugees state that the violence is far from over, that thousands of Timorese have been imprisoned on nearby islands. Thus far, the International Committee of the Red Cross (ICRC) has not had access to these or any other East Timor prisons.

It is clear that an equitable political solution that provides the East Timorese with their internationally recognized right to self-determination is the only long-term solution to this tragic situation. I would like to associate myself with comments on this subject by Senator PAUL TSONGAS in a recent letter to the New York Times Magazine.

A recent article in the Australian press provides further information on the role of Portugal, which is still recognized by the United Nations as the legal sovereign of East Timor. The Portuguese Government has reportedly asked United Nations Secretary General Waldheim to form a special commission to study the East Timor question. It is possible that such a commission could eventually provide a framework for a just diplomatic settlement. As such, it deserves our full support.

[From KOMPAS, Mar. 28, 1981]

#### EXCERPTS FROM ARTICLE

The exercises involved more than 10,000 troops, 90 percent of them young graduates from military school.

Operations were also conducted in Biak (West Irian) and Maluku. The whole program of exercises will finish on April 1, 1981.

New FNC weapons will replace the M-16 weapons currently used by the special units.

Modern French made AMX tanks, of greater capacity and range, will replace the obsolete Russian tanks now in service.

The exercises were followed by a meeting of Armed Forces heads in Ambon.

[From KOMPAS, Mar. 26, 1981]

#### ARMED FORCES JOINT EXERCISES 1981

Wednesday was the first day of the Armed Force Joint Exercises 1981 held in Baucau and Los Palos. In Baucau the exercises took the form of an assault on enemy occupied Baucau using airborne Kopassandha units dropped from helicopters in the wake of a rocket bombardment by counter-insurgency

OV-10 "Broncos". After the seizure of Baucau, further exercises were undertaken by Kopasgat troops landed from the air. In Los Palos, exercises were carried out by airborne Kostrad troops. At 8:00 a.m. one battalion was dropped simultaneously from eight Hercules aircraft backed up by counter-insurgency OV-10 "Broncos" pouring in fire-power for "mopping-up" purposes. Today, Thursday, the exercises will take the form of amphibious landings in Laga, also in East Timor. The picture shows troops being dropped during the airborne operation at Los Palos.

[Newspaper of Indonesian Army, AB, Mar. 26, 1981]

#### THE RE-OCCUPATION OF BAUCAU, EAST TIMOR

BAUCAU.—At dawn on Wednesday, March 25, the Armed Forces Joint Exercises '81 were launched with an attack on Baucau which for the purposes was considered occupied by the enemy. The event was witnessed by the Minister for Defence and Armed Forces Commander, M. Jusuf accompanied by observers comprising senior officials of Hankam, Pangkowlhan, members of Parliament, the local Governor, editors, PWI, journalists, the Head of Dharma Peritiwi, Mrs. E. Jusuf, and other Armed Forces leaders. The attack on Baucau was carried out by an airborne invasion of a paracommando unit dropped by helicopter following a rocket bombardment on the target below by counter-insurgency OV-10, "Broncos" which continued to provide air cover. Meanwhile Karsa Yudha conducted an offensive smashing enemy positions around Baucau with a view to preparing an area for an airborne landing. In a short time Baucau was secured and the Indonesian flag successfully hoisted in place of the enemy flag. After the capture of Baucau a "rapid-strike" company flown in from Dili conducted an airborne landing to occupy positions around Baucau. During the morning airborne battalion 502 also landed following an air strike into the paratroopers landing target. After the successful capture of the target area, forward enemy positions around Los Palos were smashed. Los Palos was successfully seized and occupied. An operation designed to coordinate Sandhi Yudha troops and the local territorial apparatus followed resulting in the formation of the Udara Tahap I base.

The Armed Forces Joint Exercises '81 covered two-thirds of our country and served to evaluate the Minister of Defence's policy of forming a strong, preventative force.

The Armed Forces Joint Exercises '81 provided a means of measuring the capacity, skills and integrity of troops as well as testing the supply of equipment and new Armed Forces weapons.

Today, Thursday, the Armed Forces Joint Exercises '81 will be continued with amphibious landings in Laga, East Timor.

[From the New York Times Magazine, Mar. 15, 1981]

#### TRAGEDY OF EAST TIMOR

As one member of Congress who has long been concerned with the tremendous suffering that has occurred in East Timor, I found Henry Kamm's article "The Silent Suffering of East Timor" (Feb. 15) a fine essay on this sadly overlooked situation. Mr. Kamm has provided us all with needed information on this subject. But, however difficult the situation many now appear, it would compound this tragedy for the world to accept

Indonesia's annexation of East Timor as final. As The New York Times has pointed out in its editorials on East Timor, a diplomatic solution to end the unwanted Indonesian occupation is still a possibility. In the interest of preserving American ideals and the rule of law in international affairs, the United States should lend its weight to such an effort.

PAUL E. TSONGAS,  
U.S. Senate,  
Committee on Foreign Relations.

#### STATEMENT ON BEHALF OF AMNESTY INTERNATIONAL TO THE FOURTH COMMITTEE OF THE 35TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY IN CONNECTION WITH THE QUESTION OF EAST TIMOR

On behalf of Amnesty International, I thank you for the opportunity to appear before you in connection with the question of East Timor.

I would like to draw to your attention at the outset that Amnesty International's mandate is specific. It seeks the release of "Prisoners of Conscience"—persons who have been imprisoned for the non-violent exercise of their beliefs, for their ethnic origin, colour, sex, language or religion. It works for fair and early trials for all political prisoners detained without charge or trial. It opposes without reservation the death penalty and torture or other cruel, inhuman or degrading treatment or punishment. These are the areas that are addressed in this statement in the belief they are relevant to your present consideration of the question of East Timor.

Since December 1975, after the Indonesian invasion, there have been persistent reports of violations of human rights in East Timor relating to imprisonment and execution without trial of both civilians and former combatants. Amnesty International has encountered considerable difficulty in establishing their veracity primarily because of a strict prohibition imposed by the Indonesian occupation forces which has prevented unhindered access to the territory and the free flow of information out of it.

However, on the basis of what it considers to be reliable reports received in recent months, Amnesty International is particularly concerned about:

Timorese who, having surrendered under the terms of an amnesty guaranteeing their personal safety or who were captured, have subsequently disappeared without trace;

Summary executions of persons who have surrendered to or been captured by Indonesian forces;

The large number of persons who have been held in prisons without trial since the invasion and who, as they took no part in the fighting, must be regarded as political prisoners and, in some cases, as Prisoners of Conscience since they neither used nor advocated violence;

Harsh prison conditions which constitute cruel, inhuman and degrading treatment or punishment.

In August 1977, President Suharto offered an amnesty to all "Fretilin remnants" who surrendered to Indonesian forces. The offer initially ran until 31 December 1977, but was renewed. In the past three years, and particularly since mid-1978, large numbers of East Timorese have surrendered, including a number of Fretilin leaders and fighters. Others during this same period were captured. Amnesty International is gravely concerned about the safety of these persons.

During 1979, there were a number of reports of persons "disappearing" after surrender or capture by Indonesian forces. Their present whereabouts remain unknown and there are fears they may have been executed. In February 1980, Amnesty International compiled a list of 22 such individuals. Some were reportedly killed immediately after surrender, but most simply "disappeared", either while in detention or, in some cases, after release. These persons were taken from their places of detention or picked up from their homes and have not been seen since. For example, in early 1978 Leopoldo Joaquim, a member of the Fretilin Central Committee, surrendered, was detained for several months and upon release was required to report daily to the local military command. In April 1979 he was escorted to the house of his niece Maria Gorete Joaquim. Both were taken away, purportedly to Baucau. Neither has been seen or traced since. In March 1979, Dulce Maria da Cruz, who was also a member of the Fretilin Central Committee, was captured with her three year old child. She was taken to Dili and detained. Nothing has been heard of her since.

Amnesty International has urged a full investigation into the present whereabouts of these as well as of others said to have "disappeared" after surrender or capture. To its knowledge this has not been done. Amnesty International continues to receive reports of new cases. It is not, however, in a position to estimate the total number of "disappearances" in East Timor in view of the obstacles to gaining access to the true situation.

In some situations the dividing line between "disappearance" and murder or execution is slender and this apparently is true of the situation in East Timor.

Reports received by Amnesty International in 1979 and in 1980, the most recent being August 1980, allege large scale summary executions of persons who surrendered under the terms of the amnesty or were captured. Furthermore, there are allegations that persons who surrendered four years ago are now being executed for having assisted Fretilin. Reports also indicate that the East Timorese in general have been victims of reprisals, interrogation and arbitrary imprisonment. Amnesty International has also received reports of beatings of prisoners and persistent allegations of the use of torture to gain information.

According to information received by Amnesty International, Comarca prison, which in Portuguese times was the Dili district prison, holds the largest number of those detained by the Indonesian forces for alleged pro-Fretilin sympathies. At the end of 1979, approximately 700 East Timorese were detained there. Conditions in the Comarca are believed to be harsh. A person who visited the prison late last year reports it was overcrowded and many prisoners appeared to be seriously under-nourished, their basic diet consisting of rice and kankung. In addition to malnutrition, tuberculosis is rampant in the prison. Prisoners are forced to sleep in close proximity one to another on stone floors. Adjacent to the prison is a swamp which seeps into the lower cells aggravating physical and health conditions.

Mr. Chairman, disturbed by continuing reports of the grave violations referred to here, Amnesty International in April 1980 wrote to President Suharto to draw his attention to these concerns. In its letter, Amnesty International:

i. Urged the Indonesian government to carry out its own investigation into the

present whereabouts of persons who had "disappeared" after surrender or capture;

ii. Appealed to the Indonesian government to co-operate in ensuring the International Committee of the Red Cross be permitted to expand its activities in East Timor beyond the provision of relief so as to include its other internationally-recognized functions of tracing missing persons and visiting prisons;

iii. Requested President Suharto to instruct Indonesian forces in the territory of East Timor to ensure the physical safety of former Fretilin supporters in compliance with the terms of the amnesty originally offered by the President;

iv. Urged an investigation into the conditions in which several hundred East Timorese are being imprisoned; and asked for public assurance that prisoners would be treated in accordance with international standards governing the rights of persons held in detention.

In the light of the information Amnesty International had received, it considered such steps to be the minimum required. The minimum standards for the treatment of prisoners as set forth in the Geneva Conventions of 1949 governing areas of armed conflict prohibit torture and murder. According to internationally-recognized principles of law, all persons alleged to have committed crimes are to be treated, judged and punished within a framework of legality which is consistent with respect for and protection of human rights.

No reply to this letter has been received to date by Amnesty International, nor has there been any evidence that the steps urged on the Indonesian government have been implemented. In view of the lack of assurance from the government that these findings would be investigated; and in view of the reports of violations that continue to be received, Amnesty International's concern has intensified. Accordingly, Amnesty International felt this Committee should be and would wish to be informed of its concerns in connection with its present consideration of the question of East Timor.

[From Melbourne Age, Apr. 28, 1981]

**NEW TIMOR MOVE**

LISBON, April 27.—Portugal is to make a new bid to resolve the problem of East Timor. The Government has asked the United Nations Secretary-General, Dr. Waldheim, to form a special commission to examine the question, and has invited him to discuss the move in Portugal next month, according to reliable diplomatic sources.

The initiative follows the breakdown of a proposal made last year by then Prime Minister Francisco Sa Carneiro, killed in December in an air crash, to involve Indonesia in talks on East Timor. The territory has remained under military occupation since 1975 despite UN resolutions calling on Indonesia to withdraw. Sporadic resistance is continuing from Fretilin guerrilla forces, according to Timor refugees arriving in Portugal.

The Leftist weekly, "Jornal", also citing diplomatic sources, said Dr. Waldheim had already accepted the Portuguese invitation and was expected in Lisbon in the first fortnight of May.

Last September Dr. Sa Carneiro proposed talks between "all interested parties" over the future of Timor. These were specified as Portugal, Indonesia, Australia, the ASEAN countries, the United States, Japan, EEC countries and Portugal's former African colonies. Indonesia never officially respond-

ed, and Portugal failed to win support from any senior Western nation.●

**THE WORLD GATHERING OF JEWISH HOLOCAUST SURVIVORS**

**HON. HENRY A. WAXMAN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. WAXMAN. Mr. Speaker, the world gathering of Jewish Holocaust survivors will be held in Israel from June 14 to 18, 1981. More than 300 representatives from southern California, survivors and children of survivors, plan to attend.

Irving Peters of Beverly Hills is chairman of the Southern California Committee for the World Gathering. He is founder and president since its inception of the Southern California Council of Jewish Survivors of the Nazi Holocaust, a member of the national executive committee and of the international steering committee for the world gathering. He is a survivor of slave labor camps, was a member of Jewish community councils in displaced persons camps, and lived through the days of the Berlin blockade.

The world gathering is a dramatic testimonial to the survival of the Jewish people through centuries of imprisonment, slavery, and genocide. The southern California delegation will join thousands of others from around the world and 5,000 now living in Israel, to represent the 6 million who perished in the Nazi Holocaust. The world gathering is dedicated to the causes of freedom and liberty. The year 1981 marks 36 years of freedom since the liberation of the Nazi concentration camps. It is the "double chai" anniversary—meaning "double life." "Chai" is 18 in the Hebrew language and means "life" in the Jewish tradition.

In these days, when we are again having to fight terrorism, prejudices of many kinds, and even attempts on the part of pseudohistorical groups to rewrite history, to claim that the Holocaust never existed, we must recognize that attacks on any of us are attacks on all of us. The preservation of human liberty is an unending struggle which involves everyone.

I ask my fellow members to join with me in observing the occasion of the world gathering of Jewish Holocaust survivors and in pledging our unceasing dedication to the struggle against any form of bigotry and hatred.●

**AMERICAN JEWISH COMMITTEE STATEMENT ON THE PROPOSED SALE OF WEAPONS TO SAUDI ARABIA**

**HON. WILLIAM LEHMAN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LEHMAN. Mr. Speaker, a strong signal has been sent to the Reagan administration concerning the wisdom of supplying to Saudi Arabia five airborne warning and control surveillance aircraft (AWACS) and offensive equipment for Saudi F-15 fighters. As a sponsor of House Concurrent Resolution 118, a resolution of disapproval of the proposed sale, I believe that the Congress will succeed in disapproving this sale should Congress receive formal notification from the Department of Defense.

As deliberation on this controversial issue continues, I would like to bring my colleagues' attention to a statement in opposition to the proposed sale of weaponry to Saudi Arabia recently issued by the American Jewish Committee. As the statement indicates, these weapons in the hands of Israel's professed enemies would pose a real threat not only to the security of Israel, but also to the interests of the United States in the region. The statement follows:

**AMERICAN JEWISH COMMITTEE STATEMENT ON THE PROPOSED SALE OF WEAPONS TO SAUDI ARABIA**

The proposed sale by the Administration of highly sensitive AWACS aircraft to Saudi Arabia and of add-on equipment for Saudi Arabia's F-15 planes endangers American interests and prospects for peace in the Middle East.

We are opposed to these sales. We strongly urge the Administration to withdraw its proposals. Should the Administration persist, we urge both Houses of Congress to vote resolutions of disapproval.

Development of U.S. strategy for countering the threat of Soviet expansion in the Middle East and for defense of key Gulf states is essential and merits support. This is quite different, however, from selling the Saudis advanced weaponry such as the Airborne Warning and Control Systems aircraft, which will then be outside American control; different from giving the Saudis the extra fuel pods, potent Sidewinder missiles, fuel tankers and, eventually, bomb racks that transform their F-15 planes into weapons of attack.

To ensure this would not happen, Congress sought and received a specific commitment that no F-15 add-on equipment would be furnished when it approved the original plane sale to the Saudis in 1978. This commitment must be honored.

The sales now proposed are clearly contrary to American interests:

Events in Iran should have taught us the danger of putting sensitive weaponry into the hands of undemocratic regimes threatened from within. Radical forces already have sought to overthrow the Saudi ruling monarchy. Should a future coup succeed, as

in Iran, these arms would then be available for use against U.S. forces, directly or indirectly. There is no need to take this risk.

Furnishing offensive weaponry to States like Saudi Arabia and now, in addition, to Iraq, is a temptation for them to go to war or extend existing conflicts. Escalating the Middle East arms race in this fashion is to increase the likelihood of upheaval in the very area where our goal is stability.

The surest way to protect American interests in the Gulf area is to keep sensitive weaponry in the hands of the United States. U.S.-manned AWACS presently operating in Saudi Arabia are now able to give that country advance warning of any attack that may be launched against it. Keeping these under U.S. control assures that they cannot be used for any mischievous goal.

The possibility that the Saudis will use its F-15s and AWACS for potentially tragic purposes is a real one. Saudi Arabia makes no secret of its intentions toward Israel. At the Taif gathering of Moslem states just a few weeks ago it called for a jihad, a holy war, by Moslems against Israel. To give the Saudis AWACS and aircraft that can penetrate Israeli defenses is to jeopardize Israel's security. The United States is pledged to protect Israel's basic security, not to weaken it.

Saudi Arabia now repeatedly seeks to dictate terms to the United States, as a condition of its cooperation and friendship. That the United States has an interest in Saudi stability is undeniable. That the Saudis have even more need of the United States if their country is not to fall prey to external threats is likewise evident. There is good reason to deal with the Saudis on the basis of mutual respect and obligation. But the dealing thus far has been very much one-sided. The Saudis set their oil prices strictly on a self-profit basis. They have impeded, not helped, the Camp David process. They pay tribute money to the PLO and thus help support terrorism the United States seeks to check. They refuse U.S. bases on Saudi soil. It is time the United States made its own demands on Saudi Arabia rather than yield to Saudi blackmail.

The Saudi request for offensive weaponry must be firmly rejected.●

#### SOUTH SHORE ECONOMIC DEVELOPMENT CORP.

#### HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. DONNELLY. Mr. Speaker, today I would like to call my colleagues' attention to an organization in my district that sets an example for the Nation.

The South Shore Economic Development Corp., based in Quincy, Mass., is an organization of business professionals who have contributed their services to enhance the economic vitality of southeastern Massachusetts.

Since the corporation was formed in 1974 under the auspices of the South Shore Chamber of Commerce, it has packaged 571 loans to small business. The \$22 million in Small Business Administration loans has been translated into 2,500 new permanent jobs. Not one single loan has been defaulted.

In January, the Small Business Administration began its 503 loan program. Community groups have been designed to plan and promote economic growth for their communities and to act as a conduit for loans to eligible small businesses. The South Shore Economic Development Corp. promptly put its considerable skills to work to utilize this program to the best advantage of our community. Their success record is already impressive, and it has been recognized by the SBA as the best in the Nation.

In less than 5 months, the corporation has made nine loans worth \$3.5 million. No other group in the country has close to that. This investment will create 96 new jobs within 1 year, and an additional 125 jobs within 3 years.

At a time when it has become fashionable to point to Federal programs that have been mismanaged, inefficient, or otherwise disappointing, it is with considerable pride that I point to a sterling example of the opposite. The South Shore Economic Development Corp. demonstrates how much can be accomplished in a community when a group of dedicated and resourceful business people work together actively to improve their local economy.●

#### WHAT THE AMERICAN FREE ENTERPRISE SYSTEM MEANS TO ME

#### HON. JOHN BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. BREAUX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the winning essay from Louisiana's statewide junior high school free enterprise essay competition:

#### WHAT THE AMERICAN FREE ENTERPRISE SYSTEM MEANS TO ME

(By Julie Boultinghouse)

The free enterprise system by definition is an economic system based upon private ownership and operation of business. The system is based on individual economic freedom. No one person, organization, or government decides what or how much should be produced, how much money should be charged for goods or services, or how individuals will earn and spend their incomes.

All over the world, even in America, there is a scarcity of resources relative to human wants. This scarcity of resources creates the problem of choice. People must decide which of the many things they want are the most important to them and who shall have them. In other words, everyone, private producer and consumer, must economize in the use of these scarce resources if the most is to be obtained from them.

