

## EXTENSIONS OF REMARKS

FEDERAL AID REDUCTIONS  
SPUR REFUGEES TO FLEE PACIFIC NORTHWEST

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. AuCOIN. Mr. Speaker, I, and many of my colleagues in the House, are continually concerned with the plight of refugees. Thousands of Indo-Chinese refugees come to our country with hopes of finding good living conditions, something they don't have in their own country. Instead, they find high unemployment rates and a Federal Government which made a decision to allow them into this country but which recently cut back drastically on refugee assistance.

This morning, the Washington Post carried an article describing the critical situation refugees face in the Pacific Northwest. I call this to the attention of all Members of Congress so they may better understand the pressing need for refugee aid.

[From the Washington Post, June 8, 1982]

FEDERAL AID REDUCTIONS SPUR REFUGEES TO  
FLEE PACIFIC NORTHWEST

(By Jay Mathews)

SEATTLE.—Indochinese refugees who fled to the state of Washington two to three years ago are fleeing once again, from economically depressed Seattle to economically devastated Michigan and California, which has more refugees than any other state. The welfare benefits are higher.

Officials in Washington and Oregon, with few available jobs and little local money for welfare, say as many as 2,000 refugees have joined the exodus.

"If I had known it was so bad, I would not have come to this country," said Veunho Saelee, a 40-year-old refugee from Laos who has no job here and no money for rent for his family of four. "I would have just died in Laos."

The sudden migration follows the federal government's decision to cut off benefits to refugees who have been in the country longer than 18 months—despite an initial promise of 36 months of benefits when they arrived. In Washington and Oregon, where the unemployment rates exceed 12 percent, the cutoff has exacerbated a desperate situation of each refugee "competing with 50 unemployed Oregonians for work" said Patricia Rumer, Portland's refugee coordinator.

Rumer said refugee aid officials in Oregon initiated special training for counselors in suicide prevention after news of the cutbacks late last year caused a wave of distress in the refugee community. Seattle officials report marked increase in reports of wife-beating and heightened racial tension as hundreds of refugees have suddenly appeared at long-established food banks for the poor.

The exodus of refugees from the Northwest has particularly upset officials in Michigan, where the unemployment rate is 17 percent but where relatively generous welfare benefits cannot legally be denied to refugees who decide to resettle there.

Paula Stark, Michigan's coordinator of refugees, said her office had reports of refugees arriving from Washington and Wisconsin. She said "we are very fearful" of the possibility of a major influx.

Greg Hope, a job developer for the International Rescue Committee here, said he was stunned when a refugee friend first revealed his moving plans:

"I'm going to Meechigin," he quoted the man as saying.

"Mexico?" Hope said.

"No," the man repeated, "Meechigin."

Hope said he and the rescue committee's Laotian interpreter Maeseng Saechao "have been to refugee houses where they are loading up the cars." He said they pleaded with the refugees "not to go to Michigan. If you have to go anywhere, go where there is employment." The largest recorded migration to date has involved 1,500 members of the Laotian Hmong minority who have moved from Oregon to California since December. Amelia Torres, of Catholic Charities Inc. in Fresno, Calif., said hundreds of Hmong have descended on the Central Valley city. "It is going to make a severe impact on our welfare system," she said.

Kuxeng Yongchu, president of the Hmong Family Association of Oregon Inc., said he expects the migration to California (as well as to Texas where many clan members have found electronics industry jobs) will continue. "The job situation in California is about as bad as it is in Oregon, but in California there is a market for truck farming (a favorite Hmong pursuit) and the welfare is better than in Oregon," Yongchu said.

In March, 587,149 refugees from the communist takeover of Vietnam, Cambodia and Laos lived in the United States, and 309,000 of them were receiving rent, food and medical support from the federal government, according to Oliver Cromwell of the federal office of refugee resettlement in Washington, D.C. The decision to help ease the federal budget deficit by reducing the promised three years of support to 18 months forced 70,000 of those refugees out of the program. Benefits to Cuban and Haitian entrants into the country also were cut.

When Indochinese refugees began to come to this country in 1975, Washington state attracted an unusually high portion because of its large Asian community and because state and Seattle officials were particularly receptive. In March, Washington had 27,285 Indochinese refugees, third highest in the country after California's 197,131 and Texas' 53,368.

But the cut in federal aid left 10,750 of Washington's refugees (39 percent) without funds, much higher than the national cutoff rate. In Oregon, 5,500 or 32 percent of its 17,068 refugees were cut off.

Keo Vilaysack, 26, and Keopraseuth Aikham, 20, two friendly but somewhat bewildered Mien nationality refugees from Laos, were getting \$288 each a month under the federal program when it ran out last Tuesday. They have \$35 between them, and

the \$225 monthly rent on the tiny apartment they share is due.

They sat in an upstairs room of the Seattle YMCA and watched as an instructor with the private nonprofit International Rescue Committee showed them how to write a thank-you note after a job interview. "If hired, I will learn fast, come to work on time, and become a loyal employee," the same note on the blackboard said.

"Every day we walk around Seattle looking for a job, but there is none," Vilaysack said. The committee has advised refugees that their landlords must give them proper notice before eviction, hoping to delay further housing problems as long as possible. When the two young men run out of money or food stamps, "we'll go to some Laos family we know and eat with them, Vilaysack said."

Relief officials said young, single refugees like them may be able to find jobs soon. But Veunho Saelee, the 40-year-old refugee with a wife and two sons, faces a more difficult dilemma. He also has thought of leaving Seattle. "I know people in our building who have moved to Michigan," he said, "but I have no money to move."

His final government welfare check for \$531 arrived last month, and his family has nothing but \$50 worth of food stamps. The refugees will still be entitled to food stamps, but rent and health care is another matter. Saelee's tiny one-bedroom apartment is part of a 45-unit building in a run-down section of Seattle's Capitol Hill. The 12-by-8-foot living room has an old couch, a small table, two kitchen chairs and a telephone. Posters of Kung Fu superstar Bruce Lee and a photograph of a water buffalo in Puerto Rico decorate the walls. Mattresses fill the 10-by-10-foot bedroom. One is screened off with cardboard so Saelee's 18-year-old niece can have some privacy. His 14-year-old son has one tiny mattress. Saelee and his wife Kexiang, 38, share the largest mattress with their 10-year-old son.

The \$225 monthly rent is due now. Saelee's only hope is a stopgap state program that may pay him about half of his usual benefits for the next two months. After that, no more welfare will be available to him in Washington. Mike Auyong, Saelee's landlord, said many of the tenants, almost all of them refugees, have been unable to pay the rent recently. Auyong said he does not plan immediate evictions, "but we only have about a month" before his own debts are so great he will have to take some action.

Saelee crouched on a tiny stool in the corner of his living room and smoked cigarette after cigarette as he described his fruitless search for work. "I go looking for work every day," he said through an interpreter. "In the last week I applied to 16 places, but none of them called me back." Before leaving Laos in 1976, he was a farmer, and at the refugee camp in Thailand he ran a little roadside drink stand. But he has never been able to read or write his own language and English is completely beyond him, despite what he said were 540 hours of classes in the two years he has been here. "If I studied until my hair turned brown, I still could not understand," he said.

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

"It is not that I am lazy. I am eager to work, but when I go out for a job they say I cannot speak English and I cannot work for them," he said. Saelee said while in Laos he served briefly with one of the Mien nationality armies recruited with CIA money to fight the communists. When the communists won, he left the country to avoid prison camp.

Now, he said, "I would like to ask the U.S. government, if we cannot find a job and the welfare is cut off, please let me go back to my country." He added, however, that he would like the Americans to remove the communists from Laos first.

Refugee officials said Indochinese in the Pacific Northwest have been attracted to states like California because there they can receive some welfare support for their children even if there are two able-bodied parents in the house. Also, California provides general relief to individuals with no other source of income. In cities like San Francisco and San Diego, able-bodied recipients must do some community work and show proof of regular job-hunting to receive the welfare money, a requirement that bothers some older refugees but not younger ones.

Arlene Oki, special assistant to Seattle Mayor Charles Royer, said refugees denied such general relief here may try to sell their food stamps to pay the rent and depend on charity food banks for meals. Jay Keeton, planning and development coordinator for the Central Area Motivation Program, a downtown Seattle food bank, said in the last three months refugees have swamped the food bank's converted firehouse sometimes crowding out poor blacks and other traditional recipients of free food.

"I get here at 7 o'clock and there are already 50 or 60 people lined up," Keeton said. He said the food bank supervisors have tried to prevent outbreaks of violence by explaining to their long-time customers that Asian refugees are just as subject to poverty and discrimination as blacks have been in the past. But, Keeton said, "It's getting more and more tense all the time."●

#### SOCIAL SECURITY

### HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BEREUTER. Mr. Speaker, I think we all recognize that reforms in the social security system are vital to the system's future. Though some would offer temporary stop-gap measures, the York News-Times recently pointed out that reform cannot merely be superficial. The paper correctly notes that the system will require a massive influx of funds in the future or it will be unable to meet its obligations. Clearly, careful reform is necessary. Those of us charged with such reform can only be helped by thoughtful commentary like the News-Times editorial. We cannot allow the system to fall apart and leave the suffering to "those who aren't politically strong enough to stave off the special interest groups pressuring for their own benefits at the expense of others," the paper said. I would like to have the entire editorial printed in the RECORD:

[From the York News-Times, May 26, 1982]

#### SYSTEM NEEDS REFORM

America's Social Security system is in trouble, but it is oversimplification to blame a particular administration for the deep depths of chaos in which the system now flounders. Because Social Security has been handled by politicians, it has been handled as a political football, and there is no way a reversal of what it has become can be made with any degree of political safety.

The problem isn't the \$40 billion, or whatever the figure might be, that must be saved over the next three years in old-age benefits paid out of Social Security trust funds. That amount really is just peanuts compared to the real difficulty of the system, which is supposed to protect those Americans who have been unable to provide themselves security in their old age out of investments and savings accumulated during their working lives.

Actuarial studies of the system show it must somewhere find \$4 trillion more than is projected to be contributed in the future if the fund is to pay benefits to those now contributing to it. Specialists say the designers of Social Security never ever thought everyone who contributes to Social Security should be able to take from it, regardless of need, an amount reflecting the size of their contributions. In other words, "old age insurance" wasn't designed, originally at least, to be an annuity system.

But no matter that intent of 45 years ago, because in the last 20 years politicians have created the expectation of total care for the general public once retirement age is reached. There isn't any way any political candidate, no matter what party is involved, can possibly hope to reverse that conception at this time.

One of the biggest drains may have been that portion of the Social Security system whereby recipients could qualify for the full and highest benefits by paying top contributions for only six quarters—or over an 18-month period. Thus it was that thousands of highly paid executives could qualify for Social Security on top of what private or corporate pension plans were available and disregarding what private investments brought in. Some still are drawing top dollar from Social Security after having paid in only a very modest amount to qualify.

Old age benefits, disability payments and Medicare are paid out of the system's current income, not out of income earned by the trust funds, which aren't endowment funds. While it may have been a mistake to set things up this way, as some even now argue, that's how the system works. Contributors are paying the benefits of "annuitants" and not paying toward their own retirement.

But it is accepted by the electorate and by all but the purists that making the mandatory payroll tax contribution builds rights to benefits without a needs test. In our system of government, the majority will get what it demands even if it has to vote out those who refuse to give it and replace them with those who will.

Still, the question remains of where the \$4 trillion more than can be expected to be collected in worker contributions is to come from to pay the benefits of those who now are contributing. This may be a moral obligation rather than a legal debt, but in 1982 politics that amounts to about the same thing.

This is a problem that won't go away and our nation's lawmakers need to address it and address it fully and soundly. We cannot

allow this system to collapse in shambles through those who aren't politically strong enough to stave off the special interest groups pressuring for their own benefits at the expense of others.●

#### COMMEMORATING 70 YEARS OF SERVICE

### HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MAZZOLI. Mr. Speaker, on the occasion of Hadassah's 70th anniversary, I wish to extend my thanks and recognition to this organization which has contributed so much to our country.

Since its founding in 1912, this Jewish women's organization has been dedicated to strengthening and improving the quality of life in our Nation and around the world. Chapters are located in every State and with a membership of over 370,000, Hadassah is one of the largest Jewish service organizations in the country.

The influence of Hadassah can be felt in many facets of our society. It has made significant contributions in the fields of education, politics, and community service. Hadassah is active at local, State, and national levels in the United States, and it has had a record of accomplishments in many nations of the world.

I applaud the efforts of Hadassah and wish it many more years of success and achievement.●

#### VOICE OF DEMOCRACY WINNER

### HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. MCKINNEY. Mr. Speaker, it is my privilege to share with this body an outstanding essay written by one of my constituents, Mr. Brendan C. Murphy. Brendan was the Connecticut State winner of the voice of democracy contest sponsored by the Veterans of Foreign Wars. This year over one-quarter million high school students participated in the contest making Brendan's award an unusually distinct honor.

Brendan is presently entering his senior year at St. Basil's Preparatory School in Stamford, Conn. He was the vice president of his junior class, has achieved the rank of Life in Scouting from the Boy Scouts of America, and has received numerous athletic awards. I hope that my colleagues will take the time to read Brendan's essay on "Building America Together" and

share in his vision of the American spirit.

Building America Together. America is two hundred years old, considered to be the last ray of hope, yet she is still just an infant. We have gone from an age where people believed in superstitions that have since been disproved, through an age where we believed the earth the center of the universe, to an age where we have explored outer space.

The ancient warrior, Hannibal, unwittingly defined America's spirit as follows: "We will find a way . . . or make one."

This nation has been at war both with other nations and with herself; she has seen recession and depression; she has faced catastrophic losses and still prevailed. America has always found a way—or made one!

The building of America depends on all of us. It cannot be done separately, through individual effort alone—it must be done together. We must learn from the mistakes of the past, accept the knowledge of the present, and turn our heads to the building of America's future. No matter what instance of individual effort one points to, that effort could not have been accomplished without assistance. The reason for this is simple: something in our very nature tells us that the American, by definition, works in concert.

In all of America's past, whenever a great accomplishment has taken place, there has been cooperation and compromise. The very founding of our country is an example of this. Without our forefathers' determination, stamina, and endurance, without their cooperation and compromise, this country would have never left the planning stages.

When our country or our people were in danger, we banded together as one. And we have done so again and again, most recently in the Iranian crisis, when a wave of nationalism swept the country. We are banding together even now, in small groups to fight crime, cure diseases, help the needy. If we can continue to work together, to work at a common goal, our hope for the future can then effectively be put into action.

Most people think that the building of America is directly related to her material progress and growth. It is not. The building of this country involves one of our most prized treasures—the American spirit. When our nation was first born, we had no path to follow; we made our own. We had no government; we adopted our own. Because we were all immigrants, we had no unity, we forged our own. This was the beginning of what we call The American Spirit, which bonds each and every one of us together. It could not be broken back then—that is why we went to war—to assert our independence. Through bad times and dark times, and times where it looked as though we would not win, it was only strengthened. It could not be broken in the past. It must not be broken in the future.

The American Spirit is more than just an idea—it is a reality, and a force. A reality that must never fade; a force that will help us build, together.

Our forefathers believed in America. Believed in her so much so that they were willing to put aside personal obligations, and mutually pledge their lives, their fortunes, and their sacred honor in order to make the idea of America a reality.

This should be an example to us and future generations.

We must work together to help build America further. We must regenerate her spirit. This is the first step, and the hardest.

If we can achieve this, we will not be considered the last ray of hope. We will be the first of shining examples.●

#### A SALUTE TO THE DAIRY PRODUCERS OF HENRY COUNTY, KY.

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. HOPKINS. Mr. Speaker, as a member of the Agriculture Committee of the U.S. House of Representatives, I am honored to commemorate Saturday, June 19, as Henry County Dairy Day. I would like to take this opportunity to share with my colleagues the importance of the dairy industry to all of our citizens, and Kentucky's vital contribution to this great industry.

In 1978, total milk production for the State of Kentucky was 2,322 million pounds valued at \$239.4 million. This total made Kentucky the 13th largest dairy State in the Nation.

In 1980, Kentucky accounted for 4 percent of all U.S. dairy products which were exported. Dairy was also a significant portion of the total amount of agricultural exports in 1980 which contributed over \$23 billion to our balance of trade. These exports helped pay a large part of our bill for imported oil.

As you know, the Agricultural Act of 1949, as amended, requires the Secretary of Agriculture to set a nationwide support price for milk to assure adequate current and future supplies of milk. Unfortunately this Government program has resulted in enormous Government stocks of dairy products and extremely large costs by the Commodity Credit Corporation to purchase and store these supplies. The most unfortunate result of this situation is that a large part of the blame for this problem is falling on the shoulders of the dairy producer. Essentially our country's milk producers are being punished for being too efficient.

What is too often lacking in this criticism is the fact that for a majority of the past 33 years, farm milk prices have been above support prices—the market cleared itself with minimal Government interference. Furthermore, compared to other food items which the consumer must buy, milk prices have remained relatively favorable. However, even in light of favorable prices, milk consumption has not kept pace with production.

The Livestock, Dairy, and Poultry Subcommittee of the House Agriculture Committee, of which I am a member, is currently reviewing several legislative proposals designed to dispose of the current Government surplus of dairy products and to reduce

future supplies in order to increase the incomes of dairy farmers and decrease the cost of the dairy program to the Government.

I will be reviewing these proposals very carefully. As we talk about this problem on a national scale in committee, I will remember the farmers of Henry County who provide the backbone of a program which has provided a fresh and bountiful supply of milk for our entire country for many years.

Again, I salute the men and women of our Nation's dairy industry, especially my good friends of Henry County. Your labors are appreciated, and I commend you on your efficient work over all of these years.●

#### EAST-WEST TRADE: HENRY KISSINGER'S VIEW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. MICHEL. Mr. Speaker, I recently inserted into the RECORD some newspaper articles dealing with the subject of East-West trade. Among those articles was the first part of a two-part series written by former Secretary of State Henry A. Kissinger. I would like to offer you the second part of that series and, therefore, at this point, I am inserting into the RECORD, "Trading With Russia—II," by Henry A. Kissinger, from the Baltimore Sun, May 27, 1982.

#### TRADING WITH RUSSIA—II

(By Henry A. Kissinger)

If the democracies continue to make available their hard-earned resources for an assault on the geopolitical balance, they must not be surprised at the inevitable decline in their security and prosperity. So long as the Soviet Union asks us for help in solving its economic problems by what amounts to Western aid, the industrial democracies have the right, and indeed the duty, to insist on restraint and stability in international conduct in return.

The industrial democracies are in a position to use their economic strength positively and creatively. There exists a sensible rationale for East-West trade which is neither unrestricted economic warfare nor uncontrolled Soviet access to Western trade, credit and technology. If the democracies cannot concert unified political criteria, they should at least be able to agree on letting market conditions determine the level of East-West trade and credit. If government-guaranteed credits and subsidies were to end, East-West trade would be reduced to the level of reciprocal economical benefit—or a small fraction of what now exists. If the Soviets want to go beyond this—if they seek further credits or subsidized prices—the West should insist on a political quid pro quo.

To this end, the industrial democracies should jointly take the position that they are prepared over the long term to engage in economic cooperation, even on an augmented scale—but only if there is in return

a comprehensive political understanding providing for settlement of the most serious outstanding problems, specific restraint in superpower conduct and major steps toward arms reduction. The condition should not be pious platitudes and should be spelled out in concrete detail. Nor should we delude ourselves: This cannot be achieved without a period, perhaps of some years, of disciplined coordination and restraint among the democracies to convince the Soviets that we are serious.

Specifically, the democracies should start by specifying their objectives in the political area to provide clear-cut criteria for progress. The most important message would be that the industrial democracies propose to speak with the East with one voice.

Second, there should be an urgent updating of the list of prohibited strategic exports and a determination to stick to it.

Third, the democracies should examine at the highest level on what political terms the Soviet Union and the nations in its system will enjoy governmentally supported access to Western trade and financial resources. Policies on export credits and financial guarantees should be reviewed periodically, based on a commitment to establish a common and non-competitive policy among all members of the Organization for Economic Cooperation and Development.

Fourth, the democracies should agree to end progressively all government subsidies and guarantees for private bank credits to Eastern Europe. Given the nearly catastrophic performance of Communist economies, the marketplace would determine the proper flow of private credit, probably to restrict if not eliminate it. The same principle should apply to subsidized prices. Concurrently, there should be an agreement that rescheduling of existing debts will be heavily influenced by behavior of the countries concerned, especially in the field of foreign policy but including an end of martial law in Poland.

Fifth, there should be an urgent review of the grain export policy of the major grain-producing nations to determine how it can serve the strategy sketched here without undue hardship to the farmers in all our countries.

Finally, there must be a consensus among the democracies about what form of expanded economic cooperation we are prepared to undertake with the Communist world if this strategy of Western economic coordination leads to a broad East-West political understanding. The Versailles summit would seem to provide a useful forum to begin such a process.

What these measures suggest is in the long-term interest of both East and West. It discourages Soviet adventurism grounded in the belief that the West is too weak, too selfish, or too divided to defend its interests with its best weapons. It thus forces the Soviets to make real choices at a time when their succession struggle will inevitably involve an internal debate over priorities and a possible desire to ease outside pressure. If it leads to the sort of political settlement that precludes later reversal, trade and credit can safely be expanded. If such a settlement is unattainable, continuing our present trade and credit practices will in effect accelerate our crisis. In that case, future generations will not be able to explain what possessed their predecessors to engineer their own decline by lassitude, greed or lack of leadership.

If the industrial democracies wish to subsidize their exports by easy credit or pricing

policies, the creative area for such efforts is not in the Communist countries but in the Third World—especially among its moderate, market-oriented governments.

The Soviet Union is a system with no legitimate method of succession, a stagnant economy, a demographic challenge in the growth of its non-Russian population, and ideological claims whose bankruptcy is being proven by the working class of Poland in the streets of Polish cities. The joke of recent history is that the only spontaneous revolutions in industrialized countries have been against Communist governments. A system that feels so threatened by even the most elementary liberties, a system so structurally unsound and so patently contrary to the human spirit, can prevail only by our inadequacies, not by its own efforts.

The West, which over centuries has shaped a great civilization—of culture, philosophy, inventiveness and well-being—must not now abdicate control of its own destiny to short-term calculations. Democracy requires above all clarity of thought, fortitude and leaders willing to present the facts to their people and prepared to deal with complexity. ●

## LAND REFORM IN EL SALVADOR

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. LEWIS. Mr. Speaker, there has been much misinformation on land reform in El Salvador. What El Salvador needs is not land reform at any cost, but land reform which works in terms of equity and productivity. For a balanced view on Salvadoran land reform, I am submitting for consideration of my colleagues the May 28 editorial by Smith Hempstone of the Washington Times.

### EL SALVADOR LAND REFORM NOT WORKING

Land reform—taking great estates away from wealthy squires and giving them to the poor who work them—inevitably is a good thing, right?

Wrong.

It is not a good thing if the net effect is to destroy free enterprise, substitute one master for another, reduce export earnings and bind peasants to virtually worthless plots of land that cannot support them.

And this, to a degree, is what has been happening in El Salvador, whose lawfully elected constituent assembly the other day voted to abandon Phase 2 and to suspend Phase 3 of an American-imposed land redistribution scheme.

Enraged by the assembly's action, Sen. Charles Percy, the Republican chairman of the Senate Foreign Relations Committee, declared that "not one cent" of some \$226 million in proposed American economic and military aid should be granted El Salvador if it reneges on the program.

Percy's reaction is, to put it mildly, excessive. Ever since those famous "agricultural reformers" took over the Chinese mainland back in 1947, land redistribution has ranked with motherhood and apple pie as next to godliness.

Indeed, it is difficult to argue with the precept that he whose sweat waters the land should own it. Unfortunately, one

cannot eat precepts, and shibboleths are not nourishing.

Land redistribution is a good thing when it leads, as it has in Taiwan, to a better life for those who work the land. It is a bad thing when it leads, as it has in Mexico and a dozen other lands, to no discernible improvement in the lot of the peasantry and a fall in the production of both food and cash crops.

And in El Salvador there is a significant body of evidence to suggest that land reform, foisted on that Central American republic by Washington two years ago, simply is not producing the desired results.

Under Phase 1 of the plan, now virtually completed, 263 estates larger than 1,235 acres were confiscated and converted into cooperatives. The net effect of this is that the 35,000 peasant families who once worked for individuals now work for the Institute for Agrarian Transformation, which holds the titles to the estates. According to The New York Times, not a notably reactionary publication, "even the most ardent supporters of the agrarian changes agree that the institute has been inefficient and corrupt."

Result: a 10 to 30 percent decline in coffee production, and a decrease of 30 to 40 percent in cotton acreage. Coffee, cotton and sugar account for about 75 percent of El Salvador's export earnings.

Phase 2 of the ill-starred program, abandoned by the Salvadoran constituent assembly the other day, would have entailed confiscation of all farms larger than 247 acres. The Reagan Administration has withdrawn its support of this part of the plan for economic and political reasons long before the Salvadoran elections took place.

The 1,700 farms involved produce half of Salvador's sugar, 60 percent of its cotton (neither crop is suited to cultivation by smallholders) and 88 percent of its coffee. The proprietors predominantly are members of the country's small middle class.

