

## HOUSE OF REPRESENTATIVES—Tuesday, April 6, 1982

The House met at 12 o'clock noon. The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With grateful hearts, O Lord, we praise You for all the gifts of this season, for the dawning again of hope and new life. We recognize that the days of nations and people are full of contrasts of light and darkness and conflicts great and small. Help to make strong our faith that we will press on toward the brightness of a better day that trusting in Your grace, we will be the people You would have us be and do those good things in love and minister to our world in need. In Your holy name, we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, April 20, 1982, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## DISPENSING WITH CALL OF PRIVATE CALENDAR ON TODAY

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with on today, Tuesday, April 6, 1982.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 21, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednes-

day rule be dispensed with on Wednesday, April 21, 1982.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

## LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time to proceed for 1 minute for the purpose of inquiring of the distinguished majority leader about the program after our return from the Easter recess.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am delighted to yield to the majority leader.

Mr. WRIGHT. On April 20, Tuesday, the House would meet at noon and have the Private Calendar and then five bills under suspension. We would have perhaps more, but at least these:

H. Res. 200, expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union;

H. Con. Res. 205, expressing the sense of Congress with respect to violations of human rights by the Soviet Union in the Ukraine;

H. Con. Res. 218, expressing the sense of Congress with respect to the treatment of the Government of the Soviet Union of Mart Niklus;

H.J. Res. 230, imploring the U.S.S.R. to allow Dr. Semyon Gluzman and family to emigrate to Israel; and

H. Res. 269, calling upon the U.S.S.R. to permit the emigration of Yuli Kosharovsky and his immediate family to Israel.

We would expect that votes demanded on those suspensions might be held on Wednesday. There is a plan, if I understand correctly, that the Queen of the Netherlands might be received in the House at 3:30 p.m. on Wednesday.

Any further program would be announced later. As the gentleman would know, of course, conference reports may be brought up at any time.

Mr. MICHEL. Mr. Speaker, I thank the majority leader, and I yield back the balance of my time.

## COMMUNICATION FROM THE HONORABLE THOMAS B. EVANS, JR.

The SPEAKER laid before the House the following communication

from the Honorable THOMAS B. EVANS, JR., a Member of the U.S. House of Representatives:

MARCH 31, 1982.

Hon. THOMAS P. O'NEILL, Jr.,  
*Speaker, House of Representatives,  
Washington, D.C.*

DEAR MR. SPEAKER: This is to inform you that a deposition subpoena to testify and produce documents was delivered to my office on or about March 19, 1982 in *Rose Hall, Ltd., et al. v. Chase Manhattan Overseas Banking Corp. and Holiday Inns, Inc., et al.* Civ. Action No. 79-182 (D. Del.) a civil action pending in the United States District Court for the District of Delaware. The same request has been sent to all the members of the Delaware delegation, plus Congressman Hyde, Congressman Vander Jagt, and former Senator Schweiker.

Sincerely,

THOMAS B. EVANS, Jr.,  
*Member of Congress.*

## CONTINUED IMPOUNDMENT OF LIBRARY FUNDS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, just 2 months ago, the GAO released its initial report to me indicating that the administration was illegally impounding \$20 million in library funds, moneys this Congress had appropriated and the President had signed into law. Under pressure of Mr. Stockman, the GAO agreed to review the entire findings in great detail, which they did, and nearly 2 weeks ago released another detailed report confirming the illegal impoundment of funds.

In spite of assurances received personally from the White House that these moneys would be released, no moneys have been released, and the indication is now that OMB is going to contest the whole issue.

Mr. Speaker, it seems to me it is time that the House act and take action that forces Mr. Stockman either to come before this Congress and explain his stand, or that we force this money to be released. This illegal impoundment of funds is helping to destroy libraries throughout this country and costing hundreds and hundreds of jobs.

## CALL FOR CEASE-FIRE IN EL SALVADOR

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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

his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, yesterday I had the privilege of meeting with an international group of Christians who are fasting and praying for peace in El Salvador and Central America. Among them is the president of the Maryknoll Sisters of the United States, the 1980 Nobel Peace Prize laureate, Adolfo Perez Esquivel, the president of the Nation Council of Churches, and a distinguished lay theologian. The people in the fast come from numerous countries, represent numerous religious backgrounds, and stand together for just one thing: an end to violence and bloodshed, and a commitment to justice and decency.

What these people have to say is worth listening to, and what they say is this: Stop the killing. They have sent a message asking for a cease-fire in El Salvador. There has been an election, and it is time to work through democratic processes. They believe, and rightly, that if the bloodshed goes on, the election in El Salvador will have meant nothing. They believe, and rightly, that the only legitimate power is a power that serves to promote justice and peace, power that serves the people. They believe, and rightly so, that brutality and violence in the long-run gain nothing. They believe, and rightly so, that ultimately common-sense has to prevail, and therefore the time to stop the violence is now, before it goes further.

The group sent messages today to both sides in El Salvador, asking them to initiate discussions to end the warfare. I am including in the RECORD a translation of those messages, the originals of which are in Spanish:

NAPOLEON DUARTE,  
President of the Republic of El Salvador,  
President of the Nation:

The International group of Fast and Prayer, gathered in Washington asks the Salvadorean Government.

For a truce to the armed fighting as a good will gesture in order to initiate negotiations without conditions between the parties, the only possibility for a just and human solution for the Salvadorean people.

Greetings to you.

In the name of the International Group.  
ADOLFO PEREZ ESQUIVEL,  
Nobel Peace Prize.

APRIL 5, 1982.

To the Democratic Revolutionary Front of El Salvador:

The International group of Fast and Prayer, gathered in Washington, asks as a good will gesture for a truce to the armed fighting and in the same sense we have asked the President Napoleon Duarte, in order to initiate negotiations without previous conditions between the parties, only possibility for a just and human solution for the Salvadorean People.

Signed for the International Group.  
ADOLFO ESQUIVEL,  
Nobel Peace Prize.

WASHINGTON, D.C., April 5, 1982.

#### CREATING A NATIONAL INDUSTRIAL STRATEGY

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, America is beset by an industrial decline which threatens our economic future, our national security, and the well-being of millions of Americans. The causes of this decline are varied and the solution must be no less comprehensive. Today, I am introducing legislation which will lead us toward that comprehensive response. I am pleased that my colleagues, LEE HAMILTON and DAVE BONIOR, are joining me as original cosponsors of the National Industrial Development Act.

What are the multiple sources of decline to which this bill responds? Productivity and product quality have diminished. Imports have invaded domestic markets while American goods have failed to compete abroad. Investment has lagged in many sectors as has the commercial application of advances in technology. Soaring energy prices have rendered plants and equipment prematurely obsolete. Business strategies have often been shortsighted. We have not supplied the number of engineers and other skilled workers which a more complex economy demands. Nor have American managers moved to restructure their work organizations in ways that will maximize the contributions of increasingly sophisticated employees. Government, too, has failed to sustain its support, even in those areas such as transportation and other infrastructure, or research, which lie traditionally within its domain.

The untimely convergence of these and other factors has produced startling deterioration. The auto, steel, and construction industries provide the most immediate evidence of distress. But there are similar signs of trouble—ranging from the merely ominous to the outright alarming—in the machine tool, textile, glass, rubber, chemical, consumer electronics, and even semiconductor sectors.

According to the latest figures from the Federal Reserve Board, total industrial production is the same today as it was in 1977. For durable consumer goods, output is significantly lower than in 1977 even for business equipment it is roughly the same as 3 years ago.

Surveying "Industry Outlooks for 1982," Business Week recently observed, "In its basic manufacturing sector, especially, the U.S. has wrenching readjustments to make." The article noted that in the last 3 years alone, sales of Japanese cars have jumped from 12 to 22 percent of the U.S. market. Moreover, imports account for "a quarter of the domestic machine tool market," and "a fifth of all steel

consumed annually in America." By the end of 1981, American steel mills were operating at 60 percent of capacity.

"Even in energy and natural resource industries, there are difficulties," the Business Week survey continued. "Oil and nonferrous metals have been seriously affected by the near collapse of the U.S. auto industry. And coal and forest products need big infusions of money to compensate for decades of underinvestment and bad development decisions."

The Department of Commerce's recent U.S. Industrial Outlook notes that in the decade from 1968 to 1978, private nonfarm productivity grew annually by only 1.4 percent, which has actually declined since, annual growth in output was only 2.9 percent, and import penetration jumped from 4 to 7.5 percent in manufacturing goods.

In constant dollars, shipments were lower in 1978 than in 1972 for a number of major industries, including cotton, wool, and circular knit mills; mobile homes; sawmills and planing mills; men's and boy's apparel; concrete products; fabricated structural metal; tires and inner tubes; brick and structural clay tile; footwear; and textile, woodworking, rolling mill, and special industry machinery.

According to a recent issue of the Monthly Labor Review, between 1969 and 1979, employment fell by 25 percent in the radio and television manufacturing sector. Employment also declined in household appliances, metal stampings, fabric and thread mills, flat glass, and railroads, among other sectors. Such declines stand out in sharp contrast to the extraordinary increase in the labor force which occurred in this period.

Even those sectors which were looked upon as key sources of future growth seem less robust today. In explaining its negative forecast for chemical companies, Business Week notes that "U.S. demand for petrochemicals will probably never again reach the levels of the 1970's." Similarly, last week's London Economist repeated warnings about the fate of semiconductors. "American microchip companies are beginning to recover pride in their leadership of innovation, after a long bout of shocks from the Japanese. This revival of confidence may be premature."

These dispiriting statistics and forecasts should not obscure the fact that American companies still hold solid leads in many markets, and that American productivity levels are still the highest in the industrialized world. Yet, there has been alarming slippage in our competitive position.

The seriousness of the situation suggests that America must not drift further into the 1980's without a national industrial strategy. The extraordinary

range of factors involved suggests that an industrial strategy will only succeed if it is built upon consensus and cooperation among all of the parties affected: Business, labor, government, and the consuming public. And the catalog of troubled businesses also suggests that an industrial strategy must address three concerns: Those businesses experiencing structural decline, these sectors which anticipate competitive difficulties in the years ahead, and those high-technology businesses with strong growth potential. This last group, if properly nurtured, can offset the dislocation in more mature industries.

Despite the industrial reality confronting us, there are those who still resist an explicit response. Some contend that revitalization of our industrial base is unnecessary. America, they argue, is undergoing a normal transition to a service economy. Such arguments are dangerously shortsighted. They ignore the fact that manufacturing of marketable goods is still the engine that drives our economy. They fail to recognize that basic industries are precisely what the "service sectors"—advertising, financial, marketing, consulting, legal, accounting—often serve. In short, such arguments mistake a postindustrial society for a nonindustrial one. Felix Rohatyn delivers perhaps the best rebuttal to these arguments when he asks, "Is it rational to let all of our basic industries go down, one after another, in favor of some mythical service society concept in which everyone will be serving everyone else, but no one will be making anything?"

Others who reject the need for an industrial strategy suggest that industrial revitalization will occur as part of a more general program of economic recovery. Thus, proposals for an industrial policy have become entangled in disputes over the likely success or failure of President Reagan's economic program. This is unfortunate. Surely, industrial development is influenced by business cycles and the macroeconomic environment, but it is also a distinct concern. The argument for a national industrial policy does not rest on economists' gloomy forecasts about the administration's plan.

The fact is that, even if we accept Mr. Reagan's optimistic projections, there is no guarantee that increased investment, prompted by last year's tax cut, will necessarily occur in distressed industries. Even if we accept that Government regulation is responsible for undermining key industries, there is no assurance that deregulation alone will revive those moribund sectors today. Even if millions of new jobs are created in a less restricted economy, it is far from certain that this same marketplace will provide the trained manpower with the appropriate skills to fill them. In short, regard-

less of the macroeconomic policy which the Congress and the President may pursue, America must give special attention to the problems of key industrial sectors.

The intensifying debate over Reaganomics must be born in mind, however, in fashioning an industrial policy. Industrial development is fraught with major controversies. No policy can hope to surmount them if it is beset by the kinds of factional disputes which already confront the President's program. What is needed, then, is some mechanism for forging a consensus among potential adversaries—a consensus strong enough to bridge the points of controversy.

What are those sources of controversy? To begin with, there is serious disagreement about basic information. Today's debates over industrial development rarely move beyond the first stage in which each special interest groups uses selective data to reinforce its own analysis of the problem and to refute all others. Bad management, unfair foreign "dumping," regulatory burdens, a declining work ethic—each culprit has, in turn, been convinced by whichever side marshaled the right statistics.

Even in those instances where agreement is reached on a set of facts or an interpretation of circumstances, controversy does not subside. Rather, each party to the problem soon realizes that every solution requires substantial sacrifice from someone. As with any "zero-sum" situation, a battle is waged over who will make that sacrifice. The problem-solving process is soon subverted by power politics.

Finally, on those occasions when a solution is decided upon and implemented, controversy may still persist. Those who are not parties to the final agreement or who feel they are making disproportionate sacrifices may well resist or counterattack.

The adversarial mode of problem solving which underlies these controversies has served America reasonably well for most of this century. It encouraged each side to commit 101 percent of its energies to "winning" and that motivation was often what propelled our economy forward. Sometimes we were led down blind alleys when the "wrong" side won, but such mistakes seemed a small price to pay in an era of continuous growth. While the problems were never as black and white as adversaries might paint them, neither were they so complex as to defy dialectics.

Now, those conditions have changed. The adversarial mode of problem solving is a luxury which America can no longer afford in an era of marginal growth and precarious stability. Moreover, the problems have become much more complicated and the numerous parties to each of those problems have acquired sufficient power, if not to win

the disputes, at least to stall their resolution.

A new mechanism for problem solving must embody these principles: First, all principal parties to a problem must participate in its resolution; second, that resolution must be grounded in data and information which is credible; third, the resolution must be based on a consensus; and fourth, there must be accountability among those who have agreed to the solution. No institution in America today fulfills these requirements.

Certainly, Congress does not answer this need. While it may represent labor, business, environmental, and other groups, it cannot really negotiate an agreement among those interests. Similarly, Congress does not really produce consensus. It is often said that Congress practices the art of compromise, but such compromises may as often be unworkable hybrids of opposing positions as solutions born of true consensus.

Finally, Congressmen, by themselves, are ill equipped to make complex economic judgments about individual sectors.

The Chrysler loan guarantee, approved by Congress in 1979, foreshadows the kind of industrial policy questions which will confront America with increasing frequency in the years ahead. Without passing judgment on Congress ultimate decision in the Chrysler case, it is clear that the process by which that decision was reached is unsuitable. With no advance warning, and with little expertise in assessing the economics of the automotive sector, the House and Senate Banking Committees were forced to make a rapid decision with enormous ramifications. No consensus was reached on the origins of the sector's crisis, and sober analysis of Chrysler's or the entire sector's prospects for the future was often clouded by political rhetoric from both sides.

Executive agencies have some advantages over Congress as problem solvers. It is easier for a department to play the neutral facilitator, bringing together outside groups. The Tripartite Steel Committee, for example, has forged a consensus among business, labor, and government officials on such issues as trigger price mechanisms and environmental controls. For a brief period, the Commerce Department's shoe industry program succeeded, through similar collaboration, in reviving a very troubled sector.

But a single agency is too narrow to look at the full industrial picture. And, these experiments in cooperative policy formulation are subject to the political changes which govern all agencies. The shoe program faltered with the departure of an Under Secretary; the Tripartite Steel Committee was dissolved by the current adminis-

tration. Most significantly, agencies—unlike Congress—have no electoral constituency. Thus, the public may well feel that its interests will not be protected, that the crucial boundary between collaboration and collusion will be transgressed.

America needs a new institutional mechanism for industrial problem solving. Today, I am proposing formation of a quadripartite National Industrial Development Board. Such a Board would bring together, in equal numbers, chief executives of major businesses, presidents of major unions, national political leaders—Cabinet Secretaries and Members of Congress, and major representatives of the public interest—particularly those groups who are challenging the economic status quo in America, such as environmentalists, consumerists, minorities, educators, and innovative entrepreneurs.

Board members will be appointed by the President—but only from nominees forwarded to him by the Speaker of the House, the majority leader of the Senate, and the minority leaders of both Chambers. Members' terms will be for 6 years. The Board will meet at least once every 2 months and members, or their one designated alternate, must attend these meetings. The stipulation that Board members must be major leaders in their respective sectors—business, labor, government, and public, and the critical nature of their responsibilities, insure that this will not become another "blue ribbon panel" whose recommendations are routinely shelved and forgotten. The Board will be given a full staff, expected to be around 200 in number, and \$8 million in annual funding to fulfill its duties. The Board will be strictly advisory. But its lack of decisionmaking authority will augment the likelihood of consensus. The Board will be less subject to the corrosive effects of special-interest lobbying.

The Board's purpose will be to develop a consensual response to key problems of industrial revitalization. Its specific responsibilities will include these three: First, recommending industrial development priorities for the United States; second, recommending solutions to particular problems of industrial policy which are referred to the Board by congressional committees or executive agencies; and third, providing credible, consensus-backed information on the domestic and global economic situation.

On a more general level, we can expect the Board to exert a stabilizing economic influence. Ronald Muller, whose insightful book, "Revitalizing America," sets forth a compelling case for an Industrial Development Board, speculates on this broader effect. As the Board begins to achieve consensus on various aspects of an industrial

strategy, Muller points out, "the confidence necessary to lure savings out of their present havens and overcome shortfalls in capital formation" should emerge. "Now, for example, big money is in hiding partly because of uncertainty over questions of energy and regulation (and inflation) but also because investors do not know from one day to the next (what policies to expect from Washington)."

How will the Board fulfill its three specific responsibilities? In pursuing its first task, the Board will report on the international competitiveness of individual sectors, their importance to the Nation's economy, whatever restructuring of those industries—as well as adjustment policies for affected workers and regions—seem advisable, and initiatives in both the public and private sectors which can achieve these goals. In conducting these assessments, the Board will address the three categories of businesses to which I alluded earlier: Sectors which are experiencing structural decline, sectors which can anticipate difficulties in coming years, and those high-technology industries which have strong potential growth in the years ahead.

The Board is expressly directed to proceed on the premise that "most sectors of the economy are necessary and can survive if they adapt sensibly to new markets, technologies, organizational designs and relationships between labor and management." In other words, the Board will avoid designation of "winners" and "losers" in American industry.

On the other hand, the Board is expected to highlight necessary transitions. Decline in some industries is inevitable and requires structural adjustment. The United States will always need automobile production, but both Detroit and Washington must recognize that Americans from now on are unlikely to replace their cars every 4 years. A healthy steel industry is essential not only to our national security but to hundreds of domestic manufacturers. Yet, we must confront the global reality of overcapacity in steel. By formulating consensus adjustment policies, the Board can ease these difficult transitions.

A brief annual report to the President and Congress is required in this legislation. The relevant House and Senate committees will consult with the Board on its findings and forward to each Chamber their evaluation of the report. In this, as in all other reports which the Board may issue, the Board is expected to achieve the maximum degree of consensus among the four sectors it represents. I believe such reports can have a highly beneficial effect in creating a workable industrial strategy for the United States.

The second function of the Board will be to recommend solutions to particular policy questions which are re-

ferred to it by a congressional committee or executive agency. I have already mentioned the Chrysler loan guarantee as an example of this kind of issue. Congress deliberations in that instance would have benefited from the dispassionate analysis and consensual recommendations of an Industrial Development Board.

Now, a similar issue has arisen which provides a perfect example of the potential value of the Board. Within the last few weeks, intense lobbying has encouraged a substantial portion of the House to cosponsor "local content" legislation for the automobile industry. This legislation has enormous ramifications, particularly in the area of trade; quite probably, its effects are broader than those of the Chrysler loan guarantee.

I share my colleagues' concern about the rapid erosion of America's auto sector, and I sympathize with the plight of the thousands of workers who have lost their jobs as a result of that decline. But, I fear we are again rushing toward a simple solution without adequate analysis of the full industrial picture.

For a moment, let us contemplate how a more effective response to America's auto woes might emerge if an Industrial Development Board were in place. Instead of locking ourselves permanently into a protectionist "local content" measure, Washington could impose a temporary import quota while domestic auto manufacturers adjust to the new structures of the market. Yet, we cannot blithely assume U.S. firms will readjust simply because a quota is imposed. As Robert Reich and Ira Magaziner remind us, in their excellent new book "Minding America's Business," in the 6 years following implementation of steel import quotas in 1968, capital expenditures of domestic steel producers actually declined.

What is needed, then, is a negotiated solution to the auto crisis. That is where the National Industrial Development Board can play its role. The Board calls before it executives from the automobile manufacturers. The candid challenge is posed: "If the Federal Government imposes temporary import quotas, what can you give in return? What comparable commitments will you make to insure readjustment of the auto sector?" Next, the relevant unions are summoned by the Board and the same questions are put. Solutions begin to emerge; factions grope toward consensus. To be sure, some will probably plead for regulatory relief as the lone solution. But, the Board's consumer, environmental, and government representatives would scarcely acquiesce in such a one-sided response. In short, the Board can negotiate a harmonious package of readjustment policies—to be undertaken

concurrently by labor, management, and government—and present that package to the Congress.

The third major function of the Board would be to serve as a reliable source of information on the domestic and international economy. A crucial part of this duty is what might be called the early warning function—providing advance notice of shifts in international markets and threats to the competitiveness of domestic industries.

Economic policymaking over the last several years has been dominated by sudden and unexpected blows to American industry. We seem to act only when a crisis is upon us. Some people imagine that this permits America to avoid having an industrial policy. It is a pleasant fiction. In fact, practicing "crisis response" only condemns our industrial policy to being ad hoc and reactive when it should be anticipatory and consistent.

I am often told that the business community will oppose an Industrial Development Board as an "interventionist" proposal. But the fact is that the last 20 years of "crisis response"—whether the crisis has been environmental pollution or a bankrupt Lockheed—has itself yielded Government intervention. Frankly, I think the business community is beginning to realize this—and to realize, as well, that the accumulation of unanticipated crises begins to undermine business confidence and economic stability. Accordingly, I believe that the "early warning function" of an Industrial Development Board should be welcomed, even in the business community.

Extending the time horizon of industrial policy is especially crucial, given all the biases toward a "short-term view" in the business and Government sectors. Henry Kaufman, the noted wizard of Wall Street, once noted that in the financial world, "the short-term view is tomorrow, the mid-range view is next week, and the long-term view is the end of the quarter." It is undeniable that corporate managers—who are answerable to stockholders for the current value of their holdings and whose own bonus is often pegged to annual profits—is discouraged from taking the long-range view. Similarly, Congress can rarely look beyond its bi-annual elections. Union officials often work within the framework of a 2- or 3-year labor contract. We need an industrial board which can afford to take the longer view of industrial policy.

The formation of another Federal entity may well be viewed with skepticism and even hostility in today's environment of public sector retrenchment. But there is a difference between streamlining government and straitjacketing it. In our commendable pursuit of Federal austerity, we must not lock the public policy process into

outmoded structures. A National Industrial Development Board should not be viewed as a new appendage to the Washington bureaucracy. It represents, instead an adaption to a changing society—one in which cooperative development must supplant the adversarial conventions which today threaten the survival of American industry.

One of the reasons that American industry is threatened is precisely that other Western countries have adapted to the new era of cooperation and consensus much faster than we have. As Messrs. Reich and Magaziner point out:

Mechanisms were developed in these countries for consensus-forming among the major economic constituencies—managers, owners of industrial enterprises, trade unions, banks, and government. The French planning systems, the Japanese MITI advisory councils, and the regular German roundtables, all provide forums in which various industrial constituencies could meet.

This collaborative spirit is emerging in the United States. Today, there are hundreds of labor-management committees in individual workplaces throughout the country. In addition, there are more than 25 municipal committees in which local labor, business, and, usually, Government representatives have joined together to address a community's economic problems. Finally, in a few cases, tripartite committees have been formed at the national level to examine the problems facing certain business sectors. I have already mentioned the Tripartite Steel Committee which the Reagan administration regrettably has abolished.

Similar national committees have operated in the retail food and construction industries. Yet, these have been largely ad hoc, with no statutory basis and therefore subject to changes in leadership and personal commitment. The time has come to take a further step—to formally incorporate a mechanism for cooperative problem solving in our industrial policymaking process.

We do not need an ironclad national plan; we do not want a detailed timetable. We are not searching for a step-by-step economic prescription. But, if we look to the successful economic development activities of communities and States in America, we will observe that they have succeeded by "looking ahead," by laying the groundwork, by building a consensus around a growth strategy. My home city of Jamestown, N.Y., has returned from the brink of economic calamity by pulling business and labor and management together in support of a concerted economic development program, a strategy for the future. Today, we often see articles about surprising "business growth" in unexpected places like North Carolina. But that State's highly touted Research Triangle did not just appear overnight. It is the product of concerted effort; I can remember that plans

were being laid for such development when I was a college undergraduate in North Carolina many years ago. It is time that the Federal Government took its cue from these successes, time that we rid ourselves of the "crisis response" mentality, time that we brought leaders of the major sectors in our society together to develop a consensual strategy that will guarantee America's industrial vitality in the years ahead.

#### U.S. POLICY AND THE SECURITY OF ISRAEL

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, in recent testimony before the House Foreign Operations Subcommittee on which I serve, Under Secretary of State James Buckley described the Reagan administration's objectives in the Middle East as twofold; namely, "the search for a just and lasting peace and the urgent requirement that friends in the region be secure against external threats."

Mr. Buckley then went on to suggest that—

These objectives are mutually reinforcing. No peace is possible unless the nations of the region are secure from outside coercion, and security will not be achieved if we fail to address the underlying sources of conflict and instability.

In short, the Reagan administration would have us believe that a just and lasting peace is the justification for its policy of selling some of the most advanced weaponry in the U.S. inventory to various Arab nations. As we know, the administration has already won approval for its plan to sell AWACS to Saudi Arabia, and there is reason to believe that it may also be planning to sell mobile Hawk antiaircraft missiles and F-16's to Jordan.

While we are told that such sales will make various Arab nations feel more secure and thus more willing to participate in the peace process, the Reagan administration has no satisfactory response when questioned as to how the sale of such sophisticated weaponry will encourage Israel to feel more secure or to take additional risks for peace.

The fact is that Israel and Egypt are the only states in the region that have taken risks for peace to date. It is also a fact that Israel is deeply concerned about the possibilities for renewed aggression from the east. Given its past experience with her neighbors and their continuing refusal to take any steps to make peace with Israel, that concern is clearly justified.

In short, the Reagan administration's policy should be a cause for concern. Instead of being mutually rein-

forcing, its twin objectives appear mutually contradictory.

Having said this, the policy would perhaps be more understandable if the administration was moving to reassure Israel of continuing U.S. support. Unfortunately, three of its recent budget decisions raise serious questions as to whether that is the case.

The first decision relates to the refusal of the administration to implement a directive from the conference managers on the fiscal year 1982 foreign aid appropriation bill. As you may recall, the conferees on that legislation, of which I was one, directed the State Department to disburse the \$806 million in economic assistance that we provided for Israel within 30 days of the bill's signing. We directed the State Department to take this action in order to help Israel avoid having to seek costly interim commercial financing.

Unfortunately, the Reagan administration has ignored this directive. When I first learned of this, I drafted a letter to Secretary Haig urging him to disburse the funds as directed. Yet, despite the fact that all but one of my colleagues on the Foreign Operations Subcommittee signed that letter, the Reagan administration has refused to do so.

A second cause for concern is the administration's decision to seek a reduction in grant military assistance for Israel in fiscal year 1982. As you know, we passed a 2-year foreign aid authorization bill last year. That bill included a provision for \$550 million in grant military assistance for Israel in fiscal year 1983. However, the Reagan administration has only requested \$500 million in such grant assistance, which of course will not meet the existing authorization.

While this is the first time that any administration has called for a reduction in aid to Israel, the Reagan administration has offered no explanation for its decision. Are we to seriously believe that such a step would be reassuring to Israel, or encourage Israel to take additional risks for peace? I think not.

Finally, as my colleagues will recall, the foreign aid authorization bill that we passed last year provided that all of our economic assistance to Israel would be in the form of a grant. However, the Reagan administration is now proposing that only two-thirds of that assistance be in the form of a grant. The remaining third would be in the form of a loan, which Israel would be required to repay.

Israel's debt service payments to the United States already exceed the ESF funds that she receives from the United States. In recognition of that fact and in an effort to avoid further strains on the economy of Israel, Congress decided to provide economic assistance to Israel in the future on a

grant basis. However, the Reagan administration would have us reverse that decision.

As I said, Mr. Speaker, these budgetary decisions by the administration are disturbing, especially when viewed in the context of arms sales proposals now under consideration within the administration and recent statements by Secretary Weinberger suggesting that the United States should redirect its support away from Israel. Clearly, Israel cannot afford to engage in an economic war of attrition with its Arab neighbors. Now should it be expected to stand by while the Reagan administration punishes it while rewarding neighbors who have done nothing to advance the cause of peace?

For that reason I believe that we must reject the administration's call to reduce grant military aid to Israel. We must reject its call to provide some of our economic assistance on a nongrant basis. We must write our intentions into the law so that they cannot be disregarded by the administration. And we must review any future proposed arms sales to Israel's Arab neighbors with the greatest caution.

#### EXECUTIVE ORDER ON SECRETY

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, last Friday the President signed the Executive order on national security information, replacing the one signed by President Carter in 1978. This latest Executive order carries several major flaws, all of which have been amply described and decried in the press and in hearings before the Congress in recent weeks.

I regret to say that the administration, in the person of Presidential Counselor Mr. Meese, must be condemned for misleading the American public and the Congress as to its intentions regarding this Executive order. When drafts of the order were made known, there was a loud outcry of disapproval, drawing fire from a broad spectrum of parties, including the press, constitutional scholars, civil libertarians, historians, archivists, the communications and information industry, university presidents, and science and technology professional societies.

Mr. Meese twice publicly denied excesses in classification, stating that—

[T]he current controversy over a draft Executive Order that could greatly expand government secrecy actually was the fault of an overzealous bureaucracy trying to have its own way \*\*\* the official policy is to decrease the number of classified documents to those that are actually vital to the national security. \*\*\* But the bureaucracy \*\*\* tried to expand classification.

He then assured us, "You will find that is being corrected in the current drafts."

Now we find that Mr. Meese's assurances were empty: By the White House's own admission, there is not one single clause in the order that reduces classification or increases declassification. This kind of ambivalent speech was also seen during last year's debate on the Executive order on intelligence. Mr. Meese assured us at the time that there was "absolutely nothing \*\*\* which would expand the ability of the CIA to engage in domestic spying." This turned out to be false as well.

Now Mr. Meese is an honorable man, and we should not presume that he has been altering the truth. We can only assume that he was speaking in ignorance, which in itself is not reassuring.

The Executive orders raise a much more serious question; namely, "Who is going to participate in the debate and the decisionmaking?" The stakes in this issue are very high; we are talking about major impacts on our scientific, technological, and industrial base, to say nothing about freedom of the press, openness in government, and abridgements of constitutional protections. Matters of this gravity call for public participation at the highest levels.

Yet his administration's whole approach has been not only to further restrict the flow of scientific and other information, but to hold at close quarters the policy decisions as to what will be restricted, and by whom. Admiral Inman, Deputy Director of the CIA, stated last January that the justifications for secrecy might be even more sensitive than the material being kept secret, leaving the public no recourse. The Executive order just signed was rewritten partially to prevent judicial review, and the administration has actively excluded congressional review in the redrafting. If the administration's position is only known when regulations are issued, there is no possibility of a significant public input. Where, then, are the checks and balances?

Administration officials have repeatedly prefaced their statements on this subject by commentary to the effect that "a balance must be struck between the competing interests of national security and our democratic freedoms." Yet, the evidence is ample that it is only lip-service that is being paid to that notion. The most glaring example is the removal of the "balancing test" in the new Executive order. A proper balance is precluded as well by the narrow spectrum of opinions sought during the redrafting.

The Executive order is but the latest round in the administration's concerted effort to clamp down on what it

sees as a "dangerous loss of sensitive information to the Soviets." Officials are particularly concerned with scientific and technical know-how, to which the Eastern bloc countries—like all other nations—have easy access in our free and open society. These are well-meaning concerns; none of us want to see classified national defense information reaching those who can turn it to military advantage against us.

The administration, however, has used this justification to propose broad and sweeping amendments to existing laws and regulations, ranging from the Freedom of Information Act, to export controls, and access of the press to Government officials.

Opponents point out that many of the proposed measures will not only be simply ineffective, or impossible to manage (such as asking all scientists to submit their work for prepublication clearance), but they could only be implemented at great cost to our most cherished democratic values: Freedom of the press, openness and accountability in government, academic freedom, and the unimpeded flow of scientific information that has been the basis for our technological and economic leadership. There are economic costs as well, such as the loss of multi-million-dollar contracts to foreign competitors, when U.S. firms are prevented from exporting U.S.-made goods.

I am pleased that, despite the administration's evident desire to keep the debate to a small circle, there is growing public interest in these issues, as can be seen from coverage in the general press, and public radio and television. It is incumbent on the Congress to respond to this public concern and not allow such important policy decisions to be made by a bureaucracy out of the public view.

I commend to my colleagues a short and succinct statement on this subject, by one Edward Teller, not known for harboring leftist tendencies or being a Soviet sympathizer.

[From Chemical and Engineering News, Apr. 5, 1982]

**EDWARD TELLER TALKS ABOUT SECRECY IN SCIENCE**

Edward Teller, the father of the H-bomb who is now senior research fellow at Hoover Institute, Stanford University, is well known for his views on secrecy in science. Here are some of the things he told C&EN:

"Secrecy is not security. The price paid for secrecy in terms of slowing down development and in terms of alienating us from our allies may not be worth paying—particularly as we are so very poor in keeping secrets."

"It is my general belief that" basic research should not be classified.

"U.S. interaction with foreign graduate students should be encouraged. I certainly would not want to shield Soviet graduate students from indiscreet questions from their fellow American graduate students. Such questions might be more effective if

they came from fellow students rather than the U.S. government.

"Restriction on the flow of information should be flexible, fashioned after the model of industrial secrecy. Industries, in general, do not keep ideas secret. They do keep secret the details of processes, blueprints, occasionally products. Know-how is easier to keep secret than an idea.