Individuals or private producers are the ones who own most of the natural resources, factories, and other means of production. Under the free enterprise system, these people or groups have the freedom to use

their property any way they want and profit from it within certain limits.

The decisions of the economy are made in the market. The supply and demand for a good or service operate together and determine the market price. The private producer tries to get the highest possible price for his goods or services while the consumer tries to buy the best quality at the lowest price. The producer strives to be efficient so he may maximize profits or minimize losses. The consumer also strives to be efficient so his satisfactions may be maximized. The end product in the private and public economy is the same, satisfaction of human wants.

If the private businesses have the freedom to decide what prices should be charged for goods and services, then what stops them from raising prices and limiting quality and quantity? One force which stops this is the consumer. The consumer is only going to buy the best quality and quantity at the lowest price. The free enterprise system gives out signals of what should and should not be produced, from what people are willing and able to buy. Also, the United States federal and state governments have laws and regulations to keep the competition between private businesses free and fair.

Our society has grown so complex that we require all kinds of services that only government at various levels can supply us. If we were to restrict the government services below the necessary minimum, we would make the expansion of the private part of our economy almost impossible. Since the private and public economy are heavily dependent on one another, the government's help is sometimes needed because if anything happens to one side the total system is involved.

The free enterprise system is one of the most productive economic systems yet devised by man. It has produced the highest standards of living in history and at the same time it has given people the freedom to make their own decisions about the economy. I am glad we have a free enterprise system because I can not help but think of how much better my life is now compared to my parents and grandparents. Also, I feel so much freer than the people living in Russia or China who don't live in a country as wonderful as America.●

#### WORLD TRADE WEEK

#### HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. MOAKLEY. Mr. Speaker, I would like to join with my colleagues in the observance of World Trade Week, May 17 through 23.

World Trade Week entails the gathering of government and business interests in our major commercial centers for the opportunity to improve communication and discuss the importance of a strong exporting economy in the United States.

Exports already play an ever-increasing role in the U.S. economy and will only become more so in the years to come. U.S. merchandise exports alone are now running at about 8.5 percent of our gross national product,

twice the ratio of 10 years ago. The most rapidly expanding markets for many U.S. goods are export markets and a majority of economists feel that the growth of the world economy will be less than it has been in the last decade. Therefore, the competition for the availability for world export markets will increase substantially.

If we fall behind in this export race, it will be U.S. jobs which suffer most because exports preserve and create jobs in the United States. In essence, U.S. exports pay for our imports of oil and other cherished commodities.

More and more, export trade has become an important ingredient in creating a healthy economy for New England. Legislation passed dealing with U.S. exports could have a great impact upon New England for a number of reasons.

New England relies upon sources outside the United States for 70 percent of her energy, and since our exports pay for our imports of oil, New England will continue to need the exchange of foreign funds to finance her economic growth.

Although the indicators for New England's economy throughout the seventies have not been productive, the export sector of the region has been expanding. From 1972 to 1976, the expansion involved a 172-percent increase. A reason for this is the products developed in New England's export sector include aerospace and aircraft, computers and electronic equipment, chemicals, consulting and service industries, which are products that possess a large potential for expansion. This export sector also includes approximately 20 percent of the available jobs in New England, therefore any fluctuation in the export capabilities will greatly influence the region's employment levels.

Mr. Speaker, in conclusion, I feel we should all take the opportunity presented by World Trade Week to create a better atmosphere both politically and economically for exports. ●

**MENACHEM ROSENSAFT  
REMEMBERS JANUSZ KORCZAK**

**HON. BILL GREEN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. GREEN. Mr. Speaker, I am very pleased to share with my colleagues in the House of Representatives a speech given by Menachem Rosensaft at the presentation of the awards to the winners of the 1980 Janusz Korczak International Literary Competition last November at the New York headquarters of the Anti-Defamation Leagues of B'nai B'rith. I was privileged to be among those present at that occasion, and thought that Mr. Rosensaft's

speech deserved to be heard by a wider audience.

Mr. Rosensaft, the son of Holocaust survivors, is a lawyer and a constituent of my congressional district. I have come to know him and his family through my work on the U.S. Holocaust Council and its predecessor Presidential Commission. In his speech, he reminds us of the legacy of this compassionate and proud Polish Jew, who devoted his life, and ultimately gave it, to caring for orphan children. Janusz Korczak's story, these words remind us, contains a message of the meaning of the Holocaust.

In addition to Mr. Rosensaft's remarks, I am also pleased to insert in the RECORD a copy of an article about him which appeared in the March 24, 1981 New York Law Journal.

[From the New York Law Journal, Mar. 24, 1981]

**JUDGE'S CLERK IN LEADING ROLE FOR  
HOLOCAUST COMMEMORATION  
(By Alan Kohn)**

When the State of Connecticut holds a ceremony April 27 to commemorate the Holocaust—the murder of an estimated 6 million Jews by the Nazis—the main speaker will be not a politician or celebrity but a law clerk to a Federal judge.

The man selected, Menachem Z. Rosensaft, a clerk to Judge Whitman Knapp, of the U.S. District Court for the Southern District of New York, although born in 1948, has an unfortunate intimate acquaintanceship with that monument to bestiality.

**CHILD OF BERGEN-BELSEN**

His parents survived the concentration camps at Auschwitz and Bergen-Belsen, near Hanover in West Germany. Mr. Rosensaft was born in the displaced persons' camp at Bergen-Belsen, on the site of the concentration camp.

Until his death in 1975, Mr. Rosensaft's father was head of the World Federation of Bergen-Belsen Associations. His mother, a dentist, who has not practiced in the United States, was a member of the President's Commission on the Holocaust and is a member of the United States Holocaust Memorial Council.

With this background and a fluency in seven languages, Menachem Rosensaft appeared headed for an academic career, going so far as to obtain master's degrees in creative writing and modern European history, write numerous articles, most of them related to the Holocaust, publish three books, including a volume of poetry, and begin work toward his Ph. D.

**"CANNOT SEE BEING PAID"**

But, then Mr. Rosensaft stopped and turned to law. He explained why in an interview.

"I felt very troubled," he stated, "at having my livelihood and my career Holocaust oriented. I felt very uneasy. I could not justify being paid for talking about or writing about the Holocaust, about the death of my grandparents and the suffering of my parents. I could not see being paid for that."

Because he felt he could be more "useful" as a lawyer and wanted a "more active environment where I could work with people." Mr. Rosensaft entered the Columbia University School of Law, obtaining his degree

in 1979 and becoming a clerk for Judge Knapp.

He will complete two years with the judge this summer and then become an associate in the litigation department of Proskauer Rose Goetz & Mendelsohn.

**NO COMMUNITY ACTIVIST**

Mr. Rosensaft said he did not intend to become a "part-time lawyer and a full-time community activist" but that if he have any "opportunity" to do pro-bono work, it would be in the area of Jewish communal activity, "where I have a strong interest."

Before joining Proskauer Rose, however, Mr. Rosensaft will go to Israel in June for the first world gathering of Holocaust survivors, where at least 3,000 survivors and their children are expected. He is a member of the steering committee that is planning the program.

In addition, he is a member of the four-person steering committee of Second Generation: Children of Holocaust Survivors, which has more than 500 members.

Mr. Rosensaft's ties to the Holocaust are reinforced by his wife, Jean, who is coordinator of private-school education for the Museum of Modern Art. She, too, is a child of survivors of the Holocaust.

**A CHRISTIAN DUTY**

The survival of her parents illustrates two facts that are sometimes forgotten when considering the Holocaust. Mrs. Rosensaft's father fought with Jewish partisans during World War II, keeping his mother and a younger brother with him. Her mother and her mother's parents survived because a Ukrainian farmer, who was a Christian, hid them during the war.

Although Mr. Rosensaft is beginning a career in law and has a three-year-old daughter, he is haunted by the memory of his brother, Benjamin, who was born in 1937 of his mother's first marriage. Benjamin, his father, and other relatives perished in Auschwitz.

"I would have a brother who today would have been forty-three years old," Mr. Rosensaft said, "and I owe it to him to always carry his image before my eyes. He was killed as a six-year-old child. He never grew up. He never had a chance to have a life.

"My brother was gassed for no other reason than that he was a Jewish child. If I have any goal in life, it is to make sure that no child, Jewish or otherwise, should be killed that way and that people like my parents should not be persecuted or annihilated for racial reasons."

**REMEMBERING JANUSZ KORCZAK**

(By Menachem Z. Rosensaft)

It is a great privilege for me, the son of Polish Jews who went through and survived the Holocaust, to participate in tonight's proceedings. For us children of Holocaust survivors, Janusz Korczak has a special significance. He is a central part of our collective being. A European Jew, like our parents, he was murdered together with our grandparents by the Nazis and their multinational accomplices, and the two hundred children in his charge are symbolic of the 1,000,000 annihilated Jewish children.

According to what is perhaps the most beautiful of all Jewish legends, each generation contains at least thirty-six anonymous righteous individuals who ensure the continued existence of the world. These *lamedvovniks*, as they are called, remain hidden throughout their lives, their divine qualities, power and purity concealed even from

themselves by a cloak of genuine humility. Only at a moment of direst crisis will a lamedvovnik become known to the world, and then he will only remain in the arena until his particular mission is accomplished. Thereafter he—or, for that matter, she—will disappear once again into the shadows from whence he—or she—came.

While we do not know the identities of the other thirty-five lamedvovniks who prevented the destruction of the entire universe during the dark years of the Holocaust, there can be no doubt that one of them was Dr. Janusz Korczak.

Janusz Korczak; or Henryk Goldszmit—his true name; or Zvi-Hirsh ben Yosef—his Hebrew name. Unquestionably, he was among the most inspiring, most original pedagogues and humanitarians of pre-World War II Europe. He founded and directed what had to be one of the most interesting educational experiments of the century: his Jewish orphanage at 92 Krochmalna Street in Warsaw which he turned into an authentic "children's republic". The author of unique works for and about children, he devoted his entire adult life to the well-being of children, primarily Jewish children but Non-Jewish ones as well.

After Poland was occupied by the Germans in 1939, he continued to run his orphanage, first at Krochmalna 92 and, after it was moved into the Ghetto, at Chlodna 33 and at Sienna 16, with the single-minded determination and defiance of a Biblical prophet. Whether consciously or subconsciously, he understood the true moral imperative of the verse from the Book of Hoseah, "When Israel was a child, then I loved him. . . ." For it was to the children of Israel, to the abandoned orphans of the Warsaw Ghetto, that Korczak gave all his love, all his energy, and all his devotion. He cared for his children with the genuineness of all the most doting parents combined. His days were spent demanding, begging, pleading and cajoling in order to bring some bread, soup or milk back to the orphanage. And he did everything in his powers to keep the children in the best possible spirits despite the horrible circumstances.

But his noblest hour came on August 5, 1942 when his children were deported to Treblinka. Korczak easily could have saved himself. Some of his Polish friends outside the Ghetto had been urging him for a long time to agree to let them hide him, but he had always refused. Igor Newerly, who was responsible for preserving Korczak's Ghetto Diary, visited the doctor inside the Ghetto as late as July of 1942 in a last attempt to rescue him. Newerly implored him to accept a German identity card in assumed name he had brought with him and to escape. Again, Korczak refused to go. As before, his simple answer was, "And what of the children?" Even on the day of the deportation, the members of the Warsaw Ghetto Judenrat apparently arranged in vain to have Korczak spared. Instead, he defiantly led his two hundred children and the other members of the orphanage staff through the streets of the Ghetto to the trains which were waiting to take them to the gas chambers.

True, Korczak was a Polish patriot—but he was not murdered because he was a Polish patriot.

True, he was a great humanist whose humanitarianism and idealism were universalist in nature—but he was not murdered because he was a humanist.

Like all 6,000,000 Jews who perished during the Holocaust, Janusz Korczak was murdered exclusively because he was a Jew.

And he died as he had lived, a proud, conscious Jew.

While Korczak was never an active Zionist, he was close to the progressive labor Zionist movement. Twice during the mid-1930's, he visited Palestine. The Jewish homeland attracted him, and he openly considered settling there to live out his remaining years in solitude. However, that would have meant abandoning his children, something he could never have done. And with the outbreak of the war, he never wavered in his selfless dedication to these children. It is a sad reflection on mankind in general that Korczak, the universalist human being, did not desert his children the way the entire world abandoned European Jewry.

Thus, Korczak looms as a reminder of what the world should have been like, of how man should have acted. And one knows intuitively that had the persecuted children been Polish Catholics, or South African Blacks, or Cambodians, Janusz Korczak would have remained with them as well and, if necessary, would have died with them.

Furthermore, Korczak's historical presence constitutes a repudiation of the despicable charge of cowardice that has been leveled against the millions of Jews who were annihilated. A strange, immoral dichotomy has been retroactively fabricated in this connection during the past forty years. Those who perished in the extermination and concentration camps and the survivors of those camps are placed in a different category than the ghetto fighters and Jewish partisans. The implication is that on the one hand there was a Holocaust, with passive victims, but that on the other there was resistance, with active heroes. Somehow, the attempt is made to distinguish between these two concepts, with the latter supposedly on a higher level, deserving greater respect. One does not ask the murderers, "Why did you kill?" Rather, one asks the victims, "How could you not resist?" Thus, the erroneous impression is created that these were not facets of a single, indivisible tragedy. The truth of the matter, of course, is that the differentiation is as artificial as it is ignominious. Those Jews who resisted and perished were victims of the Holocaust, and all the Jews who perished during the Holocaust resisted, whether it be physically or spiritually.

Let me make myself clear: I do not mean to diminish in any way the central role played by those who took part in the armed resistance movements in the ghettos and camps, or by the Jewish partisans who fought in the forests. They are the modern day successors of Bar Kokhba and of the fighters of Masada. No one, however, would presume even to suggest that these heroes of ancient Jewish history were any more valorous, any more deserving of eternal reverence than a Rabbi Akiva who was tortured to death for this faith by the Romans, or that they occupy a more significant place in the Jewish national heritage. Similarly, the bravery of a Mordechai Anielewicz, the leader of the Warsaw Ghetto Uprising, cannot be held to be superior to that of a Janusz Korczak, or to that of any other of the 6,000,000. They were equal, for they all perished together in the same cataclysm, engulfed by the same cosmic flames. Anielewicz knew precisely what his fate would be when he initiated the uprising, just as Korczak fully understood the implications of choosing to remain with his orphans. In this context, Korczak represents every parent who did not abandon a child, just as he is the symbol of every child that did not aban-

don a parent. No one has the right to cast doubts or aspersions of any kind on such moral courage.

Finally, Janusz Korczak and his orphans successfully defy all those who maintain that God was somehow present during the Holocaust. If ever there was a repudiation of the theological conjecturing that has taken place in this regard in recent years, it is the haunting image of Korczak leading his children in silence through the streets of the Warsaw Ghetto, to the Umschlagsplatz, to the trains, to Treblinka, into the gas, and beyond. Abandoned by man, they were abandoned by God as well. To build a theology on their ashes is more than mere exploitation. It is a desecration of their memory as well as an act of blasphemy against God.

According to the legend, a lamedvovnik has a mission to perform on earth. By perishing with his children, Janusz Korczak perished together with 1,000,000 Jewish children. But what was his mission? Perhaps it was to remind the world that no child should ever have to live alone, and, even more important, that no child should ever be allowed to die alone. ●

#### STUDENTS VISIT WASHINGTON

#### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Friday, May 22, 1981, 65 young men from Calvert Hall College High School in Towson, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students will tour the Capitol Building, the Supreme Court, and many of the Smithsonian Institution's museums as part of their day's activities.

They are led by their history teacher, Mr. David P. Shannon.

I am delighted these students have taken the opportunity to visit their Nation's Capital, and hope their interest in the political process will continue.

Students who are visiting us are: Joseph Banick, William Becker, John Berg, Jeffrey Branflick, Robert Burkinoine, Christopher Carney, James Choplick, Andrew Donelson, David Hanley, Craig Herron, Raymond Infussi, Kenneth Jones, Thomas Long, Bernard Maygers, Timothy Ross, Timothy Strauch, Peter Teluk, Bradley Wist, Troy Young.

Michael Attar, Joseph Bruno, John Carlineo, Albert Ferro, Robert Gresdo, Paul Joyne, William McFaul, Charles Napier, Sean Sands, David Thorpe, William Bennett, David Boudura, Sam Gompers, Joseph Krastel, Michael Lochte, Edward McNamara, Benjamin Meli, Mark Mutschler, Richard Nail, Matthew Oakey, Matt Rockstroh, Martin Slodzinski, Mark Snyder, Carlos Stecco, Karl Walinskas.

Timothy Burton, Daniel Caldwell, Vincent Cafozza, Michael Dreisch,

David Fuller, Thomas Hartka, Donald Haskell, David Johnson, Joseph Kozlowski, William Link, Paul Macek, Stephen Martin, John Mentzer, Sean Moran, Francis Murphy, Michael Novak, Robert Rinaldi, Michael Slawinski, Stephen Strauch, Dennis Sweeney, and Mark Taylor.●

#### WORLD TRADE WEEK

### HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. EDWARDS of California. Mr. Speaker, as this is World Trade Week, I would like to take this opportunity to express my support for attempts to improve the environment for export promotion in our country.

Exports have a great importance to my home State of California. The State's highly diversified economy has placed it in a leading role on the national and world scene. California is the Nation's leading producer of electronics, agricultural, aerospace, and entertainment services products. If the State were an independent nation, it would rank 5th in terms of per capita gross domestic product, 8th in terms of gross domestic product, and 13th in terms of international trade value.

California's diversified economy has produced highly marketable commodities for the international marketplace. In addition to its own leading role as an exporter and importer of a wide array of products, the State also acts as gateway for commodities traded between the Pacific rim countries and the rest of the United States.

The importance of trade to California is indicated by the fact that the State's three custom districts accounted for 12 percent of the U.S. total international trade and 60 percent of the west coast's during the first 6 months of 1980.

Recognizing the importance of exports to California and the Nation, I am encouraging my colleagues from the State to join me in cosponsoring H.R. 2326, the Foreign Trade Antitrust Improvement Act of 1981. The bill was introduced by Chairman RODINO of the Judiciary Committee and the ranking minority member, Representative McCLORY.

H.R. 2326 would help boost exports by clearing up some of the confusion pertaining to our antitrust standards as they are applied to international trade.

Business representatives frequently claim that the uncertain international reach of the antitrust laws has prevented desirable participation of American producers in the export market. Specific complaints identify the uncertain status of joint ventures and the failure of the Webb-Pomerene

Act to exempt export trade associations providing services as significant problems. This bill will resolve those difficulties.

I think this is a good bill and deserves our support. However, I would caution my colleagues that it is unrealistic to expect any modification of the antitrust laws to expand dramatically the U.S. export trade. No antitrust exemption can eliminate the added costs and risks of dealing in foreign markets. Ultimately, only increased productivity and efficiency will insure American producers a significant role as competitors in the international marketplace. At the same time, the uncertainty of antitrust constraints has remained a strong concern to potential exporters; that concern is remedied by this bill. Those engaged solely in export trading activities need not be concerned about the antitrust laws so long as their activities do not have a substantial adverse effect on domestic commerce or competitors.

#### OBSERVANCE OF WORLD TRADE WEEK

DEAR EXPORT TASK FORCE MEMBER:

You should know that May 17 through 23 has been designated World Trade Week.

Across the country, government and business interests in our major commercial centers will be gathering together for seminars and forums to improve communication and discuss incentives and disincentives to export trade.

World Trade Week represents an excellent opportunity for member of Congress, particularly those on the Export Task Force, to reaffirm their support for a strong exporting economy in the United States.

I urge you to take this opportunity to submit a statement for the Congressional Record, expressing the sense of Congress regarding the need for enhancing our export potential as a nation.

I know you share my commitment to create a better atmosphere politically and economically for exports. We should all take the opportunity of World Trade Week to express that common goal.