Phase 3 of the program, the suspension of which so raised Percy's ire, would have allowed 150,000 peasant families to purchase up to 17 acres of the land they'd been working as renters or sharecroppers.

One weakness of Phase 3 is that some of those who own the land are nearly as poor as those who rent it. Another is that the plan ignores the realities both of Salvadoran land-tenure patterns and of the capacity of the soil to endure continuous cultivation.

In many areas of El Salvador, peasant families rent or sharecrop a plot of land for a season or two, then move on to another while the first lies fallow for a time. Under Phase 3, the peasantry would be locked into plots of land averaging less than three acres which, with constant cultivation, would soon become too unproductive to support a family.

Finally, implementation of Phase 3 would have meant the end of any hope on the part of El Salvador's 740,000 landless rural poor of ever acquiring land on a rental or sharecropping basis: no landowner is going to rent land when he knows it can then be confiscated from him in favor of his tenant.

In short, a successful program of land redistribution requires more than good intentions if it is to succeed. It must be fair and gradual. And it requires knowledge of local social customs and land conditions, assumes access of the peasantry to credit and technical help and demands the support of the people.

As a U.S. Agency for International Development report states, the program from the

start was regarded by many Salvadorans as "a symbolic measure proposed because it would look good to American politicians and not necessarily because it would be beneficial or significant in the Salvadoran context."

It is just possible the elected members of the Salvadoran assembly are better informed than the senator from Illinois.●

**HEIN CHRISTENSEN—AN  
OUTSTANDING MAN**

**HON. RON de LUGO**

OF THE U.S. VIRGIN ISLANDS  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. DE LUGO. Mr. Speaker, "service above self" is the motto of the Rotary International. The Rotary Club of St. Thomas recently honored one of their own who truly exemplifies this motto—Hein Eigild Christensen.

All of us here in the Congress recognize the Rotary as a service organization of business and professional men with humanitarian objectives. These men are community-minded individuals who work together in order to build a better community and better nation. There is no better way to describe Hein Christensen than this. His record of public service speaks for itself through his tenure on: Virgin Islands Board of Public Accountancy; Banking Board of the Virgin Islands; Governor's Tax Advisory Board; and, Public Utilities Commission.

The list of organizations to which Hein Christensen gives of his time and talents is enormous. They include: American Institute of Certified Public Accountants; Virgin Islands Society of Certified Public Accountants; Harmonic Lodge (Free Mason); Scottish Rite (Free Mason); Virgin Islands Hotel Association; Virgin Islands Yacht Club; Yacht Club of St. Thomas; Royal Danish Yacht Club; Royal Danish Automobile Club; Friends of Denmark; and, of course, the Rotary Club of St. Thomas. For 23 years, he has served as the treasurer for the latter group. His colleagues refer to him as "Cerberus. . . a mean watch dog, zealously guarding the fruits of Rotary through rolling years."

Hein Christensen has received several honors for his meritorious service. His Most Gracious Majesty King Baudouin, the King of Belgium, bestowed the honor of "Chevalier de L'Ordre de la Couronne" for service to the crown in his position as Honorary Consul of Belgium in the Virgin Islands. The Queen of Denmark, Her Royal Majesty Queen Margrethe, knighted him for service to the kingdom. His own professional organization, the Certified Public Accountants of all America, have recognized and honored Hein for his leadership. Finally, the Boy Scouts of America made him an honorary member of their group for his support.

I join with my friends in the U.S. Virgin Islands in paying tribute to Hein Eigild Christensen—truly an outstanding man that has made a difference. He is a man I am proud to call my friend.●

**THE BUDGET ALTERNATIVE  
THAT WASN'T**

**HON. DAN LUNGREN**

OF CALIFORNIA  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. LUNGREN. Mr. Speaker, the failure of the House to adopt a responsible budget during the week of May 24 struck a solid blow to the vital parts of our U.S. economy. After 4 months of fierce wrangling and 46 hours and 12 minutes of actual floor debate on 7 separate budget proposals and 68 amendments to various aspects of these packages, the Democrat-controlled House of Representatives flunked the biggest test of the year.

Since February of this year the main debate in Congress has been over the budget. It now appears that what we were hearing was all talk without any action to back it up.

Quite clearly, the burden of action falls upon the House. The other body has already passed a budget proposal and is waiting to go to conference to reach final agreement. It is the Democrat-controlled House which is holding up the whole process. It is they who are permitting runaway deficits to race on and the prospects of unacceptable high interest rates to persist. Virtually all economists agree that interest rates, which are hampering economic growth and contributing to post-war record unemployment rates, will not come down until the people of this country see Congress pass a responsible budget with controlled and lowered deficit spending.

While I strongly disagree with his conclusions that "Reaganomics is in trouble," Mr. David Broder, a political reporter for the Washington Post, in a recent article put his finger on a major problem: the absence of any viable Democrat budget alternative. In fact, the only proposals which are being put forth by the Democrats are continuations of the immediate gratification economic policies of the 1960's and 1970's. The only alternatives offered are a return to the old, tried and failed tax and tax and spend and spend economic proposals, such as were added to the recent supplemental appropriations bill.

In my view, we still must give President Reagan's economic program a chance. As we did not get into this economic mess in the first place overnight, we will not be able to restore economic vitality overnight. But for the first time in years, President

Reagan has brought to Washington a program based on sound long-term economic growth. One of the major obstacles in the way, however, is a reluctance from the Democrat-controlled Congress to change their ways and pass a budget with a lowered deficit.

As Wall Street and, more importantly, Main Street continue their wait, I insert into the RECORD the article by Mr. David Broder, "The Alternative That Wasn't," which appeared in the Washington Post on June 2, 1982, and I recommend it to all of my colleagues:

**THE ALTERNATIVE THAT WASN'T**

(By David S. Broder)

When the House of Representatives rejected all the alternative budget proposals last week, the country was denied the show of fiscal discipline it needs from government in order to have any chance of crawling out of this crippling recession. But if there is any solace to be found in the House's budget fiasco, it is this: the voters saw a clear demonstration of where the problem lies.

Part of it lies in President Reagan's stubborn resistance to a "mid-course correction" in his own policies—a resistance that inhibits most of the congressmen of his own party from supporting any such change.

But a larger problem is the inability of the Democratic Party to forge an internal agreement on an alternative to Reaganomics.

The House was, as always, a near-perfect reflection of those external realities. By March of this year, Washington Post-ABC News polls showed a shift in public opinion from the earlier broad support of Reagan's policy. By a 2-to-1 margin, those polled said Congress should make "substantial" changes in Reagan's budget. A follow-up poll in April found most saying his tax cuts and domestic spending reductions were too deep.

The House votes last week reflected that judgment. First, a majority amended the Reagan-endorsed budget to shift \$4.8 billion from defense to health care—a straight-out Medicare vs. military test. Then, the House rejected the overall Republican plan, which still sacrificed domestic spending to defense needs and the scheduled tax cuts.

There were cheers from the Democratic majority on that vote, for never once in all of 1981 had they been able to derail the president's legislative express train.

But the cheers were short-lived. Having cleared the agenda, at least temporarily, of Reaganomics, the Democrats then failed, on three tries, to find a majority for any plan of their own. They could not muster a majority for a plan devised by five of their brightest young members, in conjunction with a handful of moderate Republicans. Nor could they unite behind either the original or a modified version of the Democratic budget reported by the House Budget Committee and presented by its chairman, Rep. James R. Jones (D-Okla.).

In failing to meet their legislative responsibilities, the House Democrats confirmed another finding of that March poll. The voters—who are rarely fooled—said that as far as they could see, the Democratic alternatives were not better or worse than Reaganomics; there were no alternatives at all.

It was an abject and embarrassed bunch of Democrats who shambled out of the Capitol in the small hours of Friday morning, when the last of the budget-wrecking was done. Echoing in their ears were the words of Speaker Tip O'Neill: "When Americans wake up and find that Congress did not do its job, what frustration there will be."

In the corridor, Rep. Bill Alexander of Arkansas, the chief deputy Democratic whip, made the obvious political point. "Reagan is going to murder us," he said. "We had him on the run, when we could say his budget has failed the country. But now he can say the failure is the Democrats', because we were unable even to produce an alternative."

The seriousness of the failure is heightened by the fact that, this time, the Democrats really did give it their best shot. Rep. Richard Bolling of Missouri, perhaps their most skilled parliamentarian, devised rules for debate designed to give every faction in the party a clean vote on its pet provision—in hope they would support, and not disown, the final product. The agenda guaranteed the Democrats would have the last chance to assemble a majority.

That they could not do so shows how politically divided and intellectually bankrupt they really are. They are worse off, in both respects, than they were a year ago, when Reagan was riding high. Last spring, the Democrats were able to get 176 of their members to support the Jones budget against Reagan's preferred plan. This year, Jones could muster only 171 votes for his product.

Last week, the defections came from both ends of the Democratic spectrum—not just the conservative wing. Barely half the 63 Democrats who voted against the Jones budget were southern "boll-weevils." Most of the black Democrats—angered by what they regarded as inattention to their own budget proposals—also balked, as did a dozen or so white liberals.

The conventional answer of Democrats is to say that if only they had more members in the House, they would do better.

But the voters will not be satisfied with that. They will want to know: do what?

That question ought to be at the top of the agenda for the Democratic Party's mid-term mini-convention in Philadelphia at the end of this month. Reaganomics is in trouble. But Democrats still have to learn that you can't beat something with nothing.●

**TERRORISM BILL GAINS WIDESPREAD SUPPORT**

**HON. JOSEPH M. McDADE**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. McDADE. Mr. Speaker, I am today adding 26 additional cosponsors to H.R. 5449, my bill to prohibit American citizens from committing terrorist acts overseas. It is pleasing to note that Members from all parts of the political spectrum have endorsed this bill. This bipartisan support indicates widespread agreement on the importance of stopping Americans from participating in terrorism.

My bill, which makes it illegal for Americans citizens to commit terrorist acts overseas, closes a major gap in the

criminal law. Currently, Americans are not prohibited from selling their services to terrorists such as Muammar Qadhafi and the Palestine Liberation Organization. Terrorism challenges the basis upon which nations relate to one another as well as the basic relationship between a nation and its government. We must do all that we can to curb terrorism, and especially our citizens' involvement in such activities. H.R. 5449 is a significant step toward that goal.

Mr. Speaker, I am delighted to have received such broad bipartisan support for H.R. 5449. This important measure deserves the consideration of the Judiciary Committee. I hope that the committee will schedule action soon.●

**CRETE NEWS**

**HON. DOUGLAS K. BEREUTER**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BEREUTER. Mr. Speaker, too often the political process produces what is best for the present without concern for the long run. The Crete News recently noted in an editorial that since World War II, this country has allowed the national debt to rise and the social security system to drift near insolvency. The current generation faces the possibility of leaving its heirs with massive bills to pay for its lack of foresight. The News does not like the idea of saddling future generations with a huge debt and a failing social security system. "It is past the time when problems can be solved by borrowing from future generations," the News says. I think the paper makes a point we should all heed. I would like to have the editorial printed in the RECORD.

[From the Crete News, May 26, 1982]

**THE PERFECT TIME**

Middle aged America has reason to think that it's lived during a good period of history, economically and in respect to taxation.

A person who joined the taxpaying public at about the time of the end of World War II can look back on perhaps only one or two years during which the federal budget was balanced. At the same time citizens in that age group have enjoyed living in probably the most prosperous period in American history. Through many of those years the economy was relatively good. Americans were able to offer foreign aid. They were able to establish welfare programs to take care of many of the disadvantaged. They handled their problems and greatly increased their standards of living.

But how did they do it? For one thing they managed to delay paying some of the bills by borrowing. They inherited a national debt of less than \$50 billion, a lot of which was built during World War II. They've provided for their needs by increasing that national debt to more than a trillion dollars though their years of prosperity might have suggested they were better able to pay their way than will those coming

later who will be saddled with the debt. And, now, they're suffering tremendous pain in every effort to trim greatly yearly deficits.

Not only has middle aged America enjoyed general taxes lowered by being able to borrow for part of its expenses, but it's benefited through many years of extremely low Social Security taxes. Many paid only one percent of their incomes up to a maximum of \$3,000 each year into the Social Security Fund during its early years. That was only \$30 per year (matched by employers). That figure, of course, was gradually raised, but it was only in very recent years that the tax approached any degree of a burden.

The legacy middle aged America will be passing on is not nearly as bright. Even now more than \$100 billion each year must be raised simply to finance the existing national debt. We've encouraged the attitude that government has the obligation to solve all problems and provide a comfortable standard of living for everyone whether they are able to produce or not. And middle aged America has not paid sufficient Social Security taxes to build any reserves to provide for its lengthening retirement.

A detailed Social Security article in a recent Time magazine suggested that the 1980s may be difficult for the Social Security system. But some relief is expected during the 1990s when low-birth-rate-depression-era children retire, benefitting from post World War II baby boom workers who will continue to finance the system. But by the 2020s, when this group is in retirement, age problems are again forecast when only two taxpaying workers will be feeding the system for every retiree.

These same taxpayers may be burdened by a much larger national debt requiring much greater tax payments merely to finance the interest on the debt.

The last 35 years have been an ideal period for life in the United States. But it's past the time when problems can be solved by borrowing from future generations. It's time to begin paying the bills, all of them, while attempting to pass on something better than a huge national debt and a Social Security system with no reserves.●

**DAVID J. HARKNESS FULFILLS HIS AMBITIONS**

**HON. JOHN J. DUNCAN**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. DUNCAN. Mr. Speaker, there is no greater honor than the devotion which is showered upon a native son by a community which takes pride in his accomplishments outside the sheltered confines of his home. Such an event reflects the mutual appreciation felt by the son and community for the encouragement each has received from the other.

This is the case of David J. Harkness and Jellico, Tenn. Mayor Gary Owens has proclaimed this week David J. Harkness Week in Jellico. It is a fitting tribute to the years of service this native son has given to his community, State, and Nation. The people of Jellico are justifiably proud of this

author, speaker, librarian, and friend who, after 34 years at the University of Tennessee, has retired to loaf and "invite my soul."

The citizens of Jellico have seen David J. Harkness progress from school days, when as a senior at Jellico High he was Tennessee's champion extemporaneous speaker, to the 5 years he spent as principal of the high school in the early 1940's. They have watched him travel to Lincoln Memorial University, East Tennessee State College and the University of Tennessee. Through the years he has remained an example and credit to his Jellico roots.

His writings and speaking engagements have earned him a reputation stretching far beyond Jellico. He began by attending the University of Tennessee from 1930 to 1934. There Harkness received his bachelors degree majoring in English and minoring in history. From there he went to New York and Columbia University where he received his masters degree in English.

He returned to Jellico after this educational odyssey to serve as principal of Jellico High School. It was here, a border town once known as a coal empire, where he had been born on April 19, 1913. He grew up with others who would achieve fame outside of the town including Tom Siler, a respected sports editor for the Knoxville News-Sentinel; Grace Moore, the internationally known opera star. His younger brother Alex Harkness became a Knoxville city councilman. Having grown in this community, it made sense for David Harkness to begin his career among the people he knew.

The call of academia took him from Jellico to Lincoln Memorial University in Harrogate, Tenn., in 1944. He taught English at the school and acquired an endearing interest in the man for whom the university was named. His office was in the Lincoln Room, which held tokens of the Great Emancipator's life and career. The mementoes cast their spell upon him and he has responded in a number of books, articles, pamphlets, and speeches about Lincoln. In 1959 he collaborated with the man he had shared the Lincoln Room with at LMU, R. Gerald McMurtry, on the book "Lincoln's Favorite Poets." His speech, "Lincoln the Reader," which was delivered to the Lincoln Group of Washington, D.C., was reprinted in the CONGRESSIONAL RECORD.

David J. Harkness came to the University of Tennessee in 1947 to head the school's extension library. He served as director of the library until June 1981. During his service with the university, Harkness' many interests and abilities played a role in his work and the library's collection. The shelves of the library are filled with volumes of works on Tennessee and

Tennesseans, as well as books by Tennessee writers. There are books on art, architecture, southern history and literature, folklore, music, radio and television, travel, gardening, wildflowers, the Civil War, and the American Revolution. The collection of plays and musicals has been called the most extensive in the Southeast.

To these works he added his own writings over the fields of history, literature, and geography. One popular series of booklets dealt with the literature and authors of the 50 States. Other series covered the heroes and heroines of the American Revolution and the Civil War. His booklets on the history of Tennessee and its neighboring States were used as gifts to the university's alumni from the UT Alumni Association in the 1960's.

Harkness never lost the public speaking abilities he was honored for as a high school senior, and he never forgot the importance of that honor to him. He supervised the Tennessee High School Speech and Drama League for 12 years. The program offered competition to high school students in oratory, debate, drama, and reading. Under Harkness' supervision the competition produced such notable winners as former Gov. Frank Clement, a debate champion; Oscar winner Patricia Neal in humorous reading; and Tony Award winner John Cullum, in one-act play competition.

Harkness has spoken to groups throughout the State and across the country. He has been a favorite speaker at alumni functions, civic clubs, and historic societies. He will undoubtedly continue to entertain and educate many through his speaking engagements and writings in his retirement.

Such a man is justly honored by his community for the achievements which sprang from high school interests to fill a career. The people of Jellico share the pride in these achievements. I feel certain that Mr. Lincoln would approve of the honor the citizens of this community have bestowed on David J. Harkness, for I am sure Mr. Harkness shares Lincoln's ambition. "Every man is said to have his peculiar ambition," he once said. "Whether it be true or not, I can say, for one, that I have no other so great as that of being truly esteemed by my fellowmen, by rendering myself worthy of their esteem. How far shall I succeed in gratifying this ambition, is yet to be developed."

Mr. Lincoln did gratify his ambition, and I believe that David J. Harkness has also succeeded. The people of Jellico honor him this week for that ambition and with that esteem. ●

## HUMAN RIGHTS

## HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BONKER. Mr. Speaker, Roberta Cohen, former Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs under the Carter administration and a renowned human rights advocate, has written a perceptive article entitled, "Does Human Rights Have a Role in Reagan's Foreign Policy?" In her article she notes:

Over the past year this Administration has signalled to the world that it is not in our national interest to advance the cause of human rights. Appeals on behalf of select individuals in the U.S.S.R. and public statements about Poland do not constitute a human rights policy. \* \* \* It is evident that the Reagan Administration's close ties with repressive governments have alienated many around the world who look to this country for leadership in their struggle for human dignity. \* \* \*

I would like to commend to the attention of my distinguished colleagues Ms. Cohen's article which appeared in the April issue of Justice Watch.

The article follows:

## DOES HUMAN RIGHTS HAVE A ROLE IN REAGAN'S FOREIGN POLICY?

(By Roberta Cohen)

The Reagan administration took office a year ago determined to downgrade the role of human rights in foreign policy. So successfully has it eliminated human rights from government decisionmaking that the administration now recognizes it went too far. A State Department memorandum published in November recommended that a human rights policy be reinstated:

"We will never maintain wide public support for our foreign policy unless we can relate it to American ideals and to the defense of freedom. . . . Human rights has been one of the main avenues for domestic attack on the Administration's foreign policy."

More than a memorandum, however, will be required to reinstate a vigorous human rights policy. The December appointment of Elliott Abrams, the memo's author, to the long vacant post of assistant secretary for human rights cannot undo the record of the past year or mask the administration's entrenched opposition to the universal promotion of human rights. A radical shift in attitude at the top echelons of government will be necessary to carry out a genuine human rights policy.

The Reagan administration demonstrated its intense hostility to human rights considerations from the outset. Secretary of State Haig declared in his first press conference that "international terrorism will take the place of human rights" as a foreign policy priority. The administration publicly considered discarding the term "human rights," with its legal and historical meaning, and substituting "individual" or "personal" rights. Senior officials spoke of eliminating the State Department's Human Rights Bureau, and a staunch opponent of human rights was nominated by the President to

head the Bureau. The nominee, Ernest Lefever, believed that beyond "serving as a good example . . . there is little the U.S. government should do to advance human rights." Although the Senate Foreign Relations Committee overwhelmingly rejected his candidacy, the White House insisted that Lefever was "the man for the job." On the one occasion that President Reagan advocated a role for human rights, in a speech to Holocaust victims, a White House spokesman later explained that he "had not meant to alter his policy of playing down the rights issue in foreign relations."

Under international law, most notably the United Nations Charter, the U.S. is obliged to speak out and take action against abridgements of human rights. Under its domestic law, Section 502b of the Foreign Assistance Act, the U.S. is required to promote increased observance by all countries of "internationally recognized human rights." Moreover, the U.S. is obliged to make its military and economic assistance contingent on the observance of human rights, under Sections 116 and 502b of the Foreign Assistance Act, enacted by Congress in 1975 and 1976 and reaffirmed each subsequent year.

The Reagan administration has exhibited little inclination to comply with these international and domestic legal obligations. In fact, the President declared that he was opposed to public statements or sanctions against "pro-Western" countries. In his view, the overriding foreign policy priority was containment of Soviet aggression, which required seeking close relations and visible ties with all "anticommunist" governments.

This attitude explains the major change in U.S. policy toward Argentina. General Roberto Viola was among the first heads of state to be received by President Reagan. Prior to his arrival, eight leaders of the human rights movement in Argentina were arrested and held incommunicado for a week; two trade unionists were abducted and tortured; 68 mothers of disappeared persons were detained by the police for several hours. Ignoring these events, the Secretary of State declared that human rights conditions in Argentina had "substantially" improved, and the administration successfully pressed Congress to repeal its embargo on military assistance and sales to that country. The U.S., furthermore, reversed its position in the multinational banks and voted to support loans to Argentina. At the U.N. Human Rights Commission, the U.S. endorsed Argentine efforts to weaken U.N. action on disappearances.

President Reagan likewise invited the military dictator of South Korea to Washington, publicly praised his "commitment to freedom," and effectively strengthened U.S. military and police ties with that government. In the months before his arrival, General Chun Doo Hwan had seized power by force; suppressed mass demonstrations for democracy; and imprisoned his political opponents. In the Philippines, Vice President Bush embraced the corrupt Marcos dictatorship after a government-controlled election, saying, "We love your adherence to democratic principles and democratic processes."

Close identification with repressive regimes has been bolstered by a policy of unrestrained arms sales. A July presidential policy directive conspicuously omitted reference to human rights in a list of seven factors to be weighed in deciding whether to provide arms to foreign governments. The result has been extensive military support

to a large number of regimes abusive of human rights, extending from Pakistan to El Salvador. Many of these governments had previously been denied U.S. weapons on human rights grounds.

United States laws prohibiting the sale of police equipment to human rights violators have also been disregarded. The Reagan administration has sold police equipment to Taiwan, Syria, South Korea, and the People's Republic of China, directly assisting those governments' internal security forces which are responsible for most of the human rights violations in those countries.

The administration has, on occasion, argued that its "security relationship" with repressive governments "can sometimes also enhance our ability to persuade other countries to improve their human rights situations." However, there has been no evidence that the U.S. has used any leverage to promote reform. In El Salvador, for example, rights violations by government security forces have intensified with increased military assistance. In Taiwan, the security police, after receiving U.S. police equipment, tortured to death Professor Wen-Cheng, a U.S. permanent resident who was visiting Taiwan last July.

Economic interests have taken precedence over human rights concerns. The administration introduced a policy of "constructive engagement" with South Africa, claiming that "important Western economic, strategic, moral, and political interests are at stake." President Reagan stated that we could not "abandon" a country which produces minerals we all must have. Administration officials, seeking to make this accommodation with South African racism more palatable, have cited "improvements" in South Africa's human rights situation. Ambassador Jeane Kirkpatrick even told the press: "South Africa's political system has some good elements in it—it is a democracy for whites. . . ."

Commercial considerations influenced the decision to lift human rights sanctions against Chile. One of the administration's first acts was to end the ban on Export-Import Bank credits to Chile to facilitate the purchase of U.S. goods. The sanction had been imposed in 1979 following Chile's refusal to prosecute or extradite to the United States the Chilean police officials responsible for the political murders in Washington of Chilean exile Orlando Letelier and his American colleague Ronni Moffitt.

Even with respect to the Soviet Union, economic benefits have taken precedence over human rights. The U.S. lifted its wheat embargo and proceeded with technology sales despite continued Soviet occupation of Afghanistan; the arrest and trial of leading dissidents; and the President's expressed view that the Soviet Union is the "greatest" human rights violator in the world, requiring "exceptional" treatment. To expand business with the U.S.S.R., the administration, prior to the Polish crisis, considered seeking repeal of the Jackson-Vanik amendment which prohibits trade concessions to communist countries which restrict emigration. The repeal would have eliminated concern for human rights from our economic relationship with the Soviet Union, at a time when Jewish emigration was at its lowest point in years.

The sole method to advance human rights put forward by this administration has been "quiet diplomacy." However, without strength behind it, quiet diplomacy cannot be effective and U.S. actions have shown very little of such strength. There are ex-

ceptions—quiet diplomacy for hunger-striking Soviet physicist Andrei Sakharov was buttressed by a public statement. And, when traditional diplomacy failed to help Solidarity in Poland, the President publicly defended the rights of the Polish people and introduced sanctions against the government.