"We are no longer the leaders in military technology. The Soviets are ahead of us in many respects. We also are no longer in the lead in civilian products. In many cases, the Japanese, French, Germans, and Swedes are ahead of us. Now what sense does it make to keep our technology secret in those instances in which others know more than we do and don't keep their technology secret? To effectively keep technology from the Soviets, therefore, requires collective action, not just the U.S. acting alone.

"I am for open scientific meetings [open to scientists from all countries]: I am completely against secrecy. But, if a scientific society, in its justified indignation over what is going on in Poland, does not want to meet with Soviet scientists, I certainly would go along with that. However, I think that decision should be made by individuals or groups of individuals like societies. I would hate to see that under the control of the government. From the point of view of defense, scientific meetings are not important; here, industrial secrecy is more important. From the point of view of expressing a protest, however, that protest will be more powerful if it comes from chemists acting as chemists."

□ 1215

**THE 70TH ANNIVERSARY OF PRESENTATION OF CHERRY TREES TO THE UNITED STATES BY MAYOR OF TOKYO**

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, exactly 70 years ago, in 1912, the cherry trees surrounding the Tidal Basin in our Nation's Capital, which have evoked the admiration and delight of succeeding generations of Americans, were presented to the United States by the then-mayor of Tokyo, the late Mr. Yukio Ozaki.

Last week, this historic anniversary occasion was marked by a visit to Washington of a group of distinguished Japanese citizens. The leader of the delegation is Mrs. Yukika Soma, daughter of the late Mayor Ozaki—whose gesture of friendship and goodwill is recalled each year at this time in connection with the annual Cherry Blossom Festival.

I am personally delighted to have this opportunity to pay tribute to Mrs. Soma and other members of her delegation who come from Oshika, a village located in the prefecture of Nagano; from Chiba township in the Chiba prefecture—both north of Tokyo; and from Tokyo itself. These individuals have traveled a considerable distance and at great personal expense to help us commemorate this

anniversary occasion, and we owe them all a debt of gratitude and respect.

Mr. Speaker, at a time when United States-Japan relations are at a critical stage—perhaps the most critical since the end of World War II—it is well to recall this extraordinary initiative on the part of Mayor Ozaki. The visit of Mrs. Soma and her compatriots serves as a reminder of the enduring bonds of friendship which exist between the peoples of the United States and Japan and of the important influence of Japan on our own society and culture.

I also wish to extend my appreciation to Mrs. Elizabeth Gordan, founder of the American National Cherry Blossom Festival Association, for bringing this historic visit to the attention of the Committee on Foreign Affairs.

**FEDERAL SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACT OF 1982**

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I am introducing legislation to provide 13 additional weeks of unemployment benefits to those jobless workers who have exhausted all available unemployment compensation assistance.

Last week's announcement by the Department of Labor that the national unemployment rate is 9 percent is one more signal that the recession is getting worse and economic recovery is a long way off. Despite administration claims to the contrary, there is no mistaking the seriousness of the problem we are facing or the hardship unemployed workers and their families are experiencing.

Nearly 10 million persons are unemployed. Unemployment has been above 8 percent for the past 6 months. In many States, such as my home State of Tennessee, the jobless rate is in double digits. In January, the most recent month for which data is available, 260,000 persons received final regular unemployment insurance payments. The volume of final payments under the existing Federal-State extended benefits program is projected to increase sharply in the next few weeks.

Our current unemployment insurance program, which provides a maximum of 39 weeks of unemployment benefits to jobless workers, is simply inadequate in the face of this recession. The recession is deeper and has lasted longer than anyone ever anticipated. While the administration continues to promise that better days are "just around the corner," such promises cannot pay food bills or mort-

gages. The workers who continue to suffer are in desperate need of the relief this legislation will provide.

The program I am proposing is limited in scope and is designed to address a clearcut economic emergency. It is not a substitute for a healthy economy, increased job training, new investment, and increased opportunities. But temporary relief provided by the program is justified in light of the hardship the recession has inflicted on jobless workers and their communities. Behind the unemployment statistics are men and women out of work through no fault of their own who want to be productive. Most have worked all of their lives. The jobless are not asking for a handout. This legislation will help them meet their basic needs during this difficult period.

The legislation I am proposing would provide qualified persons additional weeks of benefits equal to one-half of the number of weeks of State benefits he or she was entitled to receive. No one, however, could receive more than 13 additional weeks of benefits or a total of 52 weeks of benefits—26 weeks under the regular State program, 13 weeks under the Federal-State extended benefits program, and 13 weeks under my legislation. The benefits provided by the legislation would be payable under the same "trigger" used for the existing Federal-State extended benefit program.

When the economy does begin to recover, local industries are going to need their trained work force back on the job. If workers have been forced to give up their homes, split up their families, and seek work in another part of the country because of the length of the recession, the recovery is going to be slow in getting started. The temporary help my legislation will provide will assist jobless workers and industry in riding out the Reagan recession.

#### FALKLAND ISLANDS CRISIS—THE BITTER FRUIT OF THE ADMINISTRATION'S EFFORT TO USE ARGENTINA

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, it is ironic, to say the least, that the first fruit of the Reagan administration's ill-conceived efforts to cozy up to the ruthless Argentine dictatorship may well have been to lead the Fascist junta now running that tragic country into believing that they could get away with an attack on the Falkland Islands' dependency of America's oldest and most faithful ally, Great Britain. The tragedy was further compounded when President Reagan, in an amazing display of ambivalence be-

tween right and wrong, refused to take a public position against Argentina's outrageous act of aggression, saying that he did not like to take sides "between friends."

Between friends, indeed. Since when was the Argentine junta a friend of the United States? The President's attitude will lead many to believe earlier reports to the effect that the administration was secretly attempting to get the junta to set up a clandestine paramilitary operation against Nicaragua. Certainly it is appropriate for the administration to use diplomatic and other means short of force to pressure the Nicaraguan regime into moderating its internal policies and refraining from giving military support to the Salvadoran guerrillas. However, that policy would ring truer if equal concern were shown to pressure the far bloodier totalitarian regime of Argentina to moderate its policy and to make an accounting for the thousands of its citizens who have "disappeared" without a trace.

Perhaps it is not too late for the administration to redeem its previous errors in dealing with Argentina. It can do this by bringing maximum pressure to bear on Argentina to withdraw its military forces and to work out a diplomatic solution which will restore a semblance of respect for international law by Argentina and will also serve the interests of the population of Falkland Islands, who are largely English-speaking and who must view with grim foreboding the prospect of permanently being subjects of the Argentine police state.

#### THE FUTA AMENDMENTS ACT OF 1982

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BLILEY. Mr. Speaker, since its creation in 1939, the Federal Unemployment Tax Act (FUTA) has rarely been revised. FUTA, which provides a dedicated tax to fund unemployment insurance (UI) and employment service (ES) programs throughout the country, is a complex system of earmarked revenues, grants, allocations, and hold-harmless reimbursements. It was created to fill a void which no longer exists. And with each passing year, numerous problems have arisen that threaten the solvency of the FUTA system. And as States become more self-reliant and modern in ES and UI programs, the Federal Government has become even less so.

For this reason, I and over 65 of my colleagues are today introducing the FUTA Amendments Act of 1982. My friend, Virginia Senator JOHN W. WARNER, will be introducing identical

legislation in the other body with similar support.

Mr. Speaker, these amendments must be enacted to avert disaster. FUTA cannot fund itself any longer. Witness the alarming frequency with which the Congress must now infuse general revenues into FUTA to keep it solvent. These amendments will return FUTA to solvency without any increase in taxes. I urge my colleagues to join me in this time of serious, if not historic unemployment, and restore FUTA to solvency, for the good of the Federal budget, the States, and most importantly, for the good of unemployed Americans.

#### ATTACHMENT

[Charts 1 and 2 referred to not printed in RECORD.]

Chart One diagrams the manner in which Federal Unemployment Taxes are distributed once collected from employers. Employers now pay two taxes: One Federal, one State. The Federal tax, or FUTA, amounts to 0.7 percent of the first \$6,000.00 wages on covered employees. Of that 0.7 percent, 0.25 percent provides revenue to fund the Federal components of FUTA: Extended Benefits; Supplemental Benefits; and the Federal Unemployment Account, which makes advances to States unable to meet benefit payment obligations.

The remaining 0.45 percent is distributed to the States for administering their Unemployment Insurance (UI) and Employment Service (ES) programs, as prescribed by Federal law. Distribution of these administrative funds is highly complex, involving a "formula" under the Employment Training Administration (ETA) which may involve as many as 90 separate variables. This distribution is made in accordance with Section 5(b) of the Wagner-Peyser Act, which gives the Secretary of Labor virtually limitless discretion to distribute these funds.

In some years, a formula is used. In others, historic allocations determine future allocations. There is relatively little, if any, uniformity in the distribution methodology. And as a result of the factors taken into account by the Labor Department, nearly half of the United States receive less than their employers contribute in FUTA taxes. Further, in times of severe unemployment, these "loser States" are even further put upon to minister to the needs of their citizens.

This situation has left many States in the position of telling their unemployed that they simply cannot find them jobs because the State's FUTA taxes are being allocated to other, needier States. The irony here is brutal. An unemployed worker in a State with good historic unemployment must go jobless because another worker, perhaps even of the same trade and age, may be assisted because he resides in a State with poor historic employment.

Yet, if situations were reversed, it would only mean that current "loser States" would become "winners", and vice versa. A more realistic, flexible policy is necessary.

Chart Two illustrates proposed funding for administration under the FUTA Amendments Act of 1982. It is important to note that neither State taxes nor the Federal FUTA components—Extended Benefits and the Federal Unemployment Account (Supplemental Benefits expired in 1978) have

been changed. Only the administrative funding operations have been re-structured.

This is the heart of the Biley Proposal. Change funding of administration to allow States to retain FUTA taxes they collect for the Federal government, while maintaining the strong, unswerving commitment to a healthy, revitalized interstate employment program.

Chart Three shows (in 1981 figures) how much States received in allocations for administration from the Department of Labor (Column One) and how much interest States received from Federal investment of FUTA revenues. Columns Four through Six show how, under the Biley Proposal, States may opt to retain a portion of the 0.45 percent of FUTA for administration, or 0.40 percent, and in many cases increase annual revenues. When combined with the potential earnings from State's new ability to

invest this money at a higher rate (Virginia is now realizing approximately 16 percent yields on State investments), only ten (10) States show an administrative funding shortfall, down from twenty-four (24) under the current system.

The remaining 0.05 percent not retained by States opting to collect and retain FUTA is deposited into what is essentially an "escrow account"—an account for assisting those States whose retained FUTA is still insufficient to meet administrative obligations. As can be seen from Column Seven (7), in adding up national impact, the country as a whole will realize a net gain of over \$600 million.

Yet the ten (10) shortfall States have an aggregate shortfall of roughly \$55 million. Any State experiencing an administrative shortfall automatically triggers access to the "escrow account", which has an aggre-

gate balance of nearly \$200 million, or over three times the necessary amount to compensate States experiencing administrative shortfall.

This proposal has already received very favorable consideration by the Interstate Conference of Employment Security Administrators (ICESA). This proposal was unanimously supported by the 20-member Finance Committee of ICESA, at their annual meeting in Nashville, Tennessee the week of March 15, 1982. This committee represents a broad cross-section of States around the country, both "winners" and "losers". Involved in the drafting process were Employment Commissioners from both categories of States, and the final FUTA Amendments Act of 1982 has received their unanimous endorsement.

CHART 3.—IMPACT STATEMENT USING 1981 DATA—CURRENT SYSTEM VERSUS PROPOSED

[In millions of dollars]

State	Present system		Proposed legislation				Proposed legislation		
	FUTA collections returned to State by DOL for administration	Interest earned by Treasury on trust fund balances (9.8375 percent)	Collected for administration (0.40 percent)	Interest to be earned on administration 13 percent <sup>1</sup>	State managed trust fund potential interest if invested at 13 percent <sup>1</sup>	Potential FUTA funds available from outstanding uncollected FUTA dollars (250,000,000) <sup>1</sup>	Bottom line impact cols. 3 through 6 minus cols. 1 and 2	Portion of FUTA collections passed to Treasury (0.25)	Available resources in grants to State's account (0.05)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
National total .....	2,025.4	990.6	1,761.8	229.0	1,510.2	125.0	610.0	1,099.5	219.4
Alabama .....	30.8	8.1	25.3	3.3	10.7	1.7	2.1	15.8	3.1
Alaska .....	18.7	8.5	4.6	.6	11.2	.4	-10.4	2.9	.6
Arizona .....	25.6	25.5	19.9	2.6	33.8	1.4	6.6	12.5	2.5
Arkansas .....	19.8	0	14.2	1.8	4.9	1.0	2.1	8.9	1.8
California .....	262.2	292.7	206.0	26.9	386.8	14.7	79.5	128.7	25.8
Colorado .....	25.6	10.8	24.3	3.2	14.3	1.7	7.1	15.2	3.1
Connecticut .....	30.1	0	28.0	3.6	15.0	2.0	18.5	17.5	3.5
Delaware .....	5.7	0	4.8	.6	1.1	.4	1.2	3.0	.6
District of Columbia .....	13.3	0	7.3	.9	1.9	.5	-2.7	4.5	.9
Florida .....	46.6	78.4	73.1	9.5	103.6	5.3	66.5	45.8	9.1
Georgia .....	35.2	45.2	41.1	5.3	59.7	2.9	28.6	25.7	5.1
Hawaii .....	10.1	9.9	7.4	1.0	13.1	.5	2.0	4.7	.9
Idaho .....	15.0	8.0	6.0	.8	10.6	.4	-5.2	3.7	.8
Illinois .....	93.2	0	94.6	12.3	27.8	6.8	48.3	59.2	11.8
Indiana .....	39.1	19.7	42.3	5.5	26.0	3.0	18.0	26.5	5.3
Iowa .....	22.8	10.0	20.1	2.6	13.2	1.4	4.5	12.5	2.5
Kansas .....	16.7	21.2	17.3	2.2	28.0	1.3	10.9	10.7	2.2
Kentucky .....	22.0	2.4	21.9	2.8	3.2	1.5	5.0	13.8	2.7
Louisiana .....	27.9	20.3	31.9	4.1	26.8	2.2	16.8	19.9	4.0
Maine .....	11.8	.1	7.4	1.0	.2	.5	-2.8	4.6	.9
Maryland .....	27.6	37.8	28.1	3.7	49.9	2.0	18.3	17.5	3.5
Massachusetts .....	48.2	28.2	46.8	6.1	37.2	3.3	17.0	29.2	5.9
Michigan .....	122.0	0	65.5	8.5	24.9	4.6	-18.5	41.0	8.2
Minnesota .....	30.1	.2	31.9	4.1	.3	2.2	8.2	20.0	4.0
Mississippi .....	20.3	22.7	14.9	1.9	30.0	1.0	4.8	9.3	1.8
Missouri .....	42.9	7.8	36.0	4.7	10.3	2.5	2.8	22.5	4.5
Montana .....	10.0	1.9	6.1	.8	2.6	.4	-2.0	3.8	.8
Nebraska .....	13.8	7.8	10.2	1.3	10.3	.8	1.0	6.4	1.3
Nevada .....	15.3	12.3	9.4	1.2	16.3	.6	-1.1	5.8	1.2
New Hampshire .....	6.7	7.7	7.3	.9	10.1	.5	4.4	4.5	.9
New Jersey .....	71.3	0	60.2	7.8	27.5	4.2	28.4	37.7	7.5
New Mexico .....	12.0	9.2	8.1	1.1	12.2	.6	.8	5.0	1.0
New York .....	178.6	55.1	134.6	17.6	72.9	9.6	1.0	84.2	16.8
North Carolina .....	38.2	56.0	45.8	6.0	74.0	3.3	34.9	28.7	5.7
North Dakota .....	9.8	1.3	3.9	.5	1.7	.3	4.7	2.4	.5
Ohio .....	76.8	0	83.0	10.8	25.2	5.9	48.1	51.9	10.4
Oklahoma .....	27.0	18.5	22.3	2.9	24.5	1.5	5.8	13.9	2.8
Oregon .....	34.6	32.0	20.2	2.6	42.3	1.4	-1	12.6	2.5
Pennsylvania .....	127.4	0	88.6	11.5	52.5	6.3	31.5	55.3	11.1
Puerto Rico .....	17.8	0	15.4	2.0	9.1	1.1	9.8	9.7	1.9
Rhode Island .....	13.4	0	7.3	.9	5.1	.5	.4	4.5	.9
South Carolina .....	22.3	18.1	22.2	2.9	23.9	1.6	10.2	13.8	2.8
South Dakota .....	7.5	.7	3.6	.5	.9	.3	-2.9	2.2	.4
Tennessee .....	25.7	17.0	32.2	4.2	22.4	2.2	18.3	21.0	3.2
Texas .....	89.3	23.5	124.6	16.2	31.1	9.0	68.1	77.8	15.6
Utah .....	23.6	5.5	9.4	1.2	7.3	.6	-10.6	5.8	1.2
Vermont .....	5.5	0	3.5	.5	2.6	.3	1.4	2.2	.4
Virginia .....	24.3	7.0	39.9	5.2	9.2	2.8	25.8	22.6	5.0
Washington .....	47.4	34.4	32.2	4.2	45.4	2.2	2.2	20.1	4.0
West Virginia .....	15.2	0	11.9	1.5	3.4	.8	2.4	7.5	1.5
Wisconsin .....	40.9	18.4	34.7	4.5	24.3	2.5	6.7	21.7	4.3
Wyoming .....	7.7	6.7	4.5	.6	8.9	.4	0	2.8	.6

<sup>1</sup> Represents potential new sources of revenue to State's previously unavailable.

Note: Proposed system—0.4 percent administration; 0.05 percent grants to State's account (represents unallocated resources of \$219,400,000, nationally to States adversely affected); 0.25 percent FUTA collections passed to Treasury for loans and EB's; 0.70 percent total FUTA tax.

Source of col. 6—Projections of outstanding uncollected FUTA taxes in 1981, National Commission on Unemployment Insurance.

Calculation of col. 6—Assume an efficient State managed FUTA system could recover 50 percent of outstanding funds. We distributed \$125,000,000 to the States by their percentage share of total national FUTA collections (0.7).

Calculation of col. 7—Cols. 3 through 6 (minus) cols. 1 and 2.

Calculation of col. 8—Passed to Treasury for outstanding loans, EB's.

Calculation of col. 9—Grants to States account passed to Treasury for redistribution to State's adversely affected by new legislation.

Calculation of col. 5—if col. 2 interest is 0—examples of potential interest if 1981 November ending balance for trust fund invested at 13 percent annual rate: Illinois =  $214,100,415 \times 13\% = \$27,833,054$ ; Michigan =  $191,190,008 \times 13\% = \$24,854,701$ ; Pennsylvania =  $403,681,694 \times 13\% = \$52,478,620$ . If col. 2 interest greater than 0—multiply interest in col. 2  $\times 1.3214$  to obtain interest at 13 percent (i.e. percent increase in interest).

Calculation of col. 2—Interest earned on trust fund balances through November 1981.

Source: Research and Analysis Division, Virginia Employment Commission, Mar. 29, 1982.

IN MEMORIAM: ROBERT J.  
COELHO

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HECKLER. Mr. Speaker, I speak with sadness today. The city of Attleboro in my congressional district has lost a fine educator and a beloved friend. Robert J. Coelho, Attleboro superintendent of schools, passed away unexpectedly on April 2—a profound loss to the entire community.

In extending my sympathy to Robert Coelho's family and friends, I would like to insert an editorial on him that appeared in the April 5 issue of the Attleboro Sun-Chronicle. The editorial is aptly titled "A Man With Vision."

## A MAN WITH VISION

In the untimely death of Superintendent of Schools Robert J. Coelho, the people of Attleboro have lost a man with a vision.

His career in Attleboro, and the vision, began as a teacher in 1955 at Lincoln School in South Attleboro from which he rose to the top education post in the city, where he continually displayed his dedication to quality education in Attleboro. He was talented enough to go elsewhere, to higher paying jobs, but he never abandoned his vision for Attleboro.

He designed the city's modern school system, and oversaw its operation during its most tumultuous years. Overcrowding, double sessions, extraordinary personnel problems and, in recent years, tremendous budget pressures were some of the problems he faced.

But he persevered.

His professionalism and sincerity were admired by all, no matter which side they took on the tremendously emotionally issues affecting our schools in the past decade.

He oversaw the addition of two elementary schools to the system and an addition to the high school which more than doubled its size.

He was selected several times to work on state programs, the most recent, the establishment of educational goals for the entire commonwealth. Education and community service were his life.

Bob Coelho was a humanitarian, always ready to lend assistance in programs whether as a leader or follower. Somehow, the work always resulted in success.

If Attleboro has a fine education system, as both state and local officials acknowledge, it was under Bob Coelho's guidance that made it what it is. His vision and commitment to quality education for all our children no matter what their problems, should be an inspiration to his successor, for city officials and for the people of Attleboro.

Bob Coelho was an achiever; we'll miss him dearly.

## INDIVIDUAL TAX CUTS MUST BE PRESERVED

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, we are now about 1 week away from the time when most Americans trudge to the post office to mail their tax returns to that model of "efficiency and fairness"—the Internal Revenue Service. While I believe Americans are still paying far too much to finance our majestic Federal Government—this puzzle palace on the Potomac—we have taken steps to see that Americans are paying less in taxes this year.

Of course, the bulk of the tax reduction will only take effect during the next 2 years. Now, however, we are hearing many Members of this body call for a halt to these tax cuts. These individuals would no doubt like to see a return to the times when the Federal Government taxed and taxed and grew and grew. I might also point out that these same individuals are benefiting from one of the most outrageous tax dodges ever created—one which allows each Congressman to claim a \$75 deduction for each day Congress is in session. This self-serving windfall tax break for Congress will cost taxpayers millions of dollars this year and yet we hear no call for repeal of this tax cut.

Mr. Speaker, our choice is clear. We must preserve the individual tax cuts while repealing our own overly generous and undeserved tax break. We owe this to ourselves, but more important, to the American people.

## IT'S TIME TO ACT ON EXPORT TRADING COMPANIES LEGISLATION

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, at a time when there is strong concern for the rising unemployment rate, there is legislation awaiting action before committees of this body that could create over 300,000 new jobs nationwide by 1985. In addition, this legislation could increase the GNP by approximately \$30 billion, and could reduce the Federal deficit by more than \$11 billion—all at little or no cost to the taxpayer.

The proposed Export Trading Companies Act passed the Senate in April 1981 by a vote of 93 to 0. House versions of the legislation have well over 100 cosponsors. It enjoys broad bipartisan support. It has the strong backing of President Reagan, and was sup-

ported by the previous administration as well. The National Governors Association has twice adopted resolutions urging its passage. It enjoys strong support across the board in the business community.

Why—you may ask—with such strong support has this legislation not yet been approved? The fact is that the Democratic majority of the Judiciary Monopolies and Commercial Law Subcommittee has so far failed to hold a markup of the bill, despite promises to do so.

In contrast to this inaction, our trading partners in Japan, West Germany, France, and Hong Kong are using this most successful tool of export trade to their advantage, and our considerable disadvantage.

The large Japanese export trading companies, provide a variety of services such as marketing, shipping, customs brokerage, insurance, and auxiliary trade services. With the support of their government, they are flourishing, as is Japan's export trade. In fact, most of the large trading companies in Japan have a more extensive U.S. network of offices than the average mid-sized American firm.

The legislation awaiting action in committee seeks to make U.S. goods and services more competitive in the world market by encouraging the formation of American export trading companies. And who would benefit most from this legislation? The small and midsized firms of this country which currently do not export, due to a lack of experience and/or capital, and which need the most assistance during this time of economic stress. The Commerce Department has estimated that every \$1 billion increase in exports will create 31,000 jobs.

Mr. Speaker, what are we waiting for? With unemployment unacceptably high, with a trade deficit of over \$100 billion in the past 5 years, with record numbers of small businesses in serious trouble, here is a proposal that demands action. I urge my colleagues to join me in calling upon the House Judiciary Committee chairman to let him know that we oppose any further delay in approving this badly needed legislation.

## EFFECT OF ADMINISTRATION'S 1983 BUDGET PROPOSAL FOR IMPACT AID

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, today I am introducing a sense of the House resolution which addresses the serious ef-

fects which this administration's 1983 budget proposal for impact aid would have on hundreds of local school districts. Specifically, I am focusing on the effect such a proposal would have on districts impacted by a military installation.

My resolution reaffirms the long-recognized Federal responsibility to provide an in-lieu-of-tax payment to those school districts with a tax-exempt military installation nearby or within the district. Further reductions in funding for military dependents would either curtail basic services, place a disproportionate tax burden on local homeowners, or instigate the development of drastic alternatives with regard to the financial relationship between school districts and military installations.

The trend taking place—that of a reduced Federal compensation for local school districts which are providing quality education for our Nation's military dependents—concerns me, and the time has come to act in behalf of the children of our Nation's military men and women.

For that reason, my resolution calls for the immediate transfer of responsibility for compensating these local school districts to the Department of Defense. I urge my colleagues to join with me in this effort.

#### TO THE REVIVAL OF WOLF TRAP

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLF. Mr. Speaker, we were all saddened this past Sunday night as we learned of the devastating fire at Wolf Trap Farm Park in Vienna which is part of the 10th Congressional District of Virginia. This is a loss not only for the Nation's Capital area, but for the millions of people from all over the country and around the world who have enjoyed an evening at Wolf Trap. But out of this tragedy there is already a growing community spirit among citizens, businesses, and government that Wolf Trap will live again—and be stronger than ever.

I am tremendously encouraged by the outpouring of support which has surfaced to rebuild this truly national cultural treasure which is operated by our National Park Service: President Reagan phoned to express his concern to Mrs. Catherine Filene Shouse, the marvelous inspiration and benefactor behind Wolf Trap; artists who have delighted audiences at the park such as Beverly Sills, Bob Hope, Burt Reynolds, singer-composer Paul Williams, have also called Mrs. Shouse to tell her they stand ready to do what is necessary to see that Wolf Trap is rebuilt; Secretary Watt of the Depart-

ment of the Interior has pledged his support.

I have also communicated with our colleague, Chairman SID YATES of the Interior Subcommittee on Appropriations, who is supportive of the effort to rebuild the center.

I was at the Interior Department in 1971 when Wolf Trap was rebuilt after another disastrous fire. I have watched the Park grow and become one of the Nation's greatest cultural resources. Its appeal to the young and old, rich and poor, lovers of opera and bluegrass alike, has made it a monument to the American diversity which has made our country so great.

The fundraising effort to rebuild Wolf Trap began in spirit the very night of the fire and now is the time to make definite plans. It will take a partnership of efforts by the Government, private sector, and citizens; but the Federal Government must take the lead as it has in the past. I call on my colleagues, many of whom have already expressed their support, to be the good neighbors you are in the Washington area to demonstrate to Washington and the world that Wolf Trap will have a bright future.

I would also like to bring to the attention of my colleagues an editorial in today's Washington Post which points out the effort already underway to revive Wolf Trap.

[From the Washington Post, Apr. 6, 1982]

#### To THE REVIVAL OF WOLF TRAP

How excruciating it must have been for Catherine Filene Shouse to watch in the night from the rolling grounds of her beloved Wolf Trap Farm Park as those huge, wind-whipped flames savaged the Filene Center—destroying at age 11 what had become one of the country's most popular cultural assets. Certainly for all the millions from the capital area and from around the world who have savored the pastoral magic of Wolf Trap on a summer's night, spring's tragedy was depressing enough. But please turn now, if you mourn the loss, to the obvious and immediate response: to rebuild.

Everyone can help—just as everyone, rich and poor, could and did enjoy Wolf Trap—and already, many have said they will; there have been heartwarming offers of everything, from supplies to volunteer construction work to donations of all sizes. Such contributions are a fitting and essential tribute to the generosity and the show-must-go-on spirit of Mrs. Shouse, donor of the 117 acres on which the center stood as well as of the money that built the structure.

Neither the foundation nor the federal government, which has operated the facility, can be expected alone to underwrite the revival of Wolf Trap. But with public support, this season's entertainment can proceed in at least some makeshift way at the park—while out of the charred ruins of Sunday night can rise a new Filene Center for the years beyond.

The campaign is in motion on an encouraging note: President Reagan called Mrs. Shouse to express his personal concern and to note that his administration would support a reconstruction effort. Nancy Reagan, too, has offered to help. Northern Virginia Rep. Frank Wolf, who was with the Interior

Department 11 years ago when fire severely damaged the center even before it could open, reported similar pledges of cooperation from Interior and from Capitol Hill, where swift efforts should be made to come up with necessary federal funds for the recovery. And in the office of Rep. Sidney Yates, who heads the House subcommittee that would act, there is critical support for a federal effort in concert with private assistance.

Private enterprise—local and national, large and small—can pitch in; so can the many entertainers whose financial well-being surely has been strengthened by their engagements at Wolf Trap over the seasons. The foundation stands ready to address the challenge of rebuilding—and welcomes your encouragement and calls, as the switchboard may allow, to 938-3810. The postmaster general has agreed to set aside a special box for contributions, which can be mailed to Wolf Trap, Washington, D.C. 20260. If ever there were a time or an opportunity to thank Mrs. Shouse for the great source of inspiration and entertainment that she and her family made possible, this is it.

#### CONGRESS SHOULD ADDRESS HOUSING INDUSTRY'S PROBLEMS

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I hope that no one in this body needs to be reminded of the condition of the housing industry, an industry that permeates our entire economy and affects potential home buyers, realtors, home builders, savings institutions, and small business people all over this great land of ours. Yet, Congress has failed to address this serious national problem.

I had planned, together with my colleague from Illinois (Mr. CORCORAN), on introducing an amendment to the urgent supplemental appropriations bill to give Members a real choice: A real choice of continuing subsidies to major oil companies and huge, immensely profitable, multinational corporations, or assistance to home buyers and home builders and small businessmen all across America.

I might say that our initiative to help home buyers is supported by a growing number of our colleagues on both sides of the aisle. Home builders and home buyers and the tens of thousands of American craftsmen who depend on the housing industry for jobs need assistance now.

This Congress should not be taking a recess without addressing this very serious national concern.

□ 1230

#### REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3144

Mr. GOLDWATER. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of the

bill (H.R. 3144) to provide for the conveyance of certain lands to D-Q University in the State of California.

The SPEAKER pro tempore (Mr. PEYSER). Is there objection to the request of the gentleman from California?

There was no objection.

#### JAPANESE SUBWAY CARS FOR NEW YORK CITY

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Mr. Speaker, I, along with thousands of unemployed auto workers in Ohio, was shocked to learn that the New York Metropolitan Transportation Authority last week announced the signing of a \$274.5 million contract to purchase 325 subway cars to be manufactured by Kawasaki Heavy Industries, Ltd., a Japanese firm. Because no Federal assistance is involved, the Buy America provisions of U.S. law do not apply. The Export-Import Bank of Japan, a government agency, will loan \$126 million to help finance the purchase.

According to an MTA spokesman, the effective interest rate on the loan is 12.25 percent. I am highly disappointed at the action by MTA and its chairman, Richard Ravitch, and his announcement that they plan to buy an additional 1,000 cars in the next 5 years and is negotiating with additional manufacturers. I believe it is time for the labor leaders and all of us in this country to get committed to providing jobs for Americans that pay taxes in this country.

#### ANNUAL CHERRY BLOSSOM FESTIVAL

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, at a time when each day's newspaper seems to bring more bad news, it is a delight to once again have the annual Cherry Blossom Festival to bring some light and cheer into our lives.

There was an unusually pleasant aspect to this year's celebration. Participating in the ceremonies was Yukika Sohma, the daughter of the mayor of Tokyo who first sent us these lovely trees 70 years ago as a token of friendship between our country and Japan.

Much has changed in those 70 years. But the value of beauty, grace, and friendship remains unquestioned. The trees we have come to love so much are beautiful in their own right. They also reflect the friendship between our two countries. May we always appreciate these trees, the people who brought them here, and the principles

of international friendship and cooperation that they represent.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.

April 2, 1982.

Hon. THOMAS P. O'NEILL, Jr.,  
*Speaker, House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: This is to inform you that I have recently received a subpoena issued on or about March 3, 1982 from the United States District Court for the Eastern District of New York requiring production of certain records within my custody relating to official functions of this office.

Sincerely,

EDMUND L. HENSHAW, JR.,  
*Clerk, House of Representatives.*

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication for the Clerk of the House of Representatives:

WASHINGTON, D.C.

April 2, 1982.

Hon. THOMAS P. O'NEILL, Jr.,  
*Speaker, House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: I am writing to inform you that pursuant to the provisions in House Rule L (50), ¶5, that I have determined to comply with a subpoena earlier served upon me, notification of which was laid on the table on March 22, 1982, for records relating to the official functions of my office.

Sincerely,

EDMUND L. HENSHAW, JR.,  
*Clerk, House of Representatives.*

#### GOOD NEWS FROM EL SALVADOR

The SPEAKER pro tempore (Mr. PEYSER). Under a previous order of the House, the gentleman from Arizona (Mr. RUDD) is recognized for 60 minutes.

Mr. RUDD. Mr. Speaker, 15 months ago we inaugurated a new President—a new President who brought a vigorous new approach to the solutions of the problems confronting this Nation and the world.

By their votes, the people of this Nation indicated they wanted a change in direction and this President offered a change.

He promised to try and reduce Federal spending. He promised to try to cut the destructive high inflation rate. He promised to reduce the unwarranted and unnecessary Federal interference in our daily lives.

With the help, in some cases reluctant help, of the 535 Members of Congress, this President has made a new beginning.

He was not able to reduce Federal spending, but he did cut by more than half the request for increased Federal spending. He was not able to eliminate all the unnecessary redtape, but he was able to reduce the number of pages of regulations printed in the Federal Register from 73,000 to 51,000.

He was not able to end inflation, but he did cut the rate, which had been in double digit figures for most of the previous administration, down to an annualized rate in the month of March of less than 4 percent.

For the past 5 or 6 months we have been provided with a consistent diet of bad news.

The morning newspaper headlines and the evening television news emphasize what they perceive to be wrong with the President's program and ignore what many common folk perceive to be right with the President's program.

Nowhere has this consistent criticism of the Reagan administration been more pernicious than it has been in the reports of Central and Latin America, and particularly the reports from El Salvador.

Mr. Speaker, now I call your attention to some good news and to underscore the importance of this good news. Permit me to review in some detail what has been going on in El Salvador.