Sincerely,

DON BONKER,

Chairman, House Export Task Force.●

#### THE OIL FAIR PRICING ACT OF 1981

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. CONYERS. Mr. Speaker, today I am introducing the Oil Fair Pricing Act of 1981 (H.R. 3634), which would establish a system for the fair pricing of oil sold in the United States. The legislation creates a Federal Oil Trading Corporation, that would purchase all oil produced in, or imported into, the United States, and then resell the oil at uniform prices to domestic refiners.

The decision of June 1979, to phase out price controls on domestic crude oil, followed by the January 28, 1981

decision by the Reagan administration to abolish controls altogether, have been the single biggest causes behind the inflationary spiral during the past few years.

With the removal of controls on domestic oil prices, U.S. prices now are totally pegged to the world oil price set by the OPEC cartel. Thus we have relinquished control over domestic energy prices, as well as the means to remedy the ongoing economic damage that OPEC price fixing has done. The current softening of world oil prices is likely to be a temporary situation. The basic problems of American dependence on OPEC oil, vulnerability to supply interruptions, collusion between the multinational oil companies and foreign oil producers, and the still overwhelming reliance on an oil-based economy remain as acute as ever.

The legislation I am introducing would remove from the OPEC cartel the ability to set the price of domestic oil. It would weaken the community of interest that exists between the multinational oil companies and foreign producers—specifically, the privileged access, discounts, and tax advantages the companies derive from OPEC markets, their incentive to push for higher world prices that boosts the value of their domestic oil reserves, and their disincentive to promote new oil development outside of OPEC countries—that is the driving force behind runaway world oil prices. The bill also would foster competition within the oil industry by equalizing the access of independent refiners and multinational refiners to domestic and foreign crude oil.

In 1979 and 1980 energy price increases, due to domestic oil decontrol and rising world prices, accounted for roughly 38 percent of the inflation increase in the United States. It is estimated that the pretax income of domestic oil and gas producers will more than double in the period of 1979-1982. As a result, more than \$50 billion will shift from consumers to the oil companies.

Last year oil company profits accounted for 40 percent of the total profits among all U.S. manufacturing industries. These profits will enable the multinationals to tighten their control over future domestic investment decisions and the entire economy. The oil companies are entitled to a fair and reasonable return on investment. They should not be allowed, however, to reap unrestrained profits at the expense of consumers and other domestic industries.

The legislation I am introducing replaces the existing regulatory concept of telling the oil industry how to conduct its business. Under the bill the Federal Oil Trading Corporation would acquire actual title to the oil it trades and it would be responsible for



the purchase and sale of all crude oil in the United States. It would eliminate the need for vertical divestiture of the integrated oil companies, since it would place all producers and refiners, integrated and nonintegrated, on an equal footing. It would cancel out the advantages that the integrated companies now enjoy with respect to in-house oil transfers and oil swapping.

The Oil Fair Pricing Act would enhance competition and place a lid on oil price increases. Consumer also would be protected from inordinate profit taking at the oil product-end of the industry. DOE's Economic Regulatory Administration would establish maximum wholesale and retail prices for oil products, and these ceiling prices would be enforced by the Energy Regulatory Commission.

In summary, the Oil Fair Pricing Act of 1981 would:

Place a temporary freeze on crude oil prices, pegged to existing market prices, retroactive to the date of the bill's introduction.

Establish the Federal Oil Trading Corporation as the exclusive buyer and reseller of all domestic and imported crude oil.

Establish well-head crude oil prices at levels that provide just and reasonable returns to producers, coupled with uniform crude oil prices to refiners.

Direct DOE's Economic Regulatory Administration to conduct a study of the unit profitabilities of crude oil production, the unit profitabilities at refineries, and the unit profitabilities at the marketing level, as the basis for establishing oil price controls.

On that basis, determine refiners' and marketers' maximum margins that would yield just and reasonable returns, and make the Federal Energy Regulatory Commission responsible for enforcing the margins.

Authorize the Federal Oil Trading Corporation to allocate crude oil and oil products in the event of a critical shortfall or interruption of supply.●

COMMUNITY HEALTH DAY—  
JUNE 12, 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. WAXMAN. Mr. Speaker, on June 12, throughout the State of California, the California Association of Primary Care Clinics will sponsor Community Health Friday. This day has been set aside to recognize the contributions that community-based health programs have made to health care delivery in California and across the Nation through a variety of services, including rural and urban health

projects, migrant health centers, Indian health projects, county primary care clinics, and community health centers. They serve an indispensable function to the medically underserved, particularly noninsured, low-income individuals and families.

There exists today in this country a fundamental commitment to provide basic health care to those who do not have access to it, to those who need medical attention and cannot receive it, to those who require preventive health care but cannot afford it. This is a moral and social obligation which the people of the United States have come to expect over the past two decades.

But today, that commitment and that obligation are under attack from the Reagan administration. Its budget proposals for health care go beyond prudent fiscal restraint. Rather, they strike at the heart of our ability to provide basic health care services.

To take our categorical health programs, shift them entirely to the States, and cut their budget by fully 25 percent will irreparably deprive those who need health care from receiving it. It is important that we all understand exactly how much is at stake in this fight.

The California Association of Primary Care Clinics is seeking to focus attention on these crucial issues. Its activities on Community Health Friday will help inform consumers about the choices we face in health care policy.

I applaud the efforts of the association, and its distinguished president, Mimi West, representing almost 200 clinics statewide, and want to extend my best wishes for the success of Community Health Friday. Mr. Speaker, I am pleased to attach a proclamation issued by the Governor of California designating last May 7 as Community Health Day in California. I want to assure the association that all of us in Congress will follow closely the events of June 12.

PROCLAMATION OF THE STATE OF CALIFORNIA

Whereas the Health Center concept for the delivery of preventive and acute health care has proven to be a successful approach to providing health services to people who otherwise would not be able to afford health care; and

Whereas representatives from community health centers, community and free clinics, migrant health centers, rural health centers, women's clinics, Indian health clinics, community mental health centers, county sponsored primary care programs, public health clinics, and other community health organizations will convene in Sacramento, May 7, 1981, in recognition of the progress made by these programs in the past 12 years; and

Whereas the Western Association of Community Health Centers, Inc. and co-sponsors: Alameda Health Consortium, Association of Free and Community Clinics of Los Angeles County, California Association of Primary Care Clinics, California Rural

Health Federation, California Urban Indian Health, San Diego Council of Community Clinics, Health Coalition for the "Truly Needy", Association of California Rural Health Centers, Inc., and the National Health Law Program, Inc. have as its main objective the promotion and implementation of health plans and programs designed to improve the physical and emotional health and socio-economic conditions of communities served by these organizations;

Now, therefore, I, Edmund G. Brown, Jr., Governor of the State of California, do hereby proclaim Thursday, May 7, 1981, as "Community Health Day in California", and commend these organizations for their community spirit, dedication, and interest in working towards making the availability of health care a reality for every American citizen.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of May 1981.

EDMUND G. BROWN, JR.,  
Governor of California.

ATTEST:

MARCH FONG EU,  
Secretary of State.●

CAR PRICES RISE AFTER  
RESTRICTIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. FRENZEL. Mr. Speaker, according to the Washington Star in an article in its issue of May 19, the first three paragraphs of which follow, the prices of Japanese cars to American consumers are already starting to rise.

The prices of American made cars will rise net. Prices in GM J models have been announced at higher levels than were in effect for the models the J car will replace.

The quota self imposed by Japan has already cost American consumers big money. By the time it expires in 2 years, it will probably have cost us hundreds of millions of dollars in extra costs.

Because Congress forced the Japanese quota by threatening to pass even more restriction quotas, it is surely responsible for the extra costs and inflation that resulted.

The Washington Star article follows:

U.S. CAR DEALERS LIFTING PRICES ON  
JAPANESE MAKES

While Japanese car manufacturers say they expect to hold down list prices, some U.S. dealers of Japanese cars already have raised the real prices in anticipation of shortages under the new restrictions on shipments, industry representatives have reported.

Robert M. McElwaine, president of the American International Automobile Dealers Association, said yesterday in an interview that at many dealerships the "discounts on Japanese cars have essentially disappeared."

Dealers generally have offered customers discounts ranging from \$100 to \$1,000 on some models, the auto import industry offi-

cials said. A few very popular models have been able to list prices or even premiums.●

#### CANADIAN INVESTMENT LIMITS

### HON. W. J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. TAUZIN. Mr. Speaker, I would like to call the attention of my colleagues to the announced policy of the Canadian Government to restrict the access of the U.S. firms to prospective oil and gas acreage in Canada. These restrictions take the form of a differential set of incentives for Canadian and non-Canadian firms in the new Canadian national energy plan. By offering special incentives to Canadian firms and denying those incentives to non-Canadian firms, the Canadian national energy plan not only gives the Canadian firms a competitive advantage but it decreases the value of non-Canadian firms as well.

As a result of this policy, U.S. oil companies and their Canadian subsidiaries have been forced to reduce their exploration effort in Canada. Instead of increasing Canada's ability to find additional oil and gas, the plan would appear to be having just the opposite effect and its impact is important to the United States for two reasons. In the first place, if Canadian energy policy diminishes the amount of oil and gas that is found in Canada, additional pressure will be placed on the OPEC nations to supply the oil that has not been found. As a result of this increased demand for OPEC oil, oil prices throughout the world are likely to be higher than they otherwise would be.

The second concern is that by discriminating against U.S. firms and their subsidiaries operating in Canada, the Canadian national energy plan has lowered the value of these firms and made them vulnerable to takeover. The current attempt by Dome Petroleum to secure a substantial number of shares in Conoco, Inc. and force the sale of its Canadian subsidiary, Hudson's Bay Oil and Gas, is a case in point and could be the start of a trend. These takeover attempts will merely divert investment away from opportunities to produce more oil and gas and into the pursuit of American firms whose value has been depressed by Canadian Government action. This diversion of investment funds will further depress Canadian energy production and increase world oil prices by an additional amount.

Because of the effect that the Canadian national energy plan is likely to have on the United States, it would seem reasonable for the United States to reconsider some of its own energy relationships with Canada. An obvious place to begin is with the question of

Canadian access to United States oil and gas exploration opportunities. Currently, Canada is on a list of preferred nations which are granted access to U.S. Federal lands for oil and gas exploration. Because of the new Canadian restrictions that have been placed on U.S. firms and their subsidiaries operating in Canada, I propose that the Department of the Interior begin immediately to consider the question of whether Canada deserves this preferred access or whether some U.S. restrictions on Canadian access to Federal lands are in order.

An additional component of the question of access to Federal lands is the demarkation of the United States-Canadian boundary in the offshore waters off the coast of Maine and Massachusetts in the North Atlantic and off the coasts of Washington and Alaska in the Pacific. Where these demarkation lines should be drawn is an interesting question and the new Canadian national energy plan restrictions on U.S. firms and their subsidiaries operating in Canada add a new dimension to the boundary line discussion. I propose that the Department of State and the Department of the Interior take this fact into account in any new boundary line discussion and I would urge my colleagues in the Senate to carefully review any new United States-Canadian boundary line treaty to be sure that U.S. interests are adequately protected.●

#### TOWARD A REFINED SMALL BUSINESS EXPORT POLICY

### HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. WYDEN. Mr. Speaker, I would like to mark this week as World Trade Week and urge Congress and the administration to work together to develop an aggressive export policy, especially to involve small business.

#### THE NEGLECT OF SMALL BUSINESS IN EXPORT POLICY

Small business has been neglected in development of our export policy. Only 6 percent of small businesses in the United States participate in export activity even though small business is the major source of new product innovation and the major employer of our work force. Small businesses that become a success do so in spite of, rather than with the assistance of, the Federal Government.

Compare our situation with that of Germany. While we have allowed our small businesses to remain on the fringes of our export initiatives, West Germany has developed a program for small- and medium-sized businesses which dates back to the late 1940's and now leads the European Economic

Community. Our other chief export competitor, Japan, considers 99 percent of its business small business and uses a substantial low interest and interest free loan program to assist small business export marketing efforts.

#### THE TASK AHEAD

The task ahead for U.S. policy-makers is to include small business in the discussion of export disincentives, particularly regarding the reduction of Export-Import Bank financing and U.S. antitrust provisions, including the reform of Webb-Pomerene Act. In the area of incentives: We need coordination of Federal efforts of the finance agencies with the promotion outreach efforts of the Department of Commerce, the International Trade Representatives Office, and the Small Business Administration. The passage of an effective Export Trading Company Act linking this legislation with the administration's efforts to expand service companies' role in international trade. Finally, I also think State and local government efforts must also be coordinated with these Federal initiatives.

#### A REVIEW OF THE DISINCENTIVES AND LEGISLATIVE ACTION IN THE 97TH CONGRESS TO CORRECT THEM

#### EXIMBANK FINANCING

The administration's policy to reduce by 50 percent loan and loan guarantee outlays for the Export-Import Bank is a blow to small business.

In Portland, my office recently conducted a survey of district recipients of Eximbank loans and found that most were small businesses. These 26 businesses received 59 loans in excess of \$80 million in a variety of loans or loan guarantees, creating some 7,000 jobs. There was also a significant amount of subcontracting opportunities for small specialty firms. The lack of financing for Eximbank and the Small Business Administration will hurt small business export efforts.

#### EXPORT INSURANCE PROGRAMS

The Overseas Private Investment Corporation's and Eximbank's Federal Credit Insurance Association's recent efforts to remove the disincentives to participation by small businesses must be applauded and strengthened.

#### FOREIGN CORRUPT PRACTICES ACT

This law must be streamlined and clarified for small businesses who refrain from engaging in export activities because they cannot afford the legal costs of violating FCPA. A recent GAO survey found that the costs of the act outweigh the benefits and that its slow investigation procedure discourages small business activity. I am reviewing H.R. 2530, the Business Accounting and Foreign Trade Simplification Act introduced by Representative RINALDO, which would revise

FCPA to give enforcement authority to the Department of Justice and accounting jurisdiction to the Securities and Exchange Commission.

#### COMMERCE'S FOREIGN BUYER PROGRAM

Domestic trade shows have been criticized by small business because these companies have not received trade show information in a timely enough fashion to exhibit products and services and because some of the shows were not product specific enough to attract potential foreign customers.

Small business organizations want more information on these shows and to have product/market-specific shows where they can exhibit their products before a captive market of foreign buyers. There is no legislation to address this problem.

#### EXPORT PROMOTION INCENTIVES FOR SMALL EXPORTERS

##### EXPORT TRADING COMPANIES

I am a cosponsor of the Export Trading Company Act (H.R. 1648) introduced by Representative LaFalce. I believe strongly in the need for provisions which would allow SBA and EDA to assist small- and medium-sized businesses. However, the language in the bill authorizing funds for these agencies, runs counter to the administration's proposal to reduce outlays for both agencies.

Export trading companies, for example, will address problems small business encounters in attempting to form consortiums for exporting services. Last year, service exports accounted for \$45 billion in revenue and they are growing at an annual rate of 15 percent. In order to be more productive, the Sherman Act and section 7 of the Clayton Act must be revised.

I hope the Small Business Subcommittee on Export Opportunities will hold hearings to convince the administration that our mutual interest will be better served by allowing more outlays in H.R. 1648 to fund SBA's management assistance program in the area of export counseling and revolving loan programs for small exporters, and Commerce's foreign buyer program to develop trade shows allowing greater small business participation.

EDA's funding responsibilities should be given to Eximbank's small business assistance programs with a similar provision dealing with the Overseas Private Insurance Corporation's and the Federal Credit Insurance Association's small business insurance programs.

Even though this effort would slow the progress of the bill through Congress, I feel that any ETC legislation must also advance the promotion of small business export development.

I believe we must continue the discussion of these issues and move toward a substantive long-term resolution of the disincentives improving our export program so that small business-

es can participate fully in America's effort to access these world trade opportunities and improve our balance of trade.●

#### THE IMMACULATE HEART OF MARY SCHOOL

#### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Tuesday, May 19, 115 young men and women from the Immaculate Heart of Mary School in Parkville, Md., journeyed to Washington for a firsthand look at their Nation's Capital as part of their studies of American Government.

These students toured the Capitol Building and the Smithsonian National Air and Space Museum as part of their day's activities.

They were led by the following teachers and parents: Mrs. Michelle Naish, Mrs. Betty Jankalski, Mrs. Patricia Fuelager, Mrs. Katherine Bellistri, Mrs. Joyce Weibler, Mrs. Carol Ryan, Mrs. Phyllis Walstrum, Mrs. Frances Andreone, Mrs. Mary Cox, Mrs. Margaret Kordecki, Mrs. Barbara McIntyre, Mrs. Kathleen Connor, Mr. Harry Gaffney, Mrs. Patricia Linnehan, Mrs. Geraldine Taylor, Mrs. Carolyn Yori, Mrs. Regina Hampshire, Mr. Charles Jacobs, Mrs. Virginia Leidig, Mrs. Marie Murphy, and Mrs. Jean Stamm.

Students who visited us Tuesday are: Michael Adams, Eileen Cassady, Raymond Chang, Matthew Cooper, Colleen Cox, Randy D'Amico, Karen DeSantis, Lauren Franzoni, Gregory Fuller, Maureen Gross, James Harper, Mary Fran Hiebler, James Jester, David Knight, Michael McGeehan, Erin Murphy, Heather Myers, Cheryl Reider, Jeffery Reese, Mark Ross, Thomas Ryan, Stacey Schultz, David Spicer, Kimberly Uzarowski, Bernard Walstrum, Michelle Williams, and Thomas Zinkand.

Valerie Smith, Laura Taylor, Gerard Tignall, Tammy Yori, Colleen Bowman, Wayne Clifford, Annette Coady, Daniel Connolly, Patrick Coyle, David Dvorak, Joy Farmer, Thomas Fidler, Robin Gnidziejko, Woody Hampshire, Charles Jacobs, Jennifer Kruchko, Lisa Leidig, Matthew Lochte, Dimitrios Manolis, Connie Marconi, Carol Michaud, Christopher Murphy, Michael O'Connor, Christine Petryszak, Luke Reeder, and Jill Scarpello.

Michael Balog, Christopher Baranco, Rodney Benny, Julie Bottinger, Mary Carol Ceselsky, Brian Connor, Erin Finley, Kevin Flynn, David Frick, Kelly Gaffney, Mary Ann Gurney, Lisa Hladky, Steven Hodneth, Victor Konopik, Lauren Langis, Jamison Le-

Borys, Tara Linnehan, David Lorigan, Kelly Meyers, Michelle Morrison, Mark Nugent, Michael Plott, Josie Quijada, Rachelle Retoma, David Rittmeyer, and Marguerite Schultz.

Stephen Abrams, Gina Andreone, Lisa Barnes, Kimberly Brady, Vicki Cox, Darren Curry, Maria Freeburger, Edward Gross, Erin Hata, Katie Henneman, Joseph Kehoe, Kelly Kilroy, Robert Kordecki, Timothy McIntyre, Laura Michaud, Bradley Moore, Michelle Mullen, Beth Plecker, Thomas Raynor, John Rolfes, Laura Sadowski, Beth Sheppard, Thomas Slonim, Johnathan Thompson, Renee Valsamaski, Wendy Wilson, and Laurie Yori.

Catherine Simons, Lori Stamm, Michael Strakes, Blake Taylor, Sara Tortora, Christine Vondersmith, Sande Weininger, Wayne Wilson, and Kathleen Young.●

#### SUBCOMMITTEE ON CRIME TO HOLD HEARING ON H.R. 3359, FEDERAL CRIME-FIGHTING INITIATIVE

#### HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. HUGHES. Mr. Speaker, next Tuesday, May 26, the Subcommittee on Crime will be holding its third hearing on H.R. 3359, a bill to provide a limited replacement for LEAA, but only for programs that have been tested and shown effective in fighting crime. The hearing will be held in Atlantic City at 9:30 a.m. in the city hall commission chambers, second floor.

H.R. 3359 would provide up to \$150 million in assistance to States and local governments, and would thus enable them to implement a specific list of 12 crime-fighting programs, such as arson, career criminals, and organized crime. These programs have a demonstrated track record of success in fighting crime. The Federal funds would have to be matched dollar for dollar by the State or local area.