The administration has not done the same for non-communist victims. It may have helped to reduce the sentences of Kim Dae Jung and other South Korean prisoners. But any quiet diplomatic initiatives undertaken in countries like the Philippines, El Salvador, or South Africa have been rendered meaningless by its many actions in support of those regimes.

The administration has rationalized its inaction on human rights with the theory that there is a distinction between "authoritarian" and "totalitarian" regimes. According to Jeane Kirkpatrick, authoritarian countries friendly to the U.S. are only "moderately repressive," whereas totalitarian governments are worse violators of human rights, are less apt to change, and require stronger human rights actions. How one can classify torture, widespread disappearances, and arbitrary detentions without trial as "moderate" is not explained. The Senate Foreign Relations Committee rejected this theory when it rejected Ernest Lefever. "Dead is just as dead if you're killed by a rightist as by a left-wing government," declared Republican Chairman Charles Percy.

A corollary to this theory is that efforts to enhance human rights in authoritarian regimes are dangerous to U.S. interests because they disrupt "law and order." To the Reagan administration, opponents of authoritarian governments are by definition "terrorists" whereas opponents of communist governments are "dissidents." Thus, President Reagan posed for photographs with Soviet dissidents in Washington and Ambassador Kirkpatrick refused to meet with human rights leaders when visiting Argentina and Chile. Secretary of State Haig even speculated that the rape and murder of American nuns in El Salvador followed an "exchange of fire" after the women ran a "roadblock" against the armed forces—a theory refuted by the F.B.I. and the evidence.

This administration's preference for human rights actions against totalitarian regimes has not resulted in consistently strong, meaningful actions directed at those governments. In fact, the administration sold police equipment to Yugoslavia and the People's Republic of China. It waived the Jackson-Vanik Amendment for Romania despite restrictive emigration practices. It remained silent on trials in Czechoslovakia.

Over the past year the administration has signaled to the world that it is not in our national interest to advance the cause of human rights. Appeals on behalf of select individuals in the U.S.S.R. and public statements about Poland do not constitute a human rights policy. State Department officials have themselves expressed concern about pursuing a foreign policy that does not reflect American values. The Department's November memo pointed out that the greatest beneficiaries of such a policy are our adversaries. "Neutrality abroad and a sagging domestic spirit" are the products of this absence of a commitment to defend democracy and freedom. "While we need a military response to the Soviets," asserted the memo, "we also need an ideological response. . . ." It went on to recommend that the U.S. stop "simply coddling friends and



criticizing foes. Despite the costs of . . . a human rights policy, it is essential."

It is evident that the Reagan administration's close ties with repressive governments have alienated many around the world who look to this country for leadership in their struggle for human dignity. The credibility of U.S. initiatives on behalf of communist victims has even been undermined by its support of repression in other areas. The administration's policy has created a climate that makes it easier for governments to increase violations of human rights. Its military and police support for repressive regimes has directly contributed to such violations. Its unqualified endorsement of dictatorships has helped retard transitions to democratic or civilian rule. It has denied moral support to countless victims through its lack of candor about the human rights practices of their governments.

The administration still has time to develop a human rights policy that is strong, consistent, and effective. This will require abandoning the short-sighted perception of U.S. interests and pursuing human rights objectives worldwide as forcefully as military and economic concerns. Priority will have to be accorded to human rights and leverage made available to support human rights initiatives. The record of the first year affords little optimism that this will be done.●

#### THE PEACE CORPS IN NIGER

### HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. LEACH of Iowa. Mr. Speaker, last year the Peace Corps, under the able leadership of its current Director, Loret Ruppe, celebrated its 20th anniversary. During those 20 years, the Peace Corps has quietly, and often with little public acclaim or recognition, gone about its mission of sharing with millions in developing nations around the world the knowledge and skills essential toward building a better life for themselves and their communities. In Niger, one such country which has felt the special Peace Corps presence, an article appeared in a daily newspaper late last year which has since been translated and which I would like to share with my colleagues. An informal translation from the French text follows:

[Le Sahel Quotidien, Translation From French by Deborah A. Harding]

#### TWENTIETH ANNIVERSARY OF THE PEACE CORPS

Recognition of the American Peace Corps Volunteer is rare, even though this year the Peace Corps celebrates its 20th anniversary. Since its creation, more than 80,000 Americans have served as Peace Corps Volunteers in 75 countries. Still today, the mystical spirit of the Peace Corps Volunteer continues.

The first project of the Peace Corps in Niger began in September 1962 with the arrival of a group of 7 teachers. In 17 years the program has diversified and today there are 17 projects with 130 volunteers serving all over the country. These projects are in agriculture, particularly crop protection and

pasture-land management; rural development, with volunteers assigned to the Water and Forestry service; public health, with nurses, lab technicians and nutritionists; and lastly national education with volunteers in language teaching, pedagogy, P.E., vocational education and television production.

The Peace Corps Volunteers offer technical assistance, contribute to a better understanding of the American culture by Nigeris and to a better understanding of Nigeris and their culture by Americans.

The volunteers, of which 60 percent are women, come to Niger with various perspectives because of the nature of the recruitment/publicity of the Peace Corps in America. They want to travel, learn a new language, live in a mud hut in the bush, be immediately accepted by the villagers, be a part of a racial minority if they are white, be challenged by a job and promote development and world peace. After three months of technical and cultural training, they have a more realistic concept of what to expect. They are taught their professional, personal responsibilities as civil servants working for the government and the people of Niger.

Examples of tasks undertaken by 4 volunteers follow: the first volunteer is assigned to the technical Center for Agriculture; the functions there are to increase food production by increasing harvests. His task is to work with the farmers for an entire agricultural season and to use advanced methods and even more to encourage men as well as women to read and write. The volunteer can bring about all sorts of things, repair agricultural equipment which is defective, determine whether the farmers can really use the advanced methods, and if not, why not.

One volunteer works in fisheries as a counterpart to a Nigerian technician in the Waters and Forestry Service. He or she can live with migrant fishermen who travel from one place to another, wherever there is work, collecting data on production and conditions in the marshes and in the fish ponds and helping and advising on reproduction of fish.

One volunteer specializing in the problems of nutrition works for the Ministry of Public Health and Social Affairs in the maternal and child health protection service. These activities concentrate on teaching basic nutrition to mothers and therefore to their families.

Lastly, one volunteer works as an English teacher—this is taught as a foreign language—giving 18-24 hours of course work each week in a secondary rural school. Beyond his/her secondary project such as (school) gardening, work in a local dispensary, the volunteer can be asked to teach art or P.E. or direct a theatre group or set up a library.

#### WHAT DO THE VOLUNTEERS LEARN IN NIGER?

The new Peace Corps Volunteers often ask "what do all these "fofos"<sup>1</sup> and "ina kwanas" mean? "because they seem to convey very little information?" In fact, we tell them that it doesn't mean anything in the western sense, but it's the way to recognize the presence of another person and to show him respect and that is an integral part of life in Niger. Often it is thus that the "education" of the American volunteer begins, for he must learn to adapt to a different culture from his own and to gain the respect of those with whom he is living.

<sup>1</sup> Fofos is the greeting in Djerma. Ina Kwana is the morning greeting in Haoussa.

Often and sadly a new volunteer hides in his or her house, only leaving to go to work. But as his fear of the "unknown" lessens and he begins to learn what African culture is, he risks more and more going to his neighbors and colleagues homes, who most often offer him a warm welcome, who put him at ease and who teach him how to live with people. To be sure, he retains his American identity, whose characteristics are of interest to his close Nigerian friends, but he learns more and more to get involved in Nigerian life and to stay open to new experiences.

Among the volunteers, there are those who find their satisfaction in the accomplishment of a difficult task under painful conditions. One such volunteer said: "I almost went home 6 times. At the beginning the isolation and the separation from my parents and friends in the USA was intolerable. Now, after having lived for 2 years as a participant in a different culture having different mores, I have gained an understanding and an appreciation of life that I could never have had otherwise. Here is a different world than ours, with its own concepts and definitions of words which I thought I knew and understood. I had to re-learn the sense of some words, such as love, friendship and courage.

In short the volunteers see themselves differently after 2 years in Niger. They know themselves better than at the beginning and they find themselves to be more open and more sensitive for having lived here. When they leave for the U.S. they can say with ease that Niger and the Nigerians have helped them as often, if not more, than they helped Niger.●

#### TRIBUTE TO SGT. DANIEL D'ANNUNZIO

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. WILLIAMS of Ohio. Mr. Speaker, I would like to commend Sgt. Daniel D'Annunzio, a deputy sheriff in Trumbull County, Ohio, on his being awarded the American Legion Law Enforcement Recognition Award.

Sergeant D'Annunzio is a dedicated law enforcement officer who possesses the characteristics and traits of a well-rounded deputy sheriff. In the words of Trumbull County Sheriff Richard A. Jakmas, "Sergeant D'Annunzio projects pride and self-confidence and is able to obtain respect and deference when dealing with the public. He is a high achiever and a hard worker who is dedicated to the law enforcement profession."

Sergeant D'Annunzio is well respected by his fellow workers and is always striving to improve his professional skills by participating in training courses. He has an unblemished personnel record and has been involved in every imaginable type of police investigation and activity. He is personally responsible for the arrest of many persons who have been subsequently prosecuted successfully.

On August 14, 1981, Sergeant D'Annunzio, following a series of leads in a case involving a house burglary, confronted the suspect. The suspect shot Sergeant D'Annunzio in the upper thigh with a shotgun. Sergeant D'Annunzio was hospitalized in critical condition. Fortunately, he has effected a complete recovery and is back on duty in his same assignment showing as much interest, initiative, and aggressiveness as he did prior to his wounding. His assailant, you may be interested to learn, was arrested by other Trumbull County sheriff's deputies and is currently incarcerated in the Ohio State Penitentiary after having been convicted of felonious assault, aggravated burglary, and unlawful possession of dangerous ordnances.

In my opinion, Sergeant D'Annunzio is a law enforcement officer of the highest caliber. He brings credit to himself, his family, his coworkers, and to police officers everywhere. ●

**GPO WAGES**

**HON. NEWT GINGRICH**

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. GINGRICH. Mr. Speaker, my colleague on the Joint Committee on Printing, Senator JOHN WARNER of Virginia, recently received information from the Comptroller General of the United States that I want to share with my colleagues.

The Comptroller General's information indicates certain classes of workers at the Government Printing Office are getting higher than average wages.

For instance, according to the Comptroller General, carpenters at GPO are paid 28 percent higher wages than carpenters in any other Federal agency.

Clearly, the wage scales at GPO will have to be reformed. I urge my colleagues to support efforts to do that, in the interest of fairness to all Federal employees.

The Comptroller General's information follows:

COMPTROLLER GENERAL  
OF THE UNITED STATES,

Washington, D.C., May 11, 1982.

HON. JOHN W. WARNER,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR WARNER: This letter is in response to your May 3, 1982, request asking us for any information we might have on the Government Printing Office's (GPO's) wage-setting practices.

In 1976, we issued a report to the Public Printer in which we expressed a number of concerns about the wage determination procedures used at GPO. As discussed in that report, GPO employees' wages were higher than those paid to other Federal and private sector employees doing similar work in the Washington, D.C. area. Enclosure I is a copy of that report.

More recently, we are just completing a review which compares wages paid to Feder-

al employees who collectively bargain to wages paid to Federal employees whose pay is set administratively. GPO was one of the agencies included in the review.

In conducting our current review, we analyzed the prescribed duties of certain GPO craft employees and, with the assistance of Office of Personnel Management classification specialists, matched those occupations with comparable occupations included under the Federal Wage System (FWS)—the system used for most other blue-collar employees in the Government. We then compared GPO wages for six occupations with rates paid under the appropriate FWS schedules for the Washington, D.C. area. As shown in enclosure II, GPO employees in all six occupational comparisons were paid more than their FWS counterparts.

Please let us know if we can be of further assistance.

Sincerely yours,

CHARLES A. BOWSER,

Comptroller General

of the United States.

COMPARISON OF GPO AND FWS WAGE RATES<sup>1</sup>

Occupation	GPO pay rate	FWS rate <sup>2</sup>	Difference	
			Amount	Percent
Bookbinder.....	\$27,230	\$24,573	\$2,657	10.8
Compositor.....	27,685	23,320	4,365	18.7
Carpenter.....	27,419	21,286	6,133	28.8
Electrician.....	27,419	22,410	5,009	22.4
Forklift operator.....	18,009	16,559	1,450	8.8
Janitor.....	14,600	12,028	2,572	21.4

<sup>1</sup> Because of differences in the number and timing of wage adjustments, we determined annual earnings by computing a weighted average hourly wage rate and multiplied it by 2,080 hours, the number of hours in an 8-hour day, 260-day work year.

<sup>2</sup> Bookbinder and compositor were compared to the FWS "Lithographic and Printing Plant Wage Schedule" and the other occupations were compared to the FWS regular wage schedule. Comparisons to the regular schedule were made at step 5 which is the highest step of the FWS pay schedule. Step 5 is 12 percent higher than step 2 which is the average prevailing private sector rate. ●

FAIR PRAISE FOR KNOXVILLE

**HON. JOHN J. DUNCAN**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. DUNCAN. Mr. Speaker, the 1982 World's Fair in Knoxville is only a little over a month old, yet it has already entertained and attracted over 2 million visitors. While I could express my own praise of this fair, I think my colleagues may be more interested in the views of visitors from the East, Midwest, and West. The following letters appeared in the May 31 issue of the Knoxville Journal.

EDITOR, THE JOURNAL: During the opening week, we spent three days in Knoxville and visited the fair two days. We congratulate you, people of Knoxville.

The fair was everything the promoters promised: an informative, concentrated exhibit of energy. From the oxcart to jet propulsion, from the woodpile to nuclear fission.

The exhibitors who deviated from the theme, like Folklife, Tennessee Sings, China, Peru, Egypt, etc. were frosting on the cake. Pleasantly missing was the unsavory carnival-barker type atmosphere sometimes associated with fairs. The vendors and fair personnel were courteous, pleasant and helpful.

Getting around Knoxville was easy. Directional signs were adequate, to the point and strategically placed. The routes were clearly marked, well lighted and showed signs of good housekeeping.

At no time, day or night, did we feel apprehensive for our personal safety. We send a special thanks to Mayor Tyree and his administration and to the law agency in charge of security, for making strangers feel safe and secure and providing a pleasant atmosphere.

MR. AND MRS. FELIX TYSZKO,

Fredonia, N.Y.

EDITOR, THE JOURNAL: After reading your paper, we were not sure what we would find at the fair. Perhaps we would have a good time, perhaps not.

So we came anyway, hoping for the best. We were in Knoxville the week of May 10, spending May 11 and 12 at the fair. We and 70,000-to-80,000 people had a grand time.

The fair was full of many people of all ages who just wanted us to have a good time, most of them with a big smile. And outside the fair, from bellhops, clerks and cops, to the hotel manager, everyone was most helpful and friendly—and smiling.

The fair itself was great. If all of the Knoxvilleans can keep up the great poise throughout the summer until October, you all will have made many great friends for Knoxville.

FRED W. BAUMGARTNER,

La Grange, Ill.

EDITOR, THE JOURNAL: Just returned home to New Jersey from your World's Fair and had to take the time to write and thank your city and people for the way we were treated. The bus drivers, waiters and waitresses, campground personnel, storekeepers, etc., were the friendliest and nicest people we ever met. Your city is really great. We stayed at Fireside Campground and we would also like to thank Mr. Bill Mullins and his staff for the hospitality we were shown while we were there.

I think Knoxville did themselves proud for the way their beautiful World's Fair turned out.

MRS. WILLIAM SOMMERS,

Tuckerton, N.J.

In addition to the views of these visitors, the San Francisco Chronicle looked upon the fair with envy. The following guest editorial from the Chronicle appeared in the May 16 issue of the Knoxville News-Sentinel.

We are a bit envious these fine spring days of the folks in Knoxville, Tenn., (population 184,000) because all they have to do is hop aboard a bus downtown to arrive at their own World's Fair within a couple of minutes. We are envious and a bit wistful, of course, because we have a bagful of memories of the adolescent excitement when we could go over the still new Bay Bridge, fresh out of its Erector set, or board a Key System ferry for a quick sail to the most wondrous event of our youth, the 1939-1940 Golden Gate International Exposition at Treasure Island.

In Knoxville today, the good people are eating Chinese, Japanese, German and French food, the likes of which have never been tasted that close to the Great Smokies. They're taking ride up the 27-story Sun-sphere (every fair these days has got to have a tower: Remember the Trylon and Perisphere at Flushing Meadows? The

Space Needle at Seattle?). And in little, old previously-unpretentious Knoxville right now, it is only a few steps walk from the chariot of King Rameses II, who presided over Egypt from 1292 to 1225 BC to a selection of bricks from the Great Wall of China. We bet it is the first time ever that those two objects have been in adjacent pavilions. And, you can bet, there has never been anything vaguely similar to this in the history of Knoxville or many other cities of such modest size.

The fair is expected to bring a huge new flow of tourists (three new hotels have been built) not only to Knoxville but also to motels, hotels, and restaurants within a 100-mile radius. This means a big boost in business, in a time of recession, for Eastern Tennessee but also for portions of Kentucky, North Carolina, Georgia and Virginia which are close by. The promoters say that all roads lead to Knoxville this summer and the people along those roads anticipate that they will be feeding, housing and fueling the multitudes as long as the big party lasts.

Knoxville did what Spokane did in 1974 to push itself into the national spotlight. It took an area of flophouses and unneeded railroad yards, applied the tools of redevelopment and created a temporary jewel complete with some buildings which will be permanent. Twenty-two foreign nations took space, including the People's Republic of China which is participating in the first international fair for China since the St. Louis Exposition of 1904.●

#### SCARCE SUPPLY OF CREDIT

**HON. THOMAS A. DASCHLE**

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. DASCHLE. Mr. Speaker, some of our major corporations are wasting billions of dollars of the Nation's scarce supply of credit, and the Federal Government is partly to blame.

When corporations like Mobil and United States Steel borrow billions of dollars to buy up other companies, they use up credit that would otherwise be available for our farmers and small business people. Tighter credit and higher interest rates are the result.

The best available estimate suggests that corporations used up over \$30 billion of the Nation's credit supply last year just buying and selling one another.

This corporate credit guzzling "crowds out" productive borrowing just as much as does the Federal deficit.

What is worse, the Federal Government actually encourages this credit waste. A number of loopholes in the Federal income tax laws reward corporations for this unproductive behavior.

It is not the free market that is motivating many of these acquisitions. It is the perverse Government incentives that are written into our income tax laws.

My colleague from North Dakota, Representative BYRON DORGAN, alerted

us to this problem by introducing H.R. 4562, the First Things First Credit Act of 1981. Since then, a number of additional proposals have been introduced. On May 24, the Selected Revenue Measures Subcommittee of the House Ways and Means Committee held hearings on these proposals, at which Mr. DORGAN testified. In my view, his statement cut to the heart of this important issue, and for that reason I offer it here for the benefit of my colleagues.

#### STATEMENT OF CONGRESSMAN BYRON L. DORGAN

"When top-drawer borrowers, such as DuPont, Seagram, and Mobil, hit the banks for multibillion dollar loans to finance merger bids, there is less left for small business, would-be homeowners, or other borrowers."—Business Week editorial, August 3, 1981.

"Takeovers by the corporate giants have weakened or destroyed countless thousands of small and medium-sized businesses that were star performers when they were independent."—Arthur Burck, securities lawyer and merger specialist, in interview in Fortune magazine, October 19, 1981.

Imagine another gasoline shortage. People are sitting for hours in sweltering gas lines that stretch on for blocks. At the same time, an enormous fleet of Mac Trucks is parked in a lot, their engines racing. The trucks never go anywhere. They never carry any freight. They just keep trading parking spaces with one another, racing their engines and burning gas.

Imagine further that the federal government helps to buy the gasoline for this fleet of go-nowhere trucks.

That is almost precisely what is happening with this nation's scarce supply of credit.

Credit is the gas on which our economy runs. It is in short supply. The price is so high that many business people and farmers cannot afford it. Bankruptcies are at record levels. The entire economy is sputtering.

#### CREDIT GUZZLERS

Yet many of our largest corporations are guzzling billions of dollars of our scarce credit for purposes that are about as useful as the Mac Trucks gunning their engines in the parking lot.

They are not using these loans to build new factories or to buy new machines. They are not creating new jobs, except for the lawyers and accountants who grow rich orchestrating megadollar paper shuffles. Instead, they are draining the nation's credit supply merely to buy and sell one another—to trade places in the economic parking lot.

Corporations spent over \$82 billion last year playing this monopoly game. That was more than double the amount spent the year before. If that \$82 billion had gone into new factories and equipment instead of into buying up other companies, we could have increased business investment 25 percent last year.

The \$82 billion that corporations spent buying up another last year was many times the amount they will receive in tax cuts next year. We could have provided a much greater spur to new investment, at virtually no cost to the U.S. Treasury, if, instead of those new tax giveaways, we had simply channeled some of the \$82 billion in more productive directions.

A substantial portion of these takeovers was financed with borrowed money. Nobody

knows exactly how much. After examining the financing for the 33 largest deals, the Consumer Federation of America estimated that approximately \$34 billion in credit was used for all such takeovers last year.

#### TAKEOVER TOLL

And that's just the beginning. When you count the credit commitments made to companies that tried to take over other companies, and the commitments made to target companies to help them fight off such attempts, the CFA estimates that a total of approximately \$70 billion of the nation's credit supply was diverted into the corporate takeover wars.

How much credit is \$70 billion dollars?

It's almost as much as the total value of everything American farmers grew last year. It was enough to finance all farm operating loans made by insured banks in all 50 states in 1980—two times over.

Look at it another way. The \$5.5 billion line of credit that Mobil used in its effort to buy up Conoco, was enough to finance all the business and farm operating loans in my state of North Dakota that year, three times over.

This Administration's Dr. Spock-like permissiveness regarding big corporations and their merger plans, no doubt is partly responsible for this torrential credit drain. But we in Congress must share the blame. A number of provisions in the federal income tax laws—for which we are responsible—actually encourage and subsidize the waste.

#### STUDENT LOANS FOR CORPORATIONS

For example, when a corporation like Mobil borrows money to buy another company, it can deduct the resulting interest payments from its federal income taxes. In effect, the U.S. Treasury chips in about 46¢ for every dollar in interest such corporations pay.

It's like a subsidized student loan program—for corporate mergers. And while we cut the student loan program, the merger subsidy program keeps growing bigger.

It's also doing us great harm.

The guzzling of credit for corporate mergers and takeovers means less for everyone else—and higher interest rates.

#### SNOUTS AT THE TROUGH

There's been a lot of talk about how the federal government's appetite for credit is "crowding out" other borrowers. There's truth in that. But the federal government isn't the only big snout at the nation's credit supply trough. This wasteful corporate borrowing is right in there too. As Business Week Magazine put it in an August 3, 1981 editorial, "When top-drawer borrowers, such as DuPont, Seagram, and Mobil, hit the banks for multibillion dollar loans to finance merger bids, there is less left for small business, would-be homeowners, or other borrowers."

In other words, the \$70 billion in credit that went into the merger and takeover wars meant \$70 billion less—and higher interest rates—for the Main Street businesses, the farmers, the builders, the individuals who want to buy homes and cars.

These higher interest rates in turn put many smaller businesses so deep in the hole, that they have to choose between selling out to a larger company, or going bankrupt. In this way the corporate merger spree becomes a syndrome that keeps feeding upon itself.

This isn't just a problem for smaller businesses, moreover. It is a monkey wrench in our entire economy.

Consider the billions of dollars Congress spent last year on new corporate tax cuts, that the Administration persists in calling an "economic recovery" program. We were told that those new tax breaks, that went primarily to the very largest corporations, would be used to invest and build and create jobs and prosperity. But that didn't happen. Instead, much of those billions disappeared down the merger and takeover drain.

#### STEEL'S ROVING EYE

Consider the United States Steel Company. Steel companies have been blaming their troubles upon the Japanese, the Koreans, the federal government, on just about everyone. If there is one industry that needs new plant and equipment, it is steel. Yet when U.S. Steel accumulated a sizeable bank account, through new tax breaks and otherwise, did it build a new steel plant?

No. It went out and paid \$6 billion for an oil company.

How can we ever have a healthy steel industry, if our steel industry itself loses interest in building a healthy steel industry, and if our federal income tax laws encourage our steel executives' roving eye?

What good does it do to give billions of dollars in new tax breaks to big corporations, supposedly for new investment, when tax breaks already in place encourage these corporations to use this money instead simply to take legal title to old investments?

We are always talking about creating new loopholes—politely call "incentives"—when we ought to be talking about eliminating some of the loopholes that impede economic recovery.

It's not just the diversion of capital, moreover. Perhaps more important is the diversion of the time and energy of our corporate executives themselves.

Instead of spending their time designing and producing better products, they sit around plotting like pirates to take over other companies, or to defend their companies from such pirateering.

Just look at the top executives in our major corporations. Increasingly, they are people who don't know a thing about production processes or products. The Henry Fords and the Thomas Edisons have given way to the finance wizards who generate profit without creating wealth. Our economy is performing accordingly.