Mr. Speaker in land area this nation is about the size of your own State of Massachusetts. It is bordered by Guatemala on the north, Honduras on the east, and Nicaragua on the southeast, with about 135 miles of frontage on the Pacific Ocean. About 5 million people live in El Salvador.

El Salvador became independent of Spain in 1821 and of the Central American Federation in 1841. About 10 percent of the population is Indian, about 89 percent is of mixed Spanish and Indian blood, and about 1 percent Caucasian.

Since achieving independence, the Salvadorans have, in company with all of their neighbors, struggled with a succession of authoritarian rulers. And, again, like most of its neighbors, there is both great wealth and great poverty. The political rulers—clasping hands with the military or sometimes vice versa—have attempted to maintain the status quo by preserving the privileges of the wealthy and preventing any upward mobility on the part of the poor.

But the thirst for freedom was not to be denied and in January, 1931, in what most observers believe was a free election, Arturo Araujo was elected President.

Araujo had campaigned on a platform of better education, better transportation, and jobs for ordinary Salvadorans, and industrialization for the nation as a whole.

The new President had been educated at Oxford. He had seen the way in which class fluidity and mass prosperity had appeared in England after the Industrial Revolution. He wanted to bring the benefits of an industrialized economy to his people.

The privileged class, accustomed to using military power to protect their material possessions, staged a coup, led by the Vice President, Gen. Maximiliano Hernandez Martinez.

The followers of Hernandez sincerely believed the only way they could retain their riches was by keeping the majority of the people poor. This quite naturally led to a belief on the part of the poor that the only way they could gain a better economic condition was to take the wealth from the rich.

Neither side understood at all what Arturo Araujo had attempted to accomplish, and quite naturally as they have in every other disturbed corner of the world, the Communists became active in El Salvador. Their present leader is a man named Shafik Handal of Palestinian ancestry.

In 1972, Jose Napoleon Duarte was elected President, defeating the candidate of the PCN (Partido De Conciliación Nacional)—the political arm of El Salvador's military.

This party had been ruling El Salvador for about 40 years and they were not about to let a mere election change the course of events. Duarte was beaten and forced to flee the country.

In 1979, a group of young Army officers ended the 45-year rule of the PCN group, deposed the present, Carlos Humberto Romero, and Duarte—back from exile—was made President.

The Government under Duarte's direction began to move toward land reform, toward better economic and educational opportunities, and toward a full democracy.

But, of course, their progress was not fast enough to please the Marxists. They wanted to rebuild Salvadoran society on Soviet and Cuban models.

This, then, is the background of the struggle in El Salvador. John Kurtwill, a contributing editor of the National Catholic Register and editor of Policy Digest accuses the American press of romanticizing the guerrilla forces and refusing to grant any credibility to the reforms attempted by President Duarte.

It is estimated there are only about 5,000 leftist guerrillas operating in El Salvador. Guerrillas who are receiving their arms from Russia through Cuba and Nicaragua.

On the extreme right, there are about 5,000 followers of the old regime. This far right group would wipe out the land, educational, and economic programs of the Duarte

regime and return to the rigid military control of the past.

The far left wants to expropriate all the land, nationalize all businesses, and create a Soviet state. To accomplish this end, they have waged relentless guerrilla warfare on the innocent people of El Salvador.

One writer reviewing the Salvadoran situation said,

The goal of terrorism all along has been to make the people cry out, "basta, ya—enough, bring us peace no matter what you have to do."

Would the establishment of a Soviet model government in El Salvador bring peace and dignity and opportunity to the Salvadoran people? What they are demanding is "expropriation without right to indemnification of all properties, in the hands of the oligarchy; subsequent redistribution as collective, communal, or state properties; management of the national economy on the basis of a system of national planning." Mr. Speaker, does this modus operandi of the Soviet Communists sound familiar?

We should keep in mind that such demands voiced by guerrillas in other lands have never brought peace, justice, or opportunity. And, if this is questioned, we should solicit an answer from the Poles, from the Afghans, from the Cubans, and most recently from the Nicaraguans.

Now, let us relate the good news. The guerrillas called for and attempted to produce a nationwide strike. This was to demonstrate to the leaders of El Salvador that the guerrillas enjoyed the popular support of the people.

But the people refused to strike—even though the guerrillas committed hideous acts such as murdering a businessman, by mutilation, who counseled his employees against striking.

The guerrillas are attempting to destroy what little economic strength remains in El Salvador. They wantonly destroy buses, they blow up powerplants, they dynamite roads.

Is this to show their concern for the plight of the average Salvadoran? No! It is not; it is to intimidate the people.

But the good news is the people refused to be intimidated. They did go to the polls. They did vote. They said, "We want a chance to determine our own destiny in peaceful manner."

The elections in El Salvador completely vindicated the policy of this administration. We do not say the government in El Salvador is perfect or not without fault. But we do say, and they helped to prove, that the people of El Salvador prefer ballots to bullets.

Now let me direct your attention to those cassandras who have been pretending to see in El Salvador a second Vietnam—ridiculous. Consider the logistical differences. Vietnam was half the world away. Transport can reach El Salvador by air in a few hours.

In Vietnam the regulars of the North were a powerful, disciplined military force, easily supplied by the Soviets through China.

The guerrillas in El Salvador are small in number, poorly trained, and their supply routes could be easily interdicted.

I bring this up not to suggest that the United States should send troops to El Salvador, but to emphasize how ridiculous the claim that if we support the legitimate government in El Salvador—the only legitimate government—it will lend to a prolonged 10-year military involvement.

Recently a resolution was offered. It was suggested that the House of Representatives urge the established government in El Salvador to invite the guerrillas to join the government and to commerce negotiations for a political settlement.

This is essentially the same proposition being urged by Mexico and France.

I voted against that proposal. For the legitimate government of El Salvador—particularly now that it has been chosen in an open, free election—to invite the leaders of the left to participate would be to legitimize the terrorists activity.

Let those guerrillas who truly long for a betterment of conditions in El Salvador—as individuals—put down their arms and their bombs and go to work to improve the economy and to make democracy a reality.

I promised good news and there is good news in the American economy. The reduction of the inflation rate is a remarkable accomplishment. The President's new and different attitude toward the role of the Federal Government in our everyday lives is a remarkable change.

We spent billions to create the Great Society and are we better off for all that public money spent? The crime rate in every category is up.

We spent billions of public money in the "war on poverty." There is still great misery and poverty in this country.

The Reagan administration understands that you cannot give somebody something without ultimately destroying the recipient of your gift. The Reagan administration is determined to get the Government out of the way and to encourage the individuals to be responsible for their own destiny, with an assist for all those who are genuinely incapable of caring for themselves.

As I go about the 4th District in Arizona, I find the people expressing new confidence and new hope. Sure things are difficult right now, they say, but it is going to be better.

When I visit the young people I find them sober and serious and determined to make progress on their own.

Just this spring an amazing thing has occurred. Organized labor has voluntarily accepted a reduction in wages and fringe benefits in order to keep their industries in a better competitive position.

The President's proposal to improve our defense capability is under constant attack in the media. But the people I talk with—the workers, and the taxpayers, and the homeowners, and the businessmen—have a clear understanding that in order to survive, we must be strong.

Last week one of my supporters and political advisers cautioned me about being too bold and forthright in my support of President Reagan. "President Reagan's popularity is way down you know," he said. "The polls tell us so. A great many people do not approve of what he is doing. It would be better if you talked more about ELDON RUDD and less about Ronald Reagan."

Well, my friends Ronald Reagan is the only leader we have who has demonstrated an understanding of the problems which confront us and a determination to do something about them. He is taking his lumps in the press, but on the scorecard that really counts—that is the one kept in the heart of every loyal American—I think Ronald Reagan is earning high marks.

And, because I believe he is right when he says we must reduce taxes—we must reduce Federal spending—we must reduce Federal regulation—I shall continue to support him at every opportunity because I, too, believe those things are right for this Nation.

Mr. Speaker, the American people have the courage, and the understanding, and the wisdom, and the common sense to recognize that to return to the ways of the past would lead to ultimate disaster.

□ 1245

#### TRIBUTE TO A YOUNG HERO

(Mr. YOUNG of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Missouri. Mr. Speaker, today, I would like to take just a moment to salute a young man from my district in St. Louis County. The youngster is Scott McKenzie and he is only 6 years old.

On March 20, Scott showed courage beyond his young years when he, his 3-year-old sister, Carrie, and a 4-year-old playmate Kyle Naes, were attacked in the backyard of Scott's home by a vicious dog. As the animal lunged toward the children, Scott courageously pushed his sister and their friend onto a backyard jungle gym, out of the way of the attacking animal. Unfortunately, Scott did not have time to follow them to safety. Unable to outrun the dog, he was knocked to the ground and bit severely in the face,

chest, back, and arms. His left ear was severed in the attack.

Scott's sister, Carrie, also acted courageously. She got off the jungle gym and ran to her house to get her parents. Her father, Chuck McKenzie, is a policeman in suburban Vinita Park. Mr. McKenzie shot the dog twice before it bounded away over several neighborhood fences. The animal was killed moments later by another policeman in a nearby park.

Scott was rushed to the hospital where he received more than 1,000 stitches to close the wounds he received from the dog's bites. Surgeons who operated on the boy apparently worked some sort of miracle because they were able to take the boy's ear that was retrieved from the dog's stomach and implant the ear under the boy's scalp for future reconstruction.

Scott's courage and concern for his sister and his playmate saved both of them from harm. Unfortunately, his incredible bravery was not enough to sustain him from injury as well. Scott now faces extensive outpatient and inpatient surgical care. Doctors say it may take up to 5 years of reconstructive plastic surgery to repair the young boy's face and his left ear. The latest word is that Scott seems to be facing this surgery with the same manner of courage and fortitude that saved his sister and their friend. His parents, Chuck and Debbie McKenzie, also show the same type of courage that they had instilled in their young son.

Now the McKenzie family is facing thousands of dollars of medical bills in the next few years as Scott recovers from these severe injuries. Officials of the school where Scott attends first grade have set up a fund to help pay the medical costs that may not entirely be covered by the family's insurance.

Mr. Speaker, I think the courage and maturity shown by little 6-year-old Scott McKenzie are worthy of a moment's recognition in the U.S. Congress. While Scott's suffering and pain are indeed tragic, I am hopeful that he can gain additional courage to face his ordeal through the knowledge of the inspiration his incredible act of bravery has shown us all.

#### REAGANOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LUNGREN) is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, over the last few months we have heard many statements made in the well during 1 minutes and during special orders relating to the state of the economy. Increasingly from the other side of the aisle those comments have taken the form of criticism, and in

some cases, if I may say, bitter criticism.

Mr. Speaker, it seems to me we have to look at what has been done by this Congress under the leadership of the President in the last year and surely reflect on whether we want to call it a failure, and whether we want to turn it around.

In my view, Mr. Speaker, if President Reagan loses we all lose, because if Reaganomics fails, the American people fail. The reason I say that is basically Reaganomics is based on a faith in the ability of the individual American to make decisions for himself and for herself, and if the premise of Reaganomics is wrong, then, in fact, the thought that the American people have the capability of making many individual decisions for themselves is also wrong.

Over the years as President Reagan, prior to the time he assumed the Presidency, traveled throughout the Nation, and made speeches in many of the districts around the country, he could probably be best characterized as the everyman of American politics—one who went around the country and spoke to the heart and soul of America, one who uttered what I would refer to as simple truths. They were simple truths such as the fact that the U.S. Constitution was essentially and primarily a document by which we were able to restrain the power of Government, not the power of individuals. That excessive taxation is dangerous and that, in fact, excessive taxation ultimately dampens the individual spirit, and thus it dampens and stunts the growth of the economy with all of the repercussions that has. That excessive regulation serves no one well except those who were in the no-growth movement. As the president of the NAACP said a number of years ago, it is awfully easy in Washington, D.C., to talk about the limits, the era of limits, the era of the no-growth movement if you happen to be a 35- or 30-year-old White House assistant making about \$40,000 or \$50,000 a year, but if you happen to be a member of the minority, a teenager, a black teenager, unemployed in the ghetto, you cannot accept the idea of a no-growth economy. Ultimately a no-growth economy means that there is no prospect for you to get into the mainstream of American society and certainly into the mainstream of the economy in the United States. He also talked about the simple truth that excessive Government spending, particularly at the Federal level, has devastating effects on the economy.

When the President spoke about these things as he went around the country, he found a responsive chord in the American people. I guess what we must ask here today, Mr. Speaker, is, Was that response of the American

people a wrong response? Was it somehow misguided? Was it somehow in error or was it in fact correct?

What did those truths the President spoke about for so many years lead him to do when he came here to Washington? They led him to embark on an economic program that basically could be boiled down to four points:

First, that we must restrain the spending of the Federal Government. We accomplished some of that last year. We managed to rein in the excessive growth of the Federal Government, to bring the annual rate of increase of Federal spending from 16 percent which had been the level at which it had accelerated year after year to somewhere around 10.4 percent. Amazingly, when we were here last year and we started to vote on the budget, we thought we were bringing it down even more than that. We thought we were bringing it down in the range of 7 percent. But in fact, with a major element of the economy being in the area of entitlements or uncontrolled spending, despite all we did last year total Federal spending rose at an annual rate that was still 10.4 percent at the end of the year. Nonetheless, we made progress.

□ 1300

The second thing the President suggested and which we voted on here in the House was an idea of tax cuts, tax cuts for the individual citizens of America, along with some tax cuts for the business sector. The President was absolutely adamant that we must have individual tax relief. He wanted a 30-percent across-the-board 3-year phased-in program. However, after he had compromised here with the House of Representatives, and the U.S. Senate, he got a 25-percent across-the-board cut that was not phased in as quickly as he wanted.

Somehow, we decided to put it off so that the first part of this individual tax cut only took place in October of last year.

The second phase, of course, is to go in on July 1 of this year, and the next phase to go in July 1 of the next year.

Many of us feel that we would not be in the recessionary doldrums that we find ourselves today, if we had accelerated the application of those individual tax cuts as this President promised he wanted to do when he was running for the Presidency well over a year and a half ago.

Had we done that, I doubt that you could find any economist to suggest that we would have the level of unemployment that we have today. Nor would we have the economy in the doldrums that we find ourselves in today.

The third factor of the President's program was regulatory reform. The gentleman from Arizona (Mr. RUDD) has already referred to the numbers that give us an idea of how much we

have cut back in the regulatory monster that we have created over the years here in Washington, D.C. We have managed to cut back by over a third on the numbers of pages of regulations that we had promulgated last year in the Federal Register.

So we made some progress, by cutting the number of pages by a third, but we still have over 50,000 pages of new regulations that were promulgated last year. Although we managed to cut in half the number of regulations, we still have only made a beginning on the regulatory reform package.

The fourth thing the President suggested that we ought to have as a major element of Reaganomics was a stable monetary policy. It seems to me that although there has been some movement in that direction, the Federal Reserve Board still has not completely learned the science, or perhaps better expressed, the art of having a stable monetary policy. In fact, some people are still uncertain as to how they will achieve that. Nonetheless, I think there is overall agreement that stability in monetary policy is essential.

Although these programs have just begun, we have had suggestions that they have already proven to be a failure. The detractors talk about the unemployment rate, and I would have to say, Mr. Speaker, that, yes, the unemployment rate is unacceptably high. We recognize it, the President has said so, the President recognizes it. Had his program been in place with the tax cuts at the time he first proposed, we may very well have avoided the situation we find ourselves in right now, in terms of all unemployment.

Another factor is the fact that we have had, according to some experts, the highest sustained rate of unemployment since World War II over the past 6 years. The President has been in the White House only for the last year. This indicates that it is a long term, rather than a short-term problem.

Mr. Speaker, when we look at some of the other results it seems to me they have received scant attention in the press and scant attention here on the floor. Yesterday when I entered into the special order that the gentleman from Georgia (Mr. GINGRICH) had, I related in detail some Bureau of Labor statistics indicating that every single sector of the individuals in America, no matter where they find themselves in the economy, is better off with respect to purchasing power because of the programs we put into effect.

We talk about how the average family of four with a 1980 income of \$24,332 had actually almost \$851 more in purchasing power in 1981 than they would have if inflation had continued at 1980 rates.

Similarly, the poverty level family of four with \$8,414 in income in 1980 would save almost \$300, \$294 to be exact, in purchasing power in 1981 as a result of lower inflation.

Similarly, an elderly married couple with an income of \$16,113 in 1980 would have saved \$564 in purchasing power in 1981 as a result of lower inflation, specifically, I believe, because of the policies of this administration.

Now what does that mean? It means, for instance, if you take the benefits that may have been cut from the poverty level family of four, the marginal benefits they would have received had we not enacted some of the cuts were more than made up for in the increase in purchasing power that they have.

The difficulty, however, is in having people understand and appreciate that even though the dollars behind the dollar sign are not greater in their paychecks, the purchasing power of those same dollars is greater. The value of the dollar is greater because the inflation rate is not nearly as high.

That means they can buy more for their family than they could the year before, or they could this year, if the inflation rate had continued at the rate that prevailed the year before.

What does it mean for next year?

When we come up with the figures at the end of this year what will this mean?

Well, if the inflation rate continues to maintain itself at the rates we are seeing now, that average family of four will get more than \$500 back in purchasing power in this current year as compared with its 1980 income of \$24,332, based on inflation at the Jimmy Carter rates of 1980. We have the same thing with the poverty level family of four that would have \$538 more dollars this year than they would have had if the inflation rate continued at the prevailing level during the Carter administration.

The elderly couple with the income of \$16,000 would have \$1,031 more in purchasing power this year than they would have had if the inflation rate continued at the levels that prevailed when President Carter was in office and when we had very, different policies than those pursued by this President.

What does this mean? It suggests to me that those who criticize the programs that we have put into effect, even though they have only been in place a short time, and are not completely implemented carry the burden of proving that alternative programs, which of course, we would expect them to identify, would do a better job than those we now have in place.

They should suggest to us, if they disagree with the President's policies of spending restraints, tax cuts, regulatory reform and a stable monetary policy how things would be better if

we went back to the spendthrift days of just a few years ago. How would things be better if we, as some have suggested on the other side of the aisle repealed the tax cuts that we passed last year and have just implemented in the last few months? How would things be better for the economy if instead of trying to reduce the regulatory burden we put the tremendous regulatory cap back on in all of its glory? How can we abandon the hope and the goal of a stable monetary policy.

If they are suggesting that following their policies will get us in a better position than we are today, they must explain openly, here on the floor, why those policies which were followed for 4 years in the previous administration, did not work then but somehow would work now.

It seems that we forgot in a very short period of time what those other policies brought us. Let us take a quick look at them.

When President Carter took office in January 1977 the inflation rate stood at 4.8 percent. My colleagues will recall that President Carter called that rate appallingly high when he was running for the office of the Presidency.

Remember that January unemployment rate that year was 7.5 percent, the prime interest was 6 1/4 percent, and that was just 1977, and 3-month Treasury bills paid an interest of 4.6 percent.

What happened after 4 years of following the policy that some who have criticized this President's policies would suggest that we bring about again? Well, after 4 years of that policy, inflation stood at an annual rate of 12.4 percent. For the second year, we had double-digit inflation based on the CPI. In January 1981 unemployment was at 7.4 percent, approximately where it had been when the President took office. It had barely budged. The cost of money had shot through the ceiling. The prime interest rate when President Carter left office was 21.5 percent. We all agree that the prime interest rate is too high today at 16 or 16 1/2 percent, but it was 21.5 percent then. Three-month T bills at that time yielded 14.7 percent.

What does that mean? It means we had gone from an inflation rate of 4.8 percent to an inflation rate of 12.4 percent, almost triple in that period of time.

What have we done in terms of the prime interest rate? We had gone from 6.25 percent to 21 1/2 percent in more than tripling the prime interest rate. In the 3-month T bills—the amount of interest that we have to charge with respect to getting the Government its money out in market—we have gone from 4.6 percent to 14.7—again almost triple.

Now what happened after 1 year of President Reagan's administration. Well, the previous year's inflation rate, 1981, was down to 8.9 percent, the first time in 3 years it had been below double digit.

The January unemployment rate was 8.5 percent. It had risen somewhat.

The prime interest rate was down to 15.75 percent, and 3-month Treasury bills had dropped to a yield of 12.5 percent. In every single indication, with the major exception, and it is an exception, and one we have to deal with, that of unemployment, the economic indicators were in a positive fashion.

Now what is the problem with unemployment?

The problem with unemployment is there are long-term difficulties in this economy which will not be taken care of within a couple of months, and many of those things have to deal with those very elements that the President has attempted to reverse here in this seat of Government.

If we do not control the size of spending of the Federal Government, we tend when we have to go out and borrow, to depress the private sector borrowing market so that the housing starts are down, so that industries, heavy and light, are unable to go out and get money so that they can expand or even maintain themselves and continue the jobs that are already out there.

If we are going to increase jobs in this country we are going to have to have productivity rates on an incline, rather than a decline, and with all of these other statistics—another one that is extremely important is that during the last 3 years of the Carter administration, we had negative productivity growth for 3 years in a row. That shows an underlying weakness in the overall economy, caused mostly by the overwhelming influence of the Federal Government.

We have to deal with the excessive taxes, because when the tax rate is too high, it tends to crowd out initiative, and to dampen the ability and ingenuity of the average American to work, save, invest, and help expand this economy in a healthy manner.

And so we have to attack the essential difficulties that we find in the economy if we are going to make long-term employment gains in this country.

Now when we talk about inflation rates, a lot of people say, "How do you translate that? What does that mean? What are we talking about regarding savings in the pockets of the American people?

Well, when we talked about the inflation rate of last year, 8.9 percent on an annual basis, what happened this year? We brought the inflation rate down to 3.5 percent at the beginning of this year. It is now running some-

where around 3 1/2 and 4 1/2 percent per year. What does that mean? That means that in the space of less than 2 years we basically have taken 10 percent out of the inflation rate. This means that the average American gets a simple raise next year, or even at the same pay that he was receiving last year, he will have 10 percent more purchasing power than he otherwise would have had.

It is something that we have had to deal with for a long time and we failed to deal with here in the Congress.

The annualized inflation rate was under 4 percent in January of this year, it was less than 3 percent in February of this year, the producer price index fell at an annual rate of 1.2 percent in February, which was the first monthly decline in 6 years. Most analysts are beginning to say that we apparently are beginning to really defeat the inflation spiral which is based on the expectations of continuing inflation with everyone, particularly the average American.

Average retail gas prices shot upward from 88.2 cent in 1979 to \$1.22 in 1980, a jump of 38.4 percent. Remember after price decontrol people suggested the President was wrong for having that price decontrol. Gas prices did rise, but only 10.8 percent over the previous year, to \$1.35 per gallon.

□ 1315

And now what happened? In December of this past year, the average retail price was down to \$1.34.8 per gallon, and in January 1982 it was again down. So the President's policy on decontrol has worked in taking off those governmental strictures that basically caused us to rely more on foreign producers and less on domestic producers, and basically put ourselves in a self-proclaimed and self-created blackmail relationship with foreign producers, primarily OPEC.

The housing component of the CPI rose 15.2 percent in 1979, 13.7 percent in 1980, and only 10.2 percent in 1981.

Financing, taxes, and insurance on housing which rose almost 30 percent in 1979—27.5 percent—increased by 23.3 percent in 1980, and in the first year of this administration by 17.9 percent. In other words, the rates that had prevailed 2 years before have declined by almost 10 percent.

Now, this means that in the long run the American people are going to be far better off than they would have been had we followed the policies of the previous administration.

Are there problems today? Certainly there are problems today. Have we solved all of them? No, we have not solved all of them.

But should we take a "U" turn in the road and go back to the failed policies of the past? I do not think so, Mr. Speaker.

And what are the American people telling us? Recently there was a nationwide poll in which it was largely proclaimed that the lead question and answer dealt with whether or not the American people supported Reaganomics. And we heard on radio and saw on television and read in the newspapers that about 56 percent of the people no longer supported Reaganomics.

However, when you looked at the following when they broke down the elements of Reganomics as I have mentioned here today, they found that the American people overwhelmingly supported each and every component of Reaganomics.

What does this suggest? Perhaps that Reaganomics has become a dirty word because everything that has gone wrong at all with the economy is blamed on it. I am just surprised that the next eruption of Mount St. Helens has not already been blamed on Reaganomics. They seem to have done a good job in making that a dirty word.

But when you talk about the elements of Reaganomics, the American people want them. They understand that we have been overtaxed. They understand we have been overregulated. They understand we have spent too much here. And they understand that we have borrowed too much here in the Federal Government.

What are they telling us? They are telling us that they do not blame the President of the United States for the current economic difficulties. That is what the latest polls have shown nationwide. And just this Sunday in the Washington Post, Haynes Johnson, certainly not an open or closet conservative, a writer in the Washington Post, had a large piece in which he talked about accompanying Peter Hart, a Washington pollster that I understand primarily conducts surveys for the Democratic Party, dealing with what they referred to as a focus session in Asheville, N.C. This is where you go and you get representative individuals from a community and sit down and speak with them at some depth about different issues.

And what was the prevailing attitude? The prevailing attitude was, to quote Mr. Johnson, "That Reagan is winning the political struggle. In people's minds here, in Asheville, N.C., blame for the Nation's economic problems lies more with the Congress than with the President."

Now, what does that mean? That means that the American people recognize that we hold the purse strings here in Washington, D.C. We are the ones, as an institutional collective body, that have over the years passed the programs, appropriated all of the spending, allowed all of the deficit spending, agreed to all the borrowing. Now when the chickens come home to

roost we cannot blame them on the new farmer in town.

What are they also telling us? They are telling us that even though they recognize that they individually may be a little less well off economically this year than they were the year before they are more optimistic about the future.

Let me just refer to one individual, Mr. J. D. Jackson, who has a real estate company down in Asheville, N.C. He said that he worries about conditions because his business is suffering, but he says, "I find myself a little worse off, but attitude-wise I am better off. I am more optimistic about the future. I find myself"—and this is key—"I find myself having faith and trust in the administration policies versus what I felt 2 years ago."

Another Member said that she felt herself "better off mentally."

There was also the sense, said Mr. Johnson, voiced by several, that the pain of the moment was unfortunate but necessary and stemmed from past practices and policies in Washington.

"America has been on a long binge," said Mr. Benjamin McKenzie, another businessman. "Now we are suffering part of the hangover."

This means that the American people still, in their hearts and minds, believe in what President Reagan has stood for so many years, what he has spoken about for so many years, what he has been consistent with for so many years, what he prevailed upon the Congress to pass last year, and that they are saying make some changes here and there.

It is said that they are not unconcerned about the deficit. In fact, they are very concerned about the deficit and said if it were absolutely necessary to postpone some tax cuts, they would be willing to do that. They would be willing to make that sacrifice.

But, you know, the American people know that that is not what is necessary. What is necessary is the Government, their representatives here in Washington, those of us in the House, those of us in the Senate, to somehow get the gumption and the guts to realize that spending has gone completely out of control here; that we cannot give away everything without trying to find where we are going to pay for it; that it is easy to have the responsibility of handing out money if you don't worry about the responsibility of taking it in.

We had a Member from the other side of the aisle who did not return this last year as a result of votes of the people of his district, who has appeared in the newspapers now because he now went back and started a bar in his own district. And he said something that I thought—maybe it ought to be up there right next to "In God We Trust"—he said, "I have got to pay my bills or I go out of business. And in

all my years in Congress we never had to worry about that. We don't worry about things down there."

We know the mayor of New York, when he was here, voted for just about every spending program that came down the pike.

What did he say last year when he started criticizing us for spending? He said, "I was dumb when I was in Congress. I didn't worry about these things. And Congress doesn't worry about those things."

Unfortunately, sometimes it takes Members to leave this House before they realize that you cannot long deal with the Federal budget any different than you deal with the family budget. We could no more deal with our family situations in terms of continually paying out more than we take in, going further and further into debt; we could no more do that than, frankly, escape prison as individual citizens if we continued to bounce checks year after year.

And in a sense, that is what we are doing here, or have done here. We have bounced checks on the trust of the American people. We have devalued their currency year after year after year, because we have decided that it is easier to spend and spend, elect and elect, tax and tax, borrow and borrow. And we just cannot do that any more.

The President has come before us and presented a comprehensive program, the most far-reaching comprehensive program of an economic nature that we had here in years. We passed it in part. We certainly passed it in principle. And now when we have some of the difficulties in a settling out period, some of us, some in this House, want us to turn tail and run. And I do not think that is what the American people want.

We have got to get the message across that what we enacted last year was basically an alternative to the failed policies of the past, and that if one is to be fair about judging where we are now, and the efficacy of the programs that we passed in the last year, one has to compare it to something else. And one has to compare it to the alternatives that are presented. And to the extent that those alternatives sound a retreat and tell us to go marching off in a different direction, I think we ought to reject those alternatives.

Because, Mr. Speaker, as I suggested at the beginning of this special order, if President Reagan fails, we fail. If his policies do not stand the test of time, the assumptions upon which they are built will not stand the test of time. And frankly, it means that those of us who came here to Washington, including the President, saying that those who preceded us have faith in big government, we have faith in the

people, will have failed, too. And that means the American people will have failed.

Mr. Speaker, I yield back the balance of my time.

#### THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 20 minutes.

• Mr. TAUKE. Mr. Speaker, in the continuing discussions of the budget, there are three recurring themes which I think merit our critical re-examination. They are, first, that we cannot make cuts in defense spending without seriously damaging our national security posture; second, that we cannot impose tax measures without impairing the President's economic recovery program; and, third, that we cannot reduce nondefense spending without hurting the poor. One or more of these propositions are usually propounded by those with vested interests or holding highly partisan political viewpoints. Unquestioned acceptance of any of them impedes our progress toward the bipartisan consensus we must ultimately achieve. Given that we are to reduce the projected deficits, both in fiscal year 1983 and the out years, and I believe we must, no such proposition can be sacrosanct.

Our task, I submit, is to reduce the enormous deficits which threaten to starve the Nation's credit market and to do it with a commonsense, compassionate, and equitable approach to budgetary priorities. We must use commonsense in identifying those components of the budget whose unrestrained growth is primarily responsible for the deficits and in acting to curb their growth; in protecting and strengthening programs in education, research and development, job training, and other areas that are critical to achieving and maintaining economic vigor and growth; in maintaining and in fine tuning a tax policy conducive to economic recovery and growth; and in providing reasonably and adequately for our defense. We must be compassionate in our treatment of our needy and disadvantaged, insuring that they do not suffer undue hardship in any restructuring of the programs which constitute their "safety net." Finally, we must be equitable in distributing the burdens of our economic difficulties; no individual group or region should share them disproportionately.

There is no mystery concerning the identity of the budget components fueling the deficit. They are, as table 1 shows, payments to individuals; that is, the entitlement programs; defense; and the interest on the national debt. All have been growing at rates considerably in excess of rates of increase in prices, wages, and nominal GNP.

Clearly these rates are not sustainable. Large budget components cannot increase for long at rates exceeding economic growth without creating insurmountable deficits. Yet we are asked to increase defense spending at the highest peacetime rate in our history, and we have programmed into our laws, through an inappropriate COLA indexing scheme, indefinite and unrestrained growth in entitlements. Moreover, the deficit monster we are creating feeds on itself. If we do not control deficit spending, we are going to be facing the ominous specter of budgets whose most significant component is the interest on debt represented in earlier deficits.

Table 1 is revealing in one other respect. The domestic discretionary programs—included in the other human resources and all other categories—constitute a relatively smaller portion of the budget and have already been cut significantly in fiscal year 1982. We can, and should, continue to scrutinize these discretionary programs for potential budgetary savings, but we cannot in fairness and commonsense look again to them exclusively while omitting from our purview the much larger defense and entitlement components.

#### DEFENSE

We all recognize the responsibility of the Federal Government to provide for a strong national defense. But that should not blind us to two facts about the proposed defense budget: First, it is more than we can afford; and second, the money is not being wisely spent, we do not need, nor can we afford, a 17-percent increase in the Pentagon budget. A 5-percent annual real growth rate in defense spending will permit us to meet our international commitments, improve compensation for the men and women who serve our Nation, step up our readiness, meet the Soviet challenge, and still save \$8 billion in the next fiscal year and tens of billions more in the years thereafter.

We have found that we cannot solve our social problems by throwing money at them. Similarly we should not expect to achieve a sound defense by merely buying more and more expensive, sophisticated military hardware. What I am suggesting is that there are components in a strong defense posture other than quantifiable military strength as represented by the number of men under arms and the number of items of military hardware available.

We Americans are not a militaristic people. We are uncomfortable managing a powerful peacetime military establishment and with using it as an instrument of policy. When our sense of national purpose is clear to us, we can muster our resources for a phenomenal military effort, as evidenced in World War II. But without this clear

sense of purpose, we are ineffective, as our Vietnam experience amply demonstrates. We need to project an image to ourselves, to our allies, and to the uncommitted, of a nation which is a model of economic success, military strength, and opportunity and compassion for its citizens. To achieve this we must establish and maintain a balanced set of national priorities. In the present context of peacetime and economic recession, we should ask for a more restrained growth in defense spending conducive to economic recovery and for continued funding of vital energy, health, education, and welfare programs.

There are a number of compelling reasons, apart from the question of affordability, for restraining growth in defense spending. The decline in major weapons systems procurement in the 1970's has diminished our defense industrial base. Our economy has experienced a shift toward high technology and service-oriented industries and away from the basic hardware and heavy machines that have long been and still are the staples of the industrial complex required for defense production. Although there may be sufficient prime contractors bidding for major weapons systems contracts, there is a shortage of potential subcontractors and a shortfall in their capacity to produce the necessary sub-components. Many subcontractors have gotten out of defense production because of its uncertainties and low profit potential. There is also a shortage of the skilled engineers, technicians, and machinists required for a massive defense buildup. True, the market forces unleashed by increased military spending will ultimately correct these deficiencies. But it is unrealistic to expect that they will be overcome immediately.

We can also expect a better performance from our military planners if we provide for more limited, but more predictable patterns of growth in defense spending. We do not get the best mix of strategy, forces, and equipment when we alternately curtail spending and then offer blank checks to our military leaders. Such large swings in funding promote a climate of waste and inefficiency. Let us offer the more modest but sustainable buildup consistent with 5 percent real growth in the defense budget. On the average, this rate is only 2 percent short of that asked for by the President over the next 5 years. Yet it would save \$8.3 billion in fiscal year 1983 and \$98.1 billion over 5 years.