The bill would also establish a Federal rapid deployment mechanism to help State and local governments, such as Atlanta and Miami, when they do not have sufficient resources to combat a specific crime problem by themselves.

The subcommittee has already held two hearings on H.R. 3359, and has heard from those whose experience with these kinds of programs is on the Federal level. The third hearing, next Tuesday, will give the subcommittee the opportunity to hear from State and local officials, including the attorney general of the State of New Jersey, the Atlantic City chief of police, the assignment judge for the Atlantic City area, four local prosecu-

tors, the chairman of the casino control commission, and representatives of the office of the commissioner of public safety and the office of the State police commissioner.

Individuals wishing to submit a statement for the record should address their requests to the Subcommittee on Crime, House Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515 or telephone (202) 225-1695.●

#### ILL-ADVISED CUTS WILL HURT ECONOMY

**HON. GEORGE E. BROWN, JR.**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. BROWN of California. Mr. Speaker, the Subcommittee on Science, Research and Technology on which I serve has heard much concern voiced with respect to the administration's deep cuts in selected National Science Foundation programs. At a time when the new administration is embarking on a major effort toward increased innovation and productivity, the social and economic sciences have been so severely cut as to make their important job of measuring and evaluating innovations and their effect on the economy virtually impossible.

Dr. Philip Handler, president of the National Academy of Sciences, and others appearing at the subcommittee's recent NSF budget authorization hearings expressed alarm that cuts in the Federal science budget were made without input from scientists and others knowledgeable in the sciences involved. I should like to call my colleagues attention to pertinent excerpts from Dr. Handler's report to the Academy's annual meeting in April. These appeared on the editor's page of the May 4, 1981, Chemical and Engineering News:

#### WHO WILL BE NEXT?

Philip Handler is president of the National Academy of Sciences. The following are some verbatim excerpts from his annual report prepared for the academy's annual meeting in Washington, D.C., late last month.

Given the magnitude of reductions in federal expenditures proposed for all agencies but Defense, the overall science budget was treated quite fairly; what is troublesome is not the magnitude but the highly specific nature of certain reductions and how they were made.

A substantial increment is proposed for relevant basic and applied research funded by the Department of Defense, in line with the general increase in the Defense budget. These funds should be welcomed as should the expanded pool of scientists who will become somewhat knowledgeable of the problems of the Defense Department, perhaps the final stage of our post-Vietnam reconciliation. The recommendations of the Carter budget with respect to increased re-

search in the natural sciences to be funded by the National Science Foundation remain essentially intact.

It is the Office of Management and Budget proposals for major reductions in the [total] National Science Foundation budget that are particularly troublesome. It is not the total reduction that is disturbing; it is the nature of the individual actions and the manner of their doing. And the very limited reprogramming authority of the foundation is insufficient to undo the damage.

The considerable reduction in the program in behavioral science at NSF and the National Institute of Mental Health strikes one as peculiarly ill-advised, in that the recent successes of neurobiology have opened one of the most exciting frontiers of all of science. The profoundly reduced support of social science in the NSF and NIMH budgets seems interpretable only as a deliberate ideological action, for which the overall program of general reduction in federal expenditures affords an opportune "cover."

It is now evident in the national debate concerning the validity of supply-side economics, in the confusion as to the possible consequences of alternative schemes for reduction of taxes, and in the general uncertainty concerning the social and economic consequences of reductions in federal social programs, that the current state of understanding of our society is insufficient for confidence in any specific social and economic policy. The Administration is about to launch us on a large experiment, in the belief that increased technological vitality and increased innovation and productivity will correct our economic and social woes and that this can be achieved by tax reductions that will increase the availability of investment capital while industry is unfettered of excessive regulation. I most fervently hope so. But this vast experiment can be appraised only if those trained in such skills—however unscientific they may appear to "hard" scientists—are afforded the means and given the opportunity so that, however it all turns out, we may learn by the experience.

I hope that that was a persuasive, rational argument. Be that as it may, on a quite different level I must confess a sense of outrage with the notion that OMB, rather than appropriate scientists, may dictate which fields of scholarly endeavor are acceptable or important at NSF.

Moreover, we natural scientists would be ill-advised to stand aside and allow the social scientists to carry that battle. The entirety of science is a "seamless web." If the government's science budget can be fashioned by such ideological behavior, which field of science will next suffer political attack? There are indications.

If social science can be ordained by OMB to be outside the federal ken, then the way is paved. Creationists and Right to Lifers and the Moral Majority will seek to have education concerning evolution and human reproduction expunged from the secondary schools while exercising pressure to secure removal from the appropriations to NSF and NIH of any funds that might be used for research on evolution or reproductive biology. And if the physical scientists are feeling relaxed—I remind them of Galileo. Again, one must hope that Congress will reverse this decision.●

#### SETBACK IN RELATIONSHIP WITH DEVELOPING NATIONS

**HON. WILLIAM M. BRODHEAD**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. BRODHEAD. Mr. Speaker, by planning to vote against the World Health Organization's proposed code regarding the marketing of infant formula in developing countries, the administration is contemplating an action which is both inhumane and contrary to the interests of the United States.

There is little serious debate over the harmful effects of persuading mothers in developing countries to give up breast feeding in favor of commercial infant formula. The incidence of disease and infant mortality in areas where infant formula has been heavily promoted indicates conclusively that the unchecked, unethical advertising of this product leads to tragic results. The seriousness of this problem, which has evoked almost universal concern, has been challenged only by those who benefit financially from the continuation of these practices. At last, an international organization has developed a reasonable solution to this problem, yet all reports are that the President will instruct our delegation in Geneva to oppose the code, and that he will not consider the matter further.

It is no secret that the United States has suffered setbacks in its relationships with developing nations. In spite of massive support for governments which supposedly have represented our interests, we have watched these governments fall and be replaced by ones hostile to our country. Surely, one reason why this has occurred is because the United States has been perceived as insensitive to the needs of Third World nations. We have been seen as more interested in our own short-term economic gain than in developing mutually cooperative and beneficial relationships. Our active opposition to the infant formula marketing code can only be viewed around the world as a continuation of this type of insensitivity and selfishness. Our country is heavily dependent upon developing nations, especially as sources for the raw materials our industries need. How can we expect them to cooperate with us if we oppose their interests on an issue as basic as infant health? The answer is that we cannot. Instead, we will be opening the door to acceptance in these countries of the doctrines promoted by the Soviet Union, Cuba, and other regimes that prey on internal dissatisfaction within developing countries.

In my view, if the administration persists in following this unwise course, it will have itself to blame for continued high infant mortality and suffering in the Third World, and for heightened resistance to U.S. foreign policy initiatives. It is my hope that the administration will reconsider its position before it is too late.●

**BILL GREEN INTRODUCES  
MEDICARE REFORM BILL**

**HON. BILL GREEN**

OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 21, 1981*

● Mr. GREEN. Mr. Speaker, today I am introducing the Medicare Reform Act of 1981, which seeks to extend coverage under the medicare program. I am pleased to be the sponsor of this bill, which is aimed at providing more services to senior citizens and designed to reduce the cost of the program by including some preventive measures. I am hopeful that my colleagues in the House will give this legislation serious and thoughtful consideration. In the past, I have introduced and seen passed provisions of my bill to extend coverage under the program, and this bill is a continued effort to enact reforms in our system.

I realize that many of us here today are concerned about the Federal budget and are watching out to make sure that we do not spend where we do not have to. However, I feel that health care for seniors is not an area in which we are spending unnecessarily. Our seniors are a resource and, as their numbers grow with our demographic changes, are an active and important part of our Nation. Because their health is vital to them and to their participation in all sectors of society, I think it is important for us to aid seniors in paying for health care, and cost of which is increasing at a rate more rapid than the general inflation rate. My bill would include coverage under the program for the fitting, prescribing, and cost of eyeglasses, hearing aids, and dentures. It also provides coverage for dental work, annual physical examinations, and routine foot care. It liberalizes the requirement for reimbursement for home health care and includes "routine chore services" as part of a home health program, as well as eliminating the \$60 deductible under part B of the program and authorizing reimbursement for orthopedic shoes.

Over the long term, many of my proposals would decrease costs for the program by decreasing the need for hospitalization. For instance, if the program covered annual physical exams, beneficiaries would be more

likely to go have the exam, which would result in inexpensive early detection and treatment of a problem instead of more serious and extensive treatment later. We would keep the program from institutionalizing people who do not have the capacity to live totally independently but who do not need the 24-hour care of a costly institution by liberalizing home health requirements. Coverage for routine foot care and orthopedic shoes could, again, reduce costs over the long run by preventing the occurrence of problems which have the potential to become more serious later in life and, in the end, put more financial strain on the system.

I do feel that this is an area in which we have a responsibility to provide support, and I am hopeful that we shall give some time to discussing this issue during the 97th Congress.●

**OREGON'S VFW VOICE OF  
DEMOCRACY WINNER**

**HON. DENNY SMITH**

OF OREGON  
IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 21, 1981*

● Mr. SMITH of Oregon. Mr. Speaker, it is a great honor for me today to read to the U.S. House of Representatives the remarks of a special constituent of mine, Sally Louise Pederson of Klamath Falls, Ore. Miss Pederson is Oregon's VFW voice of democracy winner and represented the Beaver State in recent national competition here in Washington, D.C.

Her speech is a reflection of the growing patriotism among our youth in America. It shines with a new hope for a better future and an understanding of the commitment necessary to make that hope, that dream of so many, come true.

Now to quote Miss Pederson:

"God Bless America, land that I love." Have you ever thought to yourself, "I love America?" Most Americans take for granted the liberty and freedoms that our country gives us. Indeed, most of us take America for granted.

With the first breath an American takes, he has an inherent commitment to America. We have been furnished with so many freedoms and privileges. Freedom of speech isn't an intrinsic right in the Soviet Union. People oppressed by communism aren't given the right to vote. Orderly assemblies of people opposed to the Nazi Regime were not tolerated in Nazi Germany. Surely every American has, at the very least, an inherent commitment to preserve the freedom that Americans share.

This means that we have several intrinsic commitments to our country. One of which is a commitment to fight for our country if our liberty is threatened. Of course, war frightens us all, but not everyone need fight, people are always needed behind the lines, and those who are killed, die to insure

an untrammelled existence for their families and their countrymen. It means that we have a commitment to create a better government that will uphold our liberty. In the last election, many people didn't vote because the President accepted defeat before they got to the polls. Just because that race was already decided doesn't mean they shouldn't go ahead and vote on the other issues in the election. Why allow other people to dictate the outcome of issues that will affect you?

The only way that we have to create a better government is by voting, and every vote does count. But these commitments to our country are not only those of our society at large, but they are my commitments. All young Americans must fulfill our commitments, for it is we who will shape the texture and destiny of our country through the things we do. It is we who will insure this nation's continued security and honor.

A great undercurrent of apathy is swelling up among our people, washing away our motivation, and taking with it the initiative to care enough about our country to try to change it. People feel as though they've been beaten by the system, and are powerless to stop the decay of our society. I say they're wrong. Our system of government can be changed by working with it. Our laws and our constitution were created with adaptability in mind. Consideration was given to the fact that the times and governmental needs change, and the key that unlocks the door to modification of our form of government is within our grasp. We have a living government that can conform to our needs if only we make it do so.

So, my commitment is also one to institute changes that will benefit us all. It is part of my inherent commitment to insure that America's prospects for the future grow even brighter.

"God Bless America, land that I love. Stand beside her, and guide her."

The Veterans of Foreign Wars are to be congratulated for their strong support over the last 34 years for the voice of democracy scholarship program. During the past 19 years under VFW sponsorship, the annual national scholarships have been increased to five, totaling \$31,500 with the first place winner currently receiving a \$14,000 scholarship to the school of his or her choice.

This past year, more than one-quarter million students participated. More than 8,000 schools, 4,400 VFW posts and 3,600 auxiliaries sponsored the program in cooperation with more than 2,400 radio and television stations.

It is vital for us, the leaders of this Nation, to encourage programs such as this; to encourage our youth to take a more active, positive role in our Government; and to give credence and recognition to those young people in America whose names never appear in the media because they obey the laws and support our way of life. The Congress should take pride in persons such as Sally Pederson.●

## DANGER TO DRUGGISTS

## HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LaFALCE. Mr. Speaker, for several years I have been committed to efforts which seek to stem the terrible increase of drug abuse in our country. Not only is the abuse of drugs a problem which saps the human resources of our Nation—particularly our youth—but the exploding drug abuse problem has had another very serious impact: The dangers posed by the robberies of pharmacies for the purpose of obtaining controlled substances.

Naturally, pharmacies are the likeliest targets for obtaining drugs and, not surprisingly, pharmacists, employees, and patrons of pharmacies run a special risk of being assaulted or even killed in the course of a robbery. This continuing menace to persons who take pride in their jobs as dispensers of lifesaving drugs demands attention by the Congress. I have cosponsored legislation which is aimed at providing stiff penalties for persons who take controlled substances, by force or intimidation, which are under the control, or on the premises of any pharmacy. I also commend to my colleagues the following statement of the National Association of Retail Druggists (NARD), which further demonstrates the need for decisive action to be taken on this most serious issue facing our Nation and the dedicated pharmacists who serve our communities:

## ROBBERY OF CONTROLLED SUBSTANCES

Since 1969, the National Association of Retail Druggists (NARD) has supported legislation which would make the robbery of a pharmacy to obtain a controlled substance a felony under Federal law.

During this period, there has been an escalating number of violent crimes committed by criminals searching for narcotics and other dangerous drugs. Studies demonstrate that a majority of the nation's retail pharmacies have been robbed or burglarized at least once during the past five years.

In many of these violent crimes, pharmacists, attendants, and customers have been assaulted, injured, and even murdered.

One study shows that pharmacists are subject to robbery and physical violence three times more often than other businesses. Pharmacists, who are licensed to distribute lifesaving drugs to the public, have become the target: sitting ducks.

The current Federal statute on controlled substances was passed in 1970 with strong support by the NARD to stop drug abuse and to dry up sources for diversion of these products. It has, but the drug traffickers are now robbing retail pharmacists and their customers in dramatic daylight attempts to obtain these dangerous substances.

In 1978 the Senate voted—Criminal Code Reform Act—to extend Federal jurisdiction over some pharmacy robberies: when the value of the substance is in excess of \$500 and the offense is part of a pattern of rob-

beries in the locality. This effort and similar attempts in 1980 died because of opposition within the House Committee on the Judiciary.

While NARD supports the thrust of these and similar efforts, it believes that provisions requiring a minimum value miss the mark. Pharmacists are not concerned with the loss of the drug product; it is their safety and lives and those of their staff and customers that are at stake.

NARD's Pharmacy Protection and Violent Offender Control Act of 1981, provides still mandatory penalties for pharmacy crime:

Minimum fines of not more than \$5,000 and imprisonment for not less than five years, or both.

For armed robbery or assault, fines of not more than \$10,000 or imprisonment for not less than 10 years, or both.

For an offender killing or maiming any other person, imprisonment for not less than 20 years.

Repeat offenders would face additional sentences "at least equivalent" to those imposed for their second offenses.

The bill also seeks "priority" designation on court calendars for pharmacy crimes, eliminates the possibility of probation or suspended sentence, and requires that NARD and other members of JCPP be consulted regarding its implementation.

The National Association of Retail Druggists represents the owners of more than 30,000 independent pharmacies, employing more than 75,000 pharmacists. NARD members dispense approximately 70 percent of all prescription drugs sold in the United States and serve 18 million consumers daily.●

CALL TO CONSCIENCE VIGIL  
1981—THE TRIALS OF ANATOLY  
SHCHARANSKY

## HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. KOGOVSEK. Mr. Speaker, the continued imprisonment of the Soviet Prisoner of Conscience, Anatoly Shcharansky, reminds us of the lack of true freedom of thought and speech in the Soviet Union and the barbarity of their justice. Last year marked a time of rapidly deteriorating conditions for Jewish citizens of the Soviet Union. Numerous cases of investigations, detentions, arrests, trials, and anti-Zionist propaganda have been documented. Only 58 percent of the Jews allowed to emigrate in 1979 were granted permission in 1980. In 1979, approximately 50,000 Soviet Jews were allowed to leave, while in 1980, only 21,000 persons emigrated. This has occurred primarily because of the recently initiated "first degree relative" requirement. As you know, this obstacle is a policy employed by many emigration offices, which requires that the visa applicant receive an invitation from a parent, spouse, or child in Israel. This is just one of the delay tactics utilized by emigration officials.

Mr. Shcharansky sought only to insure that the guarantees of the Hel-

sinki final act be carried out in his homeland. With 10 others, he founded a group to promote observance of the Helsinki agreements. His first formal application for a visa to Israel was submitted in 1973. However, not only has he been denied the right to move freely, but he has also been denied the freedom to join his wife, Avital. Avital was forced to leave for Israel the day after they were married. She last saw him on July 5, 1974. For these "crimes," he was arrested in March 1977, and held for 16 months before being tried. After trial for charges of espionage, treason, and dissidence, he was sentenced to 3 years in prison and 10 years in a Soviet labor camp.

Reports from the Soviet Union are not promising. Mr. Shcharansky has lost approximately 38 pounds from his frail 5-foot 6-inch frame. He is confined to a dark, solitary punishment cell until November or December. Because of this dark confinement, his eyesight is failing. He is almost totally isolated from the world. The last person allowed to visit him was his mother, in September 1980.

Even though he is in solitary confinement in a labor camp, the world will not forget Anatoly Shcharansky. He has become the symbol of honesty and integrity for those struggling for the right of Soviet Jews to emigrate. He is an example to us all that the human desire for freedom cannot be broken. His suffering is our triumph, and his triumph will be our triumph.

The sentence of this true example of freedom is truly a barbarous act. The trial was a sham. The only crime Anatoly Shcharansky is guilty of is the belief in the inherent right to live his own life, and not be directed by the state on the way to think, behave, and live. If this is a crime, then we, too, are guilty. But it is a crime all men should be proud of.

Unfortunately, another month passes and Anatoly Shcharansky is not free. But his determination to survive these trials should not only make us proud to be Americans, but more willing to help others obtain that freedom that is ours. We are fortunate to have been born free in a free country. Let us help others to gain what we have never been without.●

WAS THEIR SACRIFICE WORTH  
IT?

## HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. GOLDWATER. Mr. Speaker, there are two national holidays during which I am especially proud to be an American, and serving in the U.S. Congress: Memorial Day and the Fourth of July. This year, on Memorial Day, I

was honored to be asked to give the memorial address at Harbor Lawn in Costa Mesa, Calif., to the South Coast Veterans.

I would like to share my thoughts with my colleagues.

MEMORIAL DAY ADDRESS BY CONGRESSMAN  
BARRY M. GOLDWATER, JR., COSTA MESA,  
CALIF., MONDAY, MAY 25, 1981

#### WAS THEIR SACRIFICE WORTH IT?

Twenty-five years ago, a newly naturalized American citizen wrote: "You who have been born in America, I wish I could make you understand what it is like not to be an American—not to have been an American all your life—and then suddenly, with the words of a man in flowing robes, to be one, for that moment and forever after \* \* \* one moment, you belong with your fathers to a million dead yesterdays. The next, you belong with America to a million unborn tomorrows."\*

We are here today to remember those who gave their lives for our unborn tomorrows. They were our parents, grandparents, our children, sisters, and brothers.

They looked like us, and had hopes like ours, and dreamed as we dream.

And they died too soon, mostly too young, and it is still hard to understand sometimes.

Oh yes, they died for America. But what does that mean? Was their sacrifice worth it?

If they could see us, speak to us, what would they say?

The young farmer-turned-soldier who fell in his own field near Lexington, Massachusetts in 1776 might look down the tunnel of years with some satisfaction.

After all, he played a part in the first real step toward freedom from tyranny—a step that began the long American walk toward independence.

At the time our young farmer fell, William Pitt across the ocean was telling his colleagues in the House of Commons, "You cannot conquer America."

He was right. We turned our plowshares into swords, and then back again.