#### LESSON FROM JAPAN

On this point we can learn a lesson from the Japanese. In Japan, takeover battles are rare. Japanese law makes them very difficult. Partly as a result, Japanese executives can spend their time developing and producing better products and selling them all over the world. They can use their nation's supply of credit in a similarly-productive fashion.

Each will draw his or her conclusion on whether the Japanese approach to takeovers, or ours, is working better.

While corporate takeovers are diverting the attention and energies of our executives, they are engulfing the genuine producers in our economy in a sea of conglomerate paperwork and red tape.

Traditionally, opponents of such mergers have talked about the lessening of competition. That's important. But equally important is the loss of the initiative and vision of individual entrepreneurs that has always been the spark that has kept our economic engine moving.

When a giant corporation like Exxon buys up another company especially a smaller one, people who were accustomed to making

their own business decisions, taking their own risks, suddenly find themselves forced to push paper through endless channels and higher-ups just to make simple business decisions.

#### FILLING OUT THE FORMS

"It can take a year to get approval for a strategy change," the cofounder of one small company gobbled up by Exxon complained to Business Week magazine. "The speed at which Exxon moves is incredibly slow."

"It's a full time job just filling out all the forms Exxon wants," grumbled the founder of another small company that lost its independence to Exxon's empire-building appetite.

And an engineer for an independent oil company taken over by Tenneco moaned to a Wall Street Journal reporter, "It took me eight weeks to get management to approve a work order just to move a telephone inside my office."

This stifling conglomerate bureaucracy can be the kiss of death for the smaller, more enterprising businesses so acquired. A recent study at the Massachusetts Institute of Technology found that small companies taken over by larger ones fail much more frequently than do those that remain independent.

"Takeovers by the corporate giants have weakened or destroyed countless thousands of small and medium-sized businesses that were star performers when they were independent," Arthur Burck, nationally-known securities lawyer and merger specialist, told Fortune magazine last October.

If we wanted to crush the spirit of initiative and individual risk taking in America, and to cut off our free enterprise system at its roots, we could find no better way than to let the current corporate merger spree go unchecked.

#### JEFFERSON'S WORRY

The opportunity to be your own boss, and to achieve the financial independence that enables you to speak your mind in public affairs, in part of what America is all about. Jefferson held the view that business independence is essential to democracy. He did not think democracy could survive if economic power became concentrated in a few hands.

If Jefferson were with us today, I think he would be worried.

It isn't just a question of economic efficiency. It's doubtful that an economy dominated by a few large corporations can be very efficient even in an economist's sense. But even if it were, that wouldn't be the end of the matter. America stands for more than efficiency. It stands for opportunity, for community—for values that have made us a light of the entire world.

Community is not hydroponic. It does not grow in thin air. Community requires an economic culture of local business people who do their business with local banks and suppliers, who know their customers and employees face to face. It requires business people with homes and children and a consequent personal stake in the community's well being.

Locally-owned businesses are a cohesive force that helps to bind together all the rest.

#### BAIL OUT

When locally-owned businesses are bought out by larger ones, all this changes. There are no more roots. Local banks and suppliers are shunted aside. The factory or supermarket or fast-food outlet becomes just a

line item on a conglomerate balance sheet. If times get rough, they don't roll up their sleeves with their neighbors. More likely, they bail out.

The current Administration speaks admirably about "community." But then they become cheerleaders for the mergers and acquisitions which frequently destroy the economic basis of the very communities that they say they value so highly.

Some will disagree. They will offer sophisticated arguments on how corporate mergers advance "efficiency" and other abstractions from the economic texts. They will say, in effect, that the very fact that these mergers occur, makes them somehow right.

Obviously, not every corporate acquisition is to be regretted. Sometimes the owners of smaller businesses want to sell out and retire. Sometimes, acquisition by another company is the only alternative to collapse. But such mergers would happen anyway, without special provisions in the tax laws pushing in that direction.

The major mergers we have seen of late do not fit these categories of innocence. When U.S. Steel bought Marathon, it was not a case of the tired head of a family business selling out so that he could move to Florida. Nor was it a distress sale.

Rather, U.S. Steel had its eye on, among other things, the billion dollars in special tax breaks it stood to gain from this deal. That was in large measure, a tax-loophole-induced merger.

#### LAWYERS' BONANZA

"Whatever new practice areas lawyers dream up," declared Fortune magazine recently, "it's doubtful that they will ever strike a bonanza as big as takeover work." Fees for this work, according to Fortune, run \$400-\$600 per hour, or over three times what someone working for the minimum wage will make in an entire week. The two leading merger lawyers in New York City each take home over one million dollars per year.

When Mobil and U.S. Steel were battling to buy up Marathon oil, the lawyers who conducted this fracas made over \$10 million dollars. And when du Pont bought Conoco, the cut for the investment bankers was \$29 million.

#### GOOD WORK IF YOU CAN GET IT

Corporate executives benefit as well. The management consulting firm of Towers, Perrin, Forster and Crosby found that chief executives at the 100 largest industrial firms make more than twice the compensation enjoyed by their counterparts at firms ranked 400 to 500. The bigger the company, the bigger the boss's paycheck, and this alone is an inducement to the boss to try to make the company bigger, fast.

We might as well face it. Corporate mergers and acquisitions have become a train of handsome gravy for the lawyers, accountants, executives and financiers who have a piece of this action. Many who oppose the legislation before us today, fall into this group.

I am not suggesting that those with an economic interest in mergers and takeovers have nothing of value to say on the subject. But big mergers do mean big dollars for those involved, and such people may not be inclined to look too critically upon the hand that feeds them so well.

It is my view that we should discourage mergers and acquisitions, so that the energy and resources of our business people can flow in more constructive directions, and so that the economic basis of our communities

and of our democracy can flourish. At the very least, we should stop using the powers of government—specifically, the tax laws—to encourage and reward this form of behavior.

#### BACK TO FREE MARKET

I am not talking about interfering with the "free market." I'm talking about getting back to the free market—about eliminating the tax provisions that distort this market by encouraging corporations to do that which they might not do otherwise.

I am suggesting only that mergers and acquisitions stand on their own merits, and not on the back of the U.S. taxpayer.

The simplest place to start would be to eliminate the tax deduction for borrowings used in corporate takeovers and acquisitions. I have introduced a bill, H.R. 4562, the "First Things First Credit Act of 1981," to accomplish this.

As presently drafted, H.R. 4562 would apply only to takeovers that are fought by the company being acquired. To be sure, such contested takeovers can be the most monumental diversion of corporate energies and resources since the invention of the expense account. But, the ill effects of credit-financed mergers arise whether they are contested or not.

For this reason, I am now of the view that Congress should deny the interest deduction for all mergers and acquisitions when the combined assets of the companies involved exceeds a set amount, perhaps \$200 million.

Beyond this, I support in principle your own bill, H.R. 6295, which would eliminate a number of loopholes which give companies involved in mergers and acquisitions special bonuses not available to those who mind their own business. I have not had an opportunity to review this bill in detail. But clearly it is the direction in which our federal tax policy should go.

I want to commend you, Mr. Chairman, for holding these hearings today. It's about time Congress started looking at the way the loopholes and complexities in our tax laws have twisted our entire economy out of shape. Loophole-induced mergers and takeovers are exhibit number one. To eliminate these tomorrow would not be too soon. ●

#### THE 21ST ANNIVERSARY OF AMNESTY INTERNATIONAL

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. AuCOIN. Mr. Speaker, on May 28, Amnesty International celebrated its 21st anniversary. Throughout the world, those who believe in human rights of all individuals, regardless of political, religious, or other conscientiously held beliefs, joined in commemorating this special occasion.

Amnesty International is truly a singular organization. Over the past two decades, it has developed a reputation as an untiring and irreplaceable advocate of human rights. Amnesty International demonstrates to the prisoners and victims around the world who are subjected to arrest, torture, imprisonment, and execution that there are those who care. During its 21 years of existence, the organization has suc-

ceeded in helping over 15,000 "prisoners of conscience" gain release. It has accomplished such feats through unending letterwriting, publicity campaigns, legal assistance, missions, and the publishing of special reports.

These activities have raised public awareness of the urgent need for effective international protection of fundamental human rights. By awakening world opinion, Amnesty International encourages a potential regulating force which can exert pressure upon and perhaps check further human rights crises.

Amnesty International's unparalleled achievements have earned the organization worldwide esteem. In 1977 it was awarded the Nobel Peace Prize. In addition, it has been extended consultative status by the United Nations, the Organization of American States, the Council of Europe, and the Organization of African Unity. The organization is recognized for its unique ability to maintain political neutrality while actively upholding the rights of those persecuted by politicians.

I am pleased to bring to your attention, Mr. Speaker, successful efforts of the Portland, Ore. chapter of Amnesty International. One of the oldest chapters in the country, this group has participated in an impressive variety of projects since its founding in 1974. Portland members of all ages, backgrounds, and interests are brought together in pursuit of their common concern for humanity. Since its start 8 years ago, the group has investigated seven cases which have ended with the release of prisoners of conscience. In addition, the Portland chapter has been very successful in educating Oregonians of the underlying goals and functions of Amnesty International.

Currently, the Portland chapter is actively addressing the general human rights abuses occurring in Guatemala and South Korea. In addition, they are investigating the cases of 15 individuals being held in Poland, and have appealed to local authorities for safer, healthier prison conditions, and eventual release.

It is the combined efforts of this Portland chapter and the 100 or so other chapters around the country which have made Amnesty International the leading defender of human rights. The individuals working for the principles of Amnesty International should be commended for their unremitting struggle in support of the dignity and worth of every human being. We can only hope that more people will continue to rally behind the humanitarian efforts of Amnesty International, insuring a strong and positive future of this great organization. ●

CONGRESSIONAL SALUTE TO THE RESIDENTS OF OAKLAND, N.J. UPON THE CELEBRATION OF THE 80TH ANNIVERSARY OF THE BOROUGH OF OAKLAND

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. ROE. Mr. Speaker, on Saturday, June 12, the people of the Borough of Oakland and State of New Jersey will celebrate the 80th anniversary of the incorporation of the Borough of Oakland as a community encouraged and supported by people united together with purpose and progress in seeking to improve the quality of life, recreational and civic endeavors of the families of the Borough of Oakland. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the residents of Oakland on this most noteworthy occasion.

At the outset I call your attention to the assiduous efforts of the members of Oakland's 80th Anniversary Committee under the general chairmanship of the Honorable Alexander Potash, a former distinguished mayor of Oakland, and the current distinguished mayor, the Honorable T. Emmet Bauer, in planning and presenting a gala celebration to commemorate and reflect on the history of the Borough of Oakland. The 80th Anniversary Committee roster of these exemplary citizens of Oakland is, as follows:

#### 80TH ANNIVERSARY COMMITTEE BOROUGH OF OAKLAND

The Honorable: Alexander Potash, General Chairman; T. Emmet Bauer, Mayor; Russell Minnetti; Johanna Vanderbeck; Edward Vanderbeck; Linda Thomas; Dorothy Whitney; Carol Pierce; Cheryl McCarthy; Dorothy Constances; Robert Highland; Chris Curran; Harry Litterst; Sue Steuerman; and Linda Schwager.

Mr. Speaker, it is appropriate that we also express our deepest of appreciation and commendation of the diligence and foresight that has been extended by all of the people of Oakland who have participated in its founding and operations throughout the past eight decades. I particularly commend to you the elected representatives of the Borough of Oakland who have earned the respect and esteem of our people for their outstanding public service and administration of a most important all-American community in the interest of all of our citizens. The current members of the governing body are, as follows:

#### GOVERNING OFFICIALS, BOROUGH OF OAKLAND

The Honorable: T. Emmet Bauer, Mayor; Angelo Lacatana, Councilman; John McCambley, Councilman; Russell Minetti,

Councilman; William Winterhalter, Councilman; David Patton, Councilman; John Del Corpo, Councilman; Jeannine Hickey, Clerk; W. Bruce Knapp, Jr., Tax Collector; Steven Schwager, Treasurer; Donald Hasenballg, Chief of Police; Sidney Stone, Borough Administrator; James Van Delden, Tax Assessor; and Dean Cole, Tax Assessor.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a profile on the early beginnings and establishment of the Borough of Oakland, as follows:

#### HISTORY OF THE BOROUGH OF OAKLAND

The Borough of Oakland was incorporated on April 8, 1902 by an act of the New Jersey State Assembly. Its territory consists of nine square miles and, at the time of its incorporation, the area was removed from Franklin Township. The Borough of Oakland is a valley surrounded by mountains, with the Ramapa River flowing through the valley. By nature, it enjoys a beautiful, natural setting.

It has a borough form of government: a mayor and six councilmen. The Mayor is elected for a four-year term and in previous years, it was a two-year term. Each of the councilmen is elected for a three-year term. Two of the six councilmen seek election each year.

The borough is primarily a "bedroom community," with most of its residents commuting to larger cities. In late years, it has developed three industrial areas, and has been fortunate in having in these areas clean, light manufacturing, warehouses and office buildings.

The Mayor and Council is assisted in the management of the community by a Planning Board, Library Board, Board of Health, Board of Adjustment, Shade Trees Commission, Recreation Commission, and Industrial Commission. Besides the Mayor and Council, the chief officers are: Borough Clerk, Tax Collector, Treasurer, Chief of Police, Business Administrator and three Tax Assessors, together with other various committees appointed by the Mayor and Council, to perform various special services.

The Police Department consists of the Chief of Police, a Captain, three Lieutenants and a total force of twenty-nine full-time, paid policemen. The new Police Station enjoys the best, modern, electronic equipment and was constructed with the aid of Congressman Robert A. Roe.

The Fire Department consists of two firehouses, located in strategic parts of town. The equipment is modern, including a tower truck. All streets are water mained and hydrated. All firemen are volunteers, except the officers, who are appointed by the Mayor and Council. They are well trained.

Oakland's First Aid Squad has their own building, two ambulances and their personnel has been trained to handle all emergency calls. They make no charges for their services. Once a year they hold a fund drive. They are radio equipped and are tied in to the Police Department radio system.

The Recreation Commission consists of seven members, appointed by the Mayor with the advice and consent of the Councilmen, and receive no salaries. The Recreation facilities are located on thirty acres of land, on which are five regulation tennis courts, nine baseball fields, some of which are converted during their seasons to football and soccer fields. The Borough also supplies needed equipment for the various games of sport. The Borough is very proud

of the recreation facilities and, for its size, feels there are none better in the state of New Jersey. Most of the personnel running the programs are volunteers. The Mothers Club and the Fathers Club assist in operating the recreation facilities.

The spiritual growth of Oakland has kept pace with its material growth. We enjoy the Jewish Community Center, the Messiah Lutheran Church, Our Lady of Perpetual Help Roman Catholic Church, P.I.M.E. Missions, Ponds Reformed Church, and the Ramapo Valley Baptist Church.

The Boards of Education are separate entities. The Ramapo Regional Board of Education consists of nine members who represent the towns of Oakland, Franklin Lakes and Wyckoff. One high school is located in Franklin Lakes, and the other is located in Oakland.

The local Board of Education manages four elementary schools, located in various parts of the community. Three of these elementary schools, go up to and include the 5th grade. The fourth, accommodates 6th, 7th and 8th grade students, specializing in the preparation of these students for high school entrance. All schools enjoy outdoor facilities for recreation and have "All-Purpose" rooms for physical education and lunches.

Mr. Speaker, the story of Oakland is the story of America. The Borough of Oakland is steeped in the history of the early settlers of our country and richly endowed with America's historic beginnings.

In reflecting on the Borough of Oakland's contributions to the cultural heritage and historic advancements of America, we join together in expressing our deepest of appreciation to all of the people of Oakland who throughout their lifetime have sought and achieved a quality of excellence which bespeaks the pioneering efforts of our forefathers and the traditions of a freedom-loving people dedicated to the American principles of democracy and a good family life for themselves and future generations to enjoy.

Mr. Speaker, in commemorating this historic event, I appreciate the opportunity to present the foregoing to you and seek this national recognition of the leadership endeavors manifested by the foresight and expertise of the residents of the Borough of Oakland and the lasting achievements that can be attained with people working together in a common endeavor—all contributing to the American way of life and the American dream.

We do indeed salute the governing officials and citizens of Oakland upon their commemorative observance and celebration of the 80th anniversary of the Borough of Oakland.●

#### BROOMFIELD COSPONSORS DOMESTIC CONTENT BILL

#### HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BROOMFIELD. Mr. Speaker, Douglas Fraser, president of the United Auto Workers, very eloquently described the devastating impact of Japanese imports on the United States auto industry in testimony before a joint hearing of two subcommittees of the House Foreign Affairs Committee last week.

While his principal recommendation was for passage of a domestic content bill for vehicles sold in this country, his basic plea was for simple fairness in our trade relations with Japan.

I found his testimony particularly interesting because I have felt our trading relationship with Japan has for too long been essentially a one-way street.

As Mr. Fraser correctly pointed out, the automotive industry plays a major role in nearly every modern industrialized society. All of them have been faced with similar challenges from Japan. None have sat idly by and allowed the virtual destruction of that industry without taking protectionist measures.

In recent years, Germany, France, the United Kingdom, and Italy have each taken action to curb Japanese encroachment into their markets. In every case, those steps have been effective and, contrary to many predictions, have not caused the economic chaos that had been forecast.

In fact, Mr. Fraser said, there is evidence the Japanese respond positively when they are forced to by effective government policies.

Toyota, Nissan, and/or Mitsubishi have been investing heavily, or negotiating to do so, in Australia, Brazil, Italy, Korea, Mexico, South Africa, Spain, and the United Kingdom.

I agree with Mr. Fraser when he says that companies enjoying large volume sales in the United States should be investing their money here.

Japan does not invest in America simply because we do not require it.

Mr. Fraser believes, and I agree, that the time has come for the United States to insist on balance in its trading relationships with Japan. The \$16-billion trade deficit we incurred with Japan last year indicates that we are presently a long way from equity.

The auto industry, which accounted for \$13 billion of that deficit, is clearly the place to begin.

Mr. Fraser's remarks echo the sentiments of millions of American workers and many Members of this body, including some who are not from auto-producing States.

His message to the Subcommittees on International Economic Policy and Trade and on Asian and Pacific Affairs, is a clear signal that mandatory restraints will be placed on imports soon unless Japan makes a genuine, good-faith effort to work out our problems on a voluntary basis.

I have studied Mr. Fraser's testimony carefully and, while I have had some reservations in the past about the appropriateness of a domestic content bill, I am convinced that his arguments are grounded in commonsense.

As a result, I have today become the 213th cosponsor of this legislation in the hope that it will send a strong signal to our trade negotiators and to the Government of Japan that this Congress, at least, is dead serious about saving our domestic automotive industry. ●

**PORTER CONGRATULATES  
SINGER PUBLISHING COMPAN-  
Y ON 56 YEARS OF SERVICE**

**HON. JOHN EDWARD PORTER**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. PORTER. Mr. Speaker, I take this opportunity today to recognize the outstanding achievements of Eugene and James Singer as Singer Printing and Publishing Co. celebrates its 56th anniversary.

Located in my home district, the 10th District of Illinois, the Singers' group of nine newspapers is one of the country's most successful independently-owned and published newspaper chains. In fact, the company's phenomenal success in reader and advertising acceptance during the 1970's is without precedent in the independent newspaper field. Dozens of other publishers throughout the Midwest have since followed Gene and Jim's example.

The success of the Singers' publications can be attributed to both men's desire to produce a quality product that serves the needs of the local community. Community service has, in fact, been a theme consistently stressed by the Singer family ever since Gene and his brother Mort founded a job printing shop on the North Shore in 1928. Throughout the many years since that date, Gene, at first with Mort, and later with his son Jim, operated a publishing company that provided live, accurate, and objective news reporting to the local community. The Singers always put their duty to the community first, preferring to provide readers with a wealth of useful information about the local community, rather than subscribing to the controversiality and sensationalism of the "new journalism." Gene and Jim Singer's desire to provide

community news in an ethical and objective manner, and the magnificent success of their publishing enterprise, bode well for the future of responsible reporting in Illinois and the Nation.

I submit for the RECORD the publisher's own account of the growth of this outstanding independent chain of newspapers:

**SINGER PRINTING AND PUBLISHING MARKS 56  
YEARS: THE MEN BEHIND THESE PAPERS**

(By J. E. Kramer)

**EUGENE SINGER: BUILDS HIS SUCCESS ON  
STRONG PRINCIPLES**

For a multitude of reasons, many of us never quite reach the lofty heights of our dreams. We set goals for ourselves that appear realistic, but along the way are short-circuited. We're forced to settle for something less. Eugene Singer, Editor and Co-Publisher of the Mail-Advertiser Publications is cut from the cloth that all but guarantees success. His life is filled with it.

Never a man to put off till tomorrow, Singer takes dreams and ideas and starts them into action, carrying along those fortunate enough to be his associates.

These publications are the result of his "dream". A successful editor and publisher earlier in his life, Singer and son, Jim, saw the need in the early 1970's for alternative publications on the North Shore that had long been dominated by the Pioneer Press Publications.

**FATHER-SON PUBLISHERS**

The Mail-Advertiser Publications were born in 1971 with father-and-son as the driving force. Today, 11 years later, the group of nine newspapers is among the strongest independently owned and published newspaper chains in the United States. Its rise in reader and advertiser acceptance through the difficult decade of the 1970s is without precedent, and the "publishing miracle" has set the example for dozens of other start-up publishers throughout the Midwest.

To understand the success of these publications, one has to understand the man behind them: Eugene Singer.

Gene, along with his brother, Mort, formed the Singer Printing and Publishing Co. April 16, 1926. Both men were going to school and working part time. Mort was a copy writer for Chicago Direct Mail Advertising Agency and Singer was a staffer with the Chicago American.

**"WINDOW" SPARKED IDEA**

Both found the concept of newspaper publishing to be very appealing and began discussions with Harvey Bowen, the owner of the "Glennetka Window", about a possible purchase. The "Window" was an advertising booklet serving Glencoe and Winnetka, but Bowen wanted to make it a full-fledged newspaper.

Herman Black, the publisher of the Chicago American, had a better idea. It was suggested to the Singer brothers that they meet with Black to discuss their ambitions related to the "Window" and the Ravinia resident convinced them that their publishing concepts could be better applied to the Highland Park area.

Mr. Black spent hours discussing newspapering and sent the brothers out to discuss their ideas with local civic and business leaders.

**COMMUNITY WANTED IT**

They found a great deal of interest for a new publication among community leaders

and thus formed their own printing and publishing company. They offered readers and advertisers the news of Highland Park in a magazine-format publication that was instantly accepted.

The start-up of a new publication did little to please the Udell brothers, who at the time published the Highland Park Press. They didn't want the competition and used their influence to make life difficult for the Singers. "They were very active socially and in civil affairs," said Gene Singer, "and survival became a real battle." The Udell paper and the "Lake Forester", then an independent, both were typical 6-column, country style newspapers which did not concentrate entirely on local news.

Through those early years, the Singer brothers counted heavily on the moral support of Herman Black. Mr. Black insisted that the policies of the paper were correct and in time would be accepted as such by the public. "The total local news concept; the exclusion of 'filler' from our news content; the live coverage of public meetings, and in particular the news-magazine format which we introduced were the keystones of Mr. Black's newspaper policy," said Gene Singer. "Mr. Black firmly believed in live reporting, having served his apprenticeship in newspapering as a reporter, as both Mort and I did. He believed that dedicated application to accurate reporting on the local scene and complete distribution through the mail would bring widespread reader acceptance."

**JOB SHOP STARTED IN 1928**

The Singer brothers, at the urging of Mr. Black, introduced a job printing shop shortly after they began publication of the paper. It began in 1928 in the basement of a tiny store at 391 Central Ave.

Despite the intense competition, the Highland Park news-magazine continued to build momentum during the late 1920s and early 1930 and by 1938 was recognized as one of the top publications in the state by the Illinois Press Association. "It was a real honor for us to place first in general excellence in competition with all community publications in our class," said Singer. "It proved once-and-for-all that our newspaper concepts were correct and that Mr. Black's prophecy was accurate." More honors would come. In 1940 the paper was selected as one of the 10 leading community newspapers in the United States.

The award-winning quality of the Highland Park news-magazine and the intense competition were too much for the Udell brothers to handle. They closed up shop and their facilities and building were acquired by the Singers.

**LAW AND PUBLISHING**

In 1937, Gene and Mort parted company at least as far as newspaper publishing was concerned. Mort, who had been attending law school, was appointed an assistant state's attorney and began his career in law. Gene acquired his share of the publishing company.

The pre-war years were pivotal in Gene Singer's life. Besides acquiring the Highland Park Press, going it on his own, converting the Highland Park news-magazine to paid circulation, and starting up the Deerfield Review, Gene was called to active duty in the Navy. At the time the paper had attained a paid circulation of over 75 percent of the homes in Highland Park, and was considered "The" paper on the North Shore.

Gene accepted the call to duty and left the publication in the capable hands of his father, an accountant and attorney, who attempted to keep the operation going through the difficult war years. "Eighteen employees were serving their country in one branch of the service or another," said Gene Singer, "and it was an impossible task for my father to carry the load alone, so we determined that if we could no longer serve the community as we had promised we would, it was time to turn over the responsibility to someone else." Gene's ship put in for repairs in Portland in 1943 after service on the North Atlantic, and he returned to Highland Park to complete the sale of his publications to the Pioneer Publishing Co. of Oak Park, which was extremely anxious to acquire a North Shore base of operations.