How are we to effect the fiscal year 1983 savings? Where should we offer less than the President has asked? I hope not in the area of operation and maintenance. It would be shortsighted to sacrifice readiness in the interest of acquiring new weapons systems, many

of which are of arguably questionable cost effectiveness. Rather, we should make some hard choices among these new procurement programs and seek further improvements in efficiency. Reports by the House Appropriations Committee and the Congressional Republican Study Committee last year found 46 ways the armed services mishandle funds, representing at least \$15 billion in potential savings. Outgoing Comptroller General Stoats cited a number of measures which, if implemented, could save DOD over \$10 billion annually. Secretary Carlucci has made a commendable beginning with cost reducing management initiatives but much more can be done.

The strength of our defense rests not only on its Armed Forces but also on the continued availability of adequate energy, economic stability, and the skills and will and vigor of our people. In our zeal for strengthening the Armed Forces and reducing discretionary spending, let us be wary of budget cuts which undermine this base of support.

#### ENTITLEMENTS

The largest budget component (see table 1) is entitlements (\$348.3 billion in outlays). Table 2 shows a detailed analysis of entitlement program spending. Most programs may be classified as either means-tested or as directed toward the elderly and disabled. The \$50.5 billion, 17-percent increase in entitlements from fiscal year 1981 to fiscal year 1983 is primarily in the latter category. Social security accounts for \$35.5 billion of this increase; medicare accounts for \$10.9 billion; Federal retirement for \$3.6 billion. Military retirement payments (not included in table 2) have increased by \$2.8 billion.

Have these increases in social security and retired pay represented only the necessary increases to safeguard the elderly against the ravages of inflation to the same degree as wage earners are protected by increases in wages? By all accounts the answer is no. The Consumer Price Index, to which social security and retirement payments are indexed, has consistently exceeded a similar wage index over the past decade. As a result older retirees now receive significantly greater benefits than new retirees at the same level and length of service. Simple demographics dictate that we cannot allow this disparity to continue. The growing ratio of retirees to wage earners portends increasing wage earner burdens. We must ask higher income retirees to share to some extent the burdens of budget reductions. The American Association of Retired Persons (AARP), the American Legion, and the Disabled American Veterans have all indicated a willingness to accept curbs on the rate of growth of entitlements if applied equitably and across the board.

The potential savings from bringing cost-of-living adjustments more nearly in line with wage increases is enormous. Various proposals have been made to compute indexing by using CPI—2 percent or using two-thirds CPI, for example. CBO estimates that with two-thirds CPI on social security, the savings would be \$5.4 billion in fiscal year 1983 and \$76.3 billion over 5 years. These proposals have been rightfully criticized as destructive of the buying power of those recipients below or near the poverty level and totally dependent on social security. We should not and need not ask them to share in the sacrifices.

According to a recent AARP-sponsored study made by Data Resources, Inc., the number of persons 62 and over below the poverty line (\$4,000 for an individual, \$5,000 for a couple) would increase from 4.1 million in 1980 to 4.6 million in 1985 under the two-thirds CPI proposal. No more than 15 percent of persons 65 or older, however, are under the poverty line. Moreover, the poor receive lower average benefits than the nonpoor. Therefore, more than 60 percent of the social security beneficiaries currently receive monthly benefits of less than \$400, yet those receiving more account for over 60 percent of the total social security benefits. Exempting the poor from the reductions in COLA's would diminish the cost savings only slightly.

Let us not also that COLA's for the maintenance of an income security safety net are necessary but that a COLA for the readjustment of an annuity contract for guaranteed income is less justifiable. Ordinarily, in the private sector, payments on such annuities bear a direct relationship to the premiums and do not reflect unanticipated inflation.

A reasonable and administratively simple alternative is variable COLA indexing according to the level of benefits. We might, for example, provide the full CPI-based COLA on the first \$400 of monthly benefits, thereby safeguarding all who are at or near the poverty line. The rate for COLA adjustment could then be successively decreased with increasing amounts of benefits.

Other COLA formulations with a more gradual decrease in COLA rate with increasing benefit levels are possible and perhaps more equitable. It is clear, however, that very significant savings are possible without hurting the poor and without denying the reasonable income security expectations of all other beneficiaries. In the interest of equity we should consider possible similar COLA adjustments in the retirement and other non-means-tested entitlements.

#### DISCRETIONARY PROGRAMS

In our commitment to maintain the so-called safety net of social programs, we have failed to recognize what is

happening to those programs which pull people up out of the safety net and into the mainstream of society. If we continue down this path, we will be creating a permanent welfare class—group of people with no hope of escaping dependence on government. That is lousy social policy. We should at least maintain the current levels of funding for those programs which were cut substantially last year—the student aid programs, the job training programs, the programs for children. We should look upon spending for programs for energy, education, health, and job training as investments in our future.

Our energy position has improved dramatically under deregulation. We have had increased conservation, more domestic oil exploration, and lessening of our dependence on foreign oil, and a weakening of the OPEC cartel. Nevertheless, our long term energy future remains clouded by volatile Mideast politics and the growing Soviet threat in the Persian Gulf area. It is therefore premature to drastically reduce or eliminate Federal support of alternate energy and conservation research and development and of conservation grants to improve energy efficiency. A Federal coordinating role in energy preparedness and emergency planning also remains necessary.

Education is the primary vehicle for upward mobility in the economic strata of our society. It is also the underpinning of our technological capability and the quality of life we have come to enjoy. It is wise to continue funding of those programs which support widespread availability of educational opportunity.

Our Government has an obligation to help the increasing number of individuals, who because of the recession or as a consequence of the shift from a product-oriented to a more service-oriented economy, find themselves unemployed. It is simply good economics to help the unemployed gain the skills which make them employable. Each 1 percent increase in unemployment translates to a \$25 billion increase in the Federal deficit. Continued funding of employment and training programs, as well as some new training initiatives, are in order.

There are other discretionary programs which cannot survive the kind of scrutiny this budget needs. In particular, many expensive public works projects should be canceled or delayed. These include the Clinch River breeder reactor, the Tennessee-Tombigbee Dam, and other water resources projects. Many of these are environmentally unsound and have high cost-benefit ratios.

A freeze on overall domestic discretionary spending would allow continued funding of the vital programs in energy, health, education, and job

training. The increases required for inflation compensation can be found in reduced public works funding.

## REVENUES

The curbs on defense spending and entitlement growth that I am proposing would produce significant savings relative to the President's budget. A portion of these savings compensate for the cuts I would restore in discretionary programs. The net savings relative to the President's budget is approximately \$5 billion. A far greater deficit reduction is called for. Our remaining alternative is to seek new revenues.

I do not urge tax measures whose primary effect is to impede savings and investment. We should not consider any increase in payroll taxes, nor should we reverse the basic provisions of the Economic Recovery Tax Act of 1981. Yet there are changes in that act which should be made. The safe harbor leasing provision which was intended to provide investment incentive to corporations with little or no tax liability, through the mechanism of "selling" unused investment tax credits, has allowed profitable corporations to escape taxation by "buying" these credits. This provision should be repealed. Certain other tax incentives have become obsolete and might be repealed. They include giving a tax credit rather than a deduction on royalties paid by oil companies to foreign governments, and the expensing of intangible oil and gas drilling costs. Repeal of these provisions would provide \$3.7 billion in additional revenue in fiscal year 1983 and over \$40 billion over 5 years. Another \$1.1 billion is saved in fiscal year 1983 if we do not enact the windfall profit tax reduction proposed in the President's budget.

There are many other tax measures which should not significantly impair economic recovery. By simply limiting the deduction that can be taken for a business lunch to half its costs, annual revenues would increase by \$1.9 billion. I find in my district substantial support for increasing taxes on liquor and cigarettes. Doubling these excise taxes would produce \$5.1 billion in additional fiscal year 1983 revenue. These examples demonstrate that it is a reasonable goal to seek additional revenue, beyond that provided by the President's proposed changes, in an amount exceeding \$20 billion.

The bottom line is this. We can reduce the fiscal year 1983 deficit by \$25 billion without impairing national security, the social program safety net, or the foundation set a year ago for economic recovery. It means the Federal Government would cut its demand for borrowed money by about one-quarter. That would leave more money at cheaper rates for the home buyer, the farmer, the person who wants to buy a new car, the small business. It would mean more jobs.

I do not suggest that this proposal is

the answer or that it will instantly solve all of our problems. But I strongly believe it represents a giant stride in the right direction.

TABLE 1.—1983 BUDGET: FEDERAL OUTLAYS BY SELECTED CATEGORIES<sup>1</sup>

[Outlays in billions of dollars]

Selected categories	Fiscal year—			Percent change (1981- 83)
	1981 (actual)	1982 (est- imate)	1983 (est- imate)	
Human resources:				
(a) Selected payments for individuals.....	\$297.8	\$332.5	\$348.3	+17
(b) Other human resources programs.....	47.7	43.7	37.5	-21
Subtotal, human resources.....	(345.5)	(376.2)	(385.8)	+12
National defense.....	159.8	187.5	221.1	+38
Interest.....	82.5	99.1	112.5	+36
All other.....	99.7	94.0	81.7	-18
Undistributed offsetting receipts.....	-30.3	-31.5	-43.5	+44
Total, outlays.....	657.2	725.3	757.6	+15
Consumer Price Index change <sup>2</sup> .....				+14

<sup>1</sup> Fiscal year 1983 budget (February 1982).

<sup>2</sup> The consumer price index change from calendar year 1981 average to calendar year 1983 average (estimate) is 14 percent.

Source: Fiscal year 1983 budget.

TABLE 2.—1983 BUDGET: HUMAN RESOURCES—SELECTED PAYMENTS FOR INDIVIDUALS<sup>1</sup>

[Outlays in billions of dollars]

Programs	Fiscal year—			Percent change (1981- 83)
	1981 (actual)	1982 (est- imate)	1983 (est- imate)	
Retirement and disability:				
(a) Social security (OASDI).....	\$138.0	\$154.6	\$173.5	+26
(b) Federal employee retirement and disability.....	17.5	19.4	21.1	+20
(c) Veterans' service-connected compensation.....	8.4	9.5	10.2	+21
(d) Railroad retirement.....	5.3	5.7	0.4	+93
(e) Special benefits for disabled coal miners.....	1.8	2.0	1.8	±0
Subtotal, retirement and disability.....	(171.0)	(191.2)	(207.0)	+21
Unemployment compensation.....	19.7	25.2	22.6	+15
Assistance to students.....	4.5	4.7	4.1	-9
Medicare.....	* 39.1	* 45.7	* 51.0	+30
Means-tested programs:				
(a) Medicaid.....	16.9	17.9	17.1	+1
(b) Food stamps.....	11.3	11.2	10.3	-8
(c) Other food and nutrition assistance.....	4.9	4.3	3.4	-31
(d) Housing assistance income.....	6.9	8.2	8.9	+28
(f) Aid to families with dependent children (AFDC).....	8.5	8.1	5.9	-31
(g) Veterans' nonservice-connected pensions.....	3.8	3.9	4.1	+7
(h) Earned income tax credit, refugees, energy and other.....	4.0	4.2	5.0	+25
Subtotal, means-tested programs.....	(63.5)	(65.7)	(63.6)	±0
Total, payments for individuals.....	297.8	332.5	348.3	+17
Net change through proposed legislation.....	—	(-1.1)	(-11.1)	—
Consumer Price Index change <sup>2</sup> .....	—	—	—	+14

<sup>1</sup> Fiscal year 1983 budget (February 1982).

<sup>2</sup> Includes \$3.8 transfer from railroad retirement.

<sup>3</sup> Net of premiums and collections (\$3.3, 3.9 & 4.4B).

<sup>4</sup> Includes \$1.7B for "combined welfare administration". Composed of deductions of \$0.8B from Medicaid and \$0.9B from AFDC. The 1983 food stamp amount includes \$0.5B for administration.

<sup>5</sup> The consumer price index change for calendar year 1981 average to calendar year 1983 average (estimate) is 14 percent.

Source: Fiscal year 1983 budget. ●

A BILL TO COORDINATE THE HOUSING PROGRAMS OF HHS AND HUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McVINNEY) is recognized for 5 minutes.

● Mr. McVINNEY. Mr. Speaker, today I am introducing legislation to encourage the Department of Housing and Urban Development (HUD) and the Department of Health and Human Services to work together—instead of against each other—in the effort to provide housing for needy Americans. It may surprise many of my colleagues to learn that these two agencies are at odds, and I should emphasize that this circumstance is by no means intentional. However, I view it as one of the major problems facing our housing policy. Let me explain.

Traditionally, we think of HUD as the primary agency which provides housing assistance. Indeed, HUD has a wide variety of programs, most of which require landlords to meet minimum housing standards for rental units.

At the same time, however, the Department of Health and Human Services spent at least \$5 billion last year on housing assistance. This assistance took the form of direct payments to AFDC recipients who, in turn, used that money to purchase housing on the open market. Unlike HUD, however, HHS mandates no minimum standards to be met by landlords who house these recipients. As a result, landlords can and do receive the full amount of this assistance money regardless of the condition of their buildings. In a tight rental market, this system thereby sustains a demand for substandard housing and assures a steady cash flow to landlords who rent substandard units. It is estimated that 50 percent of the housing units occupied by recipients of the AFDC program are considerably below accepted standards for safe and decent housing.

The legislation I have introduced today is intended to end this dichotomy—a dichotomy in which HUD is working to improve our housing stock while HHS is subsidizing a substandard stock. It would accomplish this goal by authorizing the Secretary of Housing and Urban Development to encourage States and units of local government to develop programs which encompass both HUD and HHS funds to assist lower income families. Policy and program development would be developed at the local level, where the housing needs of the poor are known and where the programs needed to remedy housing problems are best understood. While local pro-

grams could differ, they must all provide for the improvement of housing quality for lower-income families.

Once plans are developed, States and localities can apply to the HUD Secretary for the funds needed to carry out the proposal. The legislation provides an authorization of \$50 million for the Secretary's discretionary fund, which should be used to fund at least 20 local demonstration projects. Once these projects have been completed, it is my hope that Congress will get about the business of straightening out this housing debacle once and for all.

Mr. Speaker, our rental housing crisis is simply too critical to let the existing conflict between HUD and HHS continue. It is the cornerstone of our Nation's housing policy to provide decent, safe, and sanitary housing for all Americans. And yet, we are funding a \$5 billion program which effectively frustrates this goal. I submit that we can correct this insanity through a modest financial incentive for States and localities. In return for this incentive we will take a giant step toward the realization of our stated housing policies.●

#### ANDREW BIEMILLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, with considerable grief and a sense of loss I learned this past weekend of the death of Andrew J. Biemiller, a former Member of this body and chief lobbyist for the AFL-CIO for many years. In addition to his warm and enriching friendship, I had the privilege of working with Andy on important civil rights and social welfare legislation.

Andy had a keen understanding of the legislative and political processes and used that knowledge to promote legislation that not only assisted union members, but millions of disadvantaged Americans as well.

His interest in legislation extended well beyond the interests of labor unions to include in later years support for environmental legislation—much of which would never have passed without labor support. In an interview shortly before he retired, he said:

We are American citizens as well as members of trade unions. We have a real interest in clean air, water, and so forth. And we're going to be in those fights.

I share the sorrow of his wife Hannah and their two children. I am certain they are joined in their grief by the millions of union members who benefited from his great work.

For the benefit of my colleagues I would like to include a statement released by the AFL-CIO:

#### STATEMENT

Andrew J. Biemiller, who served as the labor movement's chief lobbyist for more than 20 years and played a leading role in the passage of civil rights and social welfare legislation, died of congestive heart failure at Suburban Hospital on April 3. He was 75. Biemiller retired in December 1978 as director of the AFL-CIO Department of Legislation, a post he had since 1956. He served in Congress for two terms in the 1940s representing a district in Milwaukee, Wis. In the 1930s he served in the Wisconsin legislature.

AFL-CIO President Lane Kirkland and Secretary-Treasurer Thomas R. Donahue said in a statement that:

Andrew J. Biemiller was the voice of American labor on Capitol Hill for a generation, and trade unionists of today and tomorrow will benefit from the pioneering legislative work he did on behalf of all Americans.

The esteem in which he is held by members of both parties and both Houses of Congress gives ample testimony to the integrity he maintained in his work. He brought honor to the term "lobbying" and left labor's legislative representatives the legacy of his credo of effective, factual presentation of labor's case.

We admired him as a national legislative tactician, we cherished him as a friend and we shall always remember him for his unwavering dedication to trade union ideals.

Biemiller was born in Sandusky, Ohio, and graduated from Cornell University. He taught at both Syracuse University and the University of Pennsylvania. He was an early Socialist before joining up with the trade union movement and the Wisconsin Progressive Party in Milwaukee in the 1930's. He worked as a union organizer for the American Federation of Labor and served in the legislature where he was a floor leader for the Progressives. He was a member of the American Federation of Teachers.

In his years in Congress from the Milwaukee swing district he became a leader of the liberal-labor coalition and developed an expertise on parliamentary rules and procedures.

At the Democratic Party Convention in 1948 he joined with the late Hubert Humphrey to bring about adoption of a strong minority report supporting civil rights that led to the Dixiecrat walkout and shaped the forces that led to the Truman victory that year.

Biemiller is survived by his wife Hannah in Bethesda, Md.; a son Dr. Andrew Biemiller, Jr., of Toronto; a daughter Nancy Boerup of Wooster, Ohio, and four grandchildren.●

#### A SOLUTION TO OUR WATER PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, today I have introduced legislation to help this country avoid a serious crisis, a resource crisis like the oil embargo of 1973.

Remember 1973: Reduced petroleum supplies forced Americans to line up for gasoline and to reduce consumption of petroleum products; we were seriously inconvenienced because we

had become accustomed to consuming large amounts of a limited resource for which we had few substitutes.

Before long we will face a crisis of similar magnitude, a water shortage.

Every day farmers, automobile makers, homemakers, industrialists, and citizens consume 107 billion gallons of water. Water keeps the economy moving; it is a coolant, a lubricant, and a component of many products; it irrigates crops, moves freight, and generates electricity; we drink water; without it we would perish.

By the year 2000 we will be using 306 billion gallons of water every day; yet, while our consumption triples our supplies will not. We will not be able to substitute for water. We can find new sources and learn to use less pure water, but we will always need water. Parts of the country recently suffered severe water shortages. It happened last summer, in New York and Connecticut. And every year, people in the Southwest compromise so that others may share their water. We face limited shortage now; when our demand triples and our supplies do not, we will be confronted by critical water shortages.

The bill I have introduced will help us lead the country around the coming crisis. It calls for the reauthorization of programs administered by the Office of Water Research and Technology, programs that are developing a complete understanding of our present situation and of our options for enhancing substitute supplies.

These important national programs include the State water resources research centers, financed under a Federal-State cost-sharing agreement and federally maintained test facilities and research contracts for the development of saline water conversion technologies.

To those who say this broad approach to water research is unwarranted, I offer this: We are trying to solve our energy problems through a multi-faceted research program in fission, fusion, coal liquification, and gasification, secondary and tertiary extraction techniques, and solar energy, to name just a few. No lesser effort will solve the water crisis we know we are about to face.

We must address the coming crisis now; confront it with thorough understanding of the entire water resources system. We must know system hydrology, pollution effects, treatment methods, efficient alternative processes, and many other aspects of the system. New technology must be investigated and developed; scientists must be encouraged to pursue uninvestigated areas. The provisions of the existing law, reauthorized by this bill, provide the encouragement while fostering continued development of technology with which American scientists have led the world.

Our advanced desalting technology could contribute to the alleviation of imminent water shortages. Desalinated water is water; it can be used as any other water can be used. In the Southwest, vast reserves of brackish water await purification and use by residents and industrialists. Until our technology has been developed that water will sit underground, unused. My bill can bring utilization of that abundant resource closer.

In short, this bill would provide money to advance our technology, and to advance a broad-based solution to our water problems. It would help preserve our heretofore broad approach to the water problem. And most importantly, it will help avert a national crisis.●

#### NEW ECONOMIC DEVELOPMENT LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 30 minutes.

Mr. OBERSTAR. I thank the Speaker. Today I am joined by my colleague from Pennsylvania, Mr. CLINGER, and other Members of Congress from both sides of the aisle, in introducing new economic development legislation to continue and improve upon the programs now conducted by the Economic Development Administration and to implement the finish-up program the Appalachian Governors have proposed for the Appalachian Regional Commission.

This is a bipartisan bill which we believe is compatible with the philosophy of the Reagan administration.

The bill has two titles. Title I is the National Development Investment Act. Title II is the Appalachian Regional Development Act.

The National Development Investment Act of 1982 is not simply a rewrite of existing law but a totally new concept, a fresh, new look at economic development, addressing the needs of the 1980's and using the experience and building upon the capabilities established over the past 20 years by local economic development units of government.

The centerpiece of the new legislation is the development investment strategy, under which an area would chart its own course toward economic self-sufficiency. The bill provides grants for construction and reconstruction of public facilities. It concentrates assistance on small business. It encourages various levels of government and the private sector to work together. It limits investment to distressed areas only.

The bill wipes the slate clean in the matter of area designation by abandoning that concept. Applicants from areas now designated, and new applicants, must under the new bill prove

with each application that they meet the distress criteria. Gone is the entitlement for every feature of the current program. The burden of proof shifts from the Federal Government to the local area, which knows whether or not it is in trouble economically.

A mayor does not need Uncle Sam to come in and tell him he has problems. Assistance must go to an area meeting the distress criteria without regard for the level of government submitting the application.

A small distressed area within a larger nondistressed area will be reached for the first time under this legislation. For example, take a county that is doing reasonably well economically, with the unemployment rate at or slightly below the national average. A city within that county, however, may exceed the national unemployment rate or exceed the national distress measurement under the other criteria of the bill. That one part of a county could be eligible for assistance under this legislation.

Under the existing Public Works and Economic Development Act, an area once designated remains designated even if it is no longer distressed. And assistance can go anywhere within the designated area, even to a relatively well-off community in a larger area of distress.

□ 1300

Designation, in effect, under the current economic development legislation became an entitlement program, which the new legislation repeals.

Unemployment and per capita income will be considered as factors to measure distress, but distress will no longer be enough. Proposals will be selected for funding on the basis of their potential for solving the area's economic problems, including the level of participation by the private sector.

The major criticism of the current Economic Development Act is that a very large portion of the country is eligible. That criticism, we believe, is laid to rest in our new bill.

In the area of intergovernmental and private sector relationships, the bill recognizes the changes in State and local governments that have occurred over the past 20 years. These governments have now developed the capability to direct their own destinies to a much greater extent than when EDA was first established in 1965, or when its predecessor was enacted in 1961.

The Federal role, therefore, has been restricted in this new approach to facilitating coordination of investment between various levels of government and the private sector, and to provide a 50-percent funding match rather than a 75-percent match, to give local government and the private sector a greater stake in the program's success. To the extent feasible, the

new bill encourages States, development districts, and larger cities to work with distressed areas within their jurisdictions and to provide the resources and expertise smaller areas may not have, and to help them prepare their applications, and to provide follow through services and support after projects have been completed.

We recognize that the private sector has a major role in economic development, and that the goal of economic development is a private sector job. The new bill, therefore, requires a showing that the private sector will make a commitment to the overall success of the public investment.

The major change in the economic development process in this new bill is the requirement for a comprehensive, coordinated development investment strategy, instead of an application for a single, isolated project which may or may not address the real problems of the community, and certainly, as the program has operated, for addressing the problems of a State.

The new bill does away with the "projects for projects' sake" approach of the past and requires areas, in cooperation with larger jurisdictions where possible, county, State, multicounty districts, to work out strategies which look beyond an isolated project. The strategy would require the area to analyze its economic problems, to inventory its full store of resources, both public and private, and to integrate all investment, whether to be funded by this legislation or other Federal, State, or local programs, into a comprehensive, long range, achievable course toward economic self-sufficiency.

The legislation focuses on the needs of the 1980's: On private sector jobs; on small business, which studies have shown to be the major source of jobs; and on repair and rehabilitation of the Nation's deteriorating infrastructure, as well as on construction of new public capital buildings, facilities that may be required.

The bill also provides grants for locally administered revolving loan funds, primarily to help small business with capital for startup and for expansion of existing operations. It also provides emergency economic assistance to communities whose major employer is about to close its doors.

The bill will provide \$425 million each year over 3 years for grants for public facilities, and \$75 million a year for planning and strategy development.

Title II covers the Appalachian Regional Commission. This title puts into legislative language the finish-up program proposed by the Appalachian Governors for the Appalachian Regional Commission. The chairman of the ARC, Gov. John Brown of Kentucky, testified at our hearings in Huntington, W. Va. This is a modest

and pragmatic plan of action to sustain economic recovery and continue the already well begun economic program of the Appalachian region toward national economic standards. It provides a 3 to 5 year finish-up program for the nonhighway programs of ARC while declining authorizations; \$83 million annually for 1983 through 1985, and \$75 million for 1986 through 1987. It reduces the maximum nonhighway grant from 80 to 50 percent.

Under the highway program, the bill directs funding of the priority highway routes, accelerates construction of the Appalachian Highway System, to be completed by 1990. We authorize \$250 million a year for the highway program.

The Subcommittee on Economic Development will hold hearings on this and related bills April 27, 28, and 29. We anticipate having a subcommittee markup during the following week, and to report a bill out in time to meet the budget requirements by May 15.

I also want to emphasize that we welcome and encourage constructive suggestions from all interested parties, and of course, especially from the Reagan administration, whom we have welcomed from the first to participate in developing this legislation.

Mr. Speaker, I ask unanimous consent to include the text of the National Development Investigation Act at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The text of the National Development Investment Act is as follows:

#### H.R. 6100

A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965

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

#### TITLE I—NATIONAL DEVELOPMENT INVESTMENT

SECTION 101. The Public Works and Economic Development Act of 1965 is amended to read as follows:

“This Act may be cited as the ‘National Development Investment Act’.

#### TITLE I—DEVELOPMENT INVESTMENT ASSISTANCE

##### FINDINGS AND PURPOSES

“SEC. 101. (a) The Congress reaffirms the proposition that this Nation’s economic strength is derived from the health of its regions, States and local communities, both rural and urban, and that national interest dictates the maintenance and enhancement of economic vitality at the subnational level.

“(b) Congress also recognizes that economic conditions and political relationships change and that legislation must address these changes.

“(c) Congress further affirms that this legislation is designed to make government more efficient and responsive by supporting the following principles: leave to private initiative all the functions that citizens can

perform privately; use the level of government closest to the community for all public functions it can handle; utilize cooperative intergovernmental agreements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where State and local governments are not fully adequate and for the continuing responsibilities that only the national government can undertake.

“(d) The private sector remains the ultimate generator of employment and economic growth, but the public sector must reverse decades of infrastructure neglect as a necessary concomitant to private business stability and expansion. State and local governments now have a greater capacity than in previous decades to direct their own destiny, in part because of past Federal efforts; this new capacity must be incorporated in any new legislation at the national level. America’s increased involvement in international trade has brought both challenges to some industries, and opportunities for others; these challenges and opportunities must be addressed. Capital shortages will for the foreseeable future curtail the Nation’s ability to meet public and private investment needs; it is therefore imperative to marshal the resources of all levels of government and the private sector to create the critical mass of capital and other assets needed to generate growth. Finally, there is a continued need to assist in adjustment of change, which is the only permanent feature of our national, regional, and local economies.

“(e) In recognition of these constants and changes, Congress finds it an appropriate role for the Federal Government to foster the coordination of investments between the public and private sectors and to promote long-term economic development partnerships at the State and local levels, in both rural and urban areas.

“(f) The purposes of this Act are therefore—

“(1) to establish a framework within which Federal, State, and local governments, and the private sectors, in urban and rural areas, can combine their resources to achieve economic development in all parts of the Nation;

“(2) to help create a strong investment climate which promotes the expansion and retention of job opportunities for local residents; and removes economic barriers in local areas which impede the free market forces;

“(3) to build, rehabilitate, and repair public infrastructure where it is inadequate to support and encourage private investment in the area;

“(4) to recognize and rely upon improved State and local governments’ capacity to direct their own destinies;

“(5) to link public and private funds to foster coordination of resources between these sectors, in order to leverage the maximum investment in the long-term economic vitality of all areas;

“(6) to facilitate local and regional economic adjustment and economic development diversification in a changing national economy, by assisting State and local efforts to foresee adverse economic changes; to prevent their consequences where possible; to respond as necessary; and to achieve economic self-sufficiency;

“(7) to assist in relieving capital shortages and fill local credit gaps which impede private business startups and expansion; and

“(8) to assist communities and industries to respond to the opportunities and chal-

lenges of a world increasingly knit together by international trade.

##### “ELIGIBLE ACTIVITIES

“SEC. 102. Upon application of a State, economic development district, unit of local government, Indian tribe, or private or public nonprofit organization established for economic development purposes which meets the eligibility criteria hereinafter established by this Act, the Secretary is authorized to make a grant for a portion of the cost, as provided in section 108 of this Act, of projects submitted in a development investment strategy. Development investment assistance may be for the following purposes—

“(1) the construction, repair, rehabilitation and improvement of public facilities, including the acquisition of land and other public works improvements to encourage and support private development;

“(2) revolving loan funds to promote the establishment and growth of small businesses and to retain indigenous firms and entrepreneurs which contribute to the creation, retention, and expansion of private sector jobs;

“(3) to conduct feasibility studies, site preparation, and other technical assistance to prepare for development and to enhance the investment climate; and

“(4) development activities which address and prevent economic dislocation and facilitate economic adjustment including assistance to promote employee stock ownership plans and which contribute to economic diversification and long-term economic vitality of the area.

##### “APPLICATIONS

“SEC. 103. (a) A State may apply for a grant under this title for an eligible project within any unit of local government within the State, other than a unit of local government with a population of 50,000 or more, if such unit meets the requirements of section 105 and is not within the boundaries of an economic development district.

“(b) A unit of local government within a State, other than a unit of local government with a population of 50,000 or more, which meets the requirements of section 105 and is not within the boundaries of an economic development district may apply for a grant under this title for an eligible project within such unit, but only if such unit consults the State in the preparation of the grant application.

“(c) An economic development district may apply for a grant under this title for an eligible project within any unit of local government within such district if such unit meets the requirements of section 105.

“(d) A unit of local government within an economic development district may apply for a grant under this title for an eligible project within such unit if such unit meets the requirements of section 105, but only if such unit consults the economic development district in the preparation of the grant application.

“(e) An Indian tribe may apply for a grant under this title.

“(f) A unit of local government with a population of 50,000 or more which meets the requirements of section 105 and is located outside an economic development district may apply for a grant under this title for an eligible project within such unit.

“(g) In the case of a unit of local government which has a population of 50,000 or more, is located outside of an economic development district, and does not meet the requirements of section 105, a private or

public nonprofit development organization representing an area which meets the requirements of section 105 and is within such unit may apply for a grant under this title for an eligible project within such area, but only if such organization consults such unit in the preparation of the grant application.

**"APPLICATION FOR GRANT"**

"SEC. 104. (a) An application for a grant under this title shall include, but need not be limited to—

"(1) a certification that the area for which the grant is to be made meets the distress requirements set forth in section 105;

"(2) a certification relative to the performance of any responsibilities which the Secretary has agreed to accept under section 306 of this Act; and

"(3) a development investment strategy prepared in accordance with section 106.

"(b) In approving applications for grants under this title, the Secretary shall consider the purposes of this Act as set forth in section 101 of this Act, including but not limited to the following:

"(1) the severity of distress in the area for which the grant is to be made;

"(2) the ratio of private sector investments committed in such area to the amount of the grant applied for;

"(3) the extent to which the appropriate State and local governments have undertaken or agree to undertake other related actions to encourage economic development and the expansion of employment opportunities;

"(4) the effectiveness of the development investment strategy and the degree to which the proposed project contributes to its implementation (including the strategy's relationship to economic problems identified in the strategy), expands employment opportunities in the existing labor market, provides incentives to retain indigenous private businesses, expands or improves public facilities, and encourages private investment; and

"(5) the extent to which the strategy and activities are consistent with State and local goals and priorities and contribute to long-term economic growth and private sector employment opportunities and establish an overall strengthened economic and business environment which will be self-sustaining.

**"DISTRESS REQUIREMENTS"**

"SEC. 105. (a) In order to be eligible for a grant under this title, the applicant must certify that any activity or project to be funded under such grant will be carried out or located in an area which meets any one of the following criteria:

"(1) the area has a per capita income of 80 percent or less of the national average;

"(2) the area has an employment growth rate below the national average over the most recent 5-year period for which statistics are available;

"(3) the area has a population loss over the most recent 5-year period for which statistics are available;

"(4) the area has an unemployment rate above the national average for the most recent 24-month period for which statistics are available; or

"(5) the area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

"(b) Documentation of distress shall be supported by Federal data, when available, and in other cases by data available through

the State government. Such documentation shall be accepted by the Secretary unless it is determined to be inaccurate. The most recent statistics available must be used.

**"DEVELOPMENT INVESTMENT STRATEGY"**

"SEC. 106. (a) Except as provided in subsection (b) of this section, an applicant for a grant under this title shall prepare a development investment strategy for the area for which the grant is sought which—

"(1) identifies the economic development problems sought to be addressed by the grant;

"(2) identifies past, present, and projected future economic development investments in such area and public and private participants and sources of funding for such investments;

"(3) identifies the extent to which the development investment strategy takes into account—

"(A) availability of developable land and space in the area;

"(B) public works, public service, and development facilities in the area;

"(C) availability of low-cost capital;

"(D) tax policy on investments in the area;

"(E) level of skill of the labor force; and

"(F) ability of State and units of local government to provide financial assistance in the management and implementation of the strategy;

"(4) sets forth a strategy for addressing the economic problems identified in paragraph (1) and discusses the manner in which the strategy, will solve such problems;

"(5) provides a general discussion of the projects necessary to implement the strategy, and estimate and analysis of the costs and anticipated benefits of implementing the strategy, and an estimate of the timetables for completion of such projects; and

"(6) provides a summary of public and private resources which are expected to be available for such projects.

"(b) In any case in which a unit of local government is the eligible applicant under subsection (b) or (d) of section 103, the unit of local government shall consult the State or economic development district, respectively, in the preparation of a development investment strategy. In any case in which a private public nonprofit development organization within a unit of local government is the eligible applicant under subsection (g) of section 103, the unit of local government shall consult with the organization in the preparation of a development investment strategy.