We were to do it again, and again, most tragically when we turned inward against ourselves.

In the stone foundation remains of a house in Gettysburg, Pennsylvania, a guide explains that here, real brother met real brother, one in gray, one in blue. History does not record the outcome of their unexpected reunion.

And yet, it was from this most painful of wars—a foreign critic called our Civil War "a dirty chimney on fire"—that our strongest national bonds were forged.

Far from permanently splintering the Union of States, it drew them ultimately together.

But it took row upon row of brothers to do it.

From their vantage point, looking down through the years, the end of the debacle of human slavery, and the determination of the Union not to be split again might seem worth the price.

Fifty-three years later, the symbol of American fighting spirit was written on a tent near the General Expeditionary Force in France—

It simply said, "Heaven, Hell, or Hoboken by Christmas."

It was probably written by one of the men under Gunnery Sgt. Dan Daly, who some months earlier in the Belleau Wood shouted

to his troops: "Come on, you S-O-B's!! Do you want to live forever???"

Those doughboys saw their duty and wrote their names in honor on our national pride.

But you and I know there is more. Big number II rolled around, and took many Americans with it.

Even more did not come home. Was it worth it? S-H-H-H-H! Down the tunnel of years I hear—

Commander Howard Gilmore, mortally wounded on the deck of his submarine—the Growler—telling his crew to "take her down!" to avoid further attack, though he knew he would die,

Do you hear Commander Bob Dixon, from his plane to his carrier on the Coral Sea, "scratch one flat-top"—one less Japanese carrier to kill American GI's,

And, of course, everywhere you looked in Europe, "Kilroy was here,"

And in true American spirit, when General Anthony McAuliffe received a German surrender demand at Bastogne, Belgium right before Christmas of 1944, he replied eloquently and articulately: "Nuts!!"

Too soon on the heels of the big war, which was to be the war to end all wars, a small but nasty conflict erupted in North-east Asia.

"Retreat, hell!" said General O. P. Smith at Changjin Reservoir. "We're just fighting in another direction!"

Was it worth it? After 20 years, South Korea is still South Korea, and the South Koreans I know cherish their freedom. And they know where it came from.

The only real question mark in this chronology is our involvement in Viet Nam—the Non-War War.

When Dien Bien Phu fell in 1954 and the decimated French finally beat a hasty retreat, that part of Southeast Asia had been at war with itself for years.

Ten years after the French left, our military advisors were up to their necks in trouble—largely because for the first time in our history, we had a nondeclared war with our military completely subservient to a civilian chain of command.

We all know the outcome. Whether or not it was worth it is up to each person to decide.

But I believe we sacrificed 50,000 good men and women on the altar of civilian incompetence, lousy judgment, and no understanding at all of guerrilla warfare.

So here we find ourselves, on this calm day in May of 1981. To honor so many Americans who are gone.

Gone. That's hard to get in focus. No more twinkle in blue eyes or brown. No more quick grins, or little pats on their children's heads. No more soft words at twilight.

Gone. We remember them in a special and singular way. They died for the promise of America. They died so that you and I might, simply, live.

So that you may continue to be a Protestant or Catholic or Jew, or whatever you choose.

So that you and I may continue to read any book printed, espouse any opinion, challenge any authority, say yes or no as our own conscience dictates.

They died so that you may vote, not vote, demonstrate, stay home, work on Saturday and go to church or picnic on Sunday.

In dying, they set us free.

Think of it! We are the only nation in history intentionally founded on the principle that people should be free.

The United States of America is the only nation in history that works toward peace, freedom, and opportunity as every-day goals. Other nations call it a dream.

They are right. It is the American dream. Was it worth it? Was their sacrifice worth it? Listen and decide:

Like a distant rumble of thunder,  
Like a roll or old war drums,  
The voice of America's fallen,  
Fills the valleys and mountains and comes  
To tell you an old-time story,  
One that you've known all along:  
The you are America's promise,  
That you are America's song.

Stand up straight now, and proudly listen  
While that clear voice swells in your chest,  
You are worth what they each gave you,  
And my friend, they gave you their best. ●

#### PERSONAL FINANCES

#### HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. SIMON. Mr. Speaker, each year I have held public office I have made public my personal finances in detail. I have continued that practice and last week sent the news media in my district the attached:

#### SIMON DISCLOSES FINANCES FOR 26TH CONSECUTIVE YEAR AS A PUBLIC OFFICIAL

WASHINGTON.—For the 26th consecutive year that he has held public office, Representative Paul Simon, D-Ill., has released a detailed description of his and his family's income, assets and liabilities.

Simon's personal staff members who earned more than \$20,000 in 1980 also released financial statements.

The Illinois congressman's statement lists income for 1980 for himself and his wife, Jeanne, totaling \$98,533.18. The figure includes his House salary, reimbursement for travel and other expenses, rental income, interest and dividend income honoraria for appearances, book royalties and miscellaneous items. Mrs. Simon earned \$12,180.81 as a consultant for the National Advisory Council on Women's Educational Programs.

The Simons had assets of \$336,167.93 and liabilities of \$172,067.56 for a net worth of \$164,100.37.

Simon has been making voluntary financial statements since he became a state representative in 1955. He followed the practice during eight years in the state House, six years in the state Senate, four years as lieutenant governor, and six years in Congress.

The staff members who disclosed their finances are Ray Johnsen, Office Manager; Vickie Otten, Legislative Director; and Steve Hull, Press Secretary.

#### Income of Paul and Jeanne Simon, 1980

Salary, U.S. House of Representatives .....	\$60,662.50
Rental income .....	1,893.80
Book royalties.....	524.35
U.S. House of Representatives, expense reimbursement.....	1,931.45
Paul Simon for Congress Committee, expense reimbursement .....	8,755.19

\*George M. Mardikian, "Song of America," 1956.

Income of Paul and Jeanne Simon, 1980—  
Continued

Travel allowance, National Advisory Council on Women's Educational Programs (Jeanne).....	\$268.00
Advisory Committee on White House Conference on Libraries (Jeanne).....	304.57
Salary, National Advisory Council on Women's Educational Programs (Jeanne).....	12,180.81
Washington Post, Jeanne's article.....	100.00
1980 honoraria and travel reimbursement for appearances:	
Adlai E. Stevenson Lecture, Bloomington, Ill.....	1,000.00
American Association of School Administrators.....	876.40
American Council of Life Insurance.....	207.00
Association of Lutheran College Faculties.....	350.00
Brookings Institution.....	200.00
College Entrance Exam Board.....	359.23
Concordia College, Portland, Oreg.....	1,043.00
Council for the Development of French in Louisiana.....	250.00
Dixon for U.S. Senate, reimbursement.....	40.00
Earlham College.....	664.00
Hawaiian Association of Language Teachers.....	1,000.00
Education Commission of the States.....	950.98
Illinois Foreign Language Teachers Association.....	100.00
International Council for Educational Development.....	70.12
Illinois State University.....	500.00
University of Illinois.....	350.00
Lutheran Church in America—South Carolina Synod.....	500.00
Lutheran Human Relations Association.....	200.00
Monmouth College.....	500.00
National Humanities Center.....	321.00
State of Illinois.....	543.77
Washington University.....	500.00
Dividends:	
Adams Express.....	246.06
AT & T.....	8.00
Bethlehem Steel.....	8.00
Borg-Warner.....	46.90
Borman's.....	1.60
Brunswick.....	.88
Chock Full of Nuts.....	2.00
Crown Zellerbach.....	13.20
Fairchild Industries.....	13.80
Fruehauf Corp.....	9.60
General Motors, Inc.....	83.50
Gulf & Western.....	.38
Hardees.....	12.80
Harper & Row.....	43.20
International Harvester.....	75.00
Lear Siegler.....	18.00
Massachusetts Investors Growth.....	45.07
Mutual Real Estate.....	3.75
National Steel.....	3.70
Norton Simon.....	13.15
Norton Simon.....	1.60
Pacific Gas & Electric.....	128.00
Pepsico.....	14.64

Income of Paul and Jeanne Simon, 1980—  
Continued

Ralston Purina.....	\$7.68
Southwestern Life Corp.....	25.00
Scott Paper.....	4.00
Texaco.....	34.30
Warner Lambert.....	5.28
Westinghouse.....	5.60
Polish Alliance of North America.....	26.15
Interest:	
Dreyfus Fund.....	154.31
University Bank, Carbondale.....	2.05
Ellis First National Bank.....	13.67
Mid-America Bank, Carbondale.....	33.19
Mobil Corp.....	8.50
Fairfield Communities, Inc.....	195.00
Citizens Savings & Loan.....	47.42
Internal Revenue Service.....	17.48
General American Life.....	14.55
Total 1980 income.....	98,533.18

INCOME OF CHILDREN, SHEILA AND MARTIN SIMON

SHEILA. Total of \$1,819.71, including—interest from Maryland National Bank, \$113.32; interest from United Savings & Loan of Troy, Ill., \$62.68; dividends from General Motors, \$18.00; dividends from Ford Motor Co., \$2.60; AT&T, \$8.00; and Fabric Tree Group, wages, \$1,615.11.

MARTIN. Total of \$1,761.96, including—interest from Citizens Savings & Loan of Potomac, Md., \$20.02; interest from United Savings & Loan of Troy, Ill., \$26.27; dividends from Ford Motor Company, \$2.60; dividends from General Motors, \$18.00; AT&T, \$8.00; Bert's Exxon, wages, \$1,687.07.

STAFF DISCLOSURES (SUBMITTED TO PAUL SIMON MAY 1981)

Steve Hull, Press Secretary  
1980 income other than government: Southeastern Hockey Officials Association, \$200; (Spouse, Renee Tackett-Hull, is an Environmental Policy Analyst with the Government Research Corporation.)

Sources and amounts in indebtedness over \$500: None.

Stocks and Bonds owned: None.  
Other property owned: 1978 Ford Fiesta, \$4,000; 1979 Sunfish Sailboat, \$850.

Ray Johnsen, Office Manager  
1980 income other than government: Rental income, \$7,818; Metropolitan Life, interest, \$35.41; General American Life, interest, \$202.88; Cottonwood Junction, interest, \$1,500; Mo. Portland Cement, interest, \$507; Wright Patman Cong. Fed. Credit Union, interest, \$16.40; Christ Lutheran Church, interest, \$70; General Motors, Inc., dividends, \$85.93; Roodhouse Record, dividends, \$234; Alpha Portland Cement, dividends, \$16.56; Internal Revenue Service, \$47.23.

Sources and amounts of indebtedness over \$500: Washington and Lee Savings & Loan, \$20,479; Illinois Federal Savings & Loan, \$25,928.

Stocks and Bonds owned: Wright Patman Cong. Fed. Credit Union, shares, \$250; Cottonwood Junction, 175 shares, \$17,775; U.S. Bonds, Series E, \$1,256.25; Mo. Portland Cement bonds, \$5,000; Laclede Steel, 400 shares, \$4,000; Alpha Portland Cement, 24 shares, \$348; General Motors, 21 shares,

\$966; Christ Lutheran Church, Orange, California, bond, \$1,000.

Other property owned: State of Illinois Employees Retirement System, \$1,772.01; residence, Arlington, Virginia, \$95,000; home and apartment, Troy, Illinois, \$30,000; duplex, Troy, Illinois, \$37,000; household furnishings, \$15,000; 1978 Chevrolet, \$4,000; 1975 Volkswagen, \$1,000.

Victoria Otten, Legislative Director

1980 income other than government: Commonwealth Edison Stock, dividends, \$130; Perpetual American Savings & Loan and National Permanent Savings & Loan, savings account, \$500; (Spouse, William H. Barringer, is an attorney with Arter, Hadden and Hemminger, practicing international law. The firm is a registered foreign agent for Japan Iron and Steel Exporters Association, Japan Wire Products Exporters Association, Japan Stainless Steel Exporters Association, Japan Galvanized Iron Exporters Association, Fuji Heavy Industries Limited and El Banco de Brazil.)

Sources and amounts of indebtedness over \$500: First Federal Savings & Loan, mortgage, \$119,000.

Stocks and Bonds owned: Commonwealth Edison, 50 shares, \$1,190; Wright Patman Cong. Fed. Credit Union, shares, \$114.

Other property owned: Home in Washington, purchased in 1980 for \$195,000; 1977 Toyota Celica, purchased in 1977 for \$5,800; 1969 VW Bug, purchased in 1970 for \$800.

Net Worth Statement—Paul and Jeanne Simon, as of January 1, 1981

Assets:	
Bank of Maryland, savings account.....	\$260.00
Bank of Maryland checking account balance.....	125.00
House of Representatives checking account balance.....	275.65
University Bank of Carbondale savings account balance.....	78.92
Citizens Savings & Loan, Potomac, savings balance.....	545.47
Mid-America National Bank of Carbondale, savings balance.....	657.28
Ellis First National Bank, savings balance.....	269.17
U.S. savings bonds.....	1,331.25
General American Life Insurance, cash value.....	2,891.80
Polish National Alliance Insurance, cash value.....	1,171.45
Congressional Retirement System, cash value.....	25,130.93
Illinois General Assembly Retirement System, cash value.....	16,233.00
Condominium, Tarpon Springs, Fla. 1979 purchase.....	81,000.00
Residence, 11421 Falls Road, Potomac, Md., 1974 purchase price.....	126,000.00
1976, 1977, 1978, 1980 improvements to Potomac home.....	17,684.45
11.8 acres near Makanda, purchased November 24, 1978, on which we are building a home.....	21,500.00
1980 improvements on property.....	1,027.06



Net Worth Statement—Paul and Jeanne Simon, as of January 1, 1981—Continued

Furniture and Presidential autograph collection .....	\$15,000.00
1965 Ford Mustang .....	150.00
1980 Chevrolet .....	6,875.00
Stock and Bond Holdings with number of shares:	
Adams Express, 175 .....	2,876.00
AT&T, Preferred, 2 .....	102.00
Bethlehem Steel, 5 .....	131.00
Borg-Warner, 20 .....	855.00
Borman's, 8 .....	27.00
Brunswick, 1 .....	15.50
Chock Full O' Nuts, 10 .....	70.00
Chrysler, 2 .....	10.50
Crown Zellerbach, 6 .....	292.50
Dreyfus Fund, 163 .....	1,742.00
Fairchild Industries, 18 .....	589.50
Fairfield Communities .....	2,000.00
Fruehauf, 4 .....	100.50
General Motors, 40 .....	1,825.00
Gulf & Western, 1 .....	16.00
Hardees, 40 .....	108.00
Harper & Row, 110 .....	1,100.00
Lear Siegler, 8 .....	784.00
International Harvester, 60 .....	1,537.50
Mass. Inv. Growth, 33 .....	437.00
Mutual Real Estate, 25 .....	150.00
National Steel, 2 .....	51.00
Norton Simon, 10 .....	157.00
Norton Simon, Preferred, 1 .....	33.00
Pepsico, 12 .....	330.00
Pacific Gas & Electric Co., 50 .....	1,044.00
Ralston-Purina, 12 .....	126.00
Rohr Industries, 3 .....	43.00
Scott Paper, 4 .....	83.50
Texaco, 14 .....	688.00
United M&M, 8 .....	39.00
Warner Lambert, 4 .....	81.00
Westinghouse, 4 .....	117.00
Jet-Lite, 120 (Appx. value) .....	300.00
Mobil Debenture Bond, \$100, 8½% .....	100.00
Total assets .....	336,167.93
Liabilities: <sup>1</sup>	
University Bank, Carbon-dale, personal notes .....	7,500.00
National Bank of Washington, personal note .....	2,200.00
First National Bank of Collinsville, personal note .....	15,190.00
National Savings & Trust, mortgage .....	86,886.11
Franklin Federal Savings & Loan Association .....	60,291.45
Total liabilities .....	172,067.56
Assets .....	336,167.93
Liabilities .....	172,067.56
Net worth .....	164,100.37

Assets of children, Sheila and Martin Simon:

Sheila:

General Motors, 10 shares .....	456.25
AT&T, 2 shares .....	102.00
Ford Motor Co., 1 share .....	20.63
United Savings & Loan, Troy .....	679.46

## EXTENSIONS OF REMARKS

Net Worth Statement—Paul and Jeanne Simon, as of January 1, 1981—Continued

Maryland National Bank, savings .....	\$1,805.65
Mutual Real Estate Trust, 10 shares .....	60.00
Maryland National Bank, checking .....	113.32
Total .....	3,237.32
Martin:	
AT&T, 2 shares .....	102.00
Ford Motor Company, 1 share .....	20.63
Citizens Savings & Loan, Potomac .....	294.82
Mutual Real Estate Trust, 10 shares .....	60.00
General Motors, 10 shares .....	456.25
Total .....	933.70

<sup>1</sup>In addition to these obligations, there is approximately \$7,000 per year obligation to Wittenberg University in Springfield, Ohio, for Sheila's educational expenses.

### FIRST MEMORIAL DAY

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. McEWEN. Mr. Speaker, America's first Memorial Day in 1868 honored the thousands who fell in the War Between the States. In the 113 years since that conflict, well over 1,215,000 service men and women have given their lives in struggles from the fields of France to the jungles of Vietnam to the deserts of Iran.

This memorial week we remember those brave men and women, citizens of all races and creeds, who once followed the flag and now lie beneath it.

We remember, and are grateful to those who lost their lives in our defense. We remember the veterans who today bear the physical and emotional scars of battle, and who themselves remember the hardships, and the friendships they develop with comrades at arms who are no longer with us.

We remember the families of our fallen heroes and we grieve for their losses. We remember the dedicated men and women now serving to protect us in our Armed Forces.

Finally, we remember that together as a Nation we have faced many dangers, but we and our precious form of government have survived because of the sacrifices our soldiers have been prepared to make.

In the coming years we will continue to be challenged, and so the remembrance of those hundreds of thousands who have served, and who have died in our defense, must strengthen our resolve to keep this country a bastion of freedom of which we all can be proud.

May 21, 1981

We must not let the sacrifices of our courageous protectors pass in vain. It is our duty to keep this country strong and free; we must use our hard-won freedoms wisely in the knowledge that freedom without compassion and honor is not freedom at all.

And we must strive to make this country better, knowing that no matter how far we have gone on the road to equality and justice for all citizens, we have much farther to go before we rest.

It is this legacy and challenge that our veterans leave with us on this Memorial Day weekend. ●

### FEDERAL ASSISTANCE REFORM

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. HEFTEL. Mr. Speaker, I am pleased to join with my distinguished colleague, Mr. MOFFETT, in introducing legislation which will consolidate and streamline Federal assistance programs to the States, and encourage the long-term cost effectiveness of these programs.

This bill, the Federal Assistance Reform Act of 1981, was introduced during the 96th Congress by my distinguished colleague from Tennessee, Senator JIM SASSER. The legislation was unanimously approved by the Senate Governmental Affairs Committee last September and was passed by the Senate on December 1. Unfortunately, however, the press of business prevented its being considered in the House.

Mr. Speaker, this bill is introduced at a time when we are all concerned with the rising cost and growth of Government, which is exacerbated by ineffective and uncoordinated planning, and overlapping and duplicative regulations. The Federal Assistance Reform Act will go far in alleviating some of these burdens by proposing procedural changes in the administration of the categorical grant system. These procedural changes will encourage the consolidation of grant programs and simplify the regulations associated with them. Essentially, this legislation recognizes the increasing complexity of the Federal grant system and creates mechanisms to improve the management of these programs.

If enacted, this legislation would encourage timely congressional consideration of Presidential grant consolidation proposals. Hence, many of the paperwork burdens arising in the Federal assistance would be partially removed or corrected. Rather than requiring each of the categorical grants to follow separate reporting and regulatory requirements for each

program, a procedure designed to encourage more timely Presidential and congressional consideration of consolidation plans would be established.

Additionally, this bill is intended to reduce the burden of an unnecessary number of audits of grant recipients. Increased Federal reliance on State and local audits is encouraged in order to reduce confusion and needless duplication in the auditing process. Audits would be performed on an organization-wide scale rather than on a grant-by-grant basis.