#### EARNs WAR HONORS

As part of the sale, Singer Printing and Publishing would continue to print the papers, and agreed not to independently publish a paper within a 40-mile radius of Chicago. Singer returned to the war, where he distinguished himself, acquiring a Presidential citation and two meritorious awards while rising from Ensign to Commander in his four and one-half years of active service.

As the war concluded, Gene turned his thoughts to the North Shore. He came "home" once again to oversee the operation of the printing plant, no longer involved in the day-to-day business of newsgathering, but still very much interested in newspapering. His responsibilities, as president of the printing company, provided him with time to spend with his wife, Dorothy, and growing family.

Son Jim joined the company in 1960 and shortly thereafter accepted the presidency. Gene and Dorothy headed for the West Coast to pioneer a new venture in electronics and television.

#### LEADERS WANT NEW PAPER

Area business and civic leaders, not entirely satisfied with the services being provided by area newspapers on the North Shore, frequently visited the offices of Jim Singer throughout the 1960's attempting to convince him to begin publication of an independent paper. However, because of the contract with Pioneer-Time to publish that company's Deerfield, Highland Park and Lake Forest papers, the Singers felt morally obligated not to enter competition.

In 1970 Pioneer-Time withdrew from its contract with Singer Printing and Publishing Co. to print the papers, thus opening the doors to the Singer family to once again publish a news-magazine on the North Shore since the non-compete contract had been broken.

The Singers seized the opportunity to get back into newspaper publishing. Jim called a meeting of local leaders and found widespread support for a new publication that would serve the needs of merchants who wanted their messages to be read in all the households in the area.

The Mail-Advertiser was born. It was impossible to develop a staff on such short notice, so the re-newed publishing efforts of the Singer family were exclusively devoted to advertising matter. The Highland Park Mail-Advertiser was first, followed by similar publications in Glencoe, Deerfield, Northbrook, Wilmette and Winnetka.

Still, the policies of Mr. Black ran through Gene Singer's thoughts and less than two years after the first issues of the Mail-Advertiser came off the press, the Singers decided to publish a full-fledged weekly news-magazine in Lake Forest.

"At a series of meetings with Lake Forest and Lake Bluff residents we learned that they weren't very happy with the manner in which local news was being treated by the existing publication," said Gene Singer, "and we were pledged the support of the community if we would agree to begin publishing a newspaper."

#### PAPERS GO FULL SERVICE

Publish they did—sending the news and advertising of the community to every household. The following year all the other Singer publications were converted to full-service newspapers, initially distributed to all households, and ultimately converted to a subscription basis.

Along the way, Singer Printing and Publishing acquired the "Glenview Times" and started up the Vernon News-Advertiser to complement the Highland Park Mail-Advertiser, Glencoe Mail-Advertiser, Lake Forest Lake Bluff News-Advertiser, Deerfield News-Advertiser, Northbrook News-Advertiser, Wilmette News-Advertiser and Winnetka News-Advertiser.

The most recent figures show that the Mail-Advertiser Publications reach 70.4 per cent of the households in the 18 communities we serve on the North Shore, giving these publications 9.5 per cent more total circulation than their nearest competitor.

#### ENDORSEMENTS AND HONORS

The dedicated local news policy and complete cooperation with all local clubs, schools, churches and non-profit organizations has generated unprecedented endorsements, and in appreciation Gene Singer has been made an honorary member of the Glenview Optimist Club and the Rotary Club of Highland Park. He was also singled out by the Lake Forest Legion Post, Senior Citizens, the Lake County Navy League and the Jaycees, who also expressed their appreciation for his efforts in their behalf.

"I think we've proven once again that the basic policies upon which we started our first paper in 1926 are right ones for the 1980s. People demand a quality product that gives them objective news reporting and a wealth of useful information about their community. That's what we're trying to do and will continue to do," said Gene Singer.

The Singer story is one of modern-day publishing success; one that is based on the determination to work hard, adhere to legitimate policies and always keep the best interests of the community in mind.

#### JAMES SINGER: SEES TO THE FUTURE; ATTENDS TO THE PAST

Newspaper publishing today is generally acknowledged to be among the most complex of all business ventures, requiring a thorough knowledge of all the "ins" and "outs" of the industry, fast decisions and accurate long-range planning, as well as a willingness to surrender the "old" in favor of the latest technological advances for converting spoken words into black ink.

Although the editorial, advertising and distribution policies of the publications produced by Singer Printing and Publishing have remained rock-solid during the 56-year history of the company, production methods have changed dramatically.

The man responsible for staying on top of the latest "state of the art" alterations to newspaper production is Jim Singer, company President, who sits in the hot seat in terms of hectic day-to-day operations of Singer Printing and Publishing.

#### HANDLES THE DETAILS

Jim Singer has a reputation for making solid decisions. He is the company "idea man", responsible for the final product and the bottom line, who spends his days gathering information, trouble shooting and deciding on a multitude of details necessary for the quality-attentive and cost-efficient operation of the publications.

If there is a new production related product on the market, Jim Singer will be there to test it. If there is a strike in the paper mills, he'll find the newsprint to keep the presses rolling. If there is a production problem in any department, he'll be there, sleeves rolled up, to help out. If an employee has personal problems, he's there with suggestions and solutions.

In short, Jim Singer is Singer Printing & Publishing's "guiding star", the focal point for the successful operation of the company.

#### SEES BRIGHT FUTURE

As could be expected, Jim Singer is a big booster of weekly newspapers. "I am certain the independent weekly can survive," he said, "Because we have several advantages that the corporately controlled chains don't have. One important factor is our ability to seize opportunities when they present themselves. It's not necessary for us to wade through a chain of managers and red tape to get to a decision.

"Also, because we are a vital part of the communities we serve, it is much easier for us, than it is for the corporate giants, to produce the kinds of newspapers that intimately fit the readership needs of the people. We have the community pulse.

"While we don't have the resources of a large corporation, we also don't have the ruthlessness. We can make decisions in human terms, something the giants rarely do. If there's a so-called 'loser' in their holdings, they'll simply ax it out of the picture without regard for who or what gets hurt in the process," he said.

#### PUTS "PEOPLE FIRST"

"I think our 'people-first' approach to publishing is the most important factor in our final product. We keep it in mind from start to finish of the production schedule," Singer said.

He pointed to the acquisition of the "Glenview Times" as an example of the "people-first" company policy. "The 'Times' was important to many residents of Glenview, who relied on it for their weekly news and advertising information. We were approached by many of its subscribers who asked that we acquire the paper so that an independent publishing voice would continue to be heard in the community," he said.

The "Glenview times" was acquired by Singer Printing & Publishing, and continues to offer Glenview residents an alternative to the "new journalism" which is geared less and less to community service and more to sensationalism and controversy. In a recent survey of residents by the Village of Glenview, the "Times" was acclaimed as the weekly newspaper from which a majority of persons in the village get information on Glenview activities.

#### STRESSES COMMITMENT

"We have a commitment to the communities we serve, and that won't take a back seat to anything," said Singer.

Jim Singer, 42, joined the company in 1960 after attending grade school in Highland Park and California, high school in San Gabriel, Calif., and college at the University of Southern California in Los Angeles.



les. While attending college he worked part time on a Los Angeles newspaper as a news photographer. One of his photographs received awards from the California State Press Assn. in 1957.

That interest in photography brought him to the lithography camera room of a California publishing concern, where the first high speed web-offset press and computerized typesetting facilities were in use. It was here he developed an intense interest in, newspaper production, and became convinced that the future of the publishing industry centered on highspeed presses and computerization.

#### INTRODUCED WEB-OFFSET

Jim Singer introduced web-offset printing to the North Shore when he became a Singer Company officer in 1960. At that time the process was totally new to the Midwest, and Singer devoted his energies to selling the concept and the actual application of the process to the employees at Singer Printing. He also established the lithographic camera department, and headed the camera and plate department while others were being trained to assume those duties.

Computerized typesetting was introduced at the Singer plant early in the 1960s and through the years employees have worked with five different typesetting systems in a constant attempt to upgrade quality and speed. All of the systems have come at the direct urging of Jim Singer, and all have succeeded in upgrading the publications.

As for the future, Singer is optimistic. "I can see no reasons for the decline of the weekly newspaper," he said, "granted, many daily papers have closed and others are in serious trouble, but that's because of television news, national magazines and radio as well as an alarming trend that has taken some publishers away from community service as their prime consideration.

#### PUT SERVICE FIRST

"The solid weekly papers that put community service first will survive because they continue to be the only legitimate source of information on local happenings, ranging from births to deaths to taxes to sports and entertainment. Those editors and publishers who continue to place total emphasis on community news will ride out these difficult economic times and be all that much stronger for it," Singer said.

"The publisher of tomorrow's newspaper won't forget the basic precepts upon which success in this business depends, and will pay close attention to the latest developments in technology which are geared to speed up and simplify the production process," he said.

A mix of the best of the old and the new, that's Jim Singer's credo. ●

### WAGING WAR OVER THE PREVAILING WAGE

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. EMERY. Mr. Speaker, as we confront the double-edged dilemma of rising unemployment and unmanageable Federal deficits, there is one element of current Federal law which could provide a source of help for both problems. The fall 1981 edition of the Harvard Political Review contains an

article by Kirk Jenkins which presents the case being made for repeal of the Davis-Bacon prevailing wage statutes.

I commend this article and consideration of the issue to the attention of my colleagues who share in the desire to lower the deficit and increase employment. Repeal of Davis-Bacon could contribute significantly to both these objectives.

#### WAGING WAR OVER THE PREVAILING WAGE

Few issues could unite Common Cause and the United States Chamber of Commerce. The New York Times and Wall Street Journal seldom march under the same banner. Economists Walter Heller and Alan Greenspan rarely see eye to eye. Yet in the past year each one has called for repeal of the Davis-Bacon Act, one of the most venerable relics of the wave of labor laws passed during the Depression era.

According to Davis-Bacon, any construction contract of more than \$2,000 let by the federal government must be performed by a contractor paying the "prevailing wage of the local area." The bill was ostensibly passed to prevent federal contracts from going to substandard contractors paying their employees very low wages and subjecting them to poor working conditions. In 1931, its sponsors charged that many firms toured the country, housing destitute laborers in cabins and taking federal contracts from local firms.

Many economists feel that it is not difficult to explain the bitter opposition of labor unions to any changes in Davis-Bacon. According to former Labor Secretary Ray Marshall, Davis-Bacon's "prevailing wage" standards help prop up union monopolies. The American Enterprise Institute (AEI) believes the Labor Department itself has contributed to this fact through a willful misinterpretation of the Act. Wage determinations, according to an AEI study, are frequently taken "from areas other than those in which the work is being done—despite the clear legal requirement that local rates be used." The study cites a Marine Corps housing project in Quantico, Virginia. The wage determination was taken, not from Quantico, but from Washington—thirty-five miles away and light-years different in pay scales.

Because of administrative shortcuts used to simplify the job of wage determination, the recommended wage is almost always the union rate. According to the Labor Department's "thirty percent rule," any time thirty percent of the workers in a survey are paid the same wage, that wage is found to be "prevailing." Non-union workers are paid a wide range of rates, depending on skill and experience; union workers are paid a single negotiated wage, so the thirty percent rule favors the union wage even when union workers are in a minority. For example, in late 1980, an initial survey of electricians in Charleston, North Carolina recommended an hourly wage of \$8.51. After one-third of the electricians in the survey were inexplicably dropped, the thirty percent rule was invoked and the union wage of \$11.85 an hour was found to be "prevailing." Union officials note that despite the fact that only ten percent of Charleston's electricians are actually unionized, the surveyed population was almost one-half union electricians.

Opponents of the Act point out that legislation passed since Davis-Bacon has outdated most of the arguments in support of the law. In 1931, construction workers had little legal protection against the kind of abuses

which unions cite. Since that time, however, the federal and state governments have enacted minimum wage and unemployment compensation laws as well as strict legislation regarding the conditions and safety of employment. In addition, tough procurement laws are on the books designed expressly to protect the government from unscrupulous contractors and shoddy workmanship.

Estimates of the inflationary impact of Davis-Bacon vary widely. According to a report finished early in 1980 by the Carter Council of Economic Advisors but not released until the Reagan administration took office, "in each of the thirteen cities where wage data was available, Davis-Bacon minima were significantly above going rates in the local labor market for similar work." Most economists estimate repeal of the Act would result in a yearly saving of more than one billion dollars. The full economic cost of the Act, however, may well be several times that. A growing number of contractors simply boycott all federal jobs because of the disruptive effects of having to pay employees at a federal job more than employees at a private job. The net result is reduced competition and increased cost for government construction. In addition, the maintenance of artificially high wages for federal jobs pulls labor away from private jobs, tending to raise wages and increase costs on private work.

The General Accounting Office (GAO) has recently concluded that Davis-Bacon is impossible to administer. The Labor Department is responsible for determinations in over 3,000 counties for nineteen trades on four different types of construction—a theoretical total of over 228,000 separate judgments. The limitations of having only eighty staff members to make these determinations has made the "prevailing wage" terribly inconsistent. In the same year different wage rates have been set for identical jobs in identical locations. The Labor Department's administrative law judges have been forced to overrule many determinations because of these problems. GAO made no bones about it: "the Davis-Bacon Act is no longer needed and should be repealed."

Pressure is building for repeal. Of the forty states with their own "little Davis-Bacon" laws, four have recently repealed their statutes, while repeal bills have been introduced in another seventeen states. Four separate federal repeal bills have already been introduced. In the Senate, freshman Republican Don Nickles, who promised to seek repeal of the Act during his 1980 campaign, is now chairman of the Labor subcommittee responsible for the Act, and enjoys the support of Labor and Human Resources Committee chairman Orrin Hatch. As yet, the Reagan administration, wary of worsening an already shaky relationship with union leaders, has favored only cosmetic changes in the Act. Opponents promise, however, that they will settle for nothing less than repeal. ●

UNITED NATIONS CONTRIBUTIONS BY UNITED STATES TOO HIGH

**HON. RONNIE G. FLIPPO**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. FLIPPO. Mr. Speaker, I rise to protest the administration's action to increase our contribution to the United Nations by 12 percent, at the same time we are cutting vital services to the bone.

U.S. News & World Report says the United States has agreed to increase its contribution to the staggering total of \$1,000,000,000, while cutting such programs as student aid, unemployment compensation, senior citizen meals on wheels, highway construction, price supports for farmers and even social security benefits.

Our own U.N. Ambassador, Jeane Kirkpatrick, says "Our influence at the U.N. is trivial, despite the fact that we contribute \$1 billion a year."

Need I point out that Ambassador Kirkpatrick was appointed by this administration.

The State Department's Mark Edelman told a Senate subcommittee that the Reagan administration intends to back only groups that practice fiscal restraint. "We have made it clear at meetings throughout this past year that international organizations cannot operate under the illusion that they are immune from the economic pressures and constraints of the times," Edelman said.

I would also point out that the Soviet Union, with two of its republics as separate members, has three votes in the U.N. General Assembly. The United States has only one. Ironically, the Soviet Union and its two satellites contribute only 13 percent of the U.N. budget, while the United States contributes 25 percent—almost twice as much.

It should be emphasized that nearly 30 U.N. officials receive salaries of more than \$100,000. We are also contributing to programs that people in this country would have difficulty pronouncing let alone understanding such as the "International Office for Epizootics."

We are asked to contribute more to the U.N. at a time when it has become the biggest and most vocal anti-American forum in the world. At the same time it is harboring the biggest nest of Soviet spies and protecting their activities with diplomatic immunity.

Good ole Uncle Sap.

It's time to yank the purse string on the U.N. and stop funding an organization that has goals that are diametrically opposed to the United States. This country would be hard-pressed to point to one positive contribution

from this infamous organization, even though it is located in our largest city.

At a time when we are cutting good programs that help our own people, let us not throw money at an organization that has never helped Americans and probably never shall.●

NEED FOR EXPORT TOOLS

**HON. THOMAS B. EVANS, JR.**

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. EVANS of Delaware. Mr. Speaker, exports are vitally important to our American economy. One of every eight manufacturing jobs, and one of every three agricultural jobs, are related to exports.

Over the past two decades, the U.S. share of world trade has been steadily declining. This is particularly unfortunate since it is clear that many American products could be very competitive in the world market.

Very few of our smaller manufacturing firms have ever engaged in exporting. In most cases, these smaller firms simply have found the giant leap into unfamiliar territory too complicated and too expensive.

On the other hand, our trading partners, especially Japan and the Western European countries, have prospered. One of the reasons they have been successful in the aggressive world market has been their development of export trading companies. American companies must be given the tools to compete effectively with our trading partners. Legislation, already approved by the other body, and now being considered by three House committees, would facilitate the development of U.S. Export Trading Companies. I urge the committees to complete their work as soon as possible and bring the legislation to the floor so that this valuable export tool will be available to provide a much-needed increase in the number of American jobs.●

CONGRESSIONAL SALUTE TO THE HONORABLE RALPH WEISS OF NEW JERSEY "PAUL HARRIS FELLOW," ROTARY CLUB OF HALEDON

**HON. ROBERT A. ROE**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. ROE. Mr. Speaker, on Friday, June 11 the residents of Haledon, my Eighth Congressional District and State of New Jersey will join together with our fellow Rotarians in testimony to an outstanding businessman, community leader, distinguished citizen and good friend, the Honorable Ralph

Weiss of Haledon, N.J., whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the "Paul Harris Fellow" of the Rotary Club of Haledon—the highest award that Rotary can bestow upon any of its members. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Ralph Weiss and share the pride of his good wife Charlotte, son Alan, and daughter-in-law Diane in celebrating this milestone of achievements in their family endeavors.

The Rotary Club of Haledon is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get . . . we make a life by what we give"—"Service above Self"—and their good deeds in helping others, young and adults alike, have served to inspire all of us. Ralph Weiss has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people.

Mr. Speaker, Ralph's personal commitment to the economic, social, and cultural enhancement of our community has been a way of life for him. He was born in Paterson, N.J., attended Paterson Boys High School and graduated with the first graduating class of Eastside High School.

The story of our "Paul Harris Fellow" Ralph is truly an epic in our American heritage where success is within the promise of men like Ralph who have the zest for pursuing what is within one's heart, matched with the determination and sincerity of purpose to always do the best in everything one sets out to do.

Ralph worked at Johnson-Cuman Lumber Yard in Paterson for the financial means to put himself through even classes at New York University and in 1929 graduated NYU magna cum laude with a B.A. degree in accounting. He continued working at the lumber yard as combination accountant and yard hand while working nights and weekends in his father's real estate and insurance business. In 1947 Ralph left the lumber yard and joined the insurance and real estate firm of John Weiss & Co., on a full-time basis.

Mr. Weiss has been a leading and active participant in the business community throughout Haledon and the State of New Jersey. He diligently pursued his professional career goals and objectives and in 1972 was elected president of John Weiss & Co. and Mutual Underwriters Agency, Inc. In 1975 he was designated chairman of the board of directors of John Weiss & Co. and Mutual Underwriters Agency, Inc. It is important to note that his

professional expertise earned him appointment by the courts on over 20 occasions to serve as a condemnation commissioner.

Mr. Speaker, Ralph has also made an outstanding contribution in promoting and encouraging community improvements and has actively participated in many charitable and civic endeavors to help improve the social and cultural endeavors of our community, State, and Nation. He was president of the Patterson Exchange Club and was appointed to and served over 20 years on the Haledon Board of Adjustment, serving as chairman for 15 years. He was the organizer and first chairman of the Haledon Planning Board where he served for over 18 years. In 1958 he was president and State director of the Passaic County Board of Realtors. In 1976 he became president of the Haledon Rotary Club.

He has served as a member of the Advisory Committee of Saint Casimir's Roman Catholic Church and in addition to the Realtors, he has maintained membership in the National Association of Accountants, the Independent Fee Appraisers of America, the Professional Insurance Agents Association, and the Mutual Insurance Agents Association.

Mr. Speaker, as we reflect upon the history of our great country and the good deeds of our people who have made our representative democracy second to none among all nations throughout the world, I appreciate the opportunity to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Haledon, N.J., in honoring our good friend Ralph as an outstanding citizen and great American. We do indeed salute the Haledon Rotary Club's "Paul Harris Fellow"—the Honorable Ralph Weiss. ●

**PHYSICAL HANDICAP NO OBSTACLE TO ACADEMIC ACHIEVEMENT, LOU STERNBURG AWARDED DOCTORATE AT BRANDEIS**

**HON. STEPHEN J. SOLARZ**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. SOLARZ. Mr. Speaker, on Sunday, May 23, at the commencement exercises of Brandeis University, my alma mater, I witnessed the culmination of an amazing story which is a towering affirmation of the human spirit, and of the role of a university in aiding students to reach their full potential.

Lou Sternburg, of Newton, Mass., received a Ph. D. in psychology from Brandeis University at its 31st com-

mencement on Sunday, May 23, 4 years after being awarded a master's degree by the same institution.

Mr. Sternburg, who is 57 years old, also is a graduate of the University of Pennsylvania and its Wharton School (1950). From 1950 to 1955 he worked as a manufacturer's representative. In 1955, at the age of 30, he contacted polio. The disease rendered him a quadriplegic and unable to breathe without an iron lung. He was allowed to leave the hospital in 1956 only after he had learned an alternative method of breathing which he could employ in case a power failure cut off his iron lung.

Soon after returning home to his wife and two children, he became interested in creative writing to, in his words, find out what makes people tick; and what makes me tick. Not satisfied with what he was producing, he contacted then Brandeis president, now chancellor, Abram Sachar and soon after a member of the Brandeis faculty was making periodic visits to discuss writing with him.

Interest in writing and motivation led him to psychology. He arranged to take accredited courses in psychology by delivery of taped classroom lectures. In this manner he completed the equivalent of a B.A. in psychology.

Mr. Sternburg came to the attention of James Lackner, chairman of the Brandeis psychology department, who visited him and encouraged him to try for advanced degrees in Lackner's field, psycholinguistics. The same taping arrangement was set up. In addition, Lackner visited him once a week to do control experiments in the subject of Mr. Sternburg's thesis which concerns the relationship of speech and ideas to the individual's intake of air. Since Mr. Sternburg's intake of air is not self-induced but controlled by outside forces, he is full author and part subject of his Ph. D. thesis.

Having been an athlete before his illness and still intensely interested in sports, he has already applied his new psychological knowledge in developing a test to be used by professional athletic teams to determine whether a prospect has desirable mental and personality traits. The Boston Celtics and Patriots have used the test which is copyrighted.

He was wheeled up to receive his doctorate and told a cheering audience: "I'd like to congratulate my fellow classmates, and I'd like to thank the University for welcoming me with open arms." Thanking his wife, children and friends, he said: "In a very real sense, I was just a vehicle for the combined efforts of all those people who made this possible."

Mr. Speaker, I insert the following story from the Boston Globe to be included in today's CONGRESSIONAL RECORD.

**POLIO VICTIM GETS DOCTORATE**

(By Diane Lewis)

Draped in blankets and shielded from the rain, Lou Sternburg yesterday was awarded the advanced degree in psychology he had worked four years to obtain.

Sternburg, who has been confined to an iron lung most of the time since contracting polio in 1955, was among 50 students to receive doctor of philosophy degrees at Brandeis University.

"I'd like to congratulate my fellow classmates, and I'd like to thank the university for welcoming me with open arms," the 57-year-old Newton resident told the hundreds of people yesterday at the university's 31st commencement.

"Without friends," Sternburg said, "I doubt that this moment would have been possible."

He was among more than 800 students who received degrees yesterday. In addition, 10 individuals were awarded honorary degrees, including commencement speaker Sol M. Linowitz, negotiator of the Panama Canal treaties; Sir William Arthur Lewis, winner of the 1979 Nobel Prize for economics, and violinist Itzhak Perlman.

In addressing the estimated 5000 persons who attended the ceremony, Linowitz urged the graduates "to raise your voices as committed, responsible citizens."

"The time has come to halt the know-nothings, the preachers of hate, the fearful ones, wherever they are and whoever they are," he said. "They despoil the true spirit of America and blaspheme its heritage."

Honorary degrees were also awarded to artist Helen Frankenthaler, enzyme researcher Nathan Kaplan, architecture critic Ada Louise Huxtable, chemist George B. Kistiakowsky, and Irving S. Shapiro, former chairman and chief executive of E.I. du Pont de Nemours & Co.

Less than a year before the polio vaccine was first distributed, Sternburg, then 30, contracted the disease.

"When I came home from the hospital, I had a choice," he said in an interview. "I could get angry, or I could do something about it."

His interest in writing and character development led him to study psychology.

As he lay on a chair with a portable respiratory machine, Sternburg talked yesterday about his thesis and psycholinguistics—the study of speech articulation patterns and their relationship to the thought process and breathing.

He said his success was due in part to the support of his wife, his two children and his friends.