**"PRIVATE SECTOR INCENTIVES"**

"SEC. 107. (a) To stimulate small business development and to promote internal economic growth which contributes to an improved local tax base and the creation of permanent employment opportunities, the Secretary is authorized to make grants to an applicant to establish a revolving loan fund to be used for making loans or guaranteeing loans to small businesses for initial or working capital, or the purchase of facilities or equipment. In addition, loans or guarantees may be made to businesses where a relatively small amount of capital is needed to complete financing necessary to retain the business in the area.

"(b) No grant for the establishment or recapitalization of a revolving loan fund shall be made for more than \$1,000,000.

"(c) No loan or guarantee shall be made from a revolving loan fund which has received a grant under this title unless the financial assistance applied for is not other-

wise available from private lenders on terms which in the opinion of the administrator of the revolving loan fund will permit the accomplishment of the project.

"(d) Any applicant for a grant for a revolving fund shall give assurances that amounts of any loan which are repaid to the revolving loan fund will be available only for the purposes set forth in subsection (a).

"(e) No loan or guarantee may be made from a revolving loan fund which has received a grant under this title unless the applicant for such loan or guarantee provides reasonable assurance of repayment of the loan.

"(f) The Secretary may make additional grants for a portion of the cost, as provided in section 108(b) of this Act, of recapitalization of a revolving loan fund, taking into consideration the past performance of such fund.

"(g) The grantee of any grant for a revolving loan fund shall administer the fund and the United States shall exercise no control over the administration of such fund.

**"FEDERAL SHARE"**

"SEC. 108. (a) The amount of any grant for a project for any eligible activity described in paragraph (1) of section 102 shall be that amount which when added to amounts available from all other sources is sufficient to complete such project, except that in no event shall the amount of any grant under this title exceed 50 per centum of such cost of completing the project as determined at the time of the grant application. No additional funds shall be granted or otherwise made available under this Act for any such project for which a grant has been made under this Act.

"(b) The amount of any grant for the establishment of a revolving loan fund under paragraph (2) of section 102 shall not exceed an amount which is equal to the amount of funds available from all other sources for the establishment of such revolving loan fund. The amount of any additional grant for the recapitalization of a revolving loan fund previously established with a grant under this Act shall not exceed an amount which is equal to one-third of the amount of funds available from all other sources for such recapitalization.

"(c) In the case of a grant to an Indian tribe, the Secretary may reduce or waive the non-Federal share.

**"LIMITATION"**

"SEC. 109. Not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

**"OBLIGATION OF FUNDS"**

"SEC. 110. (a) Not later than May 31 of each fiscal year, the Secretary shall obligate for grants under this title not less than 50 percent and not more than 60 percent of the funds appropriated for such fiscal year pursuant to this title.

"(b) Not later than September 30 of each fiscal year, the Secretary shall obligate for grants under this title the remaining funds appropriated for such fiscal year pursuant to this title.

**"AUTHORIZATION OF APPROPRIATIONS"**

"SEC. 111. There is authorized to be appropriated to carry out this title, to be available until expended, \$425,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985.

**"TITLE II—INVESTMENT STRATEGY, PLANNING, EVALUATION, AND DEMONSTRATION****"INVESTMENT STRATEGY AND PLANNING**

"SEC. 201. (a)(1) The Secretary is authorized to make grants for economic development planning, including the preparation of development investment strategies under section 106 of this Act and the payment of administrative expenses, to States, economic development districts, Indian tribes, counties which meet the distress requirements of section 105 of this Act and which are located outside of economic development districts, and those other units of local government having populations of 50,000 or more which meet such distress requirements and which are located outside of economic development districts. Such planning shall be a part of a comprehensive planning process and shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program.

"(2) Any State economic development plan prepared with assistance under this section shall be prepared by the State with the active participation of units of local government and economic development districts located in whole or in part within such state and shall set priorities and goals for economic development within such State. Each State receiving assistance under this subsection shall submit to the Secretary an annual report on the planning process assisted under this section.

"(3) Any economic development planning by an economic development district or a unit of local government for which a grant is made under this section shall be consistent with the State economic development plan for the State in which such district or unit is located.

"(b) Grants under this section shall be used, to the maximum extent possible, to provide logical coordination of investment for community facilities, economic development, manpower training, and transportation services.

"(c) Any applicant for assistance under this section shall give assurances that it will provide project planning, financial analysis, marketing, management, feasibility studies, and other technical and financial assistance to communities and neighborhoods within its boundaries.

**"EVALUATION AND DEMONSTRATION**

"Sec. 202. (a) The Secretary is authorized to conduct a program of evaluation of Federal, State, and local development investment efforts in order to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States;

"(2) assist in formulating, implementing, or improving programs at the National, State, or local levels which are designed to increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b) The Secretary is authorized to conduct any demonstration program to test the feasibility of new ways to increase productivity and growth and the understanding of regional and local economies, to foster innovative technology and research in the field of economic development, to match the labor force with projected labor markets, to improve United States competitiveness, or

to encourage economic diversity and regional balance.

"(c) Programs authorized under subsections (a) and (b) of this section may be carried out by the Secretary acting through the staff of the Department, in cooperation with or by the provision of funding to other departments or agencies of the Federal Government, or by contract.

**"FEDERAL SHARE**

"SEC. 203. The amount of any grant under section 201 shall not exceed 75 per centum of the cost of economic development planning or for the preparation of a development investment strategy. In determining the amount of the non-Federal share of costs under this section, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. In the case of a grant to an Indian tribe under section 201, the Secretary may reduce or waive the non-Federal share.

**"OBLIGATION OF FUNDS**

"SEC. 204. Not later than December 31 of each fiscal year, the Secretary shall obligate for grants under section 201 all of the funds appropriated for such fiscal year pursuant to this title (other than those funds available for purposes of section 202).

**"AUTHORIZATION OF APPROPRIATIONS**

"SEC. 205. (a) There is authorized to be appropriated to carry out this title, to be available until expended, \$75,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985.

"(b) Of sums authorized to be appropriated under subsection (a) of this section, not to exceed \$15,000,000 in each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, shall be available for the purposes of section 202.

**"TITLE III—ADMINISTRATION****"DEFINITIONS**

"SEC. 301. For purposes of this Act—

"(1) the term 'economic development district' means—

"(A) an economic development district designated on or before January 1, 1982, under section 403(a)(1) of the Public Works and Economic Development Act of 1965; and

"(B) any district within a State which is designated by the Secretary, which district is of sufficient size or population and contains sufficient resources to foster economic development on a scale involving more than one county;

"(2) the term 'employee stock ownership plan' has the meaning given such term by section 4975(e)(7) of the Internal Revenue Code of 1954;

"(3) the term 'Indian tribe' means the governing body of a tribe, an Indian authority or tribal organization or entity, an Alaskan Native Village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior;

"(4) the term 'unit of local government' means any city, county, town, parish, village, or other general purpose political subdivision of a State;

"(5) the term 'small business' means a business that is independently owned and operated, is not dominant in its field of operations, and meets such other criteria as the Secretary, after consultation with the Administrator of the Small Business Administration, may be regulation establish, including but not limited to, numbers of employees and dollar volume of business by industrial classes;

"(6) the term 'Secretary' means the Secretary of Commerce; and

"(7) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

**"APPOINTMENT OF ASSISTANT SECRETARY**

"SEC. 302. The Secretary shall administer this Act with the assistance of an Assistant Secretary of Commerce, created by section 601 of the Public Works and Economic Development Act of 1965. Such Assistant Secretary shall perform such functions as the Secretary may prescribe.

**"CONSULTATION WITH OTHER PERSONS AND AGENCIES**

"SEC. 303. (a) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

"(b) The Secretary may make provisions for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

**"ADMINISTRATION OF ASSISTANCE**

"SEC. 304. No grant shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

**"POWERS OF THE SECRETARY**

"SEC. 305. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this Act;

"(5) procure by contract the temporary or intermittent services of experts and consultants or organizations therefor as authorized by section 3109(b) of title 5, United States Code, compensate individuals so employed at rates not in excess of \$100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) in accordance with section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed;

"(6) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne, or final, shall

be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 517, 547, and 2679 of title 28, United States Code; and

"(7) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

**"CERTIFICATION"**

"SEC. 306. (a) The Secretary may discharge any of his responsibilities relative to a project for which a grant may be made under title I of this Act by accepting a certification by the applicant of the applicant's performance of such responsibilities. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(b) Acceptance by the Secretary of an applicant's certification under this section may be rescinded by the Secretary at any time if, in his option, it is necessary to do so.

**"SAVINGS PROVISIONS"**

"SEC. 307. (a) No suit, action or other proceedings lawfully commenced by or against the Secretary or Assistant Secretary or any other officer in his official capacity or in relation to the discharge of his official duties under the Public Works and Economic Development Act of 1965, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or Assistant Secretary or such other officer of the Department of Commerce as may be appropriate.

"(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties under the Public Works and Economic Development Act of 1965 shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

**"ANNUAL REPORT"**

"SEC. 308. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending September 30, 1983. Such report shall be printed and shall be transmitted to the Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

**"PREVAILING RATE OF WAGE"**

"SEC. 309. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance under this Act for such project without first obtaining adequate assurance that these labor standards

will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

**"RECORD OF APPLICATIONS"**

"SEC. 310. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for a grant under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant, (2) the amount and duration of the grant for which application is made, and (3) the purposes for which the proceeds of the grant are to be used.

**"RECORDS AND AUDIT"**

"SEC. 311. (a) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this Act.

**"AUTHORIZATION OF APPROPRIATIONS"**

"SEC. 312. There is hereby authorized to be appropriated for salaries and administrative expenses to carry out the provisions of this Act \$30,000,000 for the fiscal year ending September 30, 1983, \$35,000,000 for the fiscal year ending September 30, 1984, and \$40,000,000 for the fiscal year ending September 30, 1985. Appropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations Acts. Any contract entered into pursuant to this Act shall be effective only to such extent and in such amounts as may be provided in advance in an appropriation Act."

**TITLE II—APPALACHIAN REGIONAL DEVELOPMENT**

**SEC. 201.** This title may be cited as the "Appalachian Regional Development Act Amendments of 1982".

**SEC. 202.** The sixth sentence of subsection (a) of section 2 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and in severely distressed and underdeveloped counties lacking resources for basic services."

**SEC. 203.** Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and not to exceed \$5,800,000 for the two-fiscal-year period ending September 30, 1984 (of such amount not to exceed \$900,000 shall be available for expenses of the Federal co-chairman, his alternate and his staff), and not to exceed \$5,800,000 for the two-fiscal-

year period ending September 30, 1986 (of such amount not to exceed \$900,000 shall be available for expenses of the Federal co-chairman, his alternate, and his staff), and not to exceed \$2,900,000 for the fiscal year ending September 30, 1987 (of such amount not to exceed \$450,000 shall be available for expenses of the Federal co-chairman, his alternate, and his staff)."

**SEC. 204.** Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1987".

**SEC. 205.** (a) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:

\$215,000,000	for fiscal year 1983;
\$234,000,000	for fiscal year 1984;
\$250,000,000	for fiscal year 1985;
\$270,000,000	for fiscal year 1986;
\$289,000,000	for fiscal year 1987;
\$312,000,000	for fiscal year 1988;
\$337,000,000	for fiscal year 1989; and
\$364,000,000	for fiscal year 1990."

(b) Subsection (h)(1) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out "70 per centum" and inserting in lieu thereof "80 per centum". The amendment made by the preceding sentence shall apply to projects approved after March 31, 1979.

**SEC. 206.** Subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking out "December 31, 1980" and inserting in lieu thereof "October 1, 1987" in the first sentence, and by inserting "authorized by title 23, United States Code" after "road construction" in the second sentence.

**SEC. 207.** Part B of title II of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new section:

**SEC. 215.** The Commission is authorized to make grants to States and public and non-profit entities for projects, approved pursuant to section 303 of this Act, which will—

"(1) assist in the creation or retention of permanent private sector jobs, the upgrading of the region's manpower, or the attraction of private investment;

"(2) provide special assistance to severely distressed and underdeveloped counties which lack financial resources for improving basic services;

"(3) assist in achieving the goal of making primary health care accessible in the region; or

"(4) otherwise serve the purposes of this Act."

**SEC. 208.** Clause (2) of subsection (b) of section 224 of the Appalachian Regional Development Act of 1965 is amended to read as follows: "(2) to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors;"

**SEC. 209.** Section 224 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this Act, grants with funds authorized under this Act shall not, after October 1, 1982, exceed 50 per centum of the costs of any project approved under this Act (except projects under section 201); but such grants may increase the Federal contribution to any project, notwithstanding limitations in other Federal laws, to such percentage as the Commission determines within the limitations in this Act."

Sec. 210. Section 401 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following: "In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, \$166,000,000 for the two-fiscal-year period ending September 30, 1984; \$158,000,000 for the two-fiscal-year period ending September 30, 1986; and \$75,000,000 for the fiscal year period ending September 30, 1987."

Sec. 211. Section 405 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1987".

#### NATIONAL DEVELOPMENT INVESTMENT ACT—SUMMARY

##### WHAT ACTIVITIES ARE FUNDABLE?

Construction, repair, rehabilitation and improvement of public facilities, including land acquisition.

Revolving Loan Funds to help small business, and to retain and assist expansion of existing local firms.

Emergency economic adjustment.

Technical assistance.

Employee Stock Ownership Plans.

New.—Emphasis on reconstruction providing infrastructure to support development; a grant which is converted into a locally administered revolving loan fund; focus on small business, and retention of local firms rather than "smokestack chasing."

##### WHO MAY APPLY?

States.

Districts.

Counties and Cities of 50,000 or more, outside Districts, and meeting distress criteria.

Counties, cities under 50,000, and other units of local government, plus community-based organizations, if they meet distress criteria.

Indian tribes.

New.—Various levels of government are encouraged to work together where possible, combining the resources, both technical and monetary, of the State, District or City with the needs of the local unit of government. Makes small distressed area in larger, non-distressed, area eligible for the first time.

##### HOW IS NEED DETERMINED?

Distress must be demonstrated with each application:

Per capita income.

Unemployment rate.

Sudden or threatened severe economic dislocation.

New.—Instead of one-time, permanent designation, burden of proof shifts from Federal Government to applicant; applicant must requalify every time it applies for assistance.

##### WHAT WILL THE APPLICATION LOOK LIKE?

An application will be very simple. It will contain:

(1) Certification by the applicant that it meets the distress criteria.

(2) Certification by the applicant that it will comply with applicable laws and requirements.

(3) A Development Investment Strategy.

New.—The simplicity of the application. The Strategy itself should be concise and can be drawn up by the applicants without need of expensive, voluminous documenta-

tion. The local community rather than the Federal government certifies that it meets distress criteria.

##### WHAT IS A DEVELOPMENT INVESTMENT STRATEGY?

The Strategy is the centerpiece of the new bill. Instead of applying for a single, isolated project, the applicant will be required to draw up an entire Strategy:

Diagnosing the nature of its economic distress.

Inventorying all its resources, including those from the private sector.

Addressing elements necessary to promote local economic development.

Identifying past, present and future economic development investments, including those from other Federal programs.

Linking these investments into a coherent framework within which future investments will be fitted.

Providing a general discussion of the project necessary to solve the economic problems.

Establishing a timetable for these investments.

New.—The Strategy is new, getting away from the project-by-project approach and initiating a long-term, carefully planned and implemented course toward economic self-sufficiency; encouraging levels of government to work together on the application, and on follow-through after the grant is made; and relying on the capacity of States, Districts and Cities to direct their own destinies without Federal interference.

##### FUNDING SELECTION CRITERIA

The Secretary is given further criteria against which to measure the probable success of the Strategy, including:

Severity of distress.

Amount of private sector involvement in the Strategy (not necessarily in any individual project).

Effectiveness of the Strategy, and degree to which the proposed project contributes to its implementation.

Extent to which the Strategy is consistent with State and local goals and priorities.

New.—"Distress" is not enough; this bill requires potential as well, to make these scarce resources leverage as many other dollars as possible, and to coax out the maximum new and retain the maximum existing private sector jobs.

##### WHAT ABOUT THE PRIVATE SECTOR?

Overall strategy development is dependent on private sector involvement and commitment. In addition, grants are available to set up Revolving Loan Funds, administered by the applicant with no further control by the Federal government. Loans and loan guarantees from the RLF may be made to small business for initial working capital, or to purchase facilities or equipment. Further, RLF loans or guarantees may be made to other businesses where a relatively small amount is needed to complete a financing package to keep any size business in an area.

The initial grant is limited to \$1 million or less, although the RLF may be recapitalized.

Loan recipients must not be able to find financing elsewhere in the private sector.

New.—Once the grant is made, the RLF is in local hands. Loans are targeted to small and indigenous businesses, which, testimony has shown, are responsible for creation of the vast majority of jobs.

##### WHAT IS THE FEDERAL SHARE?

The Federal share will be 50 percent of the total project cost.

The Secretary may reduce or waive the non-Federal share for Indian tribes.

New.—Applicant areas are required to have a greater stake in process than previously.

##### WHAT OTHER ASSISTANCE IS AVAILABLE?

Planning: States, Districts and local governments meeting distress criteria, may receive planning grants for their on-going planning efforts. This includes grants to assist in preparing a Development Investment Strategy.

Evaluation and Demonstration: The Secretary may provide discretionary funding for evaluation and demonstration programs.

Federal share: up to 75 percent.

##### HOW MUCH MONEY IS AVAILABLE, AND FOR HOW LONG?

\$425 million for each of 3 years for development grants.

\$75 million for each of 3 years for planning Strategy development, and Evaluation and Demonstration.

#### APPALACHIAN REGIONAL DEVELOPMENT AMENDMENTS OF 1982—SUMMARY

Provides for 5-year finish-up of Appalachian non-highway programs with declining authorizations.

Accelerates construction of Appalachian Highway System to complete in 1990.

Establishes dollar limits on the cost of completing the Appalachian Highway System.

Implements proposal of Appalachian Governors.

Reduces the maximum non-highway grant from 80 percent to 50 percent.

Targets funds to more economically distressed counties, primarily to provide safe drinking water and waste disposal.

Concentrates on finish-up of ARC health programs in 3 years by extending basic services to counties without facilities.

Encourages regionwide private investment for job creation and retention.

Authorizes \$83 million annually for 1983-1985, \$75 million for 1986-1987 for area development program.

Authorizes \$215 million in FY '83 for Appalachian Highway Program, \$2.2 billion total ARC Highway Program 1983-1990.

Directs funding of priority routes, concentrates on linking N-S, E-W corridors and fills critical gaps in the Appalachian Development Highway System.

Outlines modest, pragmatic plan of action to sustain economic recovery and continue economic program of region toward national economic standards.

Mr. OBERSTAR. Mr. Speaker, at this point I yield such time as he may consume to my colleague from Pennsylvania (Mr. CLINGER) and commend him for his forthright participation in the development of this legislation and for the many constructive ideas that he and other of our colleagues on the subcommittee have offered in the preparation of this legislation.

Mr. CLINGER. Mr. Speaker, I thank the gentleman very much for yielding to me, and I commend him for his leadership in introducing this bill.

Mr. Speaker, I am most pleased to join with the gentleman from Minnesota (Mr. OBERSTAR) and with colleagues on both sides of the aisle in introducing this unique bipartisan initia-

tive which addresses the economic needs of our distressed communities.

I do not believe that there is anyone among us here today who will question the fact the economic growth in this Nation has become stagnated. The basic infrastructure systems that have enabled our communities to achieve economic growth are crumbling.

It is for precisely that reason we are here today to introduce this legislation, which is aimed at rebuilding the economic base of our Nation's distressed areas.

Let me make one point very clear. This is not another Government handout program that simply shovels millions of dollars in Federal funds toward isolated economic development projects. The past has demonstrated clearly that approach simply does not work.

Rather, we are involving the Federal Government in a new and limited approach which maintains a Government role in the economic development process and insures that both private industry and local communities will play a key role in building the components necessary to support industry and attain economic stability.

The Economic Development Administration has attempted to meet this need in the past. And while it has been successful in some instances, in many others it was not. A new approach is needed which builds on the experience of the past to meet the complex needs of today's distressed communities. And that approach must center on utilizing the human infrastructure investment that the Federal Government has made at the local planning levels over the years.

The National Development Investment Act being introduced today creates a new agency, through the Department of Commerce which will get America's distressed communities looking at solutions to their own problems based on the realistic resources available to them.

To that end we have developed the concept of the "Development Investment Strategy," which is simply a long term, carefully planned community course toward economic self-sufficiency.

This legislation requires that certain key factors must be considered by a community which intends to apply for assistance under this act. They include:

Factors which experience shows must be present or capable of being developed if any investment in ED is going to be successful; The availability of land and space in the area;

Existence of public works, public service and development facilities in the area;

Availability of low-cost capital;

A reasonable tax policy on investments in the area;

Presence of a sufficient labor force with the requisite level of skill; and

Ability of state and units of local government to provide financial and technical as-

sistance in the management and implementation of the proposed strategy.

A key factor in the success of this proposal is the involvement of the private sector. In this bill, the level of private sector dollars committed to a community's development is important in the Secretary's selection of those projects to receive funding. In other words, the more private sector dollars are leveraged by public investment the better the chance for selection. That represents a major departure from the approach to economic development taken by EDA in the past, but one which, I believe, will prove vitally important in the future.

That approach is also in keeping with the President's economic recovery plan which stresses private sector involvement as a key to the economic development process.

We have attempted to produce a bill which does not measure economic distress or well-being along party lines. This important measure makes a united commitment to assisting our distressed communities in an innovative fashion based on coupling a community's existing resources with a limited amount of Federal assistance to produce a workable, cohesive, and well-planned approach to economic self-sufficiency.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for his statement. Again, I want to thank the gentleman most sincerely for his constructive suggestions that have so contributed to the building of a sound piece of legislation, which to be sure, will go through some evolutionary review as we continue through the hearing and markup process, but which nonetheless is a sound and responsible step toward economic development.

I also want to take this opportunity to thank the gentleman from California (Mr. CLAUSEN), the ranking minority member of the Committee on Public Works and Transportation, for his intense interest and constructive suggestions; I wish to thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT), for his recommendations, all of which have contributed to strengthening of this legislation.

• Mr. CLAUSEN. Mr. Speaker, today many areas of our Nation are being hard hit by high interest rates and other economic maladies which were created by the irresponsible fiscal monetary policies of the past.

The National Development Investment Act of 1982 we are introducing today clearly develops a comprehensive strategy to help our distressed communities move toward economic self-sufficiency based on increased private-sector involvement and a limit Federal grant program.

The strategy is designed to achieve the maximum participation of local people and local government in the decisionmaking process.

It is important to note that the statement of purpose of this bipartisan act closely follows the theme developed by the National Association of Counties (NACO), which directs us as a nation to:

Leave to private initiative all of the functions that citizens can perform privately; use the level of government closest to the communities for all public functions it can handle; utilize cooperative intergovernmental agreements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where State and local governments are not fully adequate; and for the continuing responsibilities that only the National Government can undertake.

I feel especially proud to have been a part of the First Home Rule Congress of NACO as the delegate from California when this theme was adopted.

In those areas where Federal involvement is required, it is essential that we make every Federal dollar do the work of two and that we look to approaches which are both workable and affordable. I believe that the direction of this legislation fully meets those criteria.

I have associated myself with both the rural and urban enterprise zone bills, and I believe that the legislation which we introduce today dovetails with that concept as endorsed by the President in his state of the Union address.

Economic distress is neither Democrat nor Republican, rural or urban. The solutions to this problem cannot be partisan either, and I think that the presence here today of my colleagues from both sides of the aisle indicates our interest in seeking out solutions—not creating issues. It is my sincere belief that in this spirit of unity we can accomplish the difficult task of setting our communities, large and small, on the road to economic self-sufficiency.

#### THEME: HOME RULE

"Leave to private initiative all the functions that citizens can perform privately; use the level of government closest to the communities for all public functions it can handle; utilize cooperative intergovernmental agreements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where state and local governments are not fully adequate; and for the continuing responsibilities that only the national government can undertake."

Strong local government is the foundation of our Republic.

DON H. CLAUSEN,  
Member of Congress, California.●

#### THE FALKLAND ISLANDS-MALVINAS CRISIS: A QUESTION OF PRINCIPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

● Mr. ZABLOCKI. Mr. Speaker, the sudden confrontation between the United Kingdom and Argentina, which is less than a week old, is a matter of serious concern and intense disappointment to the United States. However bizarre and unlikely the circumstances—it represents a crisis between two countries with which the United States not only maintains normal and friendly relations, but also important treaty commitments.

The United Kingdom, our staunch and traditional ally during two world wars in this century, is a bulwark of NATO, to which this administration and all previous postwar administrations have assigned the highest priority. In the affairs of this hemisphere, Argentina is expected to play a highly significant role, which can become crucial to the fulfillment of longstanding U.S. foreign policy objectives.

Because of the gravity—and indeed, delicacy—of the current, still-unresolved situation, this would not appear to be an appropriate time for inflammatory rhetoric. It is, on the contrary, a time for some circumspection and restraint.

There is, however, an overriding principle at stake here, which transcends all other considerations. It involves the forcible, unprovoked invasion of the territory of one nation by the armed forces of another. It involves a serious matter of precedent: If the United States or the world community condones the forcible acquisition of territory—the boundaries of which may, and I stress the word may, be based on historical injustice—there is no telling where this process may lead.

If we wish to maintain some semblance of international order, we cannot afford to acquiesce in the blatant invasion and occupation of one state by another—on the basis of a historic claim.

In one respect, at least, the Falkland Islands—or Malvinas—crisis is virtually unique in terms of contemporary history, that is, since the founding of the United Nations: We are not confronting here a local insurrection, which is being assisted by outside force. There are no “oppressed” Argentine minorities on these islands calling for “liberation” and a change of the status quo. Instead we are talking about naked aggression by the armed forces of one country over the unwilling inhabitants of another. There is not conceivable issue of self-determination at stake in this region.

Mr. Speaker, the United States does not—and should not—involve itself in the substance of this dispute. The question of sovereignty of these islands is beyond the purview of our competence. We fervently hope that this dispute may be resolved peacefully and our only role, if we have a role, is to offer our good offices for media-

tion, as President Reagan has just announced his willingness to do.

Our Government, and I believe a majority of the Congress, supports the text of the resolution adopted by the U.N. Security Council on April 3—by a vote of 10 to 1. It is a short and simple resolution which calls for a “diplomatic solution” to differences, but it also embodies the principles of the U.N. Charter, which we will ignore at our peril.

The text of the resolution follows:

**FAKLAND ISLANDS: TEXT OF RESOLUTION  
ADOPTED BY TEN VOTES TO ONE IN THE U.N.  
SECURITY COUNCIL ON SATURDAY, APRIL 3**

Recalling the statement made by the President of the Security Council on 2 April 1982 calling on the Governments of Argentina and the United Kingdom to refrain from the use of threat or force in the region of the Falkland Islands (Islas Malvinas),

Deeply disturbed at reports of an invasion on 2 April 1982 by armed forces of Argentina,

Determining that there exists a breach of peace in the region of the Falkland Islands (Islas Malvinas),

1. Demands an immediate cessation of hostilities;
2. Demands an immediate withdrawal of all Argentine forces from the Falkland Islands (Islas Malvinas);
3. Calls on the Government of Argentina and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations.●

□ 1345

**IMPEACHMENT OF FEDERAL  
RESERVE BOARD CALLED FOR**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, in yesterday's proceedings I left off with an incomplete discussion of the preliminary outlining of the predicate or basis for the consideration of impeachment of the Chairman of the Federal Reserve Board as well as the Board itself. It will be recalled I introduced two resolutions along that line in the last session, and also two accompanying reform bills, one having to do with the continuation of what historically was envisioned by the Congress that approved the 1913 Federal Reserve Board Act as a continuing responsibility on the part of the Congress, which gave birth to the Federal Reserve Board.

There are so many Members of the Congress, so many citizens and so many persons in business in leadership positions that seem to be under the impression that the Federal Reserve Board is an autonomous, independent, unaccountable agency, and nothing could be further from the truth. The fact is that the Federal Reserve Board is a creature of congressional action, the 1913 Act. I have outlined that his-

tory on previous occasions, so there is no need to waste time.

The main reason for my getting up is to complete yesterday's initial phase of the impeachment description, of a process constitutionally granted and which, whether we like it or not, we are charged with the responsibility of upholding. It seems, as I explained yesterday, that it has generally been conceived, because there is also great ignorance concerning impeachment, its constitutional description and authority as well as the precedence and the history of those occasions in which that particular section of the Constitution known as article II, section 4, has been invoked, so there are many, many misconceptions in and out of the Congress.

The main hurdle is trying to leap over that wall of ignorance. I expect that as a challenge. Also to explain further, as I said yesterday, that this is an obedience to the fact that my request for serious consideration of my resolutions by the proper committee, the Committee on the Judiciary of the House of Representatives, has answered in the person of its chairman, the distinguished chairman from New Jersey, that it could not in the foreseeable future give serious consideration but that in the interim instructions would be forthcoming to the staff, I presume the legal staff of that committee, to review my resolutions and to analyze, and apparently give me the benefit of that analysis, which I have not received. So, therefore, I am proceeding on the basis that I have been denied that consideration, and that I will proceed as if the House of Representatives itself is sitting as the Committee on the Judiciary in order to make the case which really should be developed by the proper committee. This is the reason the committee was set up to begin with.

Impeachment is actually accusatory in nature. It is not, as some people do not comprehend, a conviction or a trial process in itself insofar as the House of Representatives is concerned. I explained that in view of the fact that most of the thinking, most of the precedence has to do with the impeachment processes insofar as they involve Presidents, that lost sight of is the fact that other precedents have been established involving other officials of the Government. Unfortunately most of those precedents have to do with the officers in the third branch of the Government or the judiciary. Judges have been impeached, and they have not been impeached on the basis of a criteria that some Members of the Congress, present Congress as well as past Congresses have advanced, and that is under the definition of the Constitution, the commission of an act of treason or bribery or high crimes

and misdemeanors, really meaning something that would be tantamount to a charge criminal in nature involving the status degree of indictable offense.

This, of course, is not so. If it were so, the plain language of the Constitution would not recite high crimes and misdemeanors. Certainly misdemeanors seldom are indictable offenses even though, of course, you have gradation defined in criminal law in the various statute books of the 50 States. But the precedents are that the act of impeachment, and what was intended in the phraseology of article II, section 4, was envisioned, and we have it preserved for us by the Founding Fathers who wrote the Constitution assembled in the Constitutional Convention, and who disputed and debated at great length this particular section, its meaning, its significance, the scope they conceptualized for it, and the exact wording. I explained that yesterday so there is no need to repeat myself.

Today I merely wish to conclude what I started yesterday by explaining further that my procedure envisions generally the base of that last clause, and that is "high crimes and misdemeanors." I also intimated yesterday that I would think that specificity—this was a very, very favorite word during the impeachment proceedings on the matter of Richard Nixon some 6 or 7 years ago—so that specificity I think is an ingredient and, therefore, it is my intention to bring forth specific instances, specific acts, and specific dates and specific accusations and charges.

But more importantly, also, the fact that the impeachment process does not necessarily have to involve charges of a criminal nature, but ones that would be defined in law as civil in nature as reflected in the last two words of that sentence "and misdemeanors."

I am fully prepared and certainly would never had envisioned the procedure of impeachment had I not been prepared. It is just with a great deal of sadness that I realize that even this would be necessary after so many years of neglect by the Congress in the exercise of its responsibilities toward the people of this country. After all, what is involved here is the most important issue confronting the American republic as to its well-being economically; that is, its fiscal and monetary policies that have been torn away from the people themselves in the sense that there is no accountability to the people through its chosen agents, whether it is the executive branch, the President and the Vice President, or the first branch of Government, the representative branch, the Congress. There is no accountability.

I have brought this out in a series of prior addresses to the full House. I have done so many, many times, as far back as 18 years ago. The fact that little action has followed is certainly no fault of mine, but due I think to other things that have coincided of equal seriousness and gravity that also I think have been abdicated by the representative branch of the Government. Again that is something aside and for some other discussion.

At this point I wish to round out the discussion yesterday by saying that in following the route of making out the case for impeachment, which as I say and repeat, ought to be done on the committee level, but what I am constrained and compelled to do on the House floor, that my principles to be followed as a rationale will be passed on all of the constitutional precedents, all of the historical precedents, even in the mother country that has been the source and the fount of our institutional life, England, and also the precedents and the historical experiences in other jurisdictions of a lesser nature than national, that is the States and the States courts, and the juridical, Anglo-American juridical tradition, and following the Anglo-American juridical concepts and methods of procedure.

So generally I will say that I will proceed under what in a Latin legal phrase is described as *ejusdem generis*. In other words, with respect to that last phrase and the misdemeanors, high crimes and misdemeanors, the charges that will be envisioned in this impeachment process, and I will say by way of explanation that the two resolutions I have presented have been couched in the general but necessary constitutional wording. But the specificity of it is what I am referring to now, and I will follow the general principle of construction known as *ejusdem generis*. That simply means in plain language that we will not stretch or reach out for some instances in which we will be bordering on the outer limits that the Constitution itself has already placed, a bill of attainder, for example, that is for acts committed in the past that now would be defined as wrongful.

We know well enough that certainly that is constitutionally prohibited, so that is our outer boundary.

The other boundary would be that which was reflected in the discussion in the Constitutional Convention when men as preeminent and legally prepared as James Madison and Mason and others discussed the wordage, and Mason was suggesting that perhaps one word that could be used was "malpractice" or "maladministration." This was objected to improperly, as I said yesterday.

Finally, the words "high crimes and misdemeanors," certainly because again the idea was to be fully protec-

tive of all of the respect of the proper authorities vested in those officials known as civil officials, because this is what the Constitution says is subject to impeachment, all civil officials of the United States, not just the President or the Vice President, but all civil officials. And why not? I mean, how else could the Constitution have been written and not have provided for the only defense from those who would usurp improperly or misuse or delegate to themselves the kind of power that was inimicable to the processes defined in our form of government, or to those who would be so grossly derelict, wantonly neglectful, as one of the phrases used by Mason reminds us.