The Federal Assistance Reform Act also mandates that Federal agencies work with their counterparts on the State and local level to develop grant procedures which would be mutually compatible and would allow several grants to be combined into one administrative package. By allowing a number of separate categorical programs to be used by a recipient as if they were a single program on a case-by-case basis, it becomes possible for State and local governments to fill out one application, to deal with one agency, and to comply with one set of rules rather than having to fight several agencies and many rules to obtain grants meant for one integrated project.

Additionally, reducing the paperwork resulting from conflicting national policy standards and cross-cutting requirements in the Federal assistance system, is a major objective of this bill. By requiring the President to specifically designate agencies in various policy areas to be responsible for one or more cross-cutting statutes, this bill will be able to alleviate some of the paperwork burden.

Finally, this bill contains several provisions intended to allow State or local recipients to manage Federal assistance programs more effectively and with fewer Federal restraints. These provisions insure that State or local recipients of Federal assistance are given some protection from unexpected policy changes or administrative revisions implemented by Federal agencies.

Ultimately, the provisions of this bill will result in a reduction of Federal spending. If the Congress combines multiple and related categorical grant programs into a single block grant and appropriates a new total that is less than the sum of the parts, definite outlay savings will be achieved. The cost effectiveness of this legislation, then, is obvious.

Research developed by the General Accounting Office (GAO) over a number of years is fully supportive of the concepts presented in this legislation. Essentially, their reports recommended the consolidation of Federal grants in order to promote increased efficiency and effectiveness in the delivery of Federal assistance, and great-

er adaptability of Federal assistance to the requirements of recipients.

Mr. Speaker, reform of the intergovernmental grant system is needed now more than ever. The Reagan administration's proposed budgetary cuts for fiscal year 1982, and its recommendations for the consolidation of Federal grants, make this bill even more necessary. I therefore look forward to working with the administration and my fellow colleagues to bring about grant consolidation and encourage more cost-effective provision of Federal assistance. ●

#### RETIREMENT OF A. OAKLEY HUNTER FROM FANNIE MAE

#### HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. PASHAYAN. Mr. Speaker, today A. Oakley Hunter steps aside as President and Chairman of the Board of the Federal National Mortgage Association, known to all as Fannie Mae.

Mr. Hunter, a former attorney in Fresno as well as a former Member of Congress, was responsible for transferring Fannie Mae from a basic Federal agency to a shareholder corporation, and he did it well.

On behalf of the millions of homeowners around this country we represent I feel it is incumbent that we take a moment to commend him for his contributions in helping meet the housing needs of this Nation.

During his 10 years as Chairman and 11 years as President of Fannie Mae, the corporation became the Nation's largest single source of residential mortgage funds and provided financing for 3 million housing units. Fannie Mae's leadership in the housing field, under Oakley Hunter's guidance, however, is more significant than even those numbers imply.

During the last decade and largely as a result of Mr. Hunter's personal convictions, the corporation led the housing finance industry back into our cities by developing innovative urban lending programs and investing heavily in center city neighborhoods.

Similarly, the corporation reached out into rural areas, to assure that home buyers there had access to mortgage money on the same terms available to those in more highly developed communities. In all communities, Fannie Mae served the needs of moderate- and middle-income home buyers, including those of first-time purchasers. Fannie Mae was the first to establish national lending and consumer protection standards for condominiums and planned unit developments.

In addition to confronting the demands of a changing population and society, the housing industry—and

Fannie Mae—have been faced with a changing and often tumultuous economy. Over the last decade, three severe credit cycles have wrenched the housing and mortgage markets. Throughout each of these periods, Fannie Mae remained a source—in some instances and in some communities the source—of mortgage funds. These were difficult times for Fannie Mae as well, but it persevered even so in fulfilling its congressionally chartered purpose.

Perhaps most significantly of all, Oakley Hunter, during his years as head of Fannie Mae, demonstrated that the private sector has the capacity—and the conscience—to address the Nation's housing needs. At a time in our Nation's history when a consensus has been reached that Government cannot provide the answers to all our problems, the accomplishments of Oakley Hunter and Fannie Mae give us confidence that our recognized reliance on private enterprise is well founded.

Even more so because the shareholders of Fannie Mae have voted to keep Oakley Hunter on the board of directors even after his retirement as chief executive.

I felt it would be appropriate to include in this salute a newspaper article which gives us a glimpse at some of Mr. Hunter's thoughts on the future.

[From the Fresno Bee]

#### HUNTER SEES SMALLER HOMES, BIGGER PRICES

(By Richard D. Hall)

Washington—Home buyers soon will pay more for smaller quarters in more crowded surroundings, says a former Fresnan who directs the nation's biggest "bank" for home mortgage funds.

He is A. Oakley Hunter, and he'll retire May 21 after a decade as president and board chairman of the Federal National Mortgage Association, known as Fannie Mae.

The association buys home mortgages from local lenders, thus supplying banks and savings and loan associations with mortgage money.

Hunter has seen a lot of changes at Fannie Mae in his time there—some of his own making. And he predicts other changes in the national housing market.

"There will still be single-family houses, detached," Hunter said, "but not to the same extent as there has been in the past. People are having to settle for less in quality and size."

And for more money.

The old rule of thumb was to pay no more than 25 percent of a person's income for housing, he said. "Now it's close to one-third, and it's becoming one-third of two incomes."

Hunter, who will be 65 in June, is relinquishing his \$225,000-a-year job but not his position on the board. He serves on other boards, as well, and said he is considering returning to private law practice. He opened a practice in Fresno in 1947.

He does not mention retirement, only that he is "shifting gears again."

A shift toward Washington occurred in 1951 when Hunter a Republican, was elected to the first of two terms in Congress.

From there, he built a career in housing and real estate development. Hunter was involved as an attorney and consultant with low- and moderate-income housing through the Fresno Housing Development Corp.

Projects included federally financed housing for the elderly in Fresno, Modesto, Sacramento, other parts of California and in Arizona, and such urban renewal housing as Huntington-Holmes in Fresno and Capitol Mall in Sacramento.

Hunter turned down an assistant secretary's job at the Department of Housing and Urban Development in the Nixon administration.

But in 1970, he accepted an offer to head Fannie Mae and transform it from a federal agency into a shareholder-owned and privately managed corporation.

"To me, this was a challenge," Hunter said.

Hunter wasn't shuffled out when the Democrats regained power under the Carter administration. But he did make it clear just who was in charge of Fannie Mae and that it was going to operate as a private corporation.

The challenge began with an attempt by Democratic Sens. Alan Cranston of California and William Proxmire of Wisconsin to pass a bill that would expand the Fannie Mae board and authorize the president to appoint more of the directors.

Hunter said business interests rallied behind him, and the bill died in committee. Fannie Mae continues to have five directors appointed by the president and 10 elected annually by stockholders.

(Its stock is traded on the New York Stock Exchange and closed Friday down 1/2 at 92.)

Then Carter's HUD secretary, Patricia Harris, raised the issue of whether Fannie Mae should do more to meet housing needs in inner cities.

She contended that tended to buy the most desirable conventional mortgages in appreciating suburban neighborhoods and to avoid inner-city properties.

A Fannie Mae spokesman said then that 25 percent of the conventional loans were in urban areas. Hunter testified that "realistic limits" must be placed on underwriting the loans.

The conflict raised an issue that still is being debated—federal government guarantees to Fannie Mae.

"We have no recourse to the government for money," Hunter said. "We have to go out and borrow it."

"In the final analysis," said Cranston, "federal money is there if need be."

Cranston said Fannie Mae has done more for central-city housing since the congressional hearings in the late 1970s.

However, he said, "I've also felt over the years that Fannie Mae has overemphasized paying dividends to its stockholders and underemphasized doing everything possible to promote housing in America.

"Since it's an independent corporation but has behind it the full faith and credit of the U.S. Treasury," Cranston said, "I feel it has an obligation to fulfill a public service and meet a public need."

"I believe that that should take priority over dividends to its stockholders," he said. "That has not been the case and is not now the case."

The issue of how much Fannie Mae could or should do for inner-city areas "will always be controversial," said Raymond H. Lapin, Hunter's predecessor at Fannie Mae.

"By law, the corporation must devote part of its resources to low- and moderate-income

housing," he said, "but no percentage is spelled out."

The Treasury Department is authorized to use up to \$2.25 billion as a "backstop" for Fannie Mae, but that's a small amount compared with the nearly \$60 billion in mortgages the corporation owns, said Lapin, who owns a mortgage company in San Francisco.

Fannie Mae has never had to turn to the government since it became independent. If it did, Lapin said, Congress could consider emergency legislation to keep it solvent.

Fannie Mae has suffered quarterly losses twice, last year and in the first quarter of this year. Its problem, Lapin said, is the same as that facing local lenders—comparatively low-yield assets in the face of soaring interest rates. Most of Fannie Mae's income is based on a return from its acquired mortgages.

But Lapin, whose term as a board member ends in May, said, "The organization is efficient. All in all, it's been completely successful."

Lapin, who began the process that led to the corporation's independent status, also credits Hunter with having "removed (Fannie Mae) from politics. I think it's quite an achievement."

A test came last year when Hunter announced his intention to step down, Lapin said. The White House wanted to name a successor, but the board hired a research firm to seek candidates and wound up selecting David Maxwell, 50, a founder and chairman of Tycor Mortgage Insurance Co. of Los Angeles.

Maxwell will take over at the board's annual meeting May 21. ●

#### SOCIAL SECURITY CUTS—THE BROKEN PROMISE

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. DE LUGO. Mr. Speaker, just a few months ago, President Reagan unveiled his new economic plan for America which called for, among other things, drastic cutbacks in Federal spending. Incorporated into that proposal was the so-called safety net, which essentially was a promise to our senior citizens and those living on marginal incomes that they would not suffer from the proposed cuts. They were assured that " \* \* \* the social security net of programs the elderly depend on are exempt from cuts." And with that assurance, millions of Americans who were understandably concerned about their retirement benefits breathed a collective sigh of relief.

Unfortunately, the safety net has been unraveling little by little and it came apart totally last week when the administration proposed cutting certain social security benefits for future beneficiaries.

If the administration's proposals are accepted—and I hope that they are not—future retirees would face the prospect of receiving less benefits than they had been expecting all these

years. Others will be forced to postpone their long-awaited retirement.

I believe that the senior citizens of this Nation, who are our most precious natural resource, deserve better treatment than this. To suddenly cut the safety net is unconscionable. It is a cruel hoax which must be rejected by the Congress.

Instead of looking at this proposal from an accountant's point of view, let us examine what it would mean to people:

The poverty rate for the aged is 15 percent, compared with the overall poverty rate of 11 percent. It is estimated that one-quarter of the elderly population is located within \$50 a month of the poverty line, and over 41 percent attempt to survive on incomes within \$200 a month of the poverty line.

Inflation continues to rise at double-digit rates, taking its most severe toll on those people living on fixed incomes. For the senior citizens residing in the U.S. Virgin Islands, where the cost of living is approximately 25 percent higher than on the mainland, the rising cost of food, clothing, energy, and housing is particularly burdensome.

Meanwhile, Federal programs that are so important to many of these people, such as food stamps and legal services, are being slashed.

Now, the administration wants us to ask our senior citizens to make do with even less, to make even more sacrifices.

It is unfair to ask these people to incur such burden. It is unfair to tell them that we would like to take away some of their hard-earned retirement benefits, while we continue to subsidize the businessman's three-martini lunch. It is unfair to ask them to tighten their belts even further when billions of dollars are wasted yearly in the Department of Defense.

Mr. Speaker, as the Congressman from the U.S. Virgin Islands, I can tell you that our senior citizens are up in arms. Many of them have been paying into the social security system all these years expecting a certain level of benefits. They entered into a contract with the Federal Government years ago and now the administration is suggesting changing the terms of that contract. For example, under current law, those retiring at 62 have their benefits permanently cut to 80 percent of what they would be at the normal retirement age of 65. The administration's proposal would pay a person who retires in the future at 62 only 55 percent of the age-65 amount. The spouse's benefit would be half of this, 27.5 percent instead of the current 40 percent. Today, a person who had an average income throughout their lifetime and retired at the age of 62 in 1987 could expect approximately \$580

a month in benefits. Under the Reagan proposal, that same person would receive approximately \$348 a month.

Other examples of the injustices inherent in this proposal abound.

I would just like to share with the committee the feelings of one of my constituents, Mr. Victor Giandana of St. Thomas, on what the cuts mean to him; "I do not look with favor on a 'free lunch' attitude that prevails in many areas of our society," he wrote, "however, where benefits have been earned they should be rewarded."

I believe his comments tell the whole story—the argument against the proposed cuts could not be made better—and I hope the Congress listens to his words. ●

#### REPUBLICAN TIDEWATER CONFERENCE UNITY

**HON. JACK F. KEMP**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. KEMP. Mr. Speaker, the purpose of a political party is to offer ideas and leadership. In recent years, the Republican Party has dominated the American political market for ideas. Bringing Federal finances under control, restoring incentives for labor and capital, rolling back the excessive burden of Government regulation—all of these Republican ideas are on their way to being implemented by the administration of President Reagan.

I believe that the central issue of the coming decade will be the reforms which are necessary to end inflation. In fact, without them, the success of the entire Reagan economic program is in jeopardy. Continued inflation will surely swell Federal spending, destroy economic incentives, and dwarf the benefits of deregulation.

Recent experience in Great Britain, France, and in this country, has shown that Thatcher-type austerity and monetarism are inadequate to the task of ending inflation. Attempts to fine-tune the economy through the money supply are as futile and as destructive as attempts to do so with fiscal policy. The recent crisis in the financial markets only underlines the fact.

The runup of interest rates which sent the markets tumbling was the result of two factors. First, net Treasury borrowing in the first half of fiscal 1981 was \$56.8 billion—an all-time record. And total Federal and federally sponsored borrowing this year is expected to hit more than \$140 billion. Current, not anticipated future deficits, are the problem. Second, the Federal Reserve has lost control of its balance sheet. The growth of the mone-

tary base, which had been an annual rate of 1.8 percent during the 2 months ended February 25, more than quadrupled to 7.8 percent in the 2 months ended April 22. In addition, during the last week in April, the Federal Reserve lent the commercial banks a staggering \$8.5 billion in reserves at the discount window, at a below-market subsidized rate of 13 percent. Inflation will not end until the Federal Reserve gets its balance sheet under control. And that process will not be pleasant unless Congress does the same with its budget.

Runaway inflation of the sort witnessed in the past decade is unprecedented in American peacetime history. It is no accident that this was also the first peacetime period since 1792 in which the dollar was not defined in terms of a real commodity, such as gold or silver. For the first 140 years of this country, there was no net upward or downward movement of prices. Even after the dollar was devalued in 1934, inflation remained low during peacetime until the last link between the dollar and gold was severed in 1971. In a world which has been on a dollar standard since World War II, the subsequent depreciation of the dollar has unleashed a devastating worldwide inflation.

The advantage of a commodity-based monetary standard is that it provides a firm discipline on monetary and budget policy. With a finite reserve of, say, gold, there is a limit to the amount of gold-convertible money and credit which the Federal Reserve can create. And when the Government can no longer finance its spending by creating money, it must order its finances so that it repays its debts in real terms; to maintain its credit, the sum of all current and future deficits and surpluses must balance. In addition, the acceptance of a common standard has always proven a tremendous boon to the growth of world trade.

The Republican Party's 1980 national platform said:

Ultimately, inflation is a decline in the value of the dollar, the monetary standard, in terms of the goods it can buy. Until the decade of the 1970s, monetary policy was automatically linked to the overriding objective of maintaining a stable dollar value. The severing of the dollar's link with real commodities in the 1960s and 1970s, in order to pursue economic goals other than dollar stability, has unleashed hyper-inflationary forces at home and monetary disorder abroad, without bringing any of the desired economic benefits. One of the most urgent tasks in the period ahead will be the restoration of a dependable monetary standard that is, an end to inflation.

This past weekend I urged the Tidewater Conference of Republicans to reaffirm the 1980 platform and recognize as a central issue for the coming decade the need to restore a stable monetary standard, domestically and

internationally. The conference unanimously agreed on the following resolution:

#### TIDEWATER RESOLUTION

Whereas, the central problem in our economy today is stagflation, i.e., the simultaneous effects of high inflation and high interest rates with low productivity and high unemployment and,

Whereas, stagflation is caused in large part of overborrowing by government and a decline in the value of our currency colliding with steeply graduated tax rates on workers and savers and,

Whereas, one of the greatest needs in our economy today is the creation and availability of investment capital and,

Whereas, the future prosperity, output, production, jobs and enterprise of America depends on rebuilding incentives for labor and capital to expand their savings, investment and production, therefore,

*Resolved*, We reaffirm our Party's pledge to the American people as outlined in our platform in Detroit, as well as at Tidewater I, 1978, and in the Republican Congressional statement on the Capitol steps on September 15, 1980, in which we support substantial permanent reductions in federal income and capital gains tax rates and reform of business depreciation schedules so as to encourage the modernization of plant machinery and equipment, both of which were proposed by President Reagan in order to restore incentives, encourage real economic growth, and expand the regard for working, saving, and investing. These tax reforms and further incentives for private economic growth, and, with a reduction in government spending, will help achieve a balanced Budget. There are additional tax and regulatory reform measures which should and will be addressed by Republicans before the end of this Congress.

We further reaffirm our pledge in the 1980 Republican national platform to restore a dependable currency and bring an end to inflation so that we simultaneously move our nation toward the goal of prosperity, full employment, and price stability. ●

#### MONEY MARKET MUTUAL FUNDS: A COMPLEX ISSUE

**HON. STEWART B. MCKINNEY**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. MCKINNEY. Mr. Speaker, recently my office has been inundated by mail in support of money market mutual funds. Although it was expressed in many ways, I read one clear message in all of the correspondence: This level of inflation is intolerable. Since I agree with that, I strongly support President Reagan's budget-cutting efforts. As I said during the House debate on the budget, without improvement and without change in the direction of our economy, we—this country—will collapse.

In my opinion individuals should have the right to choose where to put their money to get the highest rate of return. This choice should be available to all investors. For the 10 years that I

have served on the Banking Committee I have argued that we should remove arbitrary ceilings on interest rates and allow banks and thrift institutions to compete for deposits on equal terms. In passing the Depository Institution Deregulation and Monetary Control Act of 1980, Congress took a major step in that direction by mandating that interest ceilings must be eliminated.

In order to retain some stability in the monetary system the bank regulators were given until 1986 to achieve this competitive equity between the banks and thrifts institutions. This period was intended to allow a readjustment of loan portfolios as well as a review of other unprofitable practices. To strengthen our central banking system the act also extended reserve requirements to all depository institutions, such as credit unions, savings and loans, and banks that were not members of the Federal Reserve System. The Federal regulators of the depository institutions have taken steps to comply with the intent of Congress. Immediate and total deregulation of financial institutions would be neither a responsible act nor a solution to the present problems of depository institutions; more financial industry troubles would result.

Lending practices of banks and thrift institutions were influenced to a great extent by the Federal Government over many decades. Loans for housing construction and mortgages, consumer loans, education loans, and small business loans were encouraged as a matter of national policy. For example, thrift institutions were allowed to pay higher interest on savings accounts than commercial banks to encourage continued lending support to the housing industry. As a result, savings and loans and savings banks are now locked in to \$387 billion of low-interest mortgages. Ironically, many of those mortgage loans were probably made to shareholders of money market mutual funds.

I think the depository institutions have performed a vitally important function in the economic development of our society. Congress should address the problems of those institutions and devise solutions that are consistent with our goals of decent housing and a strong economy. Minimal direct intervention should be a primary objective, but in all honesty the Federal Government will have to be involved to some degree.

Now I would like to discuss my feelings about the money market mutual funds—MMF's. Conceptually I think these funds are fine. As I said above, all investors should have the freedom to choose where to put their money. Not all investments, however, are suitable for every individual.