"In a very real sense, I was just a vehicle for combined efforts of all of those people who made this possible," he said. ●

**PEACE IN THE MIDDLE EAST**

**HON. TOBY ROTH**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. ROTH. Mr. Speaker, all of us desire a quick and stable peace in the Middle East. The road to peace is never easy but I would suggest a few guidelines.

Lebanon is for the Lebanese. All nations should withdraw their forces and

leave the Lebanese people to solve their problems. Furthermore, after decades of senseless war, it is time for all nations in the region to come to a basic understanding: Every nation has the right to exist and the rejectionist posture maintained for nearly 40 years by radicals in the Arab world can only lead to renewed violence and conflict.

Bordering nations and so-called refugees cannot continue to be permitted to violate the borders of Israel. The rule of law and respect for national frontiers must become accepted practice by all nations in the Middle East. All parties must adhere to the guidance set forth in U.N. Resolution 242 and recognize the integrity of one another's borders. The Arab States must understand that Israel exists and must learn to deal with that nation in accordance with commonly accepted diplomatic practice.

Mr. Speaker, I firmly hope that something positive will result from the current renewal of conflict in the Middle East. The world's attention has once more been focused on the problem, and as we try and analyze the situation, a basic fact emerges: Arab nations have for the most part rejected the right of Israel to exist and have consistently promoted efforts to topple that nation.

For a framework of peace to emerge in the region, the rule of law must prevail. As a first step, I believe that it is essential that all nations in the region recognize the right of all other states to exist. This would be a major contribution toward creation of an environment conducive to a peaceful resolution of the problems that have led to renewed outbreaks of conflict. The integrity of Israel has been a consistent foundation on which American foreign policy is based. This is fully in accordance with normal international diplomatic practice and must also become the touchstone for Arab relations with the nation of Israel. ●

**"WORLD COLLABORATION OR ANNIHILATION?"**

**HON. JIM SANTINI**

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. SANTINI. Mr. Speaker, Mildred Pressman, an octogenarian concerned about the future of world peace, has written the following remarks in response to discussions about nuclear policy. She calls upon "all nations to consider giving up some of their sovereignty to the United Nations and the International Court of Justice in the interest of saving the family of man."

I would like to urge my colleagues to take a few moments to reflect upon the insights of this remarkable Nevada woman who has witnessed nearly a century of a world plagued by war.

**WORLD COLLABORATION OR ANNIHILATION?**

**"IT'S UP TO YOU AND ME, MY FRIEND!"**

In preparation for the forthcoming United Nations Second Special Session on World Disarmament, scheduled to take place on American soil at UN Headquarters in New York from June 7 to July 9, 1982, I have a suggestion: I would like to see every statesman, every religious leader, every political leader—including Chairman Brezhnev and the members of his Presidium as well as President Reagan and his advisers—and all other heads of government and their advisers, upon arising each morning, repeat silently to him or herself the following words:

(By Sy Miller and Jill Jackson)

Let there be peace on earth  
And let it begin with me;  
Let there be peace on earth,  
The peace that was meant to be.

With God as our Father,  
Brothers all are we.  
Let me walk with my brother  
In perfect harmony.

Let peace begin with me,  
Let this be the moment now.  
With ev'ry step I take,  
Let this be my solemn vow:

To take each moment and live  
Each moment  
In peace eternally.

Let there be peace on earth  
And let it begin with me.

It's up to you and me, my friend  
It's up to you and me  
If there's ever to be any peace on earth  
It's up to you and me.

This simple thought, "Let There Be Peace On Earth and Let It Begin With Me," was first born one summer evening in 1955 when a group of 180 teenagers of all religions and creeds gathered on a mountain top close to Los Angeles, locked arms, formed a circle and sang this song. It has since continued to travel from person to person, each determined to become a note in a song of understanding and peace free from fear and totally satisfied. Among the most well-known groups associated with this Peace Song is the International Children's Choir. "There is something about the words that gives personal worth and dignity to each human being."

It seems to me that if these words were to be repeated by every American in the silence of one's own soul, and over the months ahead spread to people the world over—each in his own tongue—that it could result in such a ground swell of positive thinking and feeling that all world leaders would unanimously agree, along with the delegates to the forthcoming World Disarmament Conference, to substitute for the war machine, the United Nations world peace-keeping machine.

Assuredly, any nation with a superiority of nuclear weapons could brag at the end of a nuclear war: We killed you more times than you killed us. Cheers! We are the winners! To us belongs the spoils—a bit of unpoisoned food, some uncontaminated water, and a little air we have found fit to breathe for awhile!

Three years before World War II ended, statesmen dreamed of a United Nations organization made up of all nations, great and small, which would be capable of guarding mankind from ever again experiencing another world holocaust. It is most regrettable that the word "peace" and this determination to develop and to use only peaceful means to help arbitrate and to settle differ-

ences between nations has so completely fled from the minds of so many statesmen of our day.

World military expenditures in 1978 amounted to close to five hundred billion dollars. The U.S. Budget Outlays for National Defense and Veterans Benefits have almost tripled since the Charter of the United Nations was adopted in 1945, from 101.5 billion in 1950 to an estimated 288.4 billion in 1982 (in constant 1972 dollars). The Defense-Related Outlay for Research and Development has increased from 6.2 billion in 1955 to an estimated 69.1 billion in 1981.

Many like to put the blame for wars and persecutions on God and reject the idea that man makes his own world. Courageous men and women abolished slavery in our country a century and a half ago. Through mankind's conscious and determined re-education of how to live in a safe world, man has the power within him to also abolish the institution of war.

When the Charter of the United Nations was drawn up in 1945, there were less than a dozen nuclear weapons in the world. The first proposal for stopping nuclear weapon tests was made with negotiations with the Soviet Union, when a Limited Test Ban Treaty was signed in 1963 by Great Britain, the United States and the Soviet Union. It prohibited nuclear weapon testing in the atmosphere, in outer space and under water. But the two other permanent members on the UN Security Council, France and China have refused to approve the treaty. Both have continued to test atomic weapons and have in fact negated this atomic test ban treaty between the Soviet Union and our country and Great Britain. No delegate at the UN Charter Conference held in San Francisco in 1945 expected that these five great super-powers, who unitedly defeated the conspiracy of the Axis powers to rule the world, would ever separate.

Almost 40 years have passed since the United Nations charter was adopted and the United Nations Disarmament Committee was given the task to reduce the use of armaments on this globe. The original goal of the Disarmament Committee has taken the reverse direction. The nuclear freeze which most peace organizations recommend, is but an interim solution until the permanent cure—total disarmament is achieved and the United Nations organization is given the power of law and the unanimous moral support of its members to enforce all international human rights agreements passed by the UN General Assembly to come within the jurisdiction of each member nation for the benefit of their own people, which is not true today.

At this time when the human race is so close to extinction, would it not be better for all nations to consider giving up some of their sovereignty to the United Nations and the International Court of Justice in the interest of saving the family of man?

**TUITION TAX CREDITS DESERVE A CHANCE**

**HON. MARIO BIAGGI**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BIAGGI. Mr. Speaker, appreciating the interest of many of my col-

leagues in the issue of tuition tax credits, I wish to bring a very timely article on this issue which recently appeared in the Ridgewood Times. This article, by Dr. Howard L. Hurwitz, presents some compelling observations about tuition tax credits, an issue which has generated an intense amount of debate in the education community.

As a member of the House Education and Labor Committee since my election to Congress in 1968, I believe that my record in support of programs which benefit our public school system in this Nation is clear. Support for tuition tax credits cannot be misconstrued as support for private education over public education—such an argument is specious and ill-conceived. To assume that adoption of such legislation would drive children from public schools into private schools in droves is a gross exaggeration of fact. Finally, to argue that tuition tax credits are a violation of the U.S. Constitution is, quite simply, putting the cart before the horse. It is not the role of the U.S. Congress to decide the relative constitutional merits of this issue. To prejudge an issue that must be left to the courts is to interject a red herring into a debate which has no place there.

I command the following article to the attention of my colleagues. In anticipation of tuition tax legislation which the administration plans to submit to Congress later this month, I hope these ideas will stimulate intelligent and thoughtful debate in the months ahead:

[From the Ridgewood Times, May 13, 1982]

(By Dr. Howard L. Hurwitz)

**WILL THE REAL TUITION TAX CREDIT ISSUE STAND UP?**

Tuition tax credits are again being dangled before parents of parochial and private school children in elementary and secondary schools.

The dangled bait is perceived by teachers' union leaders as a neutron bomb that, if dropped, will obliterate the public schools.

The tax credits are seen by most church and private school people as long overdue financial aid. Some 4,000,000 children attend non-public schools, although their parents pay taxes for support of the public schools.

In Congress, the big names behind tuition tax credits are Senators Daniel Patrick Moynihan (D-NY) and Robert Packwood (R-Oregon). Their bill seemed to take on new life when Ronald Reagan entered the White House. For over a year, however, the bill barely breathed as the President addressed himself to weightier issues.

Now, however, the President announced before the National Catholic Education Association that enactment of a tuition tax credit bill is among his priorities. His bill eliminates aid to parents of youths who attend private colleges.

The administration bill calls for a \$100 tax credit in 1983, \$300 in 1984, and the maximum projected peak of \$500 in 1985. Public school leaders see a \$1.5 billion dent in the national budget in 1985. You might think from their outcry that this addition to the trillion-dollar national debt would plunge the nation into penury.

Even Senator Robert Dole (R-Kansas), who favors the bill in principle, has declared his opposition to it because the nation cannot afford the outlay in a time of mounting deficits. He may be recalling the wisdom of the late Senator Everett Dirksen who reflected that a billion here and a billion there and before you know it you're talking about real money.

The real issue has nothing to do with money. It is the prestige of the public schools that is at stake. If the Congress chooses to aid parochial and private schools at the same time that it is cutting back on aid to public schools, it will be telling the people something about public schools.

Public schools have fallen upon evil days. There is increased resistance to paying for them at the state and local level. Their success record has eroded in the past two decades. Despite a common misconception, the federal government has never contributed more than eight percent in any year to the total operating budget of the schools.

But public schools remain the schools for nine out of 10 children. In some cities, however, a third or more of the children go to non-public schools.

President Reagan believes that tuition tax credits will stimulate the public schools to do a better job. Could be. I doubt whether parents who now send their children to private schools will be persuaded to return to the public schools. The great majority of such parents send their children to parochial schools and do so, in large part, for religious reasons.

Nor will those parents who have faith in the public schools be tempted to change to private schools because of the tax credit. The credit is small (and likely to remain so) and will probably be absorbed by rises in private school tuition costs.

In the course of the debate over the tax credit bill, we shall be hearing more about its alleged unconstitutionality. There are people, otherwise reasonable, who actually believe that the credits represent a threat to the separation of church and state. The credits are no more likely to build an established church than are the tax deductions for contributions to churches.

Private schools are not likely to expand in response to tax credits. They are already jammed and most of them are hard-pressed financially. The hysteria of public school leaders is unwarranted. A sob or two might be justified, if only because passage of the tuition tax credit bill will be a vote of no-confidence in the public schools. ●

**AGRICULTURE EXPORT  
EXPANSION ACT OF 1982**

**HON. TOM HAGEDORN**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. HAGEDORN. Mr. Speaker, today I am introducing the Agriculture Export Expansion Act of 1982, legislation to amend title I of the Agricultural Trade Development and Assistance Act of 1954 to provide a credit facilitating program which would promote additional agricultural exports by stimulating U.S. bank financing for foreign purchases of U.S. commodities on credit terms of 10 years. The program would provide guarantees for re-

payment by foreign banks on the principal and interest on financing extended by U.S. banks. In addition, it would offer a direct payment by the Commodity Credit Corporation using Public Law 480 appropriated funds to buy down interest up to 4 points on loans extended by the U.S. bank.

The current carryover of U.S. wheat and feed grains has forced record amounts of stocks into the farmer-owned grain reserve. Coupled with a flat export demand for grain and stagnant economies both here and abroad, grain prices are dismally low. Exacerbating the problem, the U.S. Department of Agriculture has projected that ending feed grain stocks for the 1982-83 marketing year will exceed the record currently forecast for 1981-82.

It is imperative that we stimulate the demand side of agriculture. The reduced acreage program for 1982 crop feed grain, wheat, rice, and cotton implemented by USDA is, I believe, a proper course to follow to more effectively control supply. The signup by farmers is encouraging and I sincerely believe that most will participate in the program. Nonetheless, we must become more innovative in exporting agricultural commodities not only for the benefit of the farm sector, but for the U.S. economy as well.

Mr. Speaker, the bill I am introducing would enact a program that would be directed to those credit worthy middle- and upper-income countries where additional U.S. agricultural exports are likely to be generated through the extension of credit and lower interest rates. The interest buy down by the CCC would be paid directly to the participating bank using Public Law 480 appropriated funds. The amount of funds used for the interest buy down would be limited to no more than 25 percent of the program level for Public Law 480, title I as provided for in the annual appropriation act. I am including a table which depicts what the impacts would be on wheat, corn, and soybeans during the 1982-83 marketing year in terms of increased exports, producer prices, deficiency payments saved, and the multiplier effects on the total U.S. economy.

I believe this is an effective way to stimulate agricultural exports over and above current threshold levels. It just makes more sense to stimulate movement of agricultural products through a program such as this rather than having the Government finance the large surplus under loan and in the grain reserve.

Moreover, CCC ownership of surplus grains has grown dramatically. In 1977, CCC held only 1 million bushels of corn. Currently, those stocks total almost 264 million bushels. USDA projects those stocks will increase to 315 million bushels by October of this

year. An industry estimate has placed the Government cost of holding 1 bushel of corn for 2 years in excess of \$4 a bushel.

It would behoove Members of Congress to consider the impacts of the financing of our huge grain surpluses through these existing methods. The farmer-owned grain reserve was enacted to build U.S. buffer stocks not serve as a depository for unlimited grain production. CCC acquisitions of corn with costs exceeding \$4 a bushel to the taxpayer are simply not cost effective.

It is time to shift our emphasis by allocating funds into this and other types of export programs rather than into CCC price support programs. I believe this legislation is essential and I would hope my colleagues will examine the merits of this bill and join me in cosponsoring it. Thank you, Mr. Speaker.

Attachments 1 and 2 follow:

#### ATTACHMENT 1

#### RESULTS ASSUMING A 4-PERCENT BUY DOWN WITH 10 YEAR REPAYMENT TERMS

	1982	1983
Export increase (MMT):		
Wheat	3.6	3.0
Corn	2.1	2.2
Soybeans	0.4	0.3
Export increase (millions) <sup>1</sup> :		
Wheat	\$658	\$550
Corn	257	272
Soybeans	113	86
Total	1,028	908
Producer price increase (per bushel):		
Wheat	\$0.21	\$0.23
Corn	0.06	0.09
Soybeans	0.23	0.31
Credit volume required (millions) <sup>2</sup> :		
Wheat	\$940	\$785
Corn	367	389
Soybeans	161	123
Total	1,469	1,297
Budget outlay required (millions) <sup>3</sup> :		
Wheat	\$139	\$116
Corn	54	57
Soybeans	24	18
Total	217	192
Deficiency payments saved (millions) <sup>4</sup> :		
Wheat	\$262	\$287
Corn	180	270
Total	442	557
Storage payments saved (millions)	\$28	\$26
Increase in net farm income (millions)	\$1,000	\$1,600
Increase in GNP (millions) <sup>5</sup>	\$1,850	\$1,634
Increase in Federal tax revenue (millions) <sup>6</sup>	\$123	\$109
Increase in employment (thousands) <sup>7</sup>	\$29	\$26

<sup>1</sup> Valued at \$175/MT for wheat, \$120/MT for corn, \$275/MT for soybeans.

<sup>2</sup> Assumes 70 percent additionality.

<sup>3</sup> Direct outlay for interest buy down payed up front.

<sup>4</sup> Based on a 40-percent participation in acreage reduction program each 1 cent per bushel price increase on wheat lowers deficiency payments \$12.5 million, for corn each 1 cent increase lowers deficiency payments \$30 million.

<sup>5</sup> GNP multiplier is 1.8 of the increase on export value.

<sup>6</sup> Based on 12 percent of the increase in export value.

<sup>7</sup> 28,700 jobs per \$1 billion export value.

#### ATTACHMENT 2

#### H.R. 6541

A BILL To expand exports of United States agricultural commodities, develop commercial markets for such commodities, promote the foreign policy of the United States, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Agricultural Export Expansion Act of 1982.*

SEC. 2. The Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by adding at the end of title I a new section 116 to read as follows:

"Sec. 116(a) In furtherance of the policies of this title, the Secretary of Agriculture is authorized, in connection with export credit sales of United States agricultural commodities, to enter into agreements with the private trade, friendly countries, and financial institutions to: (i) make payments to reduce the effective rate of interest charged to not in excess of four percentum for credit extended for a term of 10 years in connection with such sales, and (ii) guarantee the repayment of credits with respect to which the effective rate of interest is reduced in accordance with clause (i). In carrying out these agreements the secretary may utilize the services and facilities of the Commodity Credit Corporation.

"(b) Commodity Credit Corporation funds may be used for the purpose of meeting the guarantee obligations undertaken pursuant to clause (ii) of subsection (a) of this section. Funds available for carrying out activities under this title shall be used to make the payments provided for by clause (i) of subsection (a) of this section: *Provided*, That, in any fiscal year, the amount of funds so used shall not exceed twenty-five percent of the program level for title I provided in the appropriation act for that fiscal year plus any funds transferred under the authority of section 403(c) of this Act.

"(c) The food commodities acquired through export credit sales involving agreements under this section shall not be considered in determining compliance with section 111 of this title.

"(d) In carrying out the provisions of this section, the Secretary shall, to the maximum extent feasible, safeguard usual marketings of the United States.

"(e) The Secretary shall obtain commitments from purchases that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities acquired through export credit sales involving agreements under this section.

"(f) The provisions of sections 103(a), 103(d), 103(e), 103(j), 103(o), 401, 402, 409, and 411 of this Act shall be applicable to export credit sales involving agreements under this section.

"(g) The provisions of the cargo preference laws shall not apply to export credit sales involving agreements under this section.

"(h) This authority is in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provisions of law."

#### FRED KORNFELD—A GOOD FRIEND AND GREAT LEADER

#### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. SOLARZ. Mr. Speaker, I rise today to pay tribute to Fred Kornfeld, a good friend and great leader of the Sea Gate community in Brooklyn, who recently passed away.

Fred's life serves as a shining example and inspiration to all of us. He

dedicated his life to serving his community, his synagogue, and his fellow man.

Within the community, he was well known as the president of the Sea Gate Association, a position which he filled with dignity, energy, and kind and tactful diplomacy. His capacity for achievement continued in his role as president of the Sea Gate Chapter of the American Jewish Congress, which he developed into one of the largest and most influential chapters in the entire country.

Fred also served his synagogue, Congregation Kneses Israel, as chairman of its board of directors, a position he filled with devotion and commitment. He was also dedicated to Jewish education, and in 1969 was almost single-handedly responsible for relocating the Yeshiva Sharei Zedek in the Sea Gate community.

These are only a few of the marks Fred Kornfeld left on his community. His most outstanding legacy, I feel, is not just what he accomplished, but that he carried into all his work a warm and genuine caring for all people that he encountered. No one was unimportant to Fred—regardless of how disadvantaged he may have been in background or social standing.

The Sea Gate community was blessed to have as rare an individual as Fred Kornfeld among its residents. He will be sorely missed by all of us who knew him as long as we live. ●

#### A TRIBUTE TO PEACE

#### HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. DAUB. Mr. Speaker, on Sunday, April 25, 1982, Israel withdrew from the Sinai Peninsula, in accordance with the Israel-Egypt peace treaty.

On display in the Cannon Rotunda from June 1 through 12, we are privileged to see testimony to an historic event: The withdrawal of Israel from the Sinai. This exhibit, prepared by Farag Peri and Amos Ettinger, demonstrates the love of the people of Israel for the Sinai, but even deeper, their desire for a lasting peace between Egypt and Israel.

Since 1967, Israel has devoted much energy toward the development of the Sinai; roads, farms, water pipelines, airfields, oil wells. For 15 years, the people of the Sinai have devoted themselves to making the desert bloom.

On April 26 of this year, they gave it all up; for the cause of peace—their hope of a lasting peace for all in the Middle East.

I urge everyone to take a moment out of their busy day and stop by the Cannon Rotunda to view this remarka-

ble display on life in the Sinai—  
"Shalom Sinai—The Road to Peace."●

### YOUNGER MEMBERS MUST TAKE LEAD

**HON. CARROLL HUBBARD, JR.**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. HUBBARD. Mr. Speaker, James Lee Childress of Wingo, Ky., maintains in a recent letter to me that it is up to the younger Members of Congress to take the lead in correcting the problems that have accumulated in the Federal Government over the years. I believe Mr. Childress' letter is one which should be shared with my colleagues and I wish to do so at this time. The letter follows:

DEAR CONGRESSMAN HUBBARD: Being somewhat knowledgeable of the fact that many of you now in Congress have and are inheriting the problems of the past 50 years during your few years as a member, I have the following to say.

It is you, the new members, who are obligated to put the government in its place and strengthen it. And, I don't envy you. We the people of this great country are the ones who are responsible for letting our elected officials get us in this mess be greedily accepting what I call handouts.

We must cut regulations which were not enacted by Congress, cut government spending, and where possible, cut taxes to a reasonable level for government operations. In my opinion, too many government agencies have been allowed to establish regulations, as if laws, that have hamstrung free business operations, making it expensive for business and harder on the economy. Only Congress can make laws, and when it allows agencies to perform regulations, then Congress is irresponsible of its duties.

Spending must be cut to the very necessary governing services that government is established for. Government is not big brother, although some have tried to make it so.

Taxes are necessary for government to have operating funds, but only for the necessary services that are designed to govern people without restrictions to their freedom of living.

The government, like its citizens, can and must live within its income. When we don't have sufficient money to afford the "wants" that we desire, we have to do with what we can afford, doing without many of the bare necessities of life until we can again accumulate the money for such spending. If we do not use conservative reasoning for our spending, we will go bankrupt. And who cares? Certainly not the ones who are continually holding their hands out, be they Americans who are able to work, but don't or the foreigners who take what they can get and don't care what happens to the hand that is feeding them.

We will never correct this economic mess we are in until we cooperate as a team to work out the problems created by a liberal Congress over the past 50 years. Many citizens were happy to receive assistance for nothing in return, and it became a way of life. The rest of us sat on our hands and allowed Congress to act irresponsibly for us and themselves. It is our fault that we

didn't complain and retire them. So now we are in water up to our necks and blaming everybody but ourselves. Does it hurt to cut spending? Of course it does and will. But, I'd rather hurt now than drown later. You younger members of Congress must reverse the downward trend and prove the older members to their errors.

Sincerely,

JAMES LEE CHILDRESS.●

### FOREIGN AID IN BANGLADESH

**HON. ROBERT H. MICHEL**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. MICHEL. Mr. Speaker, did you know that Bangladesh, one of the poorest countries in the world, has just built a luxury hotel in its capital of Dacca, amidst its worst slums? Did you know that since its independence 10 years ago, Bangladesh has received \$11 billion in foreign aid from many nations and that in fiscal 1982 it will receive between \$1.6 and \$2 billion? Did you know that United States taxpayers have given Bangladesh nearly \$1.8 billion in the last 10 years? And, finally, did you know that despite all of this, Bangladesh is a nation of poverty, pervasive governmental corruption, and inadequate means of getting food and aid to those who need it?

You will find all of the above and much more in an article I will insert in the RECORD at this point. Anyone wondering why there have been questions raised about foreign aid in recent years should read it.

At this point I wish to insert in the RECORD, "Foreign Aid Under Fire" by Ann Crittenden, from the New York Times Sunday magazine, June 6, 1982.

#### FOREIGN AID UNDER FIRE

(By Ann Crittenden)

Imagine Manhattan's Helmsley Palace in the South Bronx. Dacca's first new hotel since the 1960's is a gigantic five-star refuge, a \$40 million product of Japanese aid to Bangladesh, set in the Middle of one of the worst slums in the world. The Sonargaon is an elegant stage setting for local arts, and a retreat where visiting dignitaries, foreign-aid bureaucrats and journalists can relax over imported wines and Chateaubriand. But permeating the luxurious grounds and drifting over the swimming pool is a faint smell of garbage, of smoke fires and human waste. There is an extra edge of obsequiousness in the service, an unnerving desperation in the rickshaw drivers who crowd around the guests as they step into the capital city's street. No matter how insulated, life at the Sonargaon, like life everywhere in Bangladesh, is move or less uncomfortable.

Ever since winning its independence from Pakistan in a brutal civil war 10 years ago, Bangladesh has been the world's pre-eminent recipient of international aid. The country, no bigger than Illinois but with a population of 90 million—more than the United Kingdom, the Benelux countries and Switzerland combined—has been the beneficiary of a steady, multibillion-dollar dole of

food and money from governments and private relief agencies from dozens of nations. The money accounts for almost 90 percent of Bangladesh's development budget and roughly one-tenth of its annual gross national product. Dispensing this largesse are some 10,000 employees of Dacca's "aid establishment," most of them ensconced in villas as far removed as the Sonargaon from the squalor of the city's teeming streets.