□ 1400

So with all of that in mind, and under the general provision of *ejusdem generis*, the specificities that I will outline and develop as we go along, I will make it in accordance with that which that phrase reflects, which means of the same kind or class or category or the same gravity. In other words, we are not going to stray out to try to find misdemeanors that would be in this connection, certainly farfetched and improper just to make a case.

#### CHICAGO TRIBUNE REPORTS OLYMPIC COIN CONTROVERSY FAIRLY

The SPEAKER pro tempore (Mr. Young of Missouri). Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

• Mr. ANNUNZIO. Mr. Speaker, that the issue of striking commemorative coins for the 1984 summer Olympics has caused a heated debate among the Members of Congress is surely an understatement. We have heard countless arguments concerning both the merits and shortcomings of the pieces of legislation now under consideration. In an effort to clear the air, I would like to share with you a March 21, 1982, Chicago Tribune article which presents an accurate and straightforward appraisal of the situation.

There have been so many different accounts of the controversy that it is becoming increasingly difficult to separate fact from fiction. To say the very least, some of the media accounts are certainly misleading. In my mind, the Chicago Tribune article summarizes my understanding of the various positions rather well. Regardless of the individual merits of any proposal, it is of the utmost importance that we all have a clear understanding of the contours of the debate before we deliberate over the alternatives.

I think that it is fair to say that there has been considerable misunderstanding concerning my objections to

the bills calling for numerous coins to be sold through private marketers. For example, the March 29, 1982, issue of *Sports Illustrated* states the following:

It can be assumed that opposition to Annunzio would be great, and that the bill's progress through the remainder of the legislative process would be assured \*\*\* perhaps this is what worries Annunzio, and why he so stubbornly persists in his lonely stand.

Well, no, it is not. I have been a Member of Congress since 1964 and I have never fought for the sake of fighting. The Chicago Tribune article accurately reports that:

Annunzio objects to the program because it will be run by the private marketing group which consists of Occidental Petroleum Corporation; Lazard Freres, the international firm; and the Franklin Mint.

I vehemently object to the marketing of Olympic commemorative coins by the private interests proposed in these bills. It was the scandals associated with private marketing of coins that led to the termination of commemorative coinage in 1954. In addition, I see no reason why a private group should reap the profits from the sale of our Government's commemorative coinage. The more times you slice the pie, the smaller the piece becomes.

Apparently, my position concerning the number of coins to be minted is also misunderstood. According to a March 27, 1982, Los Angeles Times article:

The Annunzio Subcommittee staff circulated a draft of changes in the coin bill that would have authorized only 17 coins, rather than the 25 allowed under the Senate-passed bill. When the Olympic interests and the private marketers agreed to 17 coins, "Annunzio suddenly demanded only 10. \*\*\* Every time you knock down one of his straw men, he raises another one," complained F. Don Miller, executive director of the U.S. Olympic Committee.

The fact of the matter is that I never agreed to 17 coins, nor did I switch my position to 10 to frustrate the Olympic Committee. The Chicago Tribune correctly states my position:

Annunzio also objects to the coin bill as it was passed by the Senate because it provides for 25 different coins to be minted, a number thought to be excessive by Annunzio and may coin collectors. \*\*\* The Los Angeles Committee and the marketing group agreed recently to 17, but Annunzio contends that is still too many.

The cost of owning a complete set of coins under this provision would be prohibitive, possibly as high as \$8,000. In addition, multiple issues are confusing and discouraging to the buying public. Many Americans have written to me saying that they will not be able to afford to participate in a program involving more than a few coins.

In this light, the importance I have placed on the views of the American Numismatic Association is clearly warranted. There have been a number of allegations that this coin collectors' group opposes the Olympics and is

only interested in the minting of rare collectors' items. *Sports Illustrated* reports that:

The American Numismatic Association, a collectors' group, objects to the number and variety of coins to be issued. \*\*\* critics of the A.N.A. call it an elitist group that disapproves of mass sales of commemorative coins.

The American Numismatic Association, like the U.S. Olympic Committee, is a federally chartered organization. Its membership of 40,000 includes many of this country's most avid coin collectors. The Chicago Tribune article states that:

Annunzio said, "The individuals who undoubtedly will make up the largest purchasers of these coins are very definitely opposed to such a large program."

It then quotes a letter I received from the American Numismatic Association:

The bill is "an ill-considered piece of legislation that will not accomplish the primary task assigned to it, that of raising money to support the Olympic Games.

This clearly indicates that this organization is worried that the plan proposed by the supporters of the private interest legislation will not sell enough coins to make money for the Olympics. If the coins will not sell, the multiple coin bills are useless pieces of legislation.

When it comes right down to it, the issue here is money—funds for our athletes. The issues are not stonewalling, retreating from agreements, or fighting for the sake of fighting. We need a bill that proposes the minting of commemorative coins to be sold to the public with the proceeds going where they belong. I see no reason to mint numerous coin designs that no one will buy. I cannot understand why some of the profits should be siphoned off to private interests. I believe that my new proposal offers a straightforward plan to commemorate the 1984 summer Olympics and raise money for our athletes. After all, the shortest distance between two points is a straight line.

So that all of the Members will have the opportunity to read an unbiased account of the Olympic commemorative coin controversy, I have included the entire text of the Chicago Tribune article below:

**ANNUNZIO WANTS OLYMPIC COIN DEAL IN MINT CONDITION**  
(By Dorothy Collin)

WASHINGTON—One of the opening rounds of the 1984 Olympic competition is being fought on Capitol Hill this month, but the contest is not for athletic glory—it's for money.

The fight is over Olympic commemorative coins, which would be minted by the United States government and sold to benefit the U.S. Olympic Committee. Who else would benefit is one of the reasons for the fight.

On one side is the Los Angeles Olympic Organizing Committee, a group of financial and political heavy-hitters that would market the coins, and many powerful mem-

bers of Congress and the Reagan administration.

One the other side is Rep. Frank Annunzio (D., Ill.), chairman of the House Subcommittee on Consumer Affairs and Coinage, which has jurisdiction over legislation authorizing the coins.

The Senate unanimously passed the Olympic Coin Act in December, and a similar bill was introduced in the House. So far, Annunzio has blocked any action on it.

The coin act sets up a program through which the coins would be minted, the receipts with the Los Angeles Committee in turn, would share the money with the U.S. Olympic Committee.

They money involved is not nickel-and-dime. Though all figures are estimates, the Los Angeles committee and the Olympic committee would get \$30 million "the day the bill is passed" and about \$150 million altogether, a source said.

But even that could be peanuts. Various estimates from both sides show sales could be between \$500 million and \$1 billion, depending on the number of different coins designed and offered as series.

Annunzio objects to the program because it will be run by the private marketing group, which consists of Occidental Petroleum Corp.; Lazard Freres, the international banking firm; and the Franklin Mint.

"There have been so many scandals connected with private coin sales in the past that there has not been a commemorative coin issued in more than a quarter of a century," Annunzio said in a "Dear Colleague" letter to House members March 9. "The Olympic Coin Act of 1981 contains all the ingredients of past coin scandals."

An aide to the Chicago congressman said past coin scandals included marketing abuses by private marketers "whose one idea was enriching themselves."

He contended that the Olympic commemorative coin group fits into "another troublesome pattern." "For 10 months, Annunzio has been asking the coin group and the Los Angeles people to provide copies of the contracts on marketing, and they have refused," the aide said.

Annunzio also objects to the coin bill as it was passed by the Senate because it provides for 25 different coins to be minted, a number thought to be excessive by Annunzio and many coin collectors.

The Los Angeles committee and the marketing group agreed recently to reduce the number to 27, but Annunzio contends that is still too many and that collectors won't buy them.

"Coin collectors might have to pay as high as \$8,000 to purchase a complete Olympic coin set," Annunzio said on the House floor. "The individuals who undoubtedly will make up the largest purchasers of these coins are very definitely opposed to such a large program."

He read a letter from the American Numismatic Association saying collectors feel the bill is "an ill-considered piece of legislation that will not accomplish the primary task assigned to it, that of raising money to support the Olympic Games."

"I can only conclude that the entire coin program could wind up not as a money maker for the Los Angeles Organizing Committee, but rather as a financial disaster," Annunzio said.

The Los Angeles committee doesn't see it quite that way. It contends it faces financial disaster if the coin program is not passed.

"If we don't get these funds, there will be a long list of losers in the Olympic move-

ment," said Peter Ueberroth, chairman of the organizing committee.

"The biggest loser will be the U.S. athletes who will not have the funds to properly prepare for the games," he said.

Just how much profit or loss to the government would be involved is a question of some interest to the General Accounting Office.

Annunzio asked the GAO to look at the program. It is still preparing a report, but it has raised issues about the program in a statement to Annunzio's staff.

The most intriguing question for the GAO was whether the coins would be marketed in such a way that they would be tax deductible.

If the coins were offered as a "gift" in return for a "contribution" to the Olympic Committee, then they might be considered a deduction, a GAO official said.

"That's what got the GAO interested," he said. "We are talking big bucks."

How big? Perhaps \$400 million to \$500 million, according to the official.

"If they were tax deductible, the revenue loss would be greater than if Congress just gave the money to the Olympics," an Annunzio aide said.

The GAO has not been able to find out how the coins will be marketed, according to the official. "Not that the question has not been asked," he said. "There just has been no response."

A spokesman for the Los Angeles committee said, "We never considered that they would be sold as a tax deduction."

Another Los Angeles committee source said the coins probably would be marketed through large department stores and American Express, which often sends out flyers offering medals from the Franklin Mint, a private manufacturer of collectables such as medals.

Annunzio has introduced his own coin bill, which authorizes the minting of 25 million silver dollars to commemorate the Olympics. The coins would be sold by the United States Mint, not by a private group, and the profits would be split between the U.S. Treasury and the U.S. Olympic Committee.

The Los Angeles committee says it must have a House decision by March 31 or the contract with the marketing group will run out.

#### MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

• Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The February 1982 list includes:

##### NATIONAL DEFENSE

Who is Watching the Defense Dollars? Acc. No. 117447, AFMD-82-26, February 5.

Improvements Still Needed in Recouping Administrative Costs of Foreign Military Sales. Acc. No. 117454, AFMD-82-10, February 2.

DOD has Serious Problems with Care and Maintenance of Conventional Ammunition. Acc. No. 117452, PLRD-82-27, February 9.

Consolidated Space Operations Center Lacks Adequate DOD Planning. Acc. No. 117451, MASAD-82-14, January 29.

The Army's Multiple Launch Rocket System is Progressing Well and Merits Continued Support. Acc. No. 117440, MASAD-82-13, February 5.

DOD's Beef Procurement Program Still Needs Improvement. PLRD-82-32, February 17.

##### Letter reports

Voucher approval procedures at the Peninsula Branch of the Defense Contract Audit Agency. Acc. No. 117487, PLRD-82-30, January 12.

MX program cost and schedule milestones could be adversely impacted if some matters are not resolved. Acc. No. 117486, NASAD-82-17, February 10.

DOD's Foreign currency fluctuation Fund for Military Construction should exist as a repository to cover both currency losses and gains. ID-82-80, February 16.

Allegation concerning production of artillery barrels at the Watervliet Arsenal, New York, PLRD-82-48, February 25.

##### INTERNATIONAL AFFAIRS

Forging a New Defense Relationship with Egypt. ID-82-48, February 5.

U.S. International Communication Agency's Overseas Programs: Some More Useful than others. Acc. No. 117496, ID-82-1, February 11.

Assistance to Haiti: Barriers, Recent Program Changes, and Future Options. ID-82-13, February 22.

Departments of Energy and Commerce Programs to Promote Solar Products in Foreign Markets. Acc. No. 117498, ID-82-17, February 12.

##### Letter reports

United States overpays for Suez Canal transits. Acc. No. 117497, ID-82-19, February 10.

##### SCIENCE, SPACE, AND TECHNOLOGY

NASA Must Reconsider Operations Pricing Policy to Compensate for Cost Growth on the Space Transportation System. MASAD-82-15, February 23.

The Impact of Budget Cuts on Three Directorates of the National Science Foundation. PAD-82-25, January 10.

##### ENERGY

Producing More Fuel-Efficient Automobiles: A Costly Proposition. Acc. No. 117520, CED-82-14, January 19.

Accelerated Onshore Oil and Gas Leasing May Not Occur as Quickly as Anticipated. EMD-82-34, February 8.

##### Letter reports

GAO's response to the Department of Energy's comments on "Better Oversight Needed for Safety and Health Activities at DOE's Nuclear Facilities." Acc. No. 117489, EMD-82-36, January 27.

##### NATURAL RESOURCES AND ENVIRONMENT

Impediments to U.S. Involvement in Deep Ocean Mining can be Overcome. Acc. No. 117448, EMD-82-31, February 3.

A new Approach is needed for the Federal Industrial Wastewater Pretreatment Program. CED-82-37, February 19.

Mineral Data in the Forest Service's Roadless Area Review and Evaluation (RARE II) is Misleading and should be Corrected. EMD-82-29, February 4.

Land Use Issues: A GAO Perspective. CED-82-40, February 25.

##### Letter reports

Reorganization of the Office of Surface Mining. Acc. No. 117435, CED-82-32, January 18.

Proposed consolidations of Smokejumper Bases in the Forest Service's western regions. CED-82-39, February 9.

##### AGRICULTURE

Food, Agriculture, and Nutrition Issues for Planning. Acc. No. 117441 CED-82-27, February 4.

##### Letter reports

Comments on USDA's program report and environmental impact statement-November 1981. Acc. No. 117449, CE-82-41, January 29.

Better ways to provide for use of agricultural information. CED-82-46, February 26.

##### COMMERCE AND HOUSING CREDIT

Can the Federal Communications Commission Successfully Implement its Computer II Decision? Acc. No. 177444, CED-82-38, January 29.

##### Letter reports

Proposed transfer of postal carriers from Seapines Station to Atlantic Station in Virginia Beach, Virginia. GGD-82-49, February 26.

##### TRANSPORTATION

Alaska Railroad: Federal Role should End: Some Management Problems Remain. CED-82-9 February 25.

##### Letter reports

Impact on the Federal Government if the combined Continental Airlines and Texas International Airlines fail to meet their financial obligations. Acc. No. 117500, CED-82-33, February 3.

Applicability of Public Law 89-306 to the Federal Aviation Administration's procurement of computers for the air traffic control system. AFMD-82-47, February 18.

##### HEALTH

Physician Cost-Containment Training can Reduce Medical Costs. Acc. No. 117394, HRD-82-36, February 4.

##### Letter reports

Medicare equalization factor payments to group practice prepayment plans should be stopped. HRD-82-39, February 18.

Review of selected medicare independent dialysis facility audits. HRD-82-42, February 22.

##### INCOME SECURITY

Food Stamp Workfare-Cost Benefit Results Not Conclusive; Administrative Problems Continue. CED-82-44, February 19.

##### VETERANS AFFAIRS

Legislation Needed to Prevent Loss of Millions From Mentally Incompetent Veterans' Estates. HRD-82-1, February 10.

##### Letter reports

The Veterans Administration needs to improve its quality assurance program for medical supply and equipment items. PLRD-82-44, February 23.

##### GENERAL GOVERNMENT

A \$4 Billion Census in 1990? Timely Decisions on Alternatives to 1980 Procedures Can Save Millions. GGD-82-13, February 22.

Despite Recent Improvements, Bank Supervision Could be More Effective and Less Burdensome, GGD-82-21, February 26.

Federal Review of Instrastate Branching Applications Can Be Reduced. GGD-82-31, February 24.

Dishonored Checks are a Drain on District of Columbia Resources. Acc. No. 117495, GGD-82-23, February 12.

Federal Agencies Negligent in Collecting Debts Arising From Audits. AFMD-82-32, January 22.

Proposal to Lower the Federal Compensation Comparability Standard has not been Substantiated. Acc. No. 117436, FPCD-82-4, January 26.

Assessment of Certain Planning Activities of the Ohio-Kentucky-Indiana Regional Council of Governments. GGD-82-25, January 25.

The Treasury Department and its Bureaus can Better Plan for and Control Computer Resources. GGD-82-9, February 22.

GPO Needs to Analyze Alternatives to Overcome Physical Limitations in Government Printing Operations. Acc. No. 117395, PLRD-82-20, January 4.

GSA Nonstores Procurement Program Falls Far Short of its Objectives. PLRD-82-36, February 24.

The National Credit Union Administration Should Revise Liquidation Procedures to Reduce the Net Cost of Credit Union Liquidation. GGD-82-26, February 19.

Information on Selected Aspects of Federal Reserve System Expenditures. Acc. No. 117521, GGD-82-33, February 12.

*Letter reports*

Alleged fraud and mismanagement in the Office of Industrial Security International, Brussels, Belgium. Acc. No. 117351, PLRD-82-28, December 31.

The Office of Management and Budget should document budgetary cost and savings estimates from personnel ceiling reductions. FPCD-82-23, January 15.

Review of financial activities of the Colegio Cesar Chavez. Acc. No. 117488, HRD-82-35, January 20.

Federal employee use of off-campus college and university programs. Acc. No. 117378, FPCD-82-14, January 29.

Department of Energy should exercise more oversight of maintenance and repairs of its multiprogram laboratories. Acc. No. 117399, PLRD-82-33, February 3.

Computation of cost-of-living allowances for Federal employees in foreign areas could be more accurate. Acc. No. 117439, FPCD-82-24, February 8.

Computation of cost-of-living allowance for Federal employees in nonforeign areas could be more accurate. FPCD-82-25, February 8.

The President's proposal of three new deferrals of budget authority totalling \$1,758.3 million and revisions to eleven previously reported deferrals totalling \$191.3 million. OGC-82-8, February 12.

Foundations problems were encountered during construction of the Federal Office Building and Courthouse in Springfield, Mass. PLRD-82-39, February 22.

Changes are needed in the proposed departmental review and evaluation of the Puerto Rico Block Grant. CED-82-50, February 24.

Change is needed in overseas staffing procedures to better ensure consistency with U.S. program objectives. ID-82-22, February 25.

The "Monthly List of GAO Reports" and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street NW, Washington, D.C. 20548. Phone (202) 275-6241. ●

**THE MILWAUKEE JOURNAL'S FRANK AUKOFER DISCUSSES U.S. POLICY TOWARD CUBA**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, Frank A. Aukofer of the Milwaukee Journal's Washington Bureau, and a former president of the National Press Club, has an interesting piece in the April 5 Milwaukee Journal on some of the challenges and opportunities in the Caribbean presented by Cuba. I commend Mr. Aukofer's thoughtful piece to all who are concerned with our Caribbean policy:

Now that the El Salvador election has provided the Reagan administration with at least partial vindication of its Central American policies, the administration has an opportunity to leapfrog into a leadership position there and in the rest of Latin America as well.

But it would take the sort of common sense, boldness and guts that sent President Richard Nixon to Communist China and made President Jimmy Carter victorious in his fight to return the Panama Canal to Panama.

President Reagan should announce his willingness to give the Guantanamo Bay Naval Base back to Cuba.

**DIFFICULT TO MAINTAIN**

Gitmo, as it is called by military people, is an isolated albatross, maintained with great difficulty as a training base on the southeastern coast of Cuba.

The United States has been there since the Spanish-American War of 1898. As part of the US price to end its military occupation of the island in 1903, Cuba agreed to lease the base to the US. A subsequent treaty in 1934 gave the US a perpetual lease on the 28,820-acre area, but Cuba retained ultimate sovereignty.

After the Cuban revolution and the severing of US-Cuba diplomatic relations on Jan. 4, 1961, Guantanamo Bay became a fenced-off enclave, heavily guarded by US Marines on one side and Cuban troops on the other.

There is no contact between Gitmo and Cuba, except for about 100 Cuban civilian workers who cross no man's land every day. They have been employed on the base since before the revolution, but they are reaching retirement age, contributing to what the House Armed Services Committee has called a severe problem of maintaining an adequate work force there.

**6,000 AMERICANS**

Gitmo currently is home for about 6,000 Americans, the majority of them dependents of military personnel. Forces that include 1,748 Navy personnel, 500 Marines, several dozen soldiers and Coast Guardsmen, and 364 civilian employees.

Most of them probably would rather be somewhere else. The area is extremely hot and humid, with pesky, constantly-biting insects, and it lacks decent recreation facilities and other amenities. A housing shortage prompted the administration to request \$25.4 million in next year's budget to build 200 units of family housing.

The Navy likes Guantanamo Bay because it is a superb deep-water port, located on one of the largest and best-protected harbors in the Western Hemisphere. About 70 ships visit there each year so crews can undergo refresher training.

But we don't need Gitmo. At various times over the last 20 years, the Pentagon has entertained the idea of closing the base, but it has been kept open mainly for foreign policy considerations—as a continued irritant to Fidel Castro.

**USEFUL FOR TRAINING**

Retired Rear Adm. Gene R. LaRocque knows Gitmo well, having first visited there on a battleship in 1940. Before his retirement, LaRocque was a command officer at sea, served seven years in the Pentagon on strategic planning with the Navy and the Joint Chiefs of Staff, and spent another seven years at war colleges.

At one point in his career, LaRocque was director of Pan-American affairs for the Navy, and his last active duty post was as director of the Inter-American Defense College, which trains officers from the U.S. and Latin American countries. Now LaRocque is director of the Center for Defense Information, a private research and educational organization that monitors the U.S. military.

"From a military point of view, Guantanamo Bay is very useful as a training base," LaRocque said in an interview. "But we have other training bases, in Puerto Rico, Florida and so on."

"From a strategic point of view, the Navy doesn't need it. It's only a few minutes' flight from Homestead Air Force Base in Florida. We can control those same waters just as easily from Florida as from Cuba, so we don't need it."

**OCCUPATION RESENTED**

"As far as Latin America is concerned, my long experience with Latin American countries is that they resent our occupation of one of their lands, regardless of its government," LaRocque said.

A major concern among military men who would keep Gitmo is that turning it over to Cuba would be the same as giving the base to the Russian Navy. But that need not necessarily be so.

No one is suggesting that the US simply pull of Guantanamo Bay. Any agreement would be subject to negotiations, which are not unheard of between the two countries. Secretary of State Alexander Haig met last summer in Mexico City with Cuba's vice-president, Carlos Rafael Rodriguez, to discuss Central America.

Although many Americans are probably unaware of it, some US-Cuban relations already are governed by a series of so-called "understandings" between the US and the Soviet Union. The first grew out of the Soviet missile crisis in 1962, when the Soviets withdrew strategic nuclear weapons from Cuba with the understanding that the U.S. would not invade Cuba to overthrow its government.

Another understanding, in 1970, is that the Soviet Union will not use Cuban ports for strategic operations. The third understanding, in 1979, is that the Soviets would not send combat troops to Cuba in the future.

So there is no reason why, as part of an agreement to return Guantanamo Bay to Cuba, that the United States could not insist on excluding the Soviet Navy from the base.

An agreement also could include other things, either as understandings or specific provisions. For example, the U.S. might even extract a promise from Cuba to stop supporting leftist guerrillas in El Salvador.

But the biggest benefit to the United States would be its heightened image in Latin America and the Caribbean. Turning Guantanamo Bay back to the Cubans would be a convincing demonstration that the U.S. indeed wants to help and live in harmony with its neighbors, and would go a long way toward changing the administration's image

as a supporter of the Latin American right wing.

As a way to cripple left-wing arguments that the U.S. harbors imperialistic ambitions in Latin America, the turnover of the base is potentially as important as the treaty that ultimately will give the Panama Canal to Panama.

In addition, giving the base back to Cuba would remove a major irritant between the two countries, leading perhaps to a reduction in Cuban adventurism in Africa and Latin America, as well as to a resumption to trade. Normal relations with Cuba would achieve more stability in Central America than all the troops and military aid we might pump in there in a crisis.

"If we want to have some good influence in the Caribbean Basin and accelerate President Reagan's program there, any negotiations on Guantanamo would have a salutary effect," LaRocque said. "We could exercise some leadership in that area instead of just waiting until things start to disintegrate. It's a matter of the best interests of the United States."

There is no question that any move by Reagan to return Guantanamo Bay would produce howls of rage from the right wing in the United States. But the president is a tough cookie. He could do it. ■

#### STRATEGIC WEAPONS NEGOTIATIONS: IT'S TIME TO START

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the administration so far has chosen to respond to the nuclear freeze movement by arguing that a freeze is not a satisfactory way to commence strategic arms negotiations. What they have failed so far to recognize, or at least to admit, is that public opinion is not demanding a particular approach to the negotiations. What the people are insisting upon is an end to the nuclear arms buildup and negotiations to get rid of the stockpiles that now menace the survival of the human race. In other words, it is time to start START.

Friday's Washington Post contained a very thoughtful article by William G. Hyland, a senior associate of the Carnegie Endowment for International Peace, concerning the pros and cons of the nuclear freeze issue. Mr. Hyland suggests that rather than negotiating at the outset a complicated freeze or reductions package:

Why not concentrate on those weapons that cause real strategic concerns, the weapons that could be used in a surprise attack or a first strike.

Mr. Hyland also makes a very cogent point that the "United States ought to move now to combine the European talks with new SALT talks, and break down the artificial distinction between intermediate and intercontinental weapons."

He suggests that we could offer to give up the potential threat to Soviet ICBM's from the MX and Pershing II and the U.S.S.R. could give up the threat to the United States and

Europe from the SS20 and SS18. This would eliminate 4,000 missile warheads. The remaining nuclear weapons could then be put into the main START negotiations.

As Mr. Hyland says:

If a freeze isn't acceptable, and a complicated formula for reducing warheads, megatonnage and missile throwweight, etc., takes too long, why not make the Soviets a simple proposition and start START.

The full text of Mr. Hyland's article follows these remarks:

#### FREEZE AND ANTI-FREEZE

(By William G. Hyland)

We are going to be bombarded with oratory, rhetoric, facts and figures about nuclear weapons and nuclear war. The campaign has already started, and will get worse as the weather improves. One issue is whether to freeze all nuclear weapons, then reduce. The anti-freeze group, which now includes the president, argues that a freeze gives up critical leverage that will force the Soviets to negotiate, so it proposes that we build up, then reduce and then freeze. Both sides seem casually to accept the proposition that the risk of war is related to the sheer number of nuclear weapons and the risk could be significantly lessened if the numbers were frozen or reduced.

Wars rarely, if ever, have started because of an excess of arms. The notion that they have is a residue of the 1920s, when it was widely and erroneously believed that the Great War of 1914 had originated in the heavy armaments of the two coalitions. No historian believes this. Britain entered that war for geopolitical reasons, when the Germans marched into Belgium and brought German power to the channel ports. Twenty-five years later, a poorly armed Great Britain went to war because it would no longer tolerate the expansion of Hitler's domain. Nuclear weapons are of course, radically different. But nothing in our post-war history suggests that the East-West confrontations and crises have grown in proportion to the size of nuclear arsenals. Two extremely dangerous crises erupted when the U.S.S.R. had no nuclear weapons or only a very few: the Berlin blockade of 1948 and the Korean War in 1950. Khrushchev started another massive Berlin crisis in 1958 on the strength of a missile gap bluff. Later, a dangerous confrontation took place in Cuba when the U.S.S.R. had a handful of ICBMs and the United States had only about 200. In fact, since that great crisis 20 years ago, conflicts between Moscow and Washington have multiplied, and nuclear arsenals have grown, but with fewer and fewer confrontations.

Defenders of freeze argue that we have 9,000 strategic warheads and the Soviets 7,000 and that is enough. Maybe so. The danger arises, however, because of threats created by certain categories of strategic nuclear weapons, not because of the total number. To freeze all weapons is tantamount to saying that a short-range missile in Germany is of the same weight and value as a Soviet ICBM. Freezing also invites a horde of questions: can old weapons be replaced with new ones, Can a short-range weapon be substituted for long-range ones? With patience, these questions could be negotiated.

The anti-freeze alternative of a U.S. buildup in strategic weapons, then a freeze, and then reductions, may be a good political counter, but it is no more realistic as an

arms control proposition than the simple freeze. Do our weapons become bargaining chips, or will the Soviets wait for us to close the gap? The debate threatens to degenerate into abstractions.

Rather than negotiating a complicated freeze or reduction package, why not concentrate on those weapons that cause real strategic concerns, the weapons that could be used in a surprise attack or a first strike, i.e., accurate ICBMs with multiple warheads, of which the Soviet SS18 is the world's heavyweight champion. The Soviets claim that our MX is a contender for that title, and that our new U.S. Pershing missile to be based in Germany is in the first-strike category because it could reach Soviet targets in only a few minutes.

Given these worries, a simple proposition suggests itself: we forgo some or all of our MX missiles and the U.S.S.R. gives up some or all of its SS18s for openers. True, such a proposal trades future U.S. draft choices for the Soviet first team. We give up the paper plans for the MXs in old silos where we really don't want them, and the Soviets give up about 308 real missile silos. But we could build 500 MXs, and we may not be at all eager to abandon it, even though it seems to be the Flying Dutchman of strategic weaponry. And the United States is putting on the table some other chips. After all, we are at the beginning of a new cycle of weapons—the B1, the Trident submarines and two missile system, various cruise missiles—and the Soviets are resting on the laurels of the past 10 years. They stand to gain much more than we from the resumption of SALT bargaining. So an entrance price, trading the MX for the SS18, is not a bad deal. But it is not enough. There is still the problem of the European imbalance. We cannot solve our problems at the expense of our allies.

Brezhnev has graciously conceded that he will freeze his 300 SS20 missiles ranged against Europe and China, and even take some down. The U.S. proposal is for both sides to give up all intermediate-range missiles, which means we give up 108 "first-strike" Pershing missiles in Europe.

The United States ought to move now to combine the European talks with new SALT talks, and break down the artificial distinction between intermediate and intercontinental weapons. We could offer a new opening deal: the United States will give up the potential threat to Soviet ICBMs from the MX and the Pershing, and the U.S.S.R. would give up the threat from the SS20 and SS18. In short, zero MX, zero Pershings, zero SS20s, zero SS18s. About 4,000 missile warheads would disappear. The remaining weapons—cruise missiles, medium-range aircraft, bombers, older missiles etc.—could be put into the main SALT/START negotiations, which could continue without interruption in Geneva under a new name.

This is a heavy price to ask of the Soviet Union. Probably Brezhnev will not pay it; he may get it all for nothing. But it could be the beginning of bargaining. It reflects something of the real world of strategic anxieties; each side would be trying to alleviate strategic threats. If a freeze isn't acceptable, and a complicated formula for reducing warheads, megatonnage and missile throwweight, etc., takes too long, why not make the Soviets a simple proposition and start START.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. NELSON (at the request of Mr. WRIGHT), for today, on account of a death in the family.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. LUNGREEN, for 60 minutes, today.

Mr. TAUKE, for 20 minutes, today.

Mrs. HECKLER, for 5 minutes, today.

Mr. McEWEN, FOR 5 MINUTES, TODAY.

Mr. MCKINNEY, for 5 minutes, today.

(The following Members (at the request of Mr. OBERSTAR) to revise and extend their remarks and include extraneous material:)

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. OBERSTAR, for 30 minutes, today.

Mr. ZABLOCKI, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks and include extraneous material:)

Mr. REUSS, for 10 minutes, today.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HAWKINS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Con-

GRESSIONAL RECORD and is estimated by the Public Printer to cost \$1,071.

(The following Members (at the request of Mr. SOLOMON), and to include extraneous matter:)

Mr. GOLDWATER.

Mr. LENT.

Mr. NELLIGAN.

Mr. NAPIER.

Mr. FINDLEY in two instances.

Mr. DREIER.

Mr. ROUSSELOT in five instances.

Mr. CONTE in two instances.

Mr. CHAPPIE.

Mr. LEWIS.

Mr. HYDE.

Mr. DERWINSKI.

Mr. PHILIP M. CRANE.

Mr. DeNARDIS.

Mr. DUNCAN.

Mr. DAUB.

Mr. EVANS of Delaware in four instances.

Mr. SAWYER.

Mr. ATKINSON.

Mr. MICHEL.

(The following Members (at the request of Mr. OBERSTAR), and to include extraneous matter:)

Mr. WRIGHT.

Mr. PHILLIP BURTON.

Mr. YATRON.

Mr. STOKES in three instances.

Mr. BONKER in two instances.

Mr. LUNDINE.

Mr. SABO.

Mr. DYSON.

Mr. AUCOIN.

Mr. DWYER in two instances.

Mr. MINETA in two instances.

Mr. HAMILTON.

Mr. ROSENTHAL.

Mr. FITZHIAN.

Mr. WEISS in four instances.

Mr. SCHUMER.

Mr. BIAGGI in six instances.

Mr. MILLER of California in two instances.

Mr. OBERSTAR in three instances.

Mr. REUSS.

Mr. BENNETT.

Mr. JONES of Tennessee.

Mr. CONYERS.

Mr. HEFTEL.

Mr. JOHN L. BURTON.

Mr. SKELTON.

Mr. ROYBAL.

Mr. MURTHA.

## JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on April 5, 1982, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 435. An act providing for the designation of April 12, 1982, as "American Salute to Cabanatuan Prisoner of War Memorial Day."

## ADJOURNMENT

Mr. GONZALES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provision of Senate Concurrent Resolution 78 of the 97th Congress, the House stands adjourned until 12 o'clock meridian, Tuesday, April, 20, 1982.

Thereupon (at 2 o'clock and 1 minute p.m.), pursuant to Senate Concurrent Resolution 78, the House adjourned until Tuesday, April 20, 1982, at 12 o'clock noon.

## EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of House committee concerning the foreign currencies and U.S. dollars utilized by it during the fourth quarter of calendar year 1981 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

## REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1981

Name of member or employee	Date		Country	Per diem <sup>1</sup>		Transportation		Other purposes,		Total	
	Arrival	Departure		Foreign Currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign Currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign Currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>	Foreign Currency	U.S. dollar equivalent or U.S. currency <sup>2</sup>
Barriere, John E.	10/9	10/16	Canada	714	600	238	200			952	800
Committee total					600		200				800

<sup>1</sup> Per diem constitutes lodging and meals.

<sup>2</sup> If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING, Chairman, Mar. 16, 1982.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3611. A letter from the Assistant Secretary of State (Congressional Relations), transmitting notice of the Department's intention to consent to a request by the Gov-

ernment of Jordan to provide TOW missile maintenance and repair training to Government of Lebanon Army personnel, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

3612. A letter from the Assistant Secretary of State (Congressional Relations), transmitting a report certifying that the security assistance programs of the United States for the fiscal year 1982 are in compli-

ance with the requirements of section 502B of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3613. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting a report on the Committee's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5

U.S.C. 552b(j); to the Committee on Government Operations.