I have been very distressed by the number of letters from retired people

or others living on a fixed income who say they have put every cent of their savings in a money market fund. Federal insurance for savings accounts was a direct result of the bank failures in the thirties when individual's savings were literally wiped out overnight. Suddenly that lesson has been forgotten and insured savings accounts are being converted into uninsured money market funds. I think that the Securities and Exchange Commission—which has oversight jurisdiction for the MMF's—and the Investment Company Institute—which lobbies for the mutual funds—have a responsibility to make the public aware of the risks involved in these investments. While they should not be considered speculative investments, MMF's are not riskless and some discretion should be used by the shareholders.

Regarding reserve requirements for money market funds, I oppose the imposition of requirements to lower shareholder yields. This would not result in increased assets for depository institutions as some contend. It would be a discriminatory use of power which I could not support. For those money market funds that choose to act like banks—specifically, check-writing authority—I think they should be required to maintain reserves under the provisions of the Monetary Control Act cited above. Although some would want you to believe this is aimed at individual shareholders, it is corporate accounts that are taking advantage of the check-writing privileges according to my information. In addition to being an equitable policy, the maintenance of reserves by those funds would contribute to a more stable monetary policy and reduce the risk element for these investments. Obviously the funds have another choice—eliminate check-writing privileges.

I should point out that some funds and fund salesmen have gone so far as to term investments as deposits and dividends or capital gains as interest. The Investment Management Division of the SEC has told my staff that such funds should be regulated as banks since they are representing themselves to be banks. I would hope that stronger SEC supervision in this area might resolve that problem.

Before closing I would like to point out some other concerns that I have about the meteoric increase in money market fund assets. These are focused primarily on matters of public policy. I have mentioned already the risk element for certain classes of investors, housing policy and monetary policy. Also, I think attention should be focused on the economic impact of these short-term, high-yield investments which may be inconsistent with the Reagan economic policy; I think more attention should be given to the for-

eign investments by these funds; and I definitely think the risk factor associated with the quality of investment made by some funds has risen in direct proportion to asset growth. As Financial World said in an April 1, 1981, article about the risks of MMF's: "And perhaps—the fund manager—has to lower his quality standards as well. After all, the supply of money market instruments is not growing as fast as the assets of money market mutual funds." I would like to paraphrase a leading economist who said that we all catch up on inflation by taking it out of someone else's hide. The next time we complain about high interest rates on loans, credit cards or any other financing, it is important to remember that we cannot have high yields without high costs for borrowing, too.

I have devoted a substantial amount of my time to this issue and I strongly believe that we first must reduce inflation which in itself will lead to more equitable competition between money market funds and depository institutions. The various policy issues I mentioned should be weighed, for example, if savings are needed for housing, should tax incentives be increased for certain types of savings accounts. Also, I suggest that the distinctions between investment vehicles and depository institution authorities are clearly delineated and should be enforced; the SEC should monitor more closely the suitability of MMF's for certain classes of investors; the sales promotions of the MMF's should emphasize the nonbank nature of these investments; and, more attention should be given by the SEC and the Federal Reserve to the type, quality, and amount of investments made by the MMF's.

Personally I prefer investments that benefit our society and our economy, but I appreciate the appeal of the money market funds. The solution I advocate is the best of all worlds: less inflation, a strong economy, equitable competition for savings. I shall continue working with my colleagues in Congress, the various regulators, and the industry people to arrive at a solution that will be in the best interest of all parties. ●

#### SOCIAL SECURITY COVERAGE

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. LUJAN. Mr. Speaker, I would like to take a moment today to discuss social security coverage.

Let me first say that unless some changes are made, I am aware that the social security program will go broke

in 1982. The social security retirement and survivor's trust fund will become unable to pay benefits sometime in mid-1982. Even if the assets of the disability fund were added in, the two funds together would still be insufficient late in 1982.

I believe that we should not reduce the amount of benefits that someone now on social security is receiving. I also believe that an abrupt change for individuals close to eligibility would be unfair. I think that whatever changes are made should be gradual and phased in over several years.

For example, under current law, an individual can retire at age 62 and take a benefit reduction that would provide 80 percent of the amount that individual would receive if he or she would retire at age 65. Rather than dropping the early retirement rate down to 55 percent of that amount effective immediately, I would phase in over several years a smaller reduction. Doing it this way, people who have counted on early retirement in the near future with 80 percent benefits would not be affected, and people who would be affected would have time to plan for the change. Conversely, if someone wanted to wait longer to retire, that person should receive increased benefits.

These are just a couple of ideas, and I really am not sure how they would work out, but I can guarantee this much. I used to be in the insurance business, and I look at social security as being similar to an insurance policy that has been purchased. The Government has an obligation to honor its commitment, and I am committed to that obligation.

I am including with these remarks information on the administration's social security proposals. It is, of course, impossible to predict what will be in the final bill, but I am sure that these proposals, together with those included in the bill contemplated by Chairman PICKLE of the Social Security Subcommittee, will form the basis of the new legislation.

Thank you.

#### PROVISIONS OF THE SOCIAL SECURITY PROPOSAL

##### I. CHANGES TO ENCOURAGE WORK BETWEEN 62-65

###### *Change benefit computation point from age 62 to 65*

The benefit formula treats early retirement the same as waiting until age 65. After 65, there is an annual incentive to continue working. Early retirees at 62 get 80% of what they would get at 65.

Proposal would discourage early retirement by assigning zero value to the age 62-64 period, thus reducing benefits in such cases while rewarding those who elect to work until age 65. This returns the program to the formula used before the age of retirement for women was lowered to 62 in 1956.

##### *Reduce benefits for early retirement*

Workers electing early retirement at 62 now receive benefits equal to 80 percent of what they would receive if they delayed retirement to age 65.

Proposal would reduce early retirement benefits to 55 percent of the maximum, thus strongly encouraging workers to remain in the work force until age 65.

##### II. CHANGE TO REDUCE OPPORTUNITY FOR "WINDFALL" BENEFITS

###### *Eliminate "windfall" benefits for non-covered employment*

The benefit formula now makes it possible for a person, such as a retired Federal employee, who enters Social Security-covered employment for only a few years to receive disproportionately high benefits, in some cases exceeding those paid to low-wage earners who have spent a lifetime in covered employment.

Proposal would have formula take pension resources from non-covered employment into account in such cases, thus sharply lowering the Social Security benefit in such cases.

##### III. CHANGES TO RELATE DISABILITY INSURANCE CLOSER TO WORK HISTORY AND MEDICAL CONDITION

###### *Require "medical only" determination of disability*

Workers can now qualify for disability benefits on combinations of medical and non-medical factors, such as age, education and work experience. More than one-third of disability cases age 60 to 65 involve non-medical factors.

Proposal would limit qualification to medical factors alone, thus restoring program to original purposes.

###### *Increase waiting period to 6 months*

Under a 1972 liberalization of the program, the waiting period for disability benefits was reduced from six to five months on the assumption that ample funds would be available.

Proposal would restore the six-month waiting period previously in law. This conforms to the terms of most private disability insurance programs.

###### *Require prognosis of 24-plus months of disability*

Workers now seeking disability benefits must show only that disability claimed will exceed 12 months or will result in death. The 12-month test, enacted in 1965, replaced a test of "long-continued and indefinite duration" in prior law.

Proposal would restore the original intent of the law, requiring that the prognosis of disability be of long duration, at least 24 months, a more reasonable definition of disability.

###### *Increase requirement for insured status to 30 quarters*

Workers may now qualify for disability benefits even if they have been in the work force only 20 out of the past 40 quarters. Therefore a person could be out of covered employment for 5 years and still qualify.

Proposal would set the minimum at 30 out of the past 40 quarters, thus more closely tying benefits to the principle that they are replacement for wages recently lost.

##### IV. CHANGES TO REDUCE WELFARE ELEMENTS

###### *Eliminate children's benefits in early-retirement cases*

Children under 18 or under 22 if in school are now eligible for benefits on the basis of a retired parent's wage record. Thus a retiree with a child receives a dependent's benefit, whereas a retiree with no children gets only his own benefit.

Proposal would end this inequity in early-retirement cases and thus encourage the worker to continue work until 65.

###### *Extend disability maximum family benefit to retirement and survivors cases*

Benefits for families of retired and deceased workers can now actually exceed that worker's net take-home pay.

Proposal would extend the maximum limitation on benefits to families in disability cases enacted in 1980 to retirement and survivor cases. This would return the program closer to its original purpose as a "floor" of protection.

##### V. OTHER AMENDMENTS FOR SHORT-TERM

###### *Increase bend points by 50 percent instead of 100 percent of wage increases for 1982-87*

In 1977, the "bend points" (dollar amounts referred to in the weighted benefit formula) were made subject to automatic wage indexing. This change was adopted in legislation intended in part to offset the cost impact of earlier legislation and the faulty benefit computation procedure adopted in the 1972 amendments. However, benefit levels today remain disproportionately high (by about 10 percent) compared with the pre-1972 levels.

Proposal would restore the traditional relative benefit levels for future beneficiaries by increasing the "bend points" by 50% (instead of 100%) of increases in average wage earnings for the years 1982-87, after which the 100% factor would be restored to the formula.

###### *Move date for automatic benefit increases from June to September and use 12-month CPI average*

Under the 1972 amendments (as modified in 1974), annual Social Security benefit increases have been automatic each June (payable beginning in July). The increase is based on changes in the Consumer Price Index as measured between the first quarter of the current calendar year and the corresponding quarter of the preceding year, a provision which can unduly inflate or deflate the increase, depending on economic conditions in those quarters.

Proposal would correct the anomaly of having benefit increases initiated on the pre-1976 Federal Fiscal Year basis and change the CPI computation to cover a full year (July-June) period, thus making the measurement a more accurate reflection of economic trends and measuring living costs in a period ending closer to the initiation of benefit increases.

##### VI. CHANGE IN COVERAGE

###### *Extend coverage to first six months of sick pay*

Most sick pay is not taxed due to complex exclusion which forces employers to track sick pay on daily, even hourly basis, and leads some to unwittingly break the law.

Proposal would extend tax to all sick pay during first six months of an employee's illness. This would eliminate the administra-

tive burden and would treat sick pay in the same way as vacation pay.

VII. PHASE OUT RETIREMENT EARNINGS TEST BY 1986

Under current law, 1981 Social Security benefits payable to persons age 65 through 71 are reduced by \$1 for each \$2 of annual earnings in excess of \$5,500, a level which rises each year in relation to average wage earnings. However, benefits are not reduced for those aged 72 and over (70 and over beginning in 1982).

Proposal would phase out the retirement test over a three-year period, permitting \$10,000 in earnings in 1983, \$15,000 in 1984,

\$20,000 in 1985 and unlimited earnings thereafter.

VIII. REDUCE LONG-RANGE SOCIAL SECURITY TAXES

Assuming enactment of these proposals, and those introduced in the Administration's Budget proposals, it will be possible to lessen the Social Security tax increase now scheduled for 1985 and to actually decrease Social Security taxes below the current level in 1990. (See chart below). Note that while an increase will again become necessary in 2020 due to the aging of the population, the rate will still be lower than the 1990-and-after rate scheduled under current law.

SOCIAL SECURITY TAX RATES UNDER PROPOSAL

(Tax schedule)

Period	Present law (percent)	Proposal	
		Under budget assumptions (percent)	Under worst-case assumptions (percent)
1981	6.65	6.65	6.65
1982-84	6.70	6.60	6.70
1985	7.05	6.45	6.95
1986-89	7.15	6.45	7.05
1990-2019	7.65	6.45	6.45
2020 and after	7.65	7.55	7.55

COST ANALYSIS OF EFFECT OF VARIOUS SOCIAL SECURITY OPTIONS

[Positive numbers indicate savings; negative numbers indicate added costs or amounts needed to meet cost of present program]

Item	Short-range effect for calendar year 1982-86 <sup>1</sup>	Long-range effect <sup>2</sup>
A. Status of present system deficit		
Effect of budget proposal	-\$11.0(-110.8)	<sup>a</sup> -1.52(100)
Status of program after budget proposal enacted	35.5(36.8)	0.20(15)
B. Proposal:	(-74.0)	<sup>a</sup> -1.32(87)
(1) Cover sick pay in first 6 months	2.6(2.6)	.02(1)
(2) Change computation points for average indexed monthly earnings from age 62 to age 65	1.3(1.4)	.39(26)
(3) Increase bend points in primary benefit formula by 50 percent (instead of 100 percent) of wage increases, 1982-87	4.2(4.7)	1.30(86)
(4) Benefit rate of 55 percent of primary benefit for retired workers (and 27½ percent for spouses) at age 62	17.6(20.3)	.85(56)
(5) Eliminate benefits for children of retired workers aged 62-64	1.9(2.0)	.02(1)
(6) Disability maximum family benefit applicable to survivor and retirement cases	2.9(3.3)	.10(7)
(7) Eliminate windfall portion of benefits for persons with pensions from noncovered employment	.6(0.6)	.10(7)
(8) Require "medical only" determination of disability (i.e., exclude vocational factors)	7.7(9.0)	.06(4)
(9) Increase disability waiting period from 5 months to 6 months	1.4(1.5)	.03(2)
(10) Require disability prognosis of 24+ months duration (instead of 12+ months)	2.8(3.4)	.07(5)
(11) Require 30 quarters out of last 40 quarters for disability benefits (instead of 20/40)	10.0(11.5)	.21(14)
(12) Move date for automatic benefit increases from June to September (and use 12-month average)	6.3(27.8)	.14(9)
(13) Raise retirement-test exemption for age 65+ to \$10,000 in 1983, \$15,000 in 1984, \$20,000 in 1985, and eliminate test in 1986	-6.5(-7.4)	-.14(-9)
Total effect	*46.4(75.0)	2.86(188)

<sup>1</sup> In billions. Figures in parentheses are based on "worst case" assumptions; other figures are based on the expected economic assumptions (those in the President's budget).  
<sup>2</sup> Average-cost over 75-year period, in percentage of taxable payroll. Figure in parentheses is long-range effect of this item as percentage of actuarial deficiency of present program.  
<sup>a</sup> Amount necessary to restore financial soundness of program over the long range.  
<sup>b</sup> Including effect of additional net income to hospital insurance program.

ESTIMATED SHORT-RANGE EFFECT OF PROPOSAL AS COMPARED WITH PRESENT LAW, FUND RATIOS AT START OF YEAR<sup>1</sup>

Calendar year	Expected economic conditions		Worst-case economic conditions	
	Present law	Proposal	Present law	Proposal
1981	23	23	23	23
1982	21	22	21	22
1983	18	23	16	22
1984	16	25	* 6	19
1985	14	28	(*)	17
1986	16	30	(*)	18
1987	22	* 35	(*)	* 21

<sup>1</sup> Balance in combined old-age and survivors insurance trust fund, disability insurance trust fund, and hospital insurance trust fund at beginning of year as percentage of outgo from trust funds in coming year (i.e., assumes availability of inter-fund borrowing).  
<sup>2</sup> Funds have insufficient balance to pay monthly benefits (actually, this situation would occur several months earlier).  
<sup>a</sup> Funds exhausted.  
<sup>b</sup> By 1990, the fund ratio would be about 50 percent.  
<sup>c</sup> By 1990, the fund ratio would be about 30 percent, and by 1995 it would be about 50 percent.

YEAR-BY-YEAR COST ANALYSIS OF PROPOSAL

(In billions of dollars)

Calendar year	Proposal	
	Under expected economic assumptions	Under worst-case economic assumptions
1981	0.9	0.9
1982	9.1	11.3
1983	11.8	16.2
1984	15.7	21.7
1985	20.5	28.1
1986	23.9	33.6
1981-86	81.9	111.8

ILLUSTRATIVE BENEFITS FOR WORKERS RETIRING AT AGES 62 AND 65 UNDER PROPOSAL AND UNDER PRESENT LAW<sup>1</sup>

Earnings category <sup>2</sup>	Present law	Proposal
Age 62 at retirement in January 1982:		
Low	\$247.60	\$163.90
Average	372.80	246.80
Maximum	469.60	310.50
Age 65 at retirement in January 1982:		
Low	\$355.30	\$355.30
Average	535.40	535.40
Maximum	679.30	629.30
Age 62 at retirement in January 1987:		
Low	\$384.40	\$225.20
Average	580.70	348.30
Maximum	755.60	430.00
Age 65 at retirement in January 1987:		
Low	\$477.10	\$447.40
Average	719.00	691.90
Maximum	942.80	860.30

<sup>1</sup> Includes effect of (1) 55 percent benefit rate (instead of 80 percent) for retirement at age 62, (2) age-65 computation point (instead of age 62) for all ages at retirement, and (3) increasing bend points in primary-benefit formula by 50 percent (instead of 100 percent) of wage increases in 1982-87. Benefit amounts are for worker only. Worker is assumed to reach exact age shown in January.  
<sup>2</sup> "Low earnings" are defined at the Federal Minimum Wage in each past year, and the 1981 Minimum increased by the change in average wages in future years. "Average earnings" are defined as the average wage for indexing purposes in each year. "Maximum earnings" denote the contribution and benefit base in each year.

Assumptions

- (1) Worker entered covered employment in 1956 and worked steadily thereafter.
- (2) Future earnings (for retirement in January 1987) follow trend under intermediate assumptions in 1980 trustees report.

LAND AND WATER CONSERVATION FUND

HON. EDWARD J. MARKEY  
 OF MASSACHUSETTS  
 IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. MARKEY. Mr. Speaker, the land and water conservation fund is in serious jeopardy of being eliminated by this administration. As the House and Senate prepare for conference on the 1981 rescission request, it is essential that the consequences of these actions be fully understood.

An article has come to my attention about the proposed cuts which will appear in the July issue of National Parks, a publication of the National Parks & Conservation Association. It is written by Meg Maguire, former Deputy Director of the Heritage Conservation and Recreation Service which Secretary Watt will formally abolish on May 31.

I call the attention of my colleagues to this important subject.

RUNNING ON EMPTY: THE LAND AND WATER CONSERVATION FUND AT ZERO  
 (By Meg Maguire)

Zero. That is the figure the Administration has recommended to Congress for state and local projects funding by the Land and Water Conservation Fund and the Urban Park and Recreation Recovery Program

(UPARR) for fiscal year 1982. The Administration is also proposing to rescind most of the remaining fiscal year 1981 funds as well.

On the federal side, the Administration has placed a moratorium on land acquisitions for the National Park System and requested an amendment to allow the Fund to be used for maintenance work on federal

This stunning and unexpected departure from a sixteen-year history of growing funding for recreation land acquisition, development, and renovation represents a dollar loss to state and local governments in fiscal years 1981 and 1982 of \$440 million—\$330 million for LWCF and \$110 for UPARR.

The Administration has not claimed that America's demand for public recreation opportunities has been met. Nor has the Administration presented an alternative approach; the vague "block grants" now being sold as substitutes for dismantled individual programs do not include recreation. Nor is it clear what realistic role the private sector is expected to play in the absence of all federal interest or support. Given this dramatic policy shift, one looks for some analysis of the impacts, some justification for repealing federal statutes, some presentation of alternatives. No, zero on that score too.

#### THE RESCISSION AND STATE NEEDS

The most serious impacts of the proposed rescission for 1981 will fall on states that had not spent or obligated their share of the funds before the freeze on February 20, 1981. Of the \$228,745,000 on the state side of the LWCF, only about \$73,305,000 had been obligated. Twelve states (Delaware, Florida, Georgia, Maine, Massachusetts, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, and Vermont) and all the territories had obligated no funds at all; twenty-three had obligated less than half of their apportionment; and only sixteen had obligated more than half. The states could lose all unobligated funds. One state official from Michigan said, "The LWCF used to be a reliable source of funds. Now it is highly unstable. The concept of using the Fund as seed money to spur local initiative is a good one, but it can't be effective if it is unpredictable." As of this writing, moves were being made in Congress to restore some funding so that each state would receive at least a small amount to cover some administrative expenses.

A February 1981 survey developed by the National Park and Recreation Association found that estimates for local and state recreation and park capital improvements for five years came to more than \$11.5 billion. Of this total amount, about one-third or \$4.1 billion was anticipated from federal sources, principally the LWCF and UPARR. Although these figures appear to be high, together the two grants programs (LWCF and UPARR) might have yielded \$3.325 billion over five years for a variety of state and local park needs. Because the Administration is proposing no funding in either account, the actual federal contribution will probably be zero.