The presence of this vast aid bureaucracy makes Bangladesh an ideal place to observe the effects of foreign aid as it is currently dispensed: For if economic assistance has alleviated the worst ravages of poverty in parts of the third world and spurred economic growth in others, there is evidence to suggest that, in many instances, it has also hindered profound and lasting development. Increasingly, it is clear that where governments are corrupt or indifferent to the living conditions of the majority of their people, aid may not only fail to relieve poverty, but may shore up a system that perpetuates it.

In Bangladesh, a rich alluvial plain with more cultivable land per person than prosperous Taiwan, the persistence of malnutrition and desperate poverty provokes questions not only about the governments in charge but about the efficacy of the seemingly endless outpourings of aid over the past decade.

To some extent, the Bangladeshis have begun to raise these issues themselves. In March, a military coup overthrew a civilian government, charging it with rampant corruption. And the country's new leaders, in their first pronouncements, declared that the country should rely less on foreign assistance, and more on its own resources.

At a time when the United States seems to have grown impatient with the demands of the third world and is itself experiencing economic difficulties, such developments take on added urgency. On the one hand, many on the political left argue that foreign aid is a subtle form of economic colonialism; on the other, some conservatives insist that charity should begin at home, and that all the United States receives in exchange for its helping hand are demands for more, coupled with denunciations in the United Nations. The upshot of the controversy is that the percentage of its revenues that the United States Government devotes to foreign aid has declined from 0.31 percent in 1970 to 0.25 percent today.

The most lasting achievements of foreign assistance, it is often argued, have occurred in India and Pakistan. Years of outside investment in those countries' agriculture have begun to pay off in bountiful harvests undreamed of only a few years ago. Similarly, injections of development aid into Bangladesh's fertile countryside have resulted in increased food production and some improvement in the lives of the millions of people crowded into the rich delta of the Ganges, Brahmaputra and Meghna Rivers. For the past few years, food production has outpaced population growth and malnutrition has become less prevalent. The 1982 winter harvest was a disappointing one, the result of a severe drought, but barring further civil strife or a devastating natural disaster—perennial possibilities in Bangladesh—further gains in agriculture can probably be made in the near future.

The problem is that these advances have not translated into a better life for fully half the people in the country, who have neither land nor jobs nor the money to buy the additional food that could be produced.

The problem is that the gains have been made despite the indifference of the previous Bangladeshi Government, many of whose officials have preferred to solicit assistance from the West rather than change a feudal land-tenure system. The problem is that a sad, lingering mood of futility hangs over a country where ruler, ruled and benefactor alike often seem to believe that survival depends upon the ceaseless flow of charity from abroad.

Bangladesh may be an extreme case. But the country is not an isolated example of the apparent failure of more than 30 years of development assistance to put poor countries on the road to self-sustaining growth. In Haiti, a long-time recipient of United States aid, two-thirds of the rural population still have an annual per capita income of less than \$40. In Tanzania, after years of support from sympathetic Scandinavian countries, the vast majority of the population has seen few if any benefits. Despite decades of aid to Latin America, millions remain destitute.

Given these uneven results, it is hardly surprising that a large section of the American public has soured on aid. More surprising, perhaps, is the aid bureaucracy's unwillingness to acknowledge that more is not necessarily better when it comes to foreign assistance.

Shortly after arriving in Bangladesh last October, I met with two officials of the United States Agency for International Development. Like other American officials I spoke with, their comments centered on the "hopeless" plight of Bangladesh and the need to keep the country afloat. (They also insisted that their names not be used. The Reagan Administration has evidently cautioned Foreign Service officers abroad to treat the American press with the same wariness with which they might approach a K.G.B. official.)

Over lunch in the windowless, nearly empty dining room of the Purbani Hotel, just across the street from the charmless office building that houses the United States Embassy, the two diplomats recited the dismal economic realities facing the country. Bangladesh was bankrupt. The country could not afford the fertilizer imports essential for the next crop and, even worse, was on the verge of running out of cooking oil, necessary if the population is to eat. Only desperate injections of expensive commercial bank loans and World Bank and International Monetary Fund credits were keeping the country from the brink.

"This place is so poor that there are only 17 taxis in Dacca," one of the A.I.D. men mourned. Dacca, a city of roughly two million, is one of the few places left on earth where rickshaws, pulled by men, are still the prevailing mode of transport. "There are no rocks. Cement is cheap everywhere else, right? Here they first have to bake bricks and then break them up for concrete and cement."

"There is no wood," one of the officials continued. "They rake leaves for fuel, which means fires can't be hot enough to cook anything properly. This is a major city with no garbage-disposal system."

Amid this squalor, the American aid mission's first priority is population control. The United States Government is spending more than \$20 million dollars a year on family planning. The approach has been less than stunningly successful, considering that the birth rate per 1,000 population is still 46 a year (by way of comparison, India's is 36 a year, Mexico's is 33), down only

slightly from the birth rates of the 1960's. This pace will result in a doubling of the population by the end of the century, in what is already one of the most densely crowded countries in the world.

The United States has made agriculture its second priority in Bangladesh, and efforts in this area, along with those of the World Bank and other major donors, have been more rewarding.

Since 1947, despite political and climatic upheavals, Bangladesh has chalked up average annual increases in food production of 2.1 percent (compared with 1.8 percent annual increases in Japan and the United States). After two good crop years, the country in 1981 had a record amount of grain in storage. The stocks have been depleted rapidly since then, however, and the A.I.D. men were not optimistic that much in the way of permanent improvement had been accomplished.

"Even assuming enough food is produced, how do you generate employment so people can buy the food that is being produced?" one asked.

"People don't know how to eat, either. They won't even grow or eat vegetables—it's not in the culture," the other man added, echoing the belief of many nutritionists that poor dietary habits are responsible for much of the undernourishment that affects the majority of the population.

My first conversations with representatives of private organizations were with Martin Hanratty of the Ford Foundation and Rudolph von Bernuth, head of CARE's office in Dacca. At Ford's headquarters, a rambling bungalow in one of the capital's best neighborhoods, Mr. Hanratty began by outlining some of the basic economic and social facts of Bangladesh.

"The British maintained a land-ownership system that didn't require that large landholders live outside of Dacca. The zamindars simply collected taxes and crops from their tenants, and supported the police. That was the government, and the basic structure hasn't changed much since independence. The administrative structure was to move things out of the rural areas, not to infuse large government inputs into the countryside. So when outside donors come in with money intended 'for the poor,' there are a lot of problems with carrying that out."

Mr. von Bernuth expanded on the theme. "Absentee landowners dominate Parliament. In the countryside, the wealthiest 17 percent of the population controls two-thirds of the land and almost 60 percent of the rural population is effectively landless. The system is exploitative, and the inequality is accepted."

"In the United States, we look at wealth as expanding," he continued. "You go out and get it, not necessarily take it from somebody else. Here people are very aware that there are 1,600 people per square mile. The land and its product appear to be extremely finite, and it's dog-eat-dog on all levels."

When the phone rang, Mr. von Bernuth picked up and began talking about an interview he had just given to another reporter. "He was trying to get into the 'food for work' stuff, but didn't ask any really penetrating questions," he assured whoever it was on the other end of the phone. "I kept him happy with some overall numbers; I don't think he got anything."

When the tall, mustachioed relief worker came back and sat down, I decided to pick up where the hapless reporter had left off. When I began to ask Mr. von Bernuth about

"food for work," a program that provides landless peasants with rations of grain in exchange for labor on construction projects, he insisted that our discussion be off the record.

Since independence, Bangladesh has received almost \$11 billion in foreign aid, and despite recession and budget-cutting in most industrialized countries, the flow is continuing unabated. New aid commitments for fiscal 1982 will amount to approximately the same or slightly more than in 1981, between \$1.6 billion and \$2 billion. Actual disbursements are lower, however, and are leveling off.

This is partly because, as one World Bank economist delicately put it, "there are problems in getting the Government active again, and involved in organizing and approving projects, after the assassination of President Ziaur Rahman in May 1981."

Moreover, the donors are more and more interested in extending so-called project aid—credits or loans for development projects which can mean sales for their own manufacturers and contractors—than in giving Bangladesh the actual commodities, such as fertilizer, petroleum and raw cotton, which it needs even more. Indeed, World Bank economists say, unless the country gets more commodity aid, which generates Government revenues from its sale within the country, Dacca will not have the funds necessary to finance the local costs of the foreign-sponsored projects.

"The aid has been too easy and not the right kind," said Hugh Brammer, an adviser from the United Nations' Food and Agriculture Organization, based in Rome, to the Ministry of Agriculture. Mr. Brammer, a resident of Bangladesh for more than two decades, is considered a leading authority on the country's food situation. On a long trip to the eastern province of Comilla to visit some model food-production areas, as we drove through the lush green countryside and waited for ferries across the vast rivers that flood the rich land every year, Mr. Brammer began to explain what the massive foreign presence means in Bangladesh.

"Most of the assistance is for specific projects, and the donors are competing with each other for things to do. A few years ago, the World Bank even had to hold up a significant portion of its disbursements because of a shortage of takas [the Bangladesh currency] to finance the local costs of its projects. And since then even more donors have come in and the problem is, if anything, worse."

"It has, in a sense, corrupted the Government," Mr. Brammer said of the aid. "It has allowed them to put off difficult decisions." While we talked for example, a large Bangladeshi delegation was in Cancun, Mexico, lobbying for more aid. Calls to various ministries for interviews frequently were met with replies that "the minister is overseas."

"Instead of governing," one disgusted A.I.D. official confided to me later, "these guys are running all over the world asking for help."

Among other things, the generous flow of foreign aid appears to have enabled the Bangladeshi Government to avoid taxing its own citizens, a minority of whom live exceedingly well by Western standards. "Five thousand people run this country," an admittedly cynical A.I.D. officer said toward the end of my visit. "These are the ones with two houses—one rented to an embassy or an aid agency—another house abroad, investments in Kuwait, factories in Ireland."



On the last day of my stay in Dacca, I happened to visit such a family. The husband, a prominent young politician, was out of town, but the wife sent a Mercedes and driver to pick me up, for she was eager for a visit from someone from New York, where she had lived before her marriage. At her lovely tropical villa set on at least an acre of green lawn, over tea and delicious Bengali sweets, she complained about the usual depiction of Bangladesh as an impoverished outpost and chatted about her four months last year in Heidelberg and her upcoming trip to Boston.

According to the representative of an international financial institution, who asked not to be identified, such families pay virtually no taxes. As he put it, "There is a lack of revenues relative to the country's income. Tax receipts amount to only 8 percent of Bangladesh's G.N.P., possibly the lowest percentage in the world. (Taxes in neighboring India, by way of contrast, are roughly 18 percent of the G.N.P.)"

The United States has invested nearly \$1.8 billion in aid to Bangladesh over the past decade, much of it in the form of food. Bangladesh is the world's biggest beneficiary of food aid, and the United States Government alone has shipped some 5.5 million metric tons of grain and cooking oil to the country since 1971.

Contrary to what most American taxpayers might think, however, this flood of food is not going to the poor and the hungry. It is given to the Government, which then sells it at subsidized prices to the military, the police and the urban middle class, the groups that potentially pose a political threat to the Government. Officials with international relief agencies have recently estimated that only about 25 percent or 30 percent of the total food aid distributed in Bangladesh ever reaches people who are hungry.

Donald F. McHenry, the former American representative to the United Nations, wrote in 1977 that Bangladesh's "food-aid imports represent a form of international income distribution favoring the middle class in a poor country."

Even when the food is destined for the needy, corrupt officials easily find ways to siphon off the lion's share. Both the United Nations, through the World Food Program, and the United States, through CARE, operate "food for work" programs, yet a recent study found that during a six-month period in 10 villages only 25 percent of the wheat distributed went to workers. The remainder was appropriated by Government officials and local union council members.

Another report, to the United States Agency for International Development, estimated that "less than 70 percent of the wheat withdrawn for 'food for work' finds its way to the laborers." This report concluded that the "food for work" program strengthens an "exploitative semifeudal system" within the villages of Bangladesh.

Corruption has been so embedded in the entire process of distributing food aid, in fact, that the Ministry of Education recently rejected a World Food Program offer to introduce a free food program into the schools. Only about 30 percent of children attend primary school, and it was thought that the lure of free meals might encourage better attendance. Nevertheless, the ministry has resisted the proposal. According to one of the country's leading nutritionists, Dr. Kamaludin Ahmed of the University of Dacca, "I really think the reason they don't want it is that they're afraid of the bad

name they might get from the corruption that would come with such a program."

CARE, whose young American employees try to enforce the "food for work" rules in the field, and the United States Government have recently devised new rules for distributing "food for work." By simply refusing to pay for work that the Americans believe is not being carried out, they have already saved 20 percent of the cost of the program this year. The agency was spurred in its efforts last year when one of its young women was threatened with death after she warned a corrupt local official to keep his hands out of the grain bin.

One of the angriest people in Bangladesh is the Rev. R. W. Timm, a Roman Catholic priest who has been in the country off and on for more than 20 years with Caritas (known as Catholic Relief Services in the United States.)

A tall, ruggedly handsome man in his 50's, Father Timm is a strange but familiar figure in Dacca as he whizzes around town on his motorcycle. During an interview at his desk in a huge, dimly lit room in the Caritas headquarters, the priest's voice rose in outrage.

"President Zia," he said, "reduced corruption among ministers, but now it's worse than it has ever been, at every level. One of our Caritas field officers applied to administer some of the 'food for work,' about 200,000 takas' worth (about \$11,000 at the time), and he was told, 'O.K.—I get 25,000 and you get 25,000.'"

"About two years ago, a road was built in one of our districts, and the local union council chairman subsequently got wheat from the Government to pay for building the same road, after it was already finished."

After calling a rickshaw for me and bargaining the skinny man between the shafts down from 50 cents to a quarter, Father Timm strapped on a helmet and climbed aboard his motorcycle. Summing up what goes on in Bangladesh, he boomed, "It is stealing directly from the poor, which is a major crime against humanity."

Given the corrupt climate that has prevailed in Bangladesh, the private voluntary organizations (known in the trade as the P.V.O.'s) and the donor governments inevitably end up trying to police the distribution of that aid and to cajole Bangladesh into accepting their priorities. Because aid constitutes such a huge proportion of the available resources, its dispensers exert a powerful, often overwhelming, influence on local policies.

The World Bank, which gave Bangladesh almost \$400 million in low-interest loans last year, mostly for agriculture, has used that leverage to move toward a more free market system of agriculture. The bank, for example, asked the virtually bankrupt Government last year to reduce its subsidies on fertilizer (which would have had the effect of increasing prices) at the precise moment when farmers were deciding what to plant. The threat behind the request was a cutoff in funds for fertilizer imports (a threat, by the way, that bank officials say they never intended to carry out). Similarly, the United States held down food shipments to Bangladesh in 1979 until the Government had raised the procurement price of rice, in order to provide farmers with a greater incentive to produce.

Despite occasional successes, the donors are generally frustrated in their efforts to steer Government policies in what they believe are more constructive directions. Sit-

ting around over drinks with United States officials in Dacca evokes eerie memories of similar evenings in Saigon. One night at the Sonargaon, an A.I.D. man leaned over the table and confided: "I realize we have a long way to go, but there is light at the end of the tunnel."

Interestingly, the United States Government's motives for investing so much in aid to Bangladesh closely resemble its early intentions in Vietnam. An unclassified United States Embassy document dated last October stated that "U.S. economic assistance to Bangladesh is our principal means for supporting the interrelated objectives of stability and orderly economic growth. A stable Bangladesh in turn contributes to the important U.S. goal of regional stability in South and Southwest Asia."

Specifically, American policy makers have argued that massive aid to Bangladesh had prevented the country from becoming overly close to India, which enjoys close relations with the Soviet Union and whose entry into the struggle for independence from Pakistan guaranteed the victory of the insurgents in what was then East Bengal. Beyond that, the aid staves off what many officials fear could be a major political upheaval if economical conditions were to worsen drastically.

The trouble is that the governments that have succeeded each other in Bangladesh—governments which have been largely sustained by foreign aid—have not appeared to be particularly interested in using the assistance to promote a more equitable distribution of wealth. Official priorities are more evident in the MIG's that flame over the Sonargaon hotel in the mornings, and the tall, well-fed soldiers jogging along the early morning roads past tiny, stooped peasants in the fields.

What would happen if we simply cut off all aid to Bangladesh? The majority of foreign officials there believe that the result would be an increase in human suffering, at least in the short run. "If we left, a lot of people would die," one American official claimed. "And if we left, the problem would come after us. If other donors, like the Japanese or the Arabs, didn't come in, another emergency might come along and we'd have to come back with a much more massive relief effort."

"Were Bangladesh to falter now," the Embassy's presentation to Congress for fiscal 1983 states, "economic dislocation could require us to revert to essentially an expensive relief program along the lines of 1971-75. Thus our current efforts, intended to maintain the momentum of development, in a real sense protects [sic] our investment over the past decade of nearly \$1.8 billion."

Other observers in Dacca talk about more constructive kinds of aid that could be given. The extensive investment by the World Bank and A.I.D. in irrigation wells, for instance, has brought water and a third harvest a year to many parts of the country and clearly played a critical part in the recent part in the recent surge in food production. Some of the small P.V.O.'s are engaged in practical projects that are having a direct effect on poor farmers. Among other things, the Mennonites are conducting research on optimal management of the new three-crop-per-year system.

Above all, a number of experts stress, what Bangladesh desperately needs now is commodity aid, including, especially, fertilizers, which at the moment the country can scarcely afford to import. During our drive to Comilla, Mr. Brammer and I figured out

what that kind of aid could mean, in terms of feeding people.

If one spent the \$820,000 that Nancy Reagan has spent refurbishing the White House on food aid in the form of rice, we calculated that it would feed more than 21,000 people for a year. If one spent the same amount of money on fertilizer, it would result in the production of enough additional rice to feed more than 81,000 people for a year.

As my plane lifted out of Dacca's modern new airport, built with French aid, I sighed with relief, and noticed that the person seated beside me did the same. We shared some of our impressions and agreed, as fellow guests of the Sonargaon, that the service had been superb, although almost too superb, too touched with servility and an overanxiousness to please.

He was a Swedish lawyer who had been in Dacca to help negotiate terms for a new hydroelectric project that was being built with World Bank funds. "What a funny country," he mused. "Do you know that our lawyer in Dacca, who argued for our terms against those of his own Government, is one of the two leading candidates for President?"

Two weeks later, I noticed in the paper that the other man had won. His victory lasted only four months, however. At that point he was ousted amid charges of corruption. And the country's new President, A. F. M. Ahsanuddin Choudhury, in one of his first public speeches, declared that Bangladesh must begin to be responsible for its own development. "Bangladesh need not have been poor," he said. "It is not because we are poor in resources. It is only because we could not manage our affairs honestly and efficiently." ●

#### MILITARY ASSISTANCE TO CIVILIAN DRUG LAW ENFORCEMENT AGENCIES

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. GILMAN. Mr. Speaker, in his capacity as chairman of the Government Operations' Subcommittee on Government Information and Individual Rights and as chairman of the Narcotics Select Committee's task force on drug abuse in the military, of which I am a member, the distinguished gentleman from Oklahoma (Mr. ENGLISH) has sought to intensify our Nation's capability to wage "war" on drug trafficking and drug abuse both in the United States and abroad. Under his leadership, the Government Operations Subcommittee recently held hearings on military assistance to civilian narcotics law enforcement agencies, and I commend the chairman and his subcommittee for its efforts in focusing on this vitally important subject.

Through Public Law 97-86, permitting civilian law enforcement agencies to use military equipment and facilities, to receive information collected during military operations and to be trained by military personnel, our

Armed Forces are working with the south Florida crime task force headed by Vice President BUSH to help interdict drug traffickers. I understand that high speed Cobra helicopters are on loan to the U.S. Customs Service whose pilots are being trained in the use of this aircraft; that Huey helicopters are available to the Drug Enforcement Administration (DEA) to support their drug interdiction efforts; that the Navy is providing E-2C AWAC's aerial surveillance support to the Coast Guard and high-frequency radio equipment to support DEA operations; that Coast guard personnel are stationed on Navy ships to permit the Coast Guard to board suspected drug trafficking vessels sighted by the Navy; and that the Air Force's radar balloon Skyhook is providing vital information to our law enforcement agencies. The use of high speed assault helicopters, radar-equipped aircraft to detect low-flying drug trafficking intrusions, and other communications equipment are a step in the right direction to enhance this Nation's defense against drug traffickers, whose highly sophisticated and well-financed operations use the best aircraft and vessels to elude detection.

I have previously commended the south Florida drug task force headed by Vice President BUSH for its efforts to plug a major hole through which so much drug trafficking is flowing onto our shores and have urged this administration to establish similar task forces throughout the country \* \* \* task forces that are ongoing and properly equipped, staffed, and funded. I have also urged this administration to elevate drug trafficking and drug abuse to a top priority on its domestic and international agendas.<sup>1</sup>

Our military services are to be commended for their efforts to help train and equip our law enforcement agencies and to work cooperatively with them in a joint effort to interdict the drug traffickers.

Although military equipment is on loan to our law enforcement agencies, I hope that as we reconsider our budget priorities that my colleagues would consider providing increased funds to the Coast Guard, to our Customs Service, and to the DEA to permit them to purchase the desperately needed aircraft, ships, radar, and other communications equipment that is so urgently needed to match the latest technology available to the drug traffickers. Our Nation cannot afford a "borrow-from-Peter-to-pay-Paul" drug strategy that shifts scarce equipment and personnel from one region to another exposing one region to an onslaught of drugs while bolstering the defenses of another area, or that

authorizes resources earmarked for the military to be loaned to our law enforcement agencies, thereby unreasonably straining the military capabilities of our Armed Services.

Mr. Speaker, if we truly mean what we say about waging "war" on drug abuse, then we must provide our drug law enforcement agencies with sufficient equipment, personnel, and funds for them to perform their dangerous tasks. ●

#### SALUTE TO COL. BERNARD G. EHRLICH, COMMANDER OF THE 7TH REGIMENT ARMORY, A MAN OF COMMITMENT AND SERVICE FOR OUR COUNTRY

**HON. MARIO BIAGGI**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. BIAGGI. Mr. Speaker, on June 12, I will have the distinct personal honor to join with the Board of Officers of the 7th Regiment Armory as they conduct a testimonial dinner for Col. Bernard G. Ehrlich. It will be an evening honoring an extraordinary man whose career in the military spans almost three decades and is replete with accomplishments.

The dinner will pay special tribute to Colonel Ehrlich's herculean efforts which have kept the magnificent 7th Regiment Armory located on Park Avenue in New York City, from being destroyed and replaced by an apartment complex. Colonel Ehrlich, as the commander of the 7th Regiment Armory, Army National Guard, spearheaded an effort which involved fellow members of the military and concerned members of the community united in opposition to any alteration of the 7th Regiment Armory. All indications point to a maintenance of the building in its present form and consequently as a small token of appreciation for the work of Colonel Ehrlich—this dinner is being held.

Colonel Ehrlich's work on behalf of saving the 7th Regiment Armory is but one small but typical example of what his life is all about. It is especially indicative of the selfless work he has performed almost routinely on behalf of his Nation over the past 25 years in the Army and then the National Guard.

Colonel Ehrlich's military career began without much flourish or fanfare. Following graduation from New York University Law School, he entered the Army as an enlisted man. Perhaps as a recognition of his great potential in the military—Ehrlich was assigned to Officer Candidate School at Fort Benning, Ga. Following a stint as a platoon leader he was assigned to military intelligence with the 9th Infantry Division where he served con-

<sup>1</sup> See my statement entitled, "Resources Urgently Needed for Drug Agencies," Congressional Record (May 20, 1982), pp. E 2361-82.

tinuously until the conclusion of his first tour of active duty.

Excepting one brief return to active duty, Colonel Ehrlich has served as a leader in the New York Army National Guard for more than 20 years. His career has been filled with many personal honors and accomplishments of direct benefit to the State and Nation. In his career, Ehrlich has served as commander of three different battalions—the most recent being the commander of the 7th Regiment Armory. Thus far in his career, Ehrlich has risen from the rank of major to lieutenant colonel to the full colonel position he enjoys today. Few expect this to be the final step in the military career ladder for Ehrlich—in fact a new promotion is expected in the very near future for the colonel.

In appearance and attitude—Bernard Ehrlich represents the epitome of a good military man. He is a man who loves his country with a passion—he is an unabashed patriot. He is a man of impeccable integrity and unyielding personal discipline. He is dedicated and committed to each cause he embraces. He has earned the respect both of those whom he worked for and who now serve under him in the National Guard. He was a soldier's soldier and now is an officer's officer. Perhaps the best measurement of the success which Colonel Ehrlich has enjoyed can be seen in the various prestigious honors he has accumulated. Among his many decorations and awards include the Army Meritorious Service Medal, the Army Commendation Medal, and the New York State Long and Faithful Service Medal. It is also noteworthy that my colleague Senator ALPHONSE D'AMATO named Ehrlich as his official military adviser.

In addition to his many time-consuming responsibilities in the National Guard, Colonel Ehrlich is a highly respected private attorney. I have firsthand knowledge of this, for we were at one time partners in the law firm of Biaggi and Ehrlich. Colonel Ehrlich brings to the practice of law the same high professional and personal attributes which have made him such a success in the military.