3614. A letter from the Information Officer, Postal Rate Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3615. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3616. A letter from the Deputy Administrator of General Services, transmitting a followup report on the recommendations contained in August 25, 1980, report of the Advisory Committee on Federal Pay, pursuant to section 5(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

3617. A letter from the Vice President, Federal Land Bank of Columbia and Federal Intermediate Credit Bank of Columbia, transmitting the annual report of the farm credit retirement plan, Columbia District, pursuant to law; to the Committee on Government Operations.

3618. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's monthly itemized report of revenues and expenses, pursuant to section 308(a)(1) of the Rail Passenger Service Act, as amended; to the Committee on Energy and Commerce.

3619. A letter from the Chief of the Forest Service, Department of Agriculture, transmitting a copy of the management plan and legal description and maps for the Salmon Wild and Scenic River, Idaho, pursuant to section 3(b) of Public Law 90-542; to the Committee on Interior and Insular Affairs.

3620. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act of 1952, together with a list of the persons involved; to the Committee on the Judiciary.

3621. A letter from the Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease for the partial consolidation of the headquarters activities of the International Communications Agency in Washington, D.C.; to the Committee on Public Works and Transportation.

3622. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Brunswick Harbor, Ga., phase I general design memorandum, pursuant to section 101(a) of the Water Resources Development Act of 1976; to the Committee on Public Works and Transportation.

3623. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Camden metropolitan urban study, in response to resolutions of the Senate and House Committees on Public Works adopted March 20, 1973, and April 11, 1974, respectively; to the Committee on Public Works and Transportation.

3624. A letter from the Chairman, National Research Council, transmitting a report entitled "Causes and Effects of Stratospheric Ozone Reduction: An Update," prepared by the Academy to assist the U.S. Environ-

mental Protection Agency in carrying out its responsibilities, pursuant to section 153 of the Clean Air Act; to the Committee on Energy and Commerce.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. OAKAR: Committee on Post Office and Civil Service. H.R. 4703. A bill to amend section 3620 of the Revised Statutes with respect to payroll deductions for Federal employees; with an amendment (Rept. No. 97-481, Pt. I). And ordered to be printed.

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3637. A bill to provide for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States; with amendments (Rept. No. 97-419, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FORD of Tennessee (for himself and Mrs. HECKLER):

H.R. 6085. A bill to provide a program of Federal supplemental unemployment compensation; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland:

H.R. 6086. A bill to amend the Small Business Act and the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. AUCOIN:

H.R. 6087. A bill to extend authority to the Secretary of the Interior with respect to water resources research and development and saline water conversion research and development programs; to the Committee on Interior and Insular Affairs.

By Mr. BLILEY (for himself, Mr. BAFALIS, Mr. WAMPLER, Mr. ROUSSELOT, Mr. LELAND, Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. MARTIN of North Carolina, Mr. MOTTI, Mr. MILLER of Ohio, Mr. TRIBLE, Mr. KINDNESS, Mr. PARRIS, Mr. JOHNSTON, Mr. FROST, Mr. COATS, Mr. DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. BROWN of Ohio, Mr. WEBER of Ohio, Mr. BUTLER, Mr. FUQUA, Mrs. MARTIN of Illinois, Mr. CHAPPELL, Mr. ROBINSON, Mr. MARRIOTT, Mr. SENSENBRENNER, Mr. JEFFRIES, Mr. GRAMM, Mr. WORTLEY, Mr. YOUNG of Florida, Mr. GINGRICH, Mr. PAUL, Mr. IRELAND, Mr. FIELDS, Mr. BROWN of Colorado, Mr. ROTH, Mr. SHAW, Mr. PETRI, Mr. LOWERY of California, Mr. HUTTO, Mr. HILER, Mr. BENEDICT, Mr. CRAIG, Mr. WOLF, Mr. TAUKE, Mr. SKEEN, Mr. McEWEN, Mr. COURTER, Mrs. BOGGS, Mr. DAUB, Mr. HARTNETT, Mr. NELSON, Mrs. HOLT, Mr. SMITH of Oregon, Mr. McCOLLUM, Mr. BARNARD, Mr. McDONALD, Mr. DUNCAN, Mr. LAGOMARSINO, Mr. ROBERTS of Kansas, and Mr. WINN):

H.R. 6088. A bill to provide that States may enter agreements with the United States under which the States will retain a portion of the Federal unemployment tax for purposes of administering the unemployment compensation program and the employment service program as currently provided by Federal law, to allow States to retain unemployment compensation funds in State-managed funds, and for other purposes; to the Committee on Ways and Means.

By Mr. BOLAND (for himself, Mr. MINETA, and Mr. CONTE):

H.R. 6089. A bill to amend the act of October 15, 1966 (80 Stat. 953; 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act; to the Committee on House Administration.

By Mr. CARMAN:

H.R. 6090. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for commuting expenses incurred on public mass transit; to the Committee on Ways and Means.

By Mr. FAUNTRY (for himself and Mr. SEBERLING):

H.R. 6091. A bill to designate the Mary McLeod Bethune "Council House" in Washington, D.C., as a national historic site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FITHIAN:

H.R. 6092. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GIBBONS:

H.R. 6093. A bill to implement the Nairobi protocol to the Florence Agreement on the Importation of Educational, Scientific, and Cultural Materials, which protocol was opened for signature on March 1, 1977, and for other purposes; to the Committee on Ways and Means.

H.R. 6094. A bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 6095. A bill to amend the Federal Reserve Act to provide that the President shall appoint additional members to the Board of Governors of the Federal Reserve System to represent the interests of small business, organized labor, agriculture, and small financial institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HEFTEL:

H.R. 6096. A bill to amend the Internal Revenue Code of 1954 to provide that certain provisions relating to annual accrual method of accounting for corporations engaged in farming be extended to corporate joint ventures, and for other purposes; to the Committee on Ways and Means.

By Mr. KOGOVSEK (for himself, Mr. BROWN of Colorado, Mr. COELHO, Mr. LEWIS, Mr. SANTINI, Mr. CHENEY, Mr. CLAUSEN, Mr. CHAPPIE, Mr. THOMAS, Mr. DREIER, and Ms. FIEDLER):

H.R. 6097. A bill to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure ac-

complishment of the objectives of title II of such act, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LeBOUTILLIER:

H.R. 6098. A bill to modify and enlarge the authority of the Helen Keller National Center for Deaf-Blind Youths and Adults to operate and maintain, as a national resource, facilities and services for deaf-blind persons; to the Committee on Education and Labor.

By Mr. LUNDINE (for himself, Mr. BONIOR of Michigan, and Mr. HAMILTON):

H.R. 6099. A bill to establish a National Industrial Development Board for purposes of formulating policy recommendations for industrial development in the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OBERSTAR (for himself, Mr. CLINGER, Mr. HOWARD, Mr. CLAUSEN, Mr. ROE, Mr. HAMMERSCHMIDT, Mr. MINETA, Mr. McEWEN, Mr. EDGAR, Mrs. BOUQUARD, Mr. FARY, Mr. ERTEL, Mr. FLIPPO, Mr. DECKARD, Mr. RAHALL, Mr. APPLEGATE, Mr. ALBOSTA, Mr. SUNIA, Mr. PERKINS, Mr. MOLLOHAN, Mr. BEVILL, Mr. GAYDOS, Mr. STOKES, Mr. BOWEN, Mr. SABO, and Mr. VENTO):

H.R. 6100. A bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; jointly, to the Committees on Public Works and Transportation and Banking, Finance and Urban Affairs.

By Mr. MCGRATH:

H.R. 6101. A bill to amend title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a nonprofit organization, and for other purposes; to the Committee on the Judiciary.

By Mr. MCKINNEY:

H.R. 6102. A bill to authorize the Secretary of Housing and Urban Development to encourage States and units of general local government to upgrade housing for certain lower income families; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MILLER of California:

H.R. 6103. A bill to amend the Fair Labor Standards Act of 1938 to provide that an employer who violates section 6 or 7 of that act shall be liable to the employee involved for three times the amount of wages involved in the violation, and for other purposes; to the Committee on Education and Labor.

By Mr. REUSS:

H.R. 6104. A bill to amend the Internal Revenue Code to allow an equal investment interest deduction limitation for taxpayers controlling a corporation through an employee ownership plan as exists under current law for other taxpayers controlling an enterprise; to the Committee on Ways and Means.

By Mr. SAWYER:

H.R. 6105. A bill to amend title 18, United States Code, to provide criminal penalties for the mailing of identification documents bearing a false birth date; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.R. 6106. A bill to provide for the issuance of postage stamp to commemorate the 200th anniversary of the birth of Martin Van Buren, the eighth President of the United States, at Kinderhook, N.Y., on December 5, 1782; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON (for himself, Mr. MCGRATH, Mr. PORTER, Mr. ALBOSTA, Mr. CROCKETT, and Mr. ECKART):

H.R. 6107. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for up to \$750 of the cost of purchasing a new highway vehicle; to the Committee on Ways and Means.

By Mr. YOUNG of Florida (by request):

H.R. 6108. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received as annuities under the Civil Service Retirement Act; to the Committee on Way and Means.

By Mr. SOLOMON:

H.J. Res. 458. Joint resolution designating December 5, 1982, as "Martin Van Buren Day"; to the Committee on Post Office and Civil Service.

By Mr. CONTE (for himself, Mr. MITCHELL of Maryland, Mr. McEWEN, Mr. FAUNTRY, Mr. APPLEGATE, Mrs. HOLT, Mr. DAVIS, Mr. LOWRY of Washington, Mr. BOLAND, Mr. ROE, Mr. WORTLEY, Mr. CORRADA, Mr. FRANK, Mr. VENTO, Mr. DOWNEY, and Mr. LEHMAN):

H. Con. Res. 308. Concurrent resolution expressing the sense of the Congress that any change to section 334 of the Social Security Act amendments of 1977 (Public Law 95-216) not require any beneficiaries to pay back spouses' and survivors' benefits already received; to the Committee on Ways and Means.

By Mr. FORD of Michigan (for himself, Mr. DERWINSKI, Mr. ADDABBO, Mr. ANNUNZIO, Mr. ARCHER, Mr. BARNES, Mr. BEILENSEN, Mr. BENJAMIN, Mr. BINGHAM, Mr. BLANCHARD, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BOWEN, Mr. BRODHEAD, Mr. BROOKS, Mr. BROOMFIELD, Mr. BUTLER, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CORCORAN, Mr. CORRADA, Mr. COURTER, Mr. WILLIAM J. COYNE, Mr. DAUB, Mr. DE LA GARZA, Mr. DeNARDIS, Mr. DERRICK, Mr. DONNELLY, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DWYER, Mr. ECKART, Mr. FASCCELLI, Mr. FAUNTRY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FITHIAN, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FRENZEL, Mr. GEJDENSON, Mr. GILMAN, Mr. GINN, Mr. GREEN, Mr. GUARINI, Mrs. HECKLER, Mr. HERTEL, Mr. HOLLENBECK, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFRIES, Mr. KEMP, Mr. KILDEE, Mr. LANTOS, Mr. LEATH of Texas, Mr. LEHMAN, Mr. LENT, Mr. LEVITAS, Mr. LEWIS, Mr. MCGRATH, Mr. MARKS, Mrs. MARTIN of Illinois, Mr. MATSUI, Mr. MATTOX, Ms. MIKULSKI, Mr. MINETA, Mr. MOFFETT, Mr. MOLINARI, Ms. OAKAR, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PEYSER, Mr. PORTER, Mr. PRITCHARD, Mr. REUSS, Mr. RINALDO, Mr. RITTER, Mr. ROE, Mr. ROSENTHAL, Mr. SANTINI, Mr. SCHEUER, Mr. SCHUMER, Mr. SHAMANSKY, Mr. SIMON, Mr. SKELETON, Mr. SMITH of New Jersey, Mr. SMITH of Pennsylvania, Mr. SOLARZ, Mr. TRAXLER, Mr. UDALL, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WIRTH, Mr. WON PAT, Mr. WYDEN, Mr. YATES, and Mr. ZEFERETTI):

H. Con. Res. 309. Concurrent resolution to congratulate Hadassah, the women's Zionist

organization of America, on the celebration of its 70th anniversary; to the Committee on Post Office and Civil Service.

By Mr. DAUB:

H. Res. 429. Resolution expressing the sense of the House of Representatives that the Federal program of impact aid with respect to the children of military personnel should be transferred to the Secretary of Defense; jointly, to the Committees on Armed Services and Education and Labor.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

330. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to a replacement production reactor in Idaho; to the Committee on Armed Services.

331. Also, memorial of the Legislature of the State of Nebraska, relative to railroad retirement benefits; to the Committee on Energy and Commerce.

332. Also, memorial of the Legislature of the State of New York, relative to the Polish Refugee Act of 1982; to the Committee on the Judiciary.

333. Also, memorial of the Legislature of the State of Colorado, relative to designating April 30 as Vietnam Veterans' Day; to the Committee on Post Office and Civil Service.

334. Also, memorial of the Legislature of the State of New York, relative to a nuclear weapons moratorium; jointly, to the Committee on Armed Services and Foreign Affairs.

335. Also, memorial of the Legislature of the State of Michigan, relative to foreign-made automobiles sold in the United States; jointly to the Committees on Energy and Commerce and Ways and Means.

336. By Mr. RUDD: Memorial of the Legislature of the State of Arizona, relative to peace through strength; jointly, to the Committees on Foreign Affairs and Armed Services.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1193: Mr. SCHEUER.

H.R. 1852: Mr. PASHAYAN and Mr. McCloskey.

H.R. 1918: Mr. BARNES, Mr. CONYERS, and Mr. LONG of Louisiana.

H.R. 2280: Mr. FARY, Mrs. HOLT, and Mr. LAFALCE.

H.R. 2488: Mr. LOWRY of Washington.

H.R. 3607: Mr. NAPIER.

H.R. 4070: Mr. WATKINS, Mr. GOODLING, and Mr. JOHN L. BURTON.

H.R. 4653: Mrs. ROUKEMA, Mr. PARRIS, Mr. WOLPE, and Mr. HOPKINS.

H.R. 4957: Mr. PEYSER, Mr. HUTTO, Mr. WILLIAMS of Montana, Mr. SIMON, Mr. LANTOS, Mr. PRITCHARD, Mr. WASHINGTON, Mr. FRANK, and Mr. HEFTEL.

H.R. 5006: Mr. DeNARDIS, Mr. GEJDENSON, Ms. OAKAR, and Mr. TAUKE.

H.R. 5158: Mr. WAXMAN.

H.R. 5163: Mr. RINALDO, Mr. MINETA, Mr. GILMAN, and Mr. BINGHAM.

H.R. 5192: Mr. BRODHEAD, Mr. DE LA GARZA, Mr. MARTIN of North Carolina, and Mr. MITCHELL of Maryland.

H.R. 5211: Mr. MCKINNEY.

H.R. 5324: Mrs. HECKLER and Mr. DREIER.

H.R. 5437: Ms. MIKULSKI, Mr. HOYER, Mr. DUNCAN, Mr. PRITCHARD, Mr. AKAKA, Mr. JONES of North Carolina, Mr. DAN DANIEL, Mr. GEJDENSON, Mr. TAUKE, Mr. MURPHY, Ms. FERRARO, Mr. LEE, Mr. PEYSER, Mr. MITCHELL of Maryland, Mr. LOWRY of Washington, Mr. FRENZEL, Mr. GINN, Mr. SCHUMER, Mr. SOLARZ, Mr. WHITEHURST, Mr. STOKES, Mr. CROCKETT, Mr. HYDE, Mrs. SCHNEIDER, Mr. WEBER of Ohio, Mr. HERTEL, Mr. RITTER, Mr. LEHMAN, Mr. BROWN of California, Mr. LONG of Maryland, Mr. GLICKMAN, Mr. MCHUGH, Mr. ECKART, Mr. YOUNG of Florida, Mr. ROEMER, and Mr. JACOBS.

H.R. 5441: Mr. WILSON.

H.R. 5459: Mr. CLAY.

H.R. 5533: Mr. EDGAR, Mr. SUNIA, and Mr. ROSENTHAL.

H.R. 5583: Mr. SILJANDER.

H.R. 5596: Mrs. FENWICK and Mr. LEACH of Iowa.

H.R. 5653: Mr. AU COIN, Mr. TRAXLER, Mr. SYNAR, Mr. RICHMOND, Mr. DOWNEY, Mr. PEPPER, Mr. RODINO, Mr. CROCKETT, Mr. GEJDENSON, Mr. WILSON, Mr. BONIOR of Michigan, Mr. DYMALLY, Mr. ROSENTHAL, Mr. DELLUMS, Mr. YATES, Mr. WASHINGTON, Mr. RITTER, Mr. VENTO, Mr. SENSENBRENNER, Mr. WATKINS, Mr. COURTER, Mr. SANTINI, Mr. ADDABBO, Mr. MCHUGH, Mr. PETRI, Mr. GINGRICH, Mr. FORSYTHE, Mr. SUNIA, Mr. DE LUGO, Mr. GLICKMAN, Mr. LUNGREN, Mr. GEPHARDT, Mr. SHANNON, and Mr. ROEMER.

H.R. 5705: Mr. AU COIN, Mr. BEARD, Mr. BENEDICT, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CARNEY, Mr. CHENEY, Mrs. CHISHOLM, Mr. CONYERS, Mr. DOWDY, Mr. DOWNEY, Mr. EDGAR, Mr. EVANS of Delaware, Mr. FAUNTRY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FORD of Michigan, Mr. FOWLER, Mr. GEJDENSON, Mr. HAWKINS, Mr. HEFFNER, Mr. HOLLAND, Mr. HUNTER, Mr. LEATH of Texas, Mr. LOEFFLER, Mr. MARTIN of North Carolina, Mr. MCHUGH, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. OBERSTAR, Mr. PATTERSON, Mr. PEYSER, Mr. REUSS, Mr. RICHMOND, Mr. ROYBAL, Mr. SHANNON, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WEISS, Mr. WILSON, Mr. EDWARDS of Alabama, and Mr. DERRICK.

H.R. 5762: Mr. GRAY, Mr. PANETTA, Mr. WYDEN, Mrs. BOUQUARD, and Mr. ROSENTHAL.

H.R. 5834: Mr. RATCHFORD, Mr. DOWDY, Mr. BRODHEAD, Mr. HEFTEL, Mr. KAZEN, Mr. ROSE, Mr. DWYER, Mr. PEPPER, Mr. DYSON, Mr. ROBINSON, Mr. BONIOR, of Michigan, and Mr. LEACH of Iowa.

H.R. 5852: Mr. FORSYTHE, Mr. EDGAR, Mr. GINGRICH and Mr. DERWINSKI.

H.R. 5900: Mr. BLILEY, Mr. CHENEY, Mr. CLAUSEN, Mr. CORRADA, Mr. DERWINSKI, Mr.

DOUGHERTY Mr. FASCELL, Mr. FIELDS, Mr. FORSYTHE, Mr. MITCHELL of New York, Mr. PRITCHARD, Mr. WEBER, of Ohio, Mr. WHITEHURST, Mr. WILSON, Mr. BADHAM, and Mr. McCOLLUM.

H.R. 5911: Mr. BAILEY of Pennsylvania, Mr. STANGELAND, Mr. KAZEN, Mr. OBERSTAR, Mr. BENEDICT, Mr. DeNARDIS, Mr. FISH, Mr. WYDEN, Mr. PICKLE, Mr. TAUKE, Mr. DOWNEY, Mr. GINGRICH, Mr. GUARINI, Mr. RICHMOND, Mr. MARTIN of New York, Mr. FAUNTRY, Mr. FRANK, Mr. EVANS of Georgia, Mr. LAFALCE, Mr. WEISS, Mr. DIXON, Mr. ALBOSTA, Ms. OAKAR, Mr. GRAY, Ms. FERRARO, Mr. DWYER, Mr. PANETTA, Mr. VENTO, Mr. CORRADA, and Mrs. BOUQUARD.

H.R. 5924: Mr. BENNETT, Mrs. CHISHOLM, Mr. LAGOMARSINO, Mr. GINGRICH, Mr. WOLF, Mr. NAPIER, Mr. DYSON, Mr. JEFFRIES, Mr. DAUB, Mrs. HOLT, Mr. DOUGHERTY, Mr. LEE, Mr. LeBOUTILLIER, Mr. McCLORY, Mr. MCKINNEY, Mr. EDWARDS of Oklahoma, Mr. SUNIA, Mrs. BOUQUARD, Mr. FRANK, Mr. MITCHELL of Maryland, Mr. BAFALIS, Mr. HILER, Mr. GUNDERSON, Mr. ROBERTS of South Dakota, and Mr. SOLOMON.

H.R. 5976: Mr. LUJAN, Mr. LAGOMARSINO, Mr. WORTLEY, and Mr. WEBER of Ohio.

H.J. Res. 151: Mr. ANTHONY, Mr. CORCORAN, Mr. YOUNG of Florida, Mr. DOWDY, Mr. MCHUGH, Mr. SNYDER, Mr. WAXMAN, and Mr. RICHMOND.

H.J. Res. 418: Mr. LOWRY of Washington, and Mr. GORE.

H.J. Res. 440: Mr. ALEXANDER, Mr. BARNES, Mr. BINGHAM, Mr. JOHN L. BURTON, Mr. CORRADA, Mr. CROCKETT, Mr. DAUB, Mr. EVANS of Georgia, Mr. FARY, Mr. FAZIO, Mr. FRANK, Mr. FROST, Mr. GREEN, Mrs. HOLT, Mr. HORTON, Mr. JEFFORDS, Mr. LONG of Maryland, Mr. MADIGAN, Ms. MIKULSKI, Mr. MOAKLEY, Mr. PANETTA, Mr. RINALDO, Mr. ROE, Mr. SAVAGE, Mr. SCHEUER, Mr. SOLARZ, Mr. SUNIA, Mr. VENTO, Mr. WEISS, Mr. WINN, and Mr. WYDEN.

H. Con. Res. 214: Mr. YOUNG of Missouri, Mr. CAMPBELL, Mr. STUMP, Mr. WASHINGTON, Mr. THOMAS, Mr. LEVITAS, Mr. TAUKE, Mr. PEYSER, Mr. SHAW, and Mr. FORD of Michigan.

H. Con. Res. 283: Mr. AU COIN, Mr. WOLPE, Mr. SMITH of New Jersey, Mrs. BYRON, and Mrs. SCHROEDER.

H. Con. Res. 293: Mr. BARNES, Mr. BEILEN-  
SON, Mrs. CHISHOLM, Mrs. SCHROEDER, Mr. WEISS, Mr. FORSYTHE, Mr. MOFFETT, Mr. RICHMOND, Mr. WOLPE, Mr. BINGHAM, Mr. FAZIO, Mr. KILDEE, Mr. DWYER, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. MATSUI, Mr. LUNDINE, Mr. EDWARDS of California, Mr. MINISH, Mr. WEAVER, Mr. GEJDENSON, Mr. BEDELL, Mr. WASHINGTON, Mr. COUGH-  
LIN, Ms. MIKULSKI, Mr. VENTO, Mr. OBER-

STAR, Mr. HORTON, Mr. LAFALCE, Mr. MARKEY, Ms. FERRARO, and Mr. GRAY.

H. Con. Res. 297: Mr. BADHAM, Mr. JACOBS, Mr. ROEMER, and Mr. WORTLEY.

H. Res. 265: Mr. DECKARD and Mr. DOWDY.

H. Res. 397: Mr. SHUMWAY, Mrs. FENWICK, Mr. FARY, Mr. WALGREN, Mr. MINETA, Mr. LeBOUTILLIER, Mr. WOLF, Mr. STENHOLM, Mrs. SCHNEIDER, Mr. FASCELL, Mr. ADDABBO, Mr. ATKINSON, Mr. HUGHES, Mr. DORNAN of California, Mr. YOUNG of Florida, Mr. DONNELLY, Mr. MOORHEAD, Mr. SILJANDER, Mr. DWYER, Mr. BEARD, Mr. BLILEY, Mr. BARNES, Mr. LANTOS, Ms. OAKAR, Mr. WILSON, and Mr. DANIEL B. CRANE.

H. Res. 420: Mr. MOLINARI, Mr. BOLAND, Mr. LeBOUTILLIER, Mr. GRAY, Mr. ADDABBO, Mr. WEISS, Mr. WEBER of Ohio, Mr. FRANK, Mr. SMITH of New Jersey, Mr. WAXMAN, Mrs. CHISHOLM, Mr. MATSUI, Mr. STANGE-  
LAND, Mr. WINN, Mr. EDGAR, Mr. SUNIA, Mr. CONTE, Mr. DELLUMS, Mr. YATES, Mr. PANETTA, Mrs. SCHROEDER, Mr. ROE, Mr. BRODHEAD, Mr. ROSENTHAL, Mr. MARRIOTT, Mr. LENT, Mr. FORSYTHE, Mr. PEYSER, Mrs. FENWICK, Mr. FORD of Tennessee, Mr. RITTER, Mr. LAGOMARSINO, Mr. DWYER, Mr. FAUNTRY, and Mr. SCHEUER.

H. Res. 426: Mr. GORE, Mr. LEWIS, Mr. ROUSSELOT, Mr. DOUGHERTY, Mr. NELLIGAN, Mr. HILER, Mr. WEBER of Minnesota, Mr. TRIBLE, Mr. WOLF, Mr. BEREUTER, Mr. LUN-  
GREN, Mr. ROGERS, Ms. FIEDLER, Mr. CRAIG, Mr. CLAUSEN, Mrs. FENWICK, Mr. BAILEY of Missouri, Mr. WALKER, Mr. KEMP, Mr. LOEFFLER, Mr. HOPKINS, Mr. GRADISON, Mr. FREN-  
ZEL, Mr. DREIER, Mr. PETRI, Mr. McGRATH, Mr. WHITEHURST, Mr. ROBERT W. DANIEL, JR., Mr. DAUB, Mr. LAGOMARSINO, Mr. FOR-  
SYTHE, Mr. STUMP, Mr. RAILSBACK, Mr. TAYLOR, Mr. CORCORAN, Mr. BROYHILL, Mr. MOORE, Mr. HAMMERSCHMIDT, Mr. CARNEY, Mr. GUNDERSON, Mr. JOHNSTON, Mr. GREGG, Mr. LEVITAS, Mr. DUNCAN, Mr. ROBERTS of Kansas, Mr. FIELDS, Mr. HUNTER, Mr. SPENCE, Mr. COUGHLIN, Mr. BUTLER, Mr. MARTIN of North Carolina, Mr. LOWERY of California, Mr. YOUNG of Florida, Mr. VANDER JAGT, Mr. BAFALIS, Mr. CLINGER, Mr. MITCHELL of New York, Mrs. SNOWE, Mr. TAUKE, Mr. LEACH of Iowa, Mr. BROWN of Colorado, Mr. COLEMAN, Mr. WINN, Mr. BLILEY, Mr. WEBER of Ohio, Mr. ROTH, Mr. BARNES, and Mr. DERWINSKI.

#### DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3144: Mr. GOLDWATER.

## EXTENSIONS OF REMARKS

## JOSEPH RAUH DENOUNCES REAGAN'S CIVIL RIGHTS RECORD

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. PHILLIP BURTON. Mr. Speaker, the Reagan administration is guilty of many transgressions against the interests of the people of this Nation, but the most heinous is its record on civil rights. Joseph Rauh, a champion of civil rights for decades, recently gave a speech to the Women's National Democratic Club denouncing this record. He said that "the Reagan administration is engaged in a counter-revolution against the civil rights gains of minorities and women over the past three decades." Mr. Rauh's speech is an eloquent and informative discussion of the specific actions President Reagan has undertaken to destroy these gains.

The speech follows:

Late one evening some months ago, I picked up the phone in my office and the voice at the other end said: "Mr. Rauh, you've been working for the cause of school integration a long time and I just have to help. You should know that Education Secretary Terrel Bell is philosophically opposed to enforcing civil rights and he has put it all down on paper in a letter to Senator Laxalt that I have here." At great personal risk, this Education Department employee sent me a copy of the letter and here is what Secretary Bell, whose sworn duty it is to see that the laws of the land are faithfully executed, wrote to the good Senator: "... the Federal courts may soon be after us for not enforcing civil rights laws and regulations. Your support for my efforts to decrease the undue harassment of schools and colleges would be appreciated. It seems that we have some laws that we should not have, and my obligation to enforce them is against my own philosophy. Hopefully, the new administration and the new majority in the United States Senate can join in an effort to make some long overdue changes and improvements in civil rights laws."

That incident was one more confirmation of what was becoming increasingly clear from all sides: That the Reagan Administration is engaged in a counter-revolution against the civil rights gains of minorities and women over the past three decades, but there are countless proponents of civil rights inside the Government with the dedication of the 1960s marchers who, together with the 160 organizations of the Leadership Conference on Civil Rights and the millions of civil rights supporters throughout the country, will in the end bring down this counter-revolution. I venture to predict here and now that whoever stands at this podium during the next Administration will happily announce that the Reagan civil rights counter-revolution is dead.

Yet even a short-lived counter-revolution is a very real cause for sadness. For this is the first Administration in my remembrance that has tried to turn back the clock on civil rights. I have spoken from this platform many times since I came to Washington in the New Deal and every time, while complaining that we were not moving fast enough against discrimination and segregation, I was able to point to progress towards the goal of an integrated and equitable society. The Roosevelt Administration produced the first Executive Order requiring contractors with the Federal Government to hire and promote without regard to race, creed, color, or national origin. The Truman Administration broadened antidiscrimination efforts to Government employment and the Armed Services. President Eisenhower signed into law the first Civil Rights Act since the Civil War and sent troops to uphold the law on school desegregation in Little Rock. The Kennedy and Johnson years saw the greatest advances of all in the civil rights laws of 1964, 1965 and 1968. The Nixon Administration, albeit with judicial prodding, ended tax exemption for private segregated schools. The Ford Administration extended the Voting Rights Act and broadened it to include our Hispanic citizens. The Carter Administration moved on affirmative action in many areas, none more important than the appointment of women and blacks to the federal judiciary. Always the progress was slower than the civil rights movement demanded, but always there was progress, perceptible progress—until this past year.

Today, for the first time in eight Administrations, we are going full speed the wrong way, as even a partial roll call of this Administration's civil rights horrors will demonstrate:

With callous disregard of the rulings of the federal courts and the action of the Nixon Administration, the Reagan Administration announced it was giving the benefit of federal tax exemption to segregated private schools. The unfairness of this federal subsidy to segregation was so obvious and the public outcry against tax exemption so fast and furious that the Administration has twice shifted its position since then, first, urging Congress to act and when that did not come off, going back to the courts. Nobody knows what the legal situation is today, but I venture to predict, as I did the night the Administration first announced its pro-tax exemption policy, segregated private schools will not end up tax exempt.

The Administration covertly supports the Helms-Johnston Amendment to the Justice Department authorization bill which, among other things, would strip the federal courts of authority to order integration of the public schools where the only way to accomplish this is through busing. I happen to believe that busing is far preferable to segregation and that the Constitution, as the Supreme Court has made clear, requires busing where that is the necessary route to the desegregation of our public schools. But whether you believe that or not, it should be clear on all sides that the issue here is not busing but the continued vitality of the United States Constitution. In effect, Helms-Johnston amends the equal protec-

tion clause of the Constitution by taking away from the courts the right to enforce school integration and, if Congress can do that where school integration is concerned, it can reverse any Supreme Court interpretation and enforcement of the Constitution with which it disagrees and no right of an American citizen is safe. Small wonder the American Bar Association, once itself a bastion of segregation, has charged that this type of legislation would create "the most serious constitutional crisis since our great Civil War." Yet, although House Judiciary Committee Chairman Rodino has asked the Justice Department for an opinion on the constitutionality of Helms-Johnston, the Administration stays silent, hoping the bill will be enacted without it having to take a position.

The fight for Helms-Johnston is not ours in the civil rights movement alone. The Supreme Court's abortion decision is equally at stake—as sure as night follows day, if Helms-Johnston is enacted there will be a similar uprooting of the abortion decision. School prayer will be next and heaven knows what will follow. But possibly most important of all, Helms-Johnston will shake the very foundation of our constitutional system.

Let me suggest that the Helms-Johnston people know not what they do. Some day a desperate and frustrated radical-left Congress may attack the institution of private property which today is guaranteed by constitutional provisions such as "just compensation", "obligation of contracts" and "due process" for deprivation of property. It would indeed be a monumental irony if the leaders of such a future radical Congress were to use as precedent today's conservative efforts to nullify the Constitution.

Desegregation of public education has slowed to less than a crawl as Secretary Bell refuses to enforce laws which, as he says, are "against my own philosophy." Only last week a Federal District Judge found that the Department of Education was extensively violating court orders on elementary and secondary school desegregation, concluding that contempt sanctions may be required to secure compliance. Similarly, Secretary Bell has abandoned court-ordered Criteria for the desegregation of higher education and now, 28 years after the historic *Brown* desegregation decision, much of American higher education remains substantially segregated. And only last week the Administration exempted Guaranteed Student Loans from coverage under civil rights laws protecting women, minorities and the handicapped and Bell even wanted to exempt additional student loan programs.

The Justice Department which shares the responsibility for desegregation of public education either does nothing or joins in the anti-civil-rights side of the case as it did earlier this week in the Seattle case. Indeed, Assistant Attorney General Reynolds, who is supposed to be enforcing civil rights, has proudly announced that "We are not going to compel children who don't choose to have an integrated education to have one." Until Mr. Reynolds spoke, everyone had assumed that the law of the land forbids freedom to choose segregation.

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

The Administration continues its efforts to disrupt extension of the Voting Rights Act. Even though the House passed a strong Voting Rights extension law by a more than 10 to 1 margin and more than 60 Senators have endorsed that House-passed bill, the Administration continues its effort to weaken the bill. What Administration spokesmen Attorney General Smith and Senator Orrin Hatch want is a requirement that there must be proof of intent to discriminate before a voting rights violation can be found. This is a plain and simple effort to make it harder to enforce voting rights; if the effect is discriminatory, why not just stop it?

Take a city with 9 Councilmen elected at large by a constituency 40% black, none of whom ever get elected to the City Council. Everybody in the city knows why the at-large voting continues and everybody knows what the effect of that at-large voting is—an all-white City Council. But legal proof of intent to discriminate is difficult if not impossible, especially if the at-large system of voting was adopted a long time ago and the people who backed it are no longer around. "Intent" in this situation is simply a code word for dilution of civil rights.