Because no one has assembled detailed information on the effect of the cuts, it is impossible to provide a thorough view of the national impact.

Phone interviews with officials in six states—California, Washington, Michigan, Pennsylvania, Virginia, and South Carolina supplement existing written information about the impact of the cuts on planning, acquisition, development, and relations with the private sector. These interviews clearly

show the extent of the irretrievable opportunities that will be lost.

#### PLANNING

To receive LWCF a state must prepare a comprehensive outdoor recreation plan (SCORP) that surveys attitudes, preferences, behavior, and competing demands. Although the SCORPs have come under sharp attack, most recently in General Accounting Office report, they have improved substantially in recent years. Often they are used as a vehicle for introducing new ideas and approaches that might otherwise be politically unacceptable. Recent changes in the guidelines have encouraged states to use their planning funds to develop action-oriented plans emphasizing public participation. The guidelines also permit for the first time special land use studies to identify and plan for the use of important natural and recreation areas including river corridors and trails, islands and beaches and other complex landscapes. Additional planning emphases during the last Administration included urban recreation, urban waterfront revitalization, access for the handicapped, and natural area preservation.

Most states have used the LWCF to support some or all of their recreation planning staffs. A recent survey of the states by the Heritage Conservation and Recreation Service indicated that eleven would maintain a high level of planning in spite of the cut; sixteen would greatly reduce their current planning effort; twenty-four would drastically curtail or abolish efforts; and four were unable to assess the probable impact. The six states interviewed all reported some adverse consequences. Pennsylvania anticipates losing five planners; abandoning preliminary work on a statewide network of urban cultural parks; and halting the state's involvement in a comprehensive natural diversity survey for all public and private lands. Michigan will curtail or end special studies on the potential of tourism to help diversify that state's economy, and management studies for snowmobiles and off-road vehicles.

The impact on local planning will also be severe. In states such as Michigan, which require local governments to maintain a plan to be eligible for state and federal financial assistance, the message is clear; if we're not doing it, we can't make you do it. Most states interviewed said they would fall back to the minimal state requirement of developing state park master plans. "The attitude and philosophy of the federal government trickles straight down to the state and local governments. And we are already seeing an alarming tendency to save money by abolishing planning," said one official.

Perhaps the worst consequence of shrinking the institutional capacity to think, study, survey and strategize—that is, to plan—is that lost opportunities are never identified. Who will miss a statewide urban cultural park system if it is never conceived? And who will remember that once there were clear, unobstructed views of some lovely stream that have now been obscured by development.

#### ACQUISITION AND DEVELOPMENT

Most difficult for state and local government is the loss of funding to carry out projects that have resulted from years of planning. The LWCF has been an important catalyst for acquiring, developing, and redeveloping outdoor recreation facilities. Cor-

porations and individuals have found it attractive to donate land for public use when the LWCF provides development money as a match to their gift. Because most LWCF dollars received by the states are for acquisition and development projects, the cutback will result in a substantial number of aborted efforts:

Washington State, for example, has scheduled one and one-half miles of choice property on the Green River in the Seattle-King County area for purchase. This land is threatened by private development but without the LWCF to match state funds, it may not be purchased at all.

Pennsylvania reports a number of land purchases that will be impossible: the new Swatara Gap State Park; Allegheny River property in Pittsburgh that was to have stimulated neighborhood and economic development; and various game lands and park inholdings.

South Carolina will be unable to complete its plans on the Charleston and Columbia riverfronts. Both projects were anticipated to have a substantial positive impact on the local economies.

#### THE NEXT 4 YEARS

The Administration's attitude toward park and open space is not yet clear. By emphasizing renovation and maintenance of national parks, Secretary Watt has focused attention on a serious problem. But there have been no signs that anyone in the Administration understands either the history of accomplishments of the LWCF or the substantial agenda that remains.

An unproven tenet of Reagan's economic plan is that as the economy becomes healthier the private sector will donate substantially more services and dollars to help fill the gap left by the withdrawal of public dollars. One can predict that there will continue to be land and occasionally services donated to local and state agencies. But will the land be where it is needed most? Will it be accompanied by a development or maintenance endowment? Or will the public end up subsidizing business and wealthy individuals through taxes foregone on donated property which may only be a drain on local agencies to manage?

"Working more with the private sector will be tough," said Rob Blackmore of Virginia, former President of the National Association of State Outdoor Recreation Liaison Officers. "Everyone is hitting the foundations and corporations from all angles—the educators, the artists, the handicapped, the elderly and the poor. We have worked a lot in the past with these sources and have benefitted from substantial private gifts. But these were not a substitute for what we did as a public agency. It was precisely because the Feds and the state were leading the way, because we had a plan and a framework for action, that the private sector wanted to get involved. Right now we're informing a large well-intentioned clothing manufacturer that has several plants in the state that we can't deliver on our commitment to provide capital to match their investment in a number of community recreation facilities. I expect the whole deal will collapse."

#### FUNDING THE AGENDA

All of us—and future generations as well—will be worse off if we fail to preserve this country's special places for public enjoyment. The question is not if we can or will do it, but how we will do it.



The agenda for the next four years requires at least two simultaneous activities on funding: first, restoring present cuts in the two programs already in place—LWCF and UPARR; and second, fashioning more flexible funding tools for the future. New appropriations might include a conservation and restoration block grant; a trust fund from Outer-Continental Shelf revenues to back state and local bond issues; or a revolving loan fund for acquisition and development projects likely to generate income from tourism or other economic development. Successful bond issues must be analyzed to determine how they were packaged and sold and efforts made to get them passed in other states.

A serious handicap in making the case for future funding is that there is no on-going, updated list of what needs to be done nationwide: projects to be planned; land to be purchased; parks to be restored. In the absence of this site specific information it is difficult to communicate to decisionmakers that irremediable opportunities are being forever lost. Further, measuring our progress in meeting critical needs is more difficult.

The LWCF is one of the best examples of America doing something right and doing it well. State and local governments are pressing well defined needs for land acquisition and development. Now, it is up to Congress to reverse the searing consequences of the Administration's zeros.

Funding for the Land and Water Conservation Fund was established in 1964 as a direct result of the recommendations of the Outdoor Recreation Resources Review Commission. The ORRRR Report concluded that because the opportunities for outdoor recreation varied greatly from state to state, the federal government's most appropriate role was to stimulate planning, acquisition, and development through seed money to the state and local governments.

Revenues for LWCF are derived from the sale of federal surplus real property, the proceeds from the motorboat fuel tax, and Outer Continental Shelf (OCS) mineral leasing revenues. The LWCF reinvests OCS revenues (which account for approximately 90 percent of the LWCF authorization) in park lands for the future.

The current authorized level of funding for LWCF is \$900 million through 1989. Approximately 60 percent of the funds authorized in any given year are distributed to state and local governments; the law requires that not less than 40 percent be used for the purchase of federal lands for parks, river access, trails, recreation areas, and endangered species habitat. A 50-percent match is required for all Fund projects from state and local governments. Some other sources of federal funds such as a community development block grant may be used as part of the match.

Accomplishments of the LWCF at the state and local levels have been impressive by any standard. Since 1965 \$2.5 billion have gone to the states for planning, acquiring, and developing more than 27,000 parks and outdoor recreation facilities in 14,000 communities.

The Heritage Conservation and Recreation Service has been the planning, grants, and technical assistance organization administering the LWCF as well as the Urban Park and Recreation Recovery Program and the Historic Preservation Fund. Through its eight regional offices, it worked very closely

with state and local governments, national conservation organizations, and community groups. On May 31, 1981 the agency was formally abolished. Some of the programs including the LWCF have been transferred to the National Park Service. ●

## FREEDOM OF THE PRESS: UNESCO

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 21, 1981

● Mr. BONKER. Mr. Speaker, the United Nations Educational Scientific and Cultural Organization has been considering for several years a statement of principle for freedom of the press throughout the world.

However, the UNESCO-proposed "New World Information Order" contains provisions that would represent a setback for a free and independent press as we know it in the United States. This freedom is integral to human rights worldwide.

The Society of Professional Journalists, Sigma Delta Chi, has prepared an incisive report on the UNESCO proposal which I recommend to my colleagues.

### REPORT AND RECOMMENDATIONS ON THE UNESCO PROPOSAL FOR A NEW WORLD IN- FORMATION ORDER

#### I. INTRODUCTION

The Society of Professional Journalists, Sigma Delta Chi ("the Society") wishes to add its voice to the ongoing international debate over the proposals for a New World Information Order ("NWIO") developed through the efforts of the United Nations' educational and cultural entity, UNESCO. This statement addresses several of the issues raised by the NWIO, in particular those that may undermine the operations of a free press or implicitly denigrate its value to the peoples of developed and developing nations alike.

The Society is a voluntary, not-for-profit organization of 25,000 members representing every branch and rank of print and broadcast journalism.

The NWIO proposals include much that the Society finds consistent with its own goals. The MacBride Commission report asserts as its premise a commitment to a free press. The report calls for free access for reporters "to the entire spectrum of opinion" in any nation. It states that "freedom of information, more specifically the right to seek, receive and impart information, is a basic fundamental human right, indeed a prerequisite for many others." However, the recommendations were not in all details consistent with the principles set forth in the MacBride Commission report, and in those cases, the Society takes exception to the UNESCO recommendations.

In addition, there are many instances throughout the MacBride Commission report and the UNESCO recommendations in which proposals are made that may well be intended to protect journalists and their ability to disseminate news. However, the implementation of many of these proposals

presents numerous opportunities for abuse, with the likely result that free and fair reporting will be suppressed. There is evidence, too, in the NWIO proposals, of a serious misunderstanding of the relationship between the news media and government.

#### II. THE VALUE OF A FREE PRESS

Freedom of the press has long been a hallmark of the overall system of freedom of expression in the United States and in many other countries characterized by a democratic form of government. A free press has value not just to democratic nations, but to all countries, for only through a free press can citizens examine, judge, and internalize the many ideas and principles that will enable them to support those who would govern them.

There is support for the idea of a free press throughout religious and philosophical thought. Evidence of the value placed on a free press or on free speech—the precursor to a free press—can be found in the writings of many civilizations throughout history. These threads can be discerned in ancient Egyptian thought:

"Be a craftsman in speech that thou mayest be strong, for the strength of one is the tongue, and speech is mightier than all fighting."—Maxims of Ptahhotep (c. 3400 B.C.).

And in Chinese philosophy:  
"When the people of the world all know beauty as beauty,  
"There arises the recognition of ugliness.  
"When they all know the good as good,  
"There arises the recognition of evil."—2  
The Way of Lao Tzu (6th century B.C.)

There is much support in early Greek literature for the notion that freedom of speech has value:

"Not mine the skill—far from me be the quest—to say wherein thou speakest not aright; and yet another man, too, might have some useful thought."—Sophocles, Antigone (Haemon speaking to his father, Creon), (c. 442 B.C.).

Herodotus wrote:  
"Attabanus \* \* \* was bold to speak: O King" he said, "it is impossible, if no more than one opinion is uttered, to make choice of the best; a man is forced then to follow whatever advice may have been given him; but if opposite speeches are delivered, then choice can be exercised. In like manner pure gold is not recognized by itself; but when we test it along with baser ore, we perceive which is the better."—Herodotus, 7 "Histories," Polymnia, Ch. 10, Sec. 1 (5th century B.C.).

The Koran, in its statement of tolerance for more than one religion, suggests an acceptance of the principle underlying a free press:

"O unbelievers, I will not worship that which ye worship; nor will ye worship that which I worship \* \* \* Ye have your religion, and I my religion."—The Koran, Ch. 109 (A.D. c. 610-632).

Philosophers of modern times have continued to write of the value of a free press:  
"Allow your opponent to say what he thinks reasonable, and combat him only with the weapon of reason."

It is true of course, that there are costs associated with a free press:

"In this question, therefore, there is no medium between servitude and license; in order to enjoy the inestimable benefits that the liberty of the press ensures, it is neces-

sary to submit to the inevitable evils it creates."

2 A. de Tocqueville, "Democracy in America" (P. Bradley ed. 1945) (1st ed. Paris 1835). However, the response to these costs should not be repression or regulation of the press.

"There is only one cure for the evils which newly acquired freedom produces, and that is more freedom."

T. Macauley, "Essay on Milton" (1825).

The American experiment with democracy may serve as an example to other nations. The United States has survived a revolution, a civil war, and numerous other upheavals, and has continued to flourish. A free press has made the United States stronger by allowing all groups to voice their opinions and desires and to allow all others to respond.

"Every man has a right to utter what he thinks truth, and every other man has a right to knock him down for it."

Boswell, "Life of Dr. Johnson" (Everyman ed. 1791). There is no reason that this experience should remain unique to the United States and other Western nations. Nations throughout the world should not fear the debates that may take place in a free press, but should welcome the potential of such debate to strengthen and contribute to stability throughout the world.

### III. AREAS OF CONCERN

The three major categories in the NWIO proposals of special concern to the Society are as follows:

1. Proposals to regulate journalists;
2. Proposals to equalize in some way the quantity of reporting about various nations;
3. Presumptions which misapprehend the nature of the proper relationship between government and the media.

A. Licensing of Journalists: The Society is opposed to any proposal—direct or indirect—to license journalists. Although the Society appreciates the expressed concern for the safety of journalists, we oppose efforts to protect them through an accreditation or licensing process, either under the auspices of UNESCO or under the auspices of individual governments or groups of governments.

Licensing can lead to censorship and curtailment of journalists' freedom through any of a number of abuses of the licensing system. For example, such a system might be used to deny some or all journalists access to a specific country or region through confiscation of licenses. The effect would be to silence journalists whose reporting causes discomfort to certain governments. The Society notes that the MacBride Commission report opposes the licensing of journalists, subsequent discussion at UNESCO conferences notwithstanding.

B. Efforts to tie press freedom to journalists' responsibilities: The stated basis of the NWIO proposals is "the freedom of journalists and all professionals in the communications media, a freedom inseparable from responsibility." The Society opposes efforts to establish standards of "international press responsibility" to determine whether journalists, individually or collectively, are worthy of access to a nation, of freedom of movement within that nation, and of the right to report the news.

The Society maintained that "responsibility" cannot be mandated externally but must remain with the individual. Journalists who are not responsible rapidly lose credibility and, as a result, their livelihood. We recommend that media organizations promote high professional and ethical

standards. For example, the Society has voluntarily adopted a code of ethics. The MacBride Commission report recognizes, consistent with the positions of many media organizations, that codes of ethics are valuable only when adopted voluntarily. Allowing governments or UNESCO to define and mandate the scope of "responsibility" in journalism can only damage a free press.

C. Special training for journalists: The NWIO proposals suggest examination of "how UNESCO could help professional journalists to acquire a better knowledge of the cultures and of the economic, political and social realities of different member states, for instance by holding seminars for journalists on the cultures, societies and history of these countries."

As an organization rooted in promoting professionalism, the Society fully endorses the concept of continuing education for journalists to help them report on an increasingly complex world. However, the UNESCO proposal raises important questions relative to implementation of the proposal. For example, a nation could use this "credentialing" system to deny journalists access of freedom of movement until they have completed "training programs" of a particular nature. Such training programs could also be used as a facade behind which governments might detain or "brainwash" journalists who report news or express opinions in ways at odds with official government policy.

D. Efforts through a NWIO to Redress "Current Imbalances and Inequities": An underlying theme of the NWIO proposals is the desire to eliminate "imbalances and inequalities which characterize the present situation in international communication." It is true, of course, that the developed nations have had an advantage over the less-developed countries in communications matters, as in other matters. It is possible, too, that the United States and other Western media have failed adequately to report on the numerous and complex issues confronting the Third-World nations. But these inadequacies resulted not by design or for "imperialistic" gain.

Media organizations have taken steps in recent years to improve their coverage of other nations and to assist their associates in less-well-off nations. For example, the World Press Freedom Committee, comprising journalists and organizations from North America, Asia, Europe, Latin America, and elsewhere, has provided funds for training, textbooks, workshops, and other programs in the Third World and other less-industrialized nations.

We oppose efforts by UNESCO, by blocs of nations, or by individual nations to redress any imbalances through regulation of the media. Deficiencies in media coverage are best handled through cooperative efforts by journalists and media organizations working with UNESCO or individual governments to develop improved and independent communications media.

E. "More equitable utilization of limited natural resources such as the electromagnetic spectrum and geostationary orbits": This proposal, encompassing issues similar to those addressed in D, above, suggests limitations on the freedom of activity of international broadcasters. This proposal represents a misguided effort to equalize among nations the ability to present their views via the broadcast media. Such government-sponsored efforts, however, endanger a free press by providing opportunities to deny certain journalists or media organizations the ability to broadcast.

F. Efforts of "each nation to inform the world public about its interests, its aspirations and its social and cultural values": The goal expressed in this portion of the NWIO proposals is, in fact, consistent with the goals of a free press. However, institutionalized governmental efforts to implement this goal can easily be abused to thwart freedom of the press. For example, under the guise of increased efforts to disseminate information about itself, it is conceivable that a government might seize control of communications media in order to dictate the flow of "news" to the rest of the world. The goal described in this part of the proposal could easily and inappropriately be cited as justification for repressing the operations of independent news media.

G. Provisions in the UNESCO budget and work plan to improve the communication capabilities of national liberation movements: In its efforts to promote better world communications, it is extremely dangerous for UNESCO to support, financially or otherwise, the propaganda activities of any particular "cause," regardless of its political affiliation or tactics. The role of reporting on and disseminating information about various political developments in the world must remain with the independent media. Confidence in information disseminated is essential to world stability, and that confidence derives from the independence of those who report. Governmental or other "official" interference with the reporting process can only undermine that confidence.

H. Attitudes equating the media with governments: There is, throughout the NWIO discussions and proposals, a tendency to equate the media—especially the Western media—with the governments of the nations in which they are based. It is true that numerous governments throughout the world do control the media in their countries, thereby making the voice of the media and of the government one and the same.

However, in the United States, Canada, Western Europe, Japan, Australia, New Zealand, and other nations, this is emphatically not the case. We detect in certain UNESCO proposals an attack on the West, mounted through an attack on Western news organizations. This clouding of issues is inappropriate.

We urge greater efforts by UNESCO to emphasize that in nations characterized by a free press, the media operate independently of government and in fact serve as a check upon government and a challenger of its actions. The fact that government in democratic nations is not synonymous with the press must not be overlooked in international discussions.

### IV. CONCLUSION

We note with approval that many of the MacBride report recommendations and the UNESCO proposals seem to be based on an underlying premise that the media should be free and independent. It is reassuring that some UNESCO participants seem eager to develop such independent media systems in their own nations and regions. We caution, however, that this laudable goal can become obscured in rhetoric and in abuses arising out of implementation of the proposals.

We respectfully suggest that UNESCO's attention might better be focused on those authoritarian and totalitarian regimes that disavow freedom of the press and expression. UNESCO should explore ways in

which these nations can be encouraged to appreciate free and open communications worldwide.

The Belgrade General Conference resolution states that the NWIO should be based on "plurality of sources and channels of information" and "freedom of the press and information." Interestingly, these assertions appear in the same section that recommends elimination of "imbalances" and promotion of journalists' "responsibility." Simi-

larly, the Belgrade General Conference resolution invites professional organizations and other non-governmental groups to study the various NWIO recommendations and to voice their opinions to UNESCO. It is ironic then, that in February, 1981, an attempt was made to exclude United States and other Western media from a UNESCO meeting at which licensure of journalists was discussed.

In conclusion, the Society supports efforts

to base the NWIO proposals on freedom of expression. The positive aspects of these proposals augur well for the world's communication systems. It is essential, however, that all proposals, no matter how well-intentioned, be carefully scrutinized for opportunities for abuse by those who place less value on a free press. The focus of the proposals must move away from regulation and toward freedom and independence for journalists and media organizations. ●