Bernard Ehrlich is a dedicated and loving husband and father as well. His lovely wife Marjorie, as well as his two beautiful daughters Geri and Robin, will be at their father's side on Saturday, June 12 as they have been as a family so many times in the past. They will share a special pride in the tribute that will be paid to Bernard Ehrlich.

My tribute to Colonel Ehrlich would be incomplete were I not to focus on Bernie Ehrlich—my dear and valued friend. Friendship like good wine is enhanced with age. A good friendship is never static—it always grows. I have known Bernie Ehrlich for some 20 years. In that time we have experi-

enced a great deal together. We have commiserated over our failures and basked in our triumphs. One such triumph will be the dinner on Saturday night where Bernie Ehrlich, the man, will receive a most fitting tribute.

Strength, fortitude, courage, and commitment to principle and call of duty, are all trademarks of Bernard Ehrlich, and these personal attributes have carried him to this plateau of success, and will lift him to greater heights in the years to come.

Gen. Douglas MacArthur was a hero to Bernard Ehrlich as he was to millions of other Americans who have worn the uniform of our Armed Forces. MacArthur once said, "It is fatal to enter any war without the will to win it." Colonel Ehrlich has applied that motto to all of the various endeavors of his life. He has the will to win and approaches each assignment, each task with that will to win. It clearly has paid off time and time again.

It is said there are three ways to do things—the right way, the wrong way, and the Army way. I can vouch for the fact that Bernard Ehrlich has done things the way which produces the best results and most success. Therefore it is fitting that he be honored in the fashion he will on June 12. I know that his best days are still before him and I look forward to sharing more happy moments with him.●

#### SMALL BUSINESS INVESTMENT ACT

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Ms. MIKULSKI. Mr. Speaker, today the House passed H.R. 6086, a bill amending the Small Business Act and the Small Business Investment Act of 1958. While I am in general support of this legislation, there is a provision which was added in committee markup which I must oppose.

An amendment adopted by the Small Business Committee would impose a restriction on any Small Business Administration financial assistance to any applicant which performs abortions, which engages in research related to abortions, which promotes or recommends abortions, or which trains any individual to perform abortions. This amendment apparently was adopted because a few years ago there was one SBA loan to help fund the establishment of a clinic where some abortions were performed.

Even though this facility is no longer operating, the committee chose to impose a far-reaching requirement which could prevent loans to many types of facilities which are operating within the law. This additional re-

quirement would have nothing to do with elimination of any illegal activities, nor is it relevant to the likelihood of repayment or importance of the small business applicant's project. This requirement is simply a certain type of insidious intrusion into the lives of citizens which cannot be justified.

I urge my colleagues to support the passage of this bill, while encouraging those on the conference committee to drop this provision preventing financial assistance to legal small business projects.●

#### BUILD BRIDGES, NOT WALLS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. HOWARD. Mr. Speaker, at this time, I would like to call the attention of my colleagues to an outstanding speech given to the 1982 graduating class of Boston University by our respected House majority leader, JIM WRIGHT.

In addressing the graduating class, Congressman WRIGHT spoke of the need for this generation and coming generations to build bridges to the future, bridges that will unite Americans, and not walls that will separate people from their natural destinies.

This speech was of such an inspirational quality, and it said so many things that need to be said today, that I felt compelled to share it with all of you today. On the occasion of this speech, by the way, JIM WRIGHT was given an honorary doctor of laws degree and, if I may add a personal note, I can think of no one who deserves such an honor more than JIM WRIGHT, who, in Congress, has done so much to shape the laws that have helped make this a better and fairer society in which all Americans can share and prosper.

#### BUILD BRIDGES, NOT WALLS

Today, as we celebrate the achievement of the graduates, I want us to consider two very familiar models of the building trades. I invite you to think with me about walls and bridges—and about those who build them.

Walls and bridges! Not simply the physical structures of wood and masonry and metal, but in their larger sense—things that divide and things that unite. Almost everything we do in our interpersonal relations and as a society builds either a wall or a bridge. Either we separate people from their natural destiny by means of a wall or we connect them to it by a bridge.

I hope you will be builders of bridges.

Those receiving degrees today—more than 4,000 of you here in this ceremony—have come to the end of a long series of bridges. The years in college bridge the gulf which separates adolescence from adulthood. You step out upon a new shore.

We celebrate today the sometimes sacrificial contributions or your families which have helped you bridge chasms along the way. We celebrate the dedication of teachers whose inspiration and patience have helped you hurdle walls that stood between you and your goal.

Our government depends upon a series of alliances and understandings which build bridges across the geographical and ideological dividing lines that otherwise would separate us.

One of the best known of these is called the Boston-Austin axis. The fact that I, a Texan, was elected to work as Majority Leader of the House under the direction of that quintessential Bostonian, Speaker "Tip" O'Neill, is only the latest in a long series of close personal alliances between this state and mine which have helped to heal differences and to bind our political institutions together.

The bond between John F. Kennedy and Lyndon Johnson, and that which existed for years between Sam Rayburn and John McCormack are well known. Less well known is the bridge of mutual trust between Democrat Sam Rayburn and Republican Joe Martin of Massachusetts during the years when they served alternately as Speaker or Minority Leader.

Sam Rayburn would never permit the utterance of an unkind word about Joe Martin in his presence. Each trusted the word of the other implicitly. This bridge of personal honor which spanned the political parties made the American government work better because of its existence.

#### WALL BUILDING

The builders of walls, on the other hand, make a cohesive society infinitely more difficult. Four years ago this month, Kevin Phillips wrote an article in Harper's Magazine entitled, "The Balkanization of America." He wrote of a growing spirit of parochialism which he said in the process of splintering our society, and disintegrating our fundamental national unity. Too many Americans, he concluded, have begun to think of themselves first as members of some particular economic or social or geographic group—and only secondly if at all, as Americans.

In the Congress itself, there has grown up in the past few years a Black Caucus, an Hispanic Caucus, a Steel Caucus, a Farm Caucus, a Northeast Caucus, a Sunbelt Caucus, a Tourism Caucus, a Coal Caucus, and a Blue Collar Caucus, just to name a few. As one whose job it is to try to synthesize a course of common action from such heterogeneity of interests, I can attest that the tendency to build walls of division—the us-against-them syndrome—is dissolving some of the glue which once held us together, and making the process of governing an infinitely more difficult and more challenging task.

The very words we speak and write are meant to be bridges of communication. Words and language and ideas are what distinguish man from beast. The curator of a big city zoo once told me that baby gorillas advance more rapidly than infant children for the first 18 months of their lives. After that, the gorilla's learning process almost stops, while that of the human child continues at an ever-faster pace.

The obvious difference is that humans alone have a verbal and written language by which each generation can communicate the store of knowledge to each succeeding generation. That's what we call education.

Other members of the animal kingdom learn only by imitation.

Language is the bridge to knowledge. Education is the bridge to human progress. Without records, without books, without the tradition of learning which mankind has evolved, we still would be brutish creatures. There would have been little evolution from Piltown Man.

Those who abuse language as an instrument of division—those who use it to divide people against people, class against class, race against race, religion against religion, or region against region, prostitute its purpose. They erect walls with those building blocks that were intended for bridges.

And that is why book burning—such as was practiced by the Nazis in Germany and others before them and since—is such a crime against humanity. Its ultimate goal is the walling off of some part of our collective memory of the past or of our awareness of the possibilities of the future.

Some governments and human institutions are essentially builders of walls. In the Third Century, B.C., the Chin Dynasty in China built the world's longest continuous wall to insulate the entire country from what the Chinese leaders considered the evils of foreign influence. Nobody could get in or out. Behind this wall, China languished for 1,800 years and fell hopelessly behind the rest of the world—because it had erected a barrier which mankind's new discoveries and increasing knowledge could not penetrate.

The invisible Iron Curtain that Russia drew across Europe 35 years ago was put into place by more sophisticated means. But it had the same general purpose. It was to seal off the people of the communist bloc countries from unapproved knowledge, unapproved ideas, outside influence.

There could be no more grotesque example than the Berlin Wall whose purpose was not to keep others out but to convert a whole society into a prison, to hold captive the citizens of an entire nation. The refusal of any country to permit the out-migration of citizens who want to leave is a confession of moral and social impoverishment and economic destitution.

#### AMERICA BUILDS BRIDGES

America through most of its history has been building bridges. Yes, we fall prey to wall building from time to time. In periods of economic recession, we are tempted to raise tariffs and quotas and other impediments to the flow of world trade. These are economic walls.

Those who would throw roadblocks in the way of free expression are builders of intellectual walls.

Pope John XXIII built bridges to a warmer fellowship between religious denominations. There are some in organized religion who would arrogate to themselves the attributes of deity and arbitrarily exclude others. They build religious walls. Some of them would endow their political prejudices with religious justification.

From the beginning there have been some not content to be created in God's image, but intent instead upon recreating God in their own image.

The builders of walls usually operate from fear. All of the legal and economic tricks which for years kept Negroes and other minorities from voting and getting an education and sharing fully in the opportunities and privileges of a free society were walls. They were built, for the most part, by people who honestly feared that—unless minorities were walled off and kept "in their

place"—there would be fewer privileges left for themselves.

They see freedom as a thing of short supply, to be hoarded—not as a blessing to be shared.

A decade ago we saw certain civil rights groups building their own walls in retaliation, burning the bridges of understanding that did exist, blaming white people in general with all of their troubles, and defending violence in the name of black power. In this way, one wall begets another. Communications break down, and riots break out.

But as Robert Frost wrote: "Something there is that doesn't love a wall, that wants it down."

Given occasional aberrations, the history of our country has been a long, sometimes sporadic but generally continuous process of building bridges.

We have been breaking through the ceilings, those horizontal walls which hold people down, and through the perpendicular walls that hold people in. We have become the most upwardly mobile, the least economically and socially stratified of the world's societies. From the beginning, this has been our most distinctive national characteristic.

We did not set out to create an aristocracy and install it as a ruling class. Nor did we destroy the aristocracy and supplant it with a dictatorship of the proletariat. Our goal has been to expand the privileged class until it shared its benefits with the humblest citizens of the land.

Ours was to be an aristocracy with a difference. Not a nobility to which some are born and others forever denied, but one to which all could aspire and which most could attain. Not a snobbish aristocracy of exclusiveness, but one which constantly seeks to enlarge its membership. One not of special privilege, but of universal privilege whose members qualify by self-preparation and by assuming the responsibilities which go with privilege.

#### THE AMERICAN DREAM

This is what came to be called "the American dream." It is the promise of a society in which the humblest child born of a most improvident circumstance may have as his or her birthright an education unlimited by lack of opportunity, an equal right to vote and participate in the political process, the right to useful work, and the very real chance to own property.

In starts and stops, in bursts of creative energy and pauses for regrouping, we have moved consistently toward those goals. They are not yet fully realized for all of America's children.

In the past two years we seem to have entered an era of retrenchment in which our historic progress has been temporarily stalled, and this disturbs me deeply.

Consider what progress we made in two short decades—from 1960 to 1980. In those 20 years, the number of college graduates annually receiving degrees increased by over 150 percent. The growth in graduate education was even more spectacular. By 1980, the nation was conferring approximately 400,000 masters degrees, compared to 78,000 in 1960—an increase of some 400 percent. For millions, these were the bridges of opportunity.

By 1980, we had reached the point where 79 percent of our non-white youth were completing high school. Not enough, but better by far than the 53 percent which were able to do so in 1960.

In the age group of those receiving baccalaureate degrees this year, one out of every four Americans will complete college. In 1960, the figure was not quite one in eight. Members of this class are among the fortunate 23 percent.

And yet—and yet, there is something deeply disquieting in the present scene. The number of high school and college graduates, as a percentage of our population, has remained at a plateau for the past three years and shows alarming signs of turning downward.

Economic conditions in general, and declining availability of student loans and financial assistance in particular, may foredoom the accessibility of higher education to a declining percent of our young population. That, in my judgment, would be tragic! It would be historically retrogressive, wasteful of our most precious resource, and morally indefensible.

#### EDUCATION, OUR BEST INVESTMENT

The very best investment our country ever made—with the possible exception of the Louisiana Purchase—was the G.I. Bill of Rights with its educational opportunities immediately following WWII.

Not only did it enlarge the intellectual horizon and enrich the social and economic fabric of our nation beyond anyone's capacity to measure. It actually returned a very handsome profit to the government itself—at least \$20 for every \$1 of public investment—in the form of higher taxes paid by reason of the enhanced earning capacities of the hundreds of thousands of Americans who availed themselves of those educational benefits.

Today we quibble and quarrel in petty puerility about whether the nation can afford student loans, Pell grants and work-study opportunities. Like Nebuchadnezzar, we seem to have forgotten the dream.

There is something fundamentally de-ranked in the standard of values of our nation when we reduce bilingual education, vocational education and job training by 28 percent in one year while calling for approximately the same amount of money to build more prisons.

A part of the American dream has been the promise of home ownership. In 40 years, we increased the reality from 30 percent of American families to 70 percent. It is a sorry commentary today that only 3 percent of the newly-formed family units can qualify to buy a house because of the suffocating level to which interest rates have been permitted to rise.

That, in a society which would build bridges instead of walls, is intolerable.

Machines and weapons of the most infinite sophistication cannot assure national security nor restore productivity to a nation which ever forgets that the ultimate guarantor of defense and the ultimate machine of enhanced production, that which has ever been the hallmark of American military and industrial superiority is the cultivated mind and motivated spirit of the trained and educated American. Without the bridges of educational and economic opportunity, ever widening to accommodate ever more people, we cannot be first in industrial production nor preeminent in national defense.

#### BE BUILDERS OF BRIDGES

On this day of your graduation, I ask you to make a commitment—that you will revive the American dream, tear down the walls of alienation that still exist between our people, and complete the bridges that we have begun.

When this has been done, there still will be work to do, and bridges yet to build.

If democracy is to triumph in the underdeveloped world, bridges of literacy and learning must be extended to the humblest families. They must be given a chance to make a decent wage—a chance to borrow, to get a start, at a rate of interest they can pay—a chance to own a modest home or a small farm of their own. In emerging nations, free societies will thrive only if they build bridges across the impenetrable walls that too often have separated class from class.

Someday, someday, the vision of humanity must be employed to tear down the walls of fear and hostility and create in their place bridges of understanding between the people of the United States and the people of the Soviet Union.

This is no doubt the most difficult work of all. But it could be the most rewarding.

In this year alone, our two nations will spend half a trillion dollars upon armaments. Just think of the legitimate needs this amount of money could meet. Think of the untold good it could perform if it could be spent instead upon foodstuffs and medicine, upon research and disease eradication, upon libraries and books and schools and hospitals—on bridges rather than walls—on people rather than implements of destruction.

These bridges of understanding between people of different nations will not be finished this year, or this decade, or perhaps in your lifetimes. But if the mind and purpose of man can unite to construct the bridges to a peaceful world, they will serve as no other thing can to bless the generations yet unborn.●

#### IMPACT OF FEDERAL EDUCATION CUTS ON PRIVATE COLLEGES AND UNIVERSITIES

#### HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1982

● Mr. NEAL. Mr. Speaker, much has been said about the effect cutbacks in aid to education will have on the college students of the Nation. The debate has focused largely upon the public institutions of higher learning. Often, if not entirely overlooked, is the effect the policies of this administration are having on private colleges and universities.

I think it is important to realize that when private institutions are in duress, more strain is placed on public institutions. If some private colleges are forced to close—as some almost certainly will have to do—many lower and middle income families will have to limit their educational choices to lower priced public institutions.

These and other facts are presented impressively in an article by Dr. Richard L. Morrill, president of Salem College in Winston-Salem, N.C. The article appeared in the March 1982, edition of "Salem," the college's alumni publication. I would like to enter it into the RECORD at this point.

The article follows:

#### FEDERAL BUDGET CUTS AND SALEM

I am writing in response to the deep budget cuts that have been proposed in federal student loans and grants for fiscal 1983. It is my unhappy responsibility to report that after this year's 12 percent reductions in these programs any further cuts will have damaging consequences for higher education in general and private colleges like Salem in particular. In my personal view these proposals are painfully shortsighted. They abruptly reverse long-standing commitments, contradict many of the current administration's own fundamental principles, and could easily lead to increased tax burdens at the state level. I would like to ask you to assess the proposed cutbacks and then to consider communicating your views directly to your Congressmen and other officials.

Aid from the federal government to students has been one aspect of the financing of higher education ever since the GI Bill. During the 1950s, 60s, and 70s a series of programs have evolved which assist middle and lower income college students with grants, loans, and work-study opportunities. (See Profile of Programs) The rationale for these efforts is clear and compelling. They have intended to provide students both access and choice regarding college education. The commitment to access has been established for nearly a quarter of a century. It involves the belief that the opportunity for higher education should not be limited by an individual's financial circumstances, but only by his or her interests and abilities. The value of choice involves providing the means for students and their families to choose among the significant array of diverse opportunity within American higher education. We are the envy of the world in being able to offer students the choice between public and private colleges, vocational and liberal arts programs, religious and secular colleges, in-state or out-state education, single-sex and co-educational institutions, small and large colleges, and so forth.

If the drastic cuts proposed by the administration were to be implemented, there is no question that thousands upon thousands of students would simply be eliminated from the roster of higher education. This loss of personal opportunity is paralleled by society's demands of the future. If there is to be a sustained economic recovery in America, then surely we must invest in the human resources to provide the knowledge and the creativity to support economic growth.

The decrease in personal educational opportunity will affect financial aid students whether they attend public or private colleges. From the special vantage point of an independent college, I would like to share some of the particular dilemmas that will be created for Salem and virtually every other private institution. During the past several decades both private and public institutions have responded magnificently to the national challenge of enlarging educational opportunity. The educational and human benefits arising from this distinctively American commitment are obvious. It has been made possible through a skillful combination of federal, state, and private sources of support. The federal government is covering one important dimension of a complex and interactive system of financial assistance. But beyond the threatened decline of economic diversity in the student body of independent institutions, there is something yet more ominous—the eventual permanent closing of many private colleges and univer-

sities. There is little question that many lower and middle income families, lacking support in loans and grants from federal sources, will have to limit their educational choices to lower-priced public institutions. Often missing in the discussions of the proposed budget cuts is the recognition of the significant role that federal and other aid has played in helping to narrow the vast tuition gap that has grown between tuition charges at public and private institutions.

There are only a handful of nationally-known and well-endowed private institutions in the country that are in a position to adopt the unattractive, but eventually necessary, policy of sharply restricting the enrollment of financial aid students as government funds dry up. The great majority of private institutions are dependent upon the attendance of a significant number of qualified financial aid students to maintain basic enrollment and fiscal stability. Most private institutions in America now have from twenty-five to ninety-five percent of their student bodies receiving some form of financial aid. In many ways, then, the existence of a strong private sector within American higher education depends upon public policies that will give middle and lower income students a choice about the type of colleges they will attend.

A sad irony in the current proposals is that some of the very things that the current administration has worked to foster, such as an active private sector not controlled by government rule and regulation, are now being threatened as regards higher education. Initially there was discussion by the administration of ways in which tuition tax credits or other devices might give families the ability to send their children to private institutions. Now, however, such talk has ended, and *nothing* is being proposed to take the place of student loans and grants. Without the ability to draw upon qualified middle income students, and with the decline in the number of high school graduates just ahead, small, private, religiously-affiliated colleges will be facing severe pressures for survival during the next decade.

You will be interested to learn what some of these policies will mean at Salem. Salem students have not been nearly as dependent upon federal sources of loans and grants as students at most private colleges. Nevertheless, we can already see what this will mean for Salem over the long-term. For example during the 1981-82 fiscal year Salem College's total tuition income of \$2 million (this excludes room and board charges and other fees) has included approximately \$950,000 in revenue from all financial aid sources. These figures include approximately \$230,000 of the College's own funds in gifts, grants and endowment income, about \$130,000 from various North Carolina assistance programs that go directly to students, plus about \$580,000 that has come to students and their families from Federal sources. The largest sum in the Federal total is from the Guaranteed Student Loan program which Salem families have drawn upon this year at the level of approximately \$450,000. We know that in future years the Guaranteed Student Loan total will be less than half of the current amount because the program has already been thoroughly reorganized and reduced in scope. Income limits, origination fees, increased interest charges and other changes were made in 1981. The administration's most recent proposals concerning the GSL would eliminate

support for graduate students completely, and would make loans much more costly, less available and useful to undergraduate students and their families. We simply do not know what sources parents will find to make up for the loss of borrowing power that has resulted from changes in the program. We know even less, but have genuine fears, about what will happen if the program is reduced any further.

Through The Salem Challenge Campaign and increases in our endowment, and other budgetary adjustments, Salem will be able to continue to support its students on financial aid next year, including increases related to adjustments in tuition and fees. Salem students and their parents do not need to worry about reductions in the programs that Salem controls on its own. We also will by necessity be increasing our own financial aid budget significantly to make up for slated reductions in the federal programs that have already occurred. The net effect of some of these adjustments is, of course, simply to accelerate next year's overall tuition increase, a strategy that for the long-term is simply self-defeating. We begin to create a vicious cycle whereby increases in the financial aid budget due to losses of federal support push tuition all that much higher, excluding more middle income and lower income families, which may reduce enrollment and force tuition even higher—and so on.

Another painful irony within the current proposals is that as more middle income students are squeezed out of private colleges, the net effect over a period of years is to raise the cost of tax-funded education at the state level. Approximately 50,000 students are now being educated in North Carolina's private colleges and universities. Were this sector not to exist many of those students would be enrolled in public education at a staggering increased cost in millions upon millions of dollars to the taxpayer. The failure to adopt public policies to maintain private institutions is sheer fiscal folly, as well as being extremely unwise in social and educational terms. Diversity unarguably leads to greater educational quality and choice throughout the total system.

I have to conclude that without other alternatives being proposed, it is unwise, inefficient, and contradictory to seek to gain some temporary budgetary benefits from drastic reductions within student loan and grant programs. If one were to be philosophically committed to the necessity for these dramatic cutbacks, and also to be concerned about the future of private education, then at the very least the prudent course would be to pursue the reductions over a significant number of years. If private colleges and universities had a decade in which to replace federal funds with private and state funds, and if alternative forms of direct or indirect assistance were made available, then the transition could proceed in an orderly fashion. In North Carolina we are initiating efforts to establish private sources for loans and we are seeking to increase giving for financial aid purposes, but all of these efforts take time. Federal loans and grants have become part of the fabric of the ways in which higher education is financed in this country, and one cannot alter the pattern overnight. To do so is to destroy the fabric itself and to do harm to countless individual lives and to society's own resources for economic and social renewal.

If the considerations that have been addressed in this statement concern you about the future of higher education and of Salem, I would ask that you take an active role in communicating your thoughts—by phone, letter, or in person—to your elected representatives. If you support the policies of the federal administration, and also believe deeply in the benefits of private colleges like this one, then I would respectfully request that you communicate in that spirit. At a minimum, private colleges need to have the time to make the adjustment to new methods for financing education. When compared with many of the vast programs within the federal budget, and some of the special interest tax reductions passed last year, higher education programs seem rather small. We are talking about funds that now are highly leveraged since they serve the purpose of supporting individuals while they simultaneously contribute to institutional viability. It would be foolhardy and callous to allow the precious heritage of independent colleges like Salem to become substantially weakened in the future after they have served society so well for so long. This is an issue on which your voice needs to be heard.

RICHARD L. MORRILL,  
President.

#### PROFILE OF FEDERAL STUDENT LOAN AND GRANT PROGRAMS

(Federal loan and grant programs were cut 12 percent in the continuing resolution passed by Congress in December 1981 for the 1982 fiscal year budget)

Program	Administrator's proposed reductions for 1983
Pell grants (formerly BEOG Grants)—direct grants to students based on financial need. 2.6 million recipients. Maximum award \$1,800 in 1982.	40-percent cut, eliminating 1 million recipients.
Supplemental education opportunity grants (SEOG)—grants to students, awarded and administered by the campus.	Elimination of the program.
College work-study (CW-S)—campus and other part-time jobs financed 80 percent by Federal support.	30-percent cut, eliminating 250,000 recipients.
National direct student loans (NDSL)—low interest loans to needy students using revolving pool of funds and annual capital additions.	Elimination of new capital contributions.
State students incentive grants (SSIG)—a Federal-State matching program for very low income students.	Elimination.
Guaranteed student loans (GSL)—Loans to students with family income under \$30,000 (higher income eligibility when college costs are higher). Interest 9 percent, loan repayment begins after graduation.	Increase current origination fee from 5 percent to 10 percent. Eliminate all graduate and professional school students. Pay market interest rates 2 years after repayment starts.

#### FEDERAL STUDENT AID 1981-83 EXPENDITURES AND PROJECTIONS

(Fiscal years)

	1981	1982 continuing resolution	1982 rescissions/supplementals	1983 Reagan budget
Pell grants	\$2,346	\$2,279	-\$91.4	\$1,400
SEOG	370	278		0
CW-S	550	528	-44.0	398
NDSL	186	179		0
SSIG	77	74	-6.0	0
Total	3,529	3,338	-141.4	1,798
GSL	2,535	1,774	+978.0	2,485

\* Billions.  
\* Millions.