One of the worst outrages of this Administration is its attack upon the independence of the United States Civil Rights Commission. Over its 25-year lifetime, the Commission has done as much for civil rights as any governmental body, federal, state, or local. It has criticized, pushed, and prodded every Administration regardless of party or personal considerations. Now this Administration has deprived the Commission of its historic independence by firing the Chairman and other strong-minded members of the Commission and seeking to replace them with more amenable types.

The Administration's appointments to civil rights positions are shocking. The number one civil rights enforcement officer in any Administration is the Attorney General, and Mr. Smith, having lived in a world of discriminatory clubs and corporations, has manifested only insensitivity to civil rights. The Leadership Conference's recent study on the Justice Department's enforcement of civil rights goes even farther, stating that the "basic qualities of fairmindedness and fidelity to law are lacking." At least Terrel Bell, in the almost equally important civil rights spot of Education Secretary, is candid; he set forth his own negative philosophy on civil rights enforcement in his letter to Senator Laxalt.

When it comes to minority appointments, they can only be deemed an insult to the minorities of the nation. William Bell was the Administration's candidate for Chairman of the Equal Employment Opportunity Commission; his only experience in that field was running an employment agency which could not get anybody employed. When Bell fell by the wayside—thanks in large part to the work of Senator Thomas Eagleton—the Administration appointed Clarence Thomas whose qualifications for the job are two-fold: as Assistant Secretary of Education for Civil Rights, he has been found in violation of court orders dealing with elementary and secondary education and, as a conservative spokesman, he has opposed the very affirmative action for women and minorities that his EEOC job would require him to promote. As concerns Sam Hart, the Administration's now-withdrawn candidate for the Civil Rights Commission, no one has suggested any possible qualification for the job and that might be

## EXTENSIONS OF REMARKS

as good a place as any to stop this roll of horrors.

So, one asks, what of the future? Our first task as Democrats is to put our own Democratic Party house in order. It is a scandal that the proposal to take away the jurisdiction of the federal courts in the field of school integration, the Helms-Johnston Amendment, was written and introduced by a Democratic Senator, Bennett Johnston, backed by the leader of the Democrats in the Senate, Robert Byrd, supported by the ranking Democrat on the Senate Judiciary Committee, Joseph Biden, and voted for by half of the Senators on the Democratic side. In what was probably the most important civil rights struggle in this Administration to date, the Democrats were found wanting.

But there is an opportunity to redeem the image of our party on civil rights in the Democratic-controlled House of Representatives. If the Democrats in the House will stand firm behind Speaker O'Neill, Judiciary Committee Chairman Rodino, and Subcommittee Chairman Edwards, Helms-Johnston can still be blocked there. I can think of no greater service that this historic Democrat Club can perform than to contact every Democratic House member and let him or her know that our Party stands foursquare behind the constitutional rights of all and we will not allow those rights to be endangered or eroded by the device of taking away jurisdiction from the federal courts.

Since Hubert Humphrey's great platform victory at the 1948 Democratic National Convention, the Democratic Party has been the party of civil rights. It should not now become a pale imitation of the Reagan Administration. Last year the Democrats failed to provide real alternatives to the Reagan budget and the Reagan tax proposals, even cravenly accepting the disastrous rise in military expenditures. The Democratic budget and tax proposals were so close to the Republican ones that the public could not possibly understand what the Administration was up to. Let us not repeat that performance this year on the question of civil rights and the jurisdiction of the federal courts. Let us stand firm and arouse the Nation to the clear and present danger to the Constitution and the rights it guarantees.

These are bad days for civil rights' proponents and no doubt we are in for more of the same for the immediate future. Yet I believe that Roy Wilkins, Martin Luther King, Jr., and A. Philip Randolph, those three giants of the civil rights movement, would tell us how much harder the struggle was in their day and how we cannot long fail if only we all stand together resisting every encroachment on civil rights from wherever it may come. Over the past decades, we have built a foundation for civil rights in the country that can resist erosion even from this Administration and on which we can rebuild and expand when this counter-revolution ends. Our job, yours and mine, is to resist this Administration whenever it denies a child an integrated school, or refuses to help a minority person or woman to be hired or promoted, or fails to protect a citizen whose vote is being diluted. Our job, in a word, is to minimize the damage until that day in November, 1984, when civil rights rebuilding and advance can once again begin.●

April 6, 1982

## HELP THE CHILDREN

### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. EVANS of Delaware. Mr. Speaker, I rise in strong opposition to the proposed cuts in funding for child immunization programs and nutrition programs for women, infants, and children (WIC). These cuts would seriously hinder the health and development of our youth, and thereby hinder the growth of this Nation.

It is widely confirmed that health and nutrition during prenatal stages and early childhood permanently affect the development of a child throughout his lifetime. Several Federal programs have helped improve the health of low-income mothers and children. This has resulted in improving the quality of life for millions of Americans who might otherwise never have had a chance to live normal, productive lives. If we cut these programs, we are turning our back on their future, and our Nation's future as well.

The proposed fiscal year 1983 combined funding for WIC; the Maternal and Child Health block grant (MCH); and the commodity supplemental food program (CSFP) is \$1 billion, a reduction of \$331.7 million over the current levels. The funding for the child immunization program has been increased by \$1 million this year, to a level of \$29 million. Yet due to inflation, this funding will have a reduced effect. For many, these cuts will undoubtedly mean restricted access to health care, lower levels of nutrition, fewer immunizations, and lower quality care during pregnancy.

These programs are threatened because there are a few who want to find an easy way to reduce the budget deficit. While we must continue to reduce the annual percentage increase in Federal spending, we simply cannot single out programs such as WIC and child immunization. It would be counterproductive to our goals if we undermine the growth and future of our children, who are indeed, the very embodiment of our future.

It would be pennywise and dollar-foolish to try and balance the budget on the backs of those least able to help themselves. The principles that made this Nation great—principles that include taking care of those who cannot wholly provide for themselves—cannot be abandoned. If we are ever to break the vicious "circle-of-poverty," we must assist those least able to help themselves—particularly the children of this country.●

NEW PENALTIES FOR MANUFACTURERS OF FALSE IDENTIFICATION

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. SAWYER. Mr. Speaker, we are all aware of the tragic news stories about teenagers who have had too much to drink and who have been injured or killed in a car or motorcycle accident. Teenage alcohol abuse is a problem which faces nearly every community in America and which is, I am sorry to say, staggering in its proportions. The National Institute on Alcohol Abuse and Alcoholism estimates that there are more than 3 million adolescents between the ages of 14 and 17 who engage in substantial alcohol consumption.

Where teenage liquor use is involved, nowhere is the old maxim "alcohol and gasoline don't mix" more applicable. The records of the U.S. Department of Transportation for 1980 indicate that more than 3,200 16 to 19 year olds were involved in fatal alcohol-related motor accidents.

It should be remembered, though, that excessive drinking by young people also has other very serious results. Personal health, family life, and academic performance often deteriorate and alcohol abuse can even lead to the use of harder drugs, vandalism, and violence.

All across the country communities are beginning to come to grips with this important issue. Because of the excellent leadership and determination of organizations like Mothers Against Drunk Drivers (MADD), State and local governments are raising the drinking age, toughening drunk driving penalties, and better enforcing these laws.

While this is a problem which essentially must be solved at local level by parents, schools, police, and judges, I am today introducing a bill which will provide Federal help in limiting the access of minors to liquor. In researching this subject, I discovered that about a dozen American companies specialize in manufacturing official-looking identification documents like birth certificates, social security cards, and drivers' licenses without checking on the personal information supplied by the purchaser. These companies advertise their services particularly heavily around high school and college campuses and are especially prone to mailing identifications out with false birthdates on them.

Increasingly, under-age young people are spending a few dollars to order these identification documents which falsely show they are 21 years old and then use the documents to buy

EXTENSIONS OF REMARKS

liquor. This has become such a problem in my home district in Michigan that the state police are now establishing a 13 county area in which they are about to begin clamping down on these false identification documents, in particular, and teenage alcohol abuse in general.

The bill which I am introducing today is almost identical to one introduced by my distinguished colleague, Senator GORDON HUMPHREY of New Hampshire on February 2. Quite simply, the bill will impose a Federal criminal penalty of \$1,000 or 1 year imprisonment, or both, for every identification document mailed to a minor by a company if the company has not officially verified the birthdate of the purchaser. If the purchaser is under 21 and has not provided a correct birthdate, the company will either deny the teenager the identification document or risk Federal prosecution.

At a time when teenage alcoholism and alcohol abuse are reaching crisis proportions, I am hopeful that the joint efforts of Federal, State, and local authorities can greatly reduce this easy access to liquor and better protect our communities and our young people.

I urge my colleagues to join me in this effort to restrict the use of false identification by minors. ●

MARY MCLEOD BETHUNE  
HISTORIC SITE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. FAUNTROY. Mr. Speaker, I have introduced today a bill which seeks to preserve the rich heritage provided this Nation through the life and work of Mary McLeod Bethune, renowned educator, national political leader, and founder of the National Council of Negro Women.

While Bethune Cookman College in Florida stands as a tribute to the outstanding contribution made by Mrs. Bethune as a leading figure in education, her work as a public figure during the New Deal administration of Franklin D. Roosevelt and afterwards is directly associated with her work in Washington, D.C., at Council House. Council House served as the last official residence of Mrs. Bethune as well as the first national headquarters of the National Council of Negro Women. It was also from Council House between 1936 and 1949 that she simultaneously administered the Bethune Cookman College, served as director of the Division of Negro Affairs of the National Youth Administration, and became a national and international leader.

Council House, located at 1318 Vermont Avenue NW, in Washington, D.C., was also a significant center for the development of strategies and programs which advanced the interests of black women and the black community. Heads of state, government officials, and leaders from around the world were received there, including Eleanor Roosevelt, Ralph Bunche, Madame Pandit of India, President Tubman of Liberia, Dr. Charles Drew, and many others. It also serves as the site of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History. The archives houses the largest manuscript collection of materials pertaining to black women and their organizations, including extensive correspondence, photographs, and memorabilia relating to Mrs. Bethune. Both the archives and the museum actively collect artifacts, clothing, artwork, and other materials which document the history of black women and the black community.

The purpose of the bill is to assure the preservation, maintenance, and interpretation of Council House. The bill is also aimed at assuring the continuation of the Mary McLeod Bethune Memorial Museum and the National Archives for Black Women's History.

The bill would designate Council House as a national historic site. It would authorize and direct the Secretary of the Interior to enter into a cooperative agreement with the National Council of Negro Women, who would continue to own and operate the site.

I urge Members to cosponsor this important legislation and to support it when it reaches the floor. ●

MALDEN HIGH SCHOOL BAND

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. MARKEY. Mr. Speaker, I take great pride in bringing to the attention of my colleagues in the House a recent concert performance on the steps of the Capitol Building. On Friday, 130 high school students from my native city of Malden, Mass., shared their outstanding musical talent with people here in Washington, D.C. This visit to our Nation's Capital, as well as an exchange program visit to Hanover, PA., was paid for by the band members themselves. During the past few months, these resourceful students sold jewelry, candy, and Christmas ornaments to raise what funds are needed to finance their trips.

On Saturday, the Malden group joined with the Hanover High School

Band for another concert in historic Gettysburg, Pa.

The students were accompanied by band director Mel Blackman and his assistants Miss Carol Blake, Mr. Mark Kaplan, Mr. and Mrs. Vin Marcia, and Mr. Paul Nelso of the Malden High School Band Parents Association.

This trip is the latest milestone for the Malden High School Band. Just recently, the group's jazz band ensemble was awarded first prize at a competition at Southeastern Massachusetts University in Dartmouth. The Malden High School Band is a great source of pride to its community.

Members of my staff who were on hand to welcome this talented group of young musicians to Washington were impressed by their performance. I join with all those who were fortunate enough to hear the Capitol concert in saluting these young people.●

**DESIGNATION OF MAY 9-15 AS NATIONAL SMALL BUSINESS WEEK**

**HON. OLYMPIA J. SNOWE**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mrs. SNOWE. Mr. Speaker, yesterday I introduced a House joint resolution asking President Reagan to proclaim the week beginning May 9 as National Small Business Week. The small business segment of our American economy is vital but unheralded. I think it is high time we stopped for a moment to consider the contributions that the small business community nationwide has made.

Many do not realize that the small and independent business men and women of this country provide our Nation with 55 percent of its jobs and is the backbone of the economy. Two out of three new jobs originate within the small business community. Almost 40 percent of the gross national product springs from the small business sector. Furthermore, small business accounts for over 50 percent of all innovations.

Mr. Speaker, it is only through the efforts and aspirations of the small and independent business owners of this country that we can maintain our economic strength. We should formally recognize these efforts by adopting the proclamation that I have offered here. We must continue to aid this integral cog of our economy through the development of economic policies and programs designed to further cultivate their successful growth. I urge my colleagues to join me by cosponsoring this resolution.●

**EXTENSIONS OF REMARKS**

**TWO DENTON MARYLANDERS EXHIBIT THE SPIRIT OF VOLUNTEERISM**

**HON. ROY DYSON**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. DYSON. Mr. Speaker, today I would not only like to commemorate the anniversary of the Volunteer Development Corps, but also single out the achievements of two of its volunteers.

On April 7th, the Volunteer Development Corps celebrates its 12th anniversary. This organization was created with the sole purpose of providing short-term, volunteer technical help to cooperatives in developing countries.

The VDC is supported partly by a grant from AID and in part by organizational donors. Yet its principal resource is not dollars but the voluntary services of experienced, highly qualified men and women.

In its first 12 years, the VDC has sent 240 volunteers into developing countries to undertake specific assignments at the request of cooperatives and Government agencies.

Two of these volunteers, Mr. and Mrs. O. O. Stivers of Denton, Md., were asked to go to Santa Cruz, Bolivia, to assist the Cooperativa Rural de Electrification (CRE) in stimulating the use of electricity, especially in ways that would expand the agriculture. CRE was established in 1970 and is today the largest electric cooperative in the world. Yet unless their members progressed beyond the one light bulb and a radio stage, its future was bleak.

Mr. Stivers had served 26 years as power use adviser for the Choptank Electric Cooperative of Denton, Md. His wife, Doris, had been a home economics teacher in the public school system for 24 years and had been with the Maryland Cooperative Extension Service, University of Maryland, for 12 years. By themselves, they each possessed impressive credentials, but working together, they formed an imposing combination.

In Bolivia, they helped the CRE devise ways to show farmers, homemakers, and small businessmen how they could increase their incomes by using electricity. They demonstrated to CRE's employees how this is essentially a one-on-one, grassroots effort, and how each farmer could develop his own plan for expanding production by using kilowatt hours. They also taught them the methods to show each homemaker how to save money by cooking with electricity instead of bottled gas, and other electric appliances.

Some of this was done in group sessions, with civic groups, in teaching

*April 6, 1982*

classes, in both boys and girls schools and in cooperation with universities. The Stivers helped to develop a 20-minute slide show to help tell the story and used this slide presentation to generate enthusiasm for CRE's work among the businessmen who sold the equipment and appliances and the bankers who lent the money to buy them.

Most importantly, they showed CRE's employees how they could begin immediately. Quoting from their experiences:

We saw TV antennae sprouting from mud-walled huts with palm-leaf roofs. We talked with families newly arrived from Bolivia's crowded Altiplano, literally with nothing but a machete and government title to one hectare of land. We learned what backwoods really means—no mail service, no car or bicycle or even a horse, no way even to walk out during the 4-month rainy season, relieved only by voices on the radio. We saw a craftsman whittling three or four broom handles a day. With only a small power lathe, he could turn out 20 an hour.

Mr. Speaker, as a Marylander and as an American, I am proud of the work of Mr. and Mrs. Stivers. They made substantial progress in Bolivia. Before they left, CRE's staff was implementing many of the techniques they had been taught. Their work has greatly enhanced the living conditions of many Bolivians and will continue to do so in the future.

The Volunteer Development Corps is also to be commended for the fine work they do. They work organization-to-organization, without either American Government or the overseas government being involved in the projects. The VDC provides the technical assistance—no big loans, no grants—just technical help. Its goal is to help persons in developing countries one step at a time, not with grandiose projects.

By their work in Bolivia, the Stivers and the VDC really demonstrate what it means to be an American.●

**COMMEMORATING THE FRENCH EXPLORER: RENE ROBERT CAVELIER—SIEUR LA SALLE**

**HON. F. JAMES SENSENBRENNER**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. SENSENBRENNER. Mr. Speaker, on this occasion, I would like to ask you and all my colleagues to join me in commemorating the 300th anniversary of the second voyage of the French explorer—Rene Robert Cavelier, Sieur La Salle. It was during this voyage that, on April 9, 1682, La Salle succeeded in canoeing down the Mississippi River and reached the Gulf of Mexico. At this juncture, he proclaimed the Mississippi Basin for

France and named it Louisiana. In so doing, La Salle acquired, in name, the most fertile half of the North American continent for France.

Born in 1643, by the age of 31, La Salle had already become the most successful French fur trader in North America, having begun this career in Montreal and eventually monopolizing the fur trade in the Lake Ontario region. In May of 1678, King Louis XIV granted La Salle his consent to explore the Mississippi River to its mouth, along with the right to establish as many forts as he wished. During the ensuing voyages, La Salle set up many trading posts, built the first commercial sailing vessel on Lake Erie, and worked with the Seneca Indians who taught him how to make long overland journeys. When La Salle and his expedition skirted the west shores of Lake Michigan, he stayed overnight in sites presently named Washington Island, Two Rivers, Sheboygan and South Milwaukee—all cities of present-day Wisconsin. Being a Representative from the State of Wisconsin, I take added pleasure in making these remarks today.

Four years after King Louis granted his authority, La Salle at last saw for the first time the river he had dreamed of for so long—the great Mississippi. Tracing the Mississippi from its joining with the Illinois River to its mouth in the Gulf of Mexico, La Salle thus completed the exploration of this mighty river which had begun with the expeditions of his countrymen Louis Jolliet and Father Marquette.

Today, 300 years later, we should take this opportunity to remember Rene Robert Cavelier, Sieur La Salle, as well as his fellow Frenchmen, who was so vital to the exploration and settlement of the New World. For it was men like him—filled with courage, ambition, and a thirst for discovery who helped form the pioneering spirit in the lands of the wilderness we now call the United States of America.●

CONGRESSMAN NELSON  
EULOGIZES C. V. GRIFFIN, SR.

#### HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. BONKER. Mr. Speaker, today my good friend and colleague, the gentleman from Florida, Mr. NELSON, is delivering the eulogy at the funeral of his beloved cousin, Mr. C. V. Griffin, Sr. Mr. Griffin was one of the giants of the Florida citrus industry and is a prominent personality in the history of Florida. I would like to share the text of Congressman NELSON's eulogy with my colleagues at this point in the RECORD.

#### EXTENSIONS OF REMARKS

##### THE PASSING OF AN ERA \*\*\* C. V. GRIFFIN, SR.

(By Congressman BILL NELSON)

I tried to explain to my son Billy about Griff's passing in words that a six year old could understand. I told him that Griff had gone on to live with Jesus, and that he was happy now. But I explained we are very sad because we miss him.

I said this to Billy because I wanted him to have an appreciation of his heritage and know of the passing of an era.

Clarence Vaughn Griffin, Sr. was named for my father. He is the youngest of three children of the late William Allen and Kathryn Nelson Griffin.

After graduating from high school in Kansas and spending a year in Chicago, my father and my Uncle Charlie prevailed upon Griff in 1923 to come to the "land of promise", the State of Florida and to attend the University of Florida. They helped Griff financially as he started his studies.

Once here, Griff saw the potential of Florida real estate, a potential that became reality during his life of seventy-eight years. On the occasion of the boom collapsing in 1926, he entered the citrus business and launched a career that made him one of the giants of the industry.

We all know of his contributions to citrus—the 1949 Citrus Code and the Florida Citrus Commission.

We all know of his success as a grower and shipper, a large landholder, and a real estate entrepreneur.

Worldly success touched him again and again. He tried to "retire" in 1958 after selling his citrus business but he couldn't. In later years, one of Griff's favorite pastimes was to drive his car through the well-manicured groves, telling his guests of the high productivity of his trees and the efficiency of his man-made lakes which fought Jack Frost during the Winter.

Why was he successful?

Certainly, a keen business mind, plenty of business and political savvy, and knowing the right people—were some contributors to his worldly success.

And work hard he did! Mr. Justice Roberts remembers "he used to call me at 4 in the morning and I would ask, 'You just getting in?' And he'd say, 'No, just getting up.'" At age 29 he had a stroke that paralyzed his left side and he could not drive for 8 years. But he worked and he used the telephone and he made it big.

Yet, with all those admirable traits, it is my judgement that Griff's success was he knew how to promote. He loved it . . . and he was the best!

With enthusiasm, he promoted the State of Florida, its citrus, its real estate, and its citizens.

His knowledge of making something successful by creating interest in it, was honed in part, by building a considerable clientele for a hotel in Sarasota. He did this with consummate skill—for the Yankees flocked to his hotel during the Winters.

To be successful you have to believe in what you're doing and Griff did. He even enjoyed selling lots, sometimes at an auction, to build his beloved Howey-In-The-Hills. He was especially proud of the excellence in education offered by the Howey Academy. And it was a heartbreak for him to find out about the use of drugs in the school.

He was unabashedly a patriot and gave good measure of himself supporting politicians he believed in. His successful political promotion included U.S. Presidents and a

Who's Who of Florida Government including Fuller Warren, B. K. Roberts, Willis McCall, Doyle Conner, George Smathers, Bruce Smathers, Ed Gurney, and Bill Gunter. I was the last beneficiary of his political advice and assistance.

A most important part of Griff's life are his good friends. They are too numerous to name, you know them, some of them are pallbearers today. They have and will describe him as "a true friend", "a great American", and "salt of the earth". Wilson McGee says, "He met his death with a noble heart and mind. He died as he had lived".

No doubt he lived well, but he lived simply. Although he was an uncommon man, Griff always had the common touch.

Griff was a rugged individual, not one to quickly show his affections or emotion. But he loved deeply and he still does . . .

He loves his four children. How many times have I heard Griff talk with pride about his children, particularly his youngest daughter Cheryl whom he escorted down the aisle at what was a beautiful family wedding in Howey. He has been a devoted and loving brother to his sister Goldie with whom he religiously visited until his illness prevented him from traveling. How fulfilled he was with his wife Elsie, who shared his companionship and love so unselfishly.

Well, it is the passing of an era . . . the passing of a special breed of man symbolized by rugged individualism and toughness. It took a special breed of cracker pioneer like C. V. Griffin, to settle, develop, and promote Florida in those days.

It took this unique kind of man who could walk at ease with both Presidents and just folks.

And frequently Griff would take walks with his German Shepherd, Stein, and he would enjoy what God had provided. Now he lives with God in Heavenly places.

His legacy is a fine family and eighteen grand and great grand-children, devoted friends, a well-endowed charitable foundation, and a better Florida.●

#### FAIR SHARE IN TAXES

##### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. EVANS of Delaware. Mr. Speaker, this Congress now faces the urgent need to narrow the unacceptably large deficit in the budget proposed by the Reagan administration. This simply must be done if we are to lower interest rates, put the unemployed back to work, and bring about true and lasting economic recovery.

As we go about developing an acceptable budget for the coming fiscal year, it is essential that we be fair and equitable. No one single segment of our population should be singled out to bear a disproportionate share of the costs of fighting high interest rates, unemployment, and inflation.

This concept is particularly important as we examine ways to balance the Federal tax burden. Instances where wealthy corporations and individuals escape their tax responsibil-

ties must be eliminated. Closing these loopholes is not a tax increase, it is tax equity.

Recently, the Washington Post published an editorial regarding the need for all of us to pay our fair share in taxes. I ask that it be included at this point in the RECORD:

[From the Washington Post, Apr. 6, 1982]

WHO PAYS TAXES?

How would you prefer to go about raising taxes? The question is not an idle one. The closing of the enormous federal budget gap can't be achieved by cutting spending alone. An acceptable program to reduce the deficit will have to include hefty tax increases—or at least smaller reductions than the administration has promised. One good way to reduce the generalized pain of raising taxes is to concentrate increases among those people who currently aren't paying their fair share of the tax burden.

The most obvious candidates for a tax hike are that large—and growing—number of people who cheat the government outright. Middle-of-the-road estimates place "underground income" at more than \$350 billion a year with resulting tax losses of about \$100 billion. Some of this income comes from illegal sources—primarily drug dealing, bribery, stolen goods and prostitution. But most of it—perhaps 75 percent—is gotten legally by people who simply choose to conceal it from the IRS. Some of these people are low-earning waitresses and cab-drivers who "forget" to report tips. The biggest offenders, however, are business proprietors and professionals and investors who "skim" cash from transactions, barter goods and services with clients, or fail to report dividends, interest and capital gains.

The tax evaders are the primary targets of a set of proposals being developed by Senate Finance Committee Chairman Robert Dole with the general endorsement of the Treasury Department. Other committee members, however, including Sens. Steven D. Symms and Max Baucus have questioned whether substantial improvements in compliance can be realized as long as the tax code remains riddled with loopholes that—however different their legal status—appear to the average citizen as little more than an excuse for rich people to subsidize their vacations, hobbies and entertainment at the expense of other taxpayers.

The specialists and lobbyists who guard the tax code will hasten to explain how important to economic growth is each and every one of these loopholes. They may neglect to mention, however, that—whatever the presumed rationale at the time of enactment—many preferences have outlived their economic usefulness. Other preferences exist only because they were needed to offset the biases in investment decisions that were created by earlier preferences. If all of these exclusions and deductions were eliminated, income tax rates could be cut almost in half—a much better and more stable incentive for work and saving than the most finely crafted set of tax incentives.

The gains from simplifying taxes and stepping up compliance go well beyond the immediate increase in revenues. The United States, unlike some European countries, has been fortunate in that most people pay their taxes honestly and promptly. This is an enormous public benefit, because it means that the tax burden can be distributed equitably with a minimum of harassment. Tax evasion, however, is on the rise. Higher taxes or a growing distrust of gov-

## EXTENSIONS OF REMARKS

ernment may be part of the reason, but experience in other countries suggests that tax evasion feeds on itself. The more people indulge in it, the more others will follow—and that's a trend with ominous consequences for more than next year's deficit.●

### CONGRATULATIONS C-SPAN

#### HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, one of the most important liberties protected by our constitution is freedom of speech, freedom of the press, and the first amendment. In the 20th century expression of this right has been greatly promoted by the advent of the telecommunications industry. Now, more than ever, public scrutiny can be brought to bear on issues of the day, with attendant opportunities to speak, read, and write about the issue.

A perfect example of how this is so can be found in C-Span, the Cable Satellite Public Affairs Network. This is a nonprofit corporation funded by the cable TV industry. Since its inception on March 19, 1979, the size of the audience it serves and the amount of coverage it provides has grown tremendously. It now reaches 10.5 million homes with a broad range of public affairs programming, 16 hours a day, 7 days a week. Their coverage includes the Congress, when it is in session, House and Senate committee hearings, coverage of the National Press Club, and important agency hearings, as well as other media-related events. On April 5, C-Span's above service began broadcasts over their own permanent satellite channel.

A well-informed citizenry with the freedom to speak and act under the first amendment, in an uninhibited fashion, is one of the strongest guarantees of liberty we have as a people. C-Span is a perfect example of the telecommunications industry serving our historically unprecedented form of government, and the liberties protected by the first amendment. I congratulate C-Span on a job well done and look forward to their increased service of this great Nation.●

### CANADIANS WORRIED ABOUT REAGAN BUDGET

#### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. OBERSTAR. Mr. Speaker, the Canadian Government recently registered concern over the effect that proposed Reagan budget reductions would have on joint United States-Canadian

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efforts to improve the water quality of the Great Lakes. Enactment of the President's budget would cripple the Great Lakes National Program Office in Chicago which monitors local government compliance with the 1978 Water Quality Agreement, negotiated between the United States and Canada.

Unfortunately, the Chicago office is only one of several Great Lakes environmental units that are scheduled for reduction or termination. Last year's budget reductions forced the closing of the Great Lakes Basin Commission and the Great Lakes program for radiation. Research units threatened this year include the Large Lakes Research Station in Grosse Ile, Mich., the Great Lakes Research Laboratory in Ann Arbor, and the entire national sea grant program.

I would like to share with my colleagues an article from the April 5, Washington Post which highlights the reaction of our northern neighbors to some of these proposals. It is obvious that the Reagan administration's refusal to compromise on its unacceptable budget proposals is beginning to have international repercussions.

The article follows:

#### CANADA WORRIED ABOUT EFFECTS OF BUDGET CUTS ON GREAT LAKES

(By Ed Petykiewicz)

The Canadian government, worried that the federal budget's environmental spending cuts are jeopardizing joint efforts to clean up the Great Lakes, is stepping up pressure on the Reagan administration to fulfill its commitments.

In a cable sent last week, the Canadian government warned it may seek formal consultations between the two countries because of growing concerns that the United States will not meet obligations set by the Great Lakes Water Quality Agreement of 1978.

The confidential message also requested a detailed briefing on the impact of the administration's latest spending proposals on U.S. commitments to protect the Great Lakes.

The cable is the latest sign of growing strains between the two neighbors over a series of environmental issues, including acid rain. Previous Canadian messages have not been answered, despite repeated requests, according to a spokesman at the Canadian embassy.

"We are very concerned about the latest budget proposals, especially in light of last year's cuts, which still have not been explained to us," the spokesman said.

Under the Reagan administration's current and budget proposal, research efforts and programs to combat pollution in the Great Lakes would receive \$3.8 million in fiscal 1983, compared with \$13.7 million in 1982 and \$18.8 million in 1981. The proposed budget cuts would eliminate several key research programs in the Midwest.

"The question of the American commitment to resolve this issue is important," Canadian Ambassador Allan E. Gotlieb said while fielding questions after a speech at the Johns Hopkins School of Advanced International Studies.●

## KNIGHTS OF COLUMBUS

HON. LAWRENCE J. DeNARDIS  
OF CONNECTICUT  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. DeNARDIS. Mr. Speaker, last week a resolution to acknowledge March 29, 1982, as the 100th anniversary of the founding of the Knights of Columbus and to commend such organization for a century of dedicated public service passed the House by unanimous consent. It is only fitting, I believe, that this group, which has done so much to serve our Nation, should receive our Nation's recognition on the occasion of its centennial. The gratitude of this body for the works of the Knights is evidenced by the bill's long list of cosponsors, 89 in all:

## LIST OF COSPONSORS

Addabbo, Hon. Joseph P.  
Annunzio, Hon. Frank  
Benjamin, Jr., Hon. Adam  
Blanchard, Hon. James J.  
Bliley, Hon. Thomas J.  
Boggs, Hon. Lindy  
Boland, Hon. Edward P.  
Byron, Hon. Beverly B.  
Clinger, Jr., Hon. William F.  
Collins, Hon. James M.  
Conte, Hon. Silvio O.  
Corrada, Hon. Baltasar  
Courter, Hon. James A.  
Daschle, Hon. Thomas A.  
de la Garza, Hon. Eligio  
DeNardis, Hon. Lawrence J.  
Derwinski, Hon. Edward J.  
Dingell, Hon. John D.  
Donnelly, Hon. Brian J.  
Dornan, Hon. Robert K.  
Dwyer, Hon. Bernard  
Dyson, Hon. Roy  
Early, Hon. Joseph D.  
Fauntroy, Hon. Walter E.  
Fish, Jr., Hon. Hamilton  
Ford, Hon. William D.  
Forsythe, Hon. Edwin B.  
Frank, Hon. Barney  
Frenzel, Hon. Bill  
Gephhardt, Hon. Richard A.  
Heckler, Hon. Margaret M.  
Hiler, Hon. John  
Holt, Hon. Marjorie S.  
Horton, Hon. Frank  
Howard, Hon. James J.  
Hoyer, Hon. Steny H.  
Jacobs, Jr., Hon. Andrew  
Jeffries, Hon. James E.  
Kemp, Hon. Jack F.  
Kennelly, Hon. Barbara B.  
Kildee, Hon. Dale E.  
LaFalce, Hon. John J.  
Lagomarsino, Hon. Robert J.  
Lee, Hon. Gary A.  
Lent, Hon. Norman F.  
Long, Hon. Clarence D.  
Lowery, Hon. Bill  
Lungren, Hon. Dan  
Madigan, Hon. Edward R.  
Markey, Hon. Edward J.  
Martin, Hon. Lynn  
Mikulski, Hon. Barbara A.  
Miller, Hon. George  
Minish, Hon. Joseph G.  
Mitchell, Hon. Donald J.  
Moakley, Hon. Joe

## EXTENSIONS OF REMARKS

Moffett, Hon. Anthony Toby  
Molinari, Hon. Guy  
Mollohan, Hon. Robert H.  
Neilligan, Hon. James  
Oberstar, Hon. James J.  
Ottinger, Hon. Richard L.  
Oxley, Hon. Michael G.  
Panetta, Hon. Leon E.  
Pepper, Hon. Claude  
Peyser, Hon. Peter A.  
Ratchford, Hon. William R.  
Regula, Hon. Ralph S.  
Rinaldo, Hon. Matthew J.  
Rodino, Jr., Hon. Peter W.  
Roe, Hon. Robert A.  
Russo, Hon. Marty  
Sabo, Hon. Martin O.  
Schumer, Hon. Charles  
Shannon, Hon. James M.  
Smith, Hon. Christopher H.  
Smith, Hon. Joseph F.  
St Germain, Hon. Fernand J.  
Stark, Hon. Fortney H.  
Staton, Hon. David Michael  
Studds, Hon. Gerry E.  
Tauke, Hon. Thomas J.  
Vento, Hon. Bruce F.  
Volkmer, Hon. Harold L.  
Won Pat, Hon. Antonio Borja  
Yatron, Hon. Gus  
Zablocki, Hon. Clement J.

And I am sure that the passage of this resolution was particularly gratifying to those 42 of my colleagues who are members of the order:

## KNIGHTS OF COLUMBUS MEMBERS

Addabbo, Hon. Joseph P.  
Andrews, Hon. Ike F.  
Biaggi, Hon. Mario  
Bliley, Hon. Thomas J.  
Boland, Hon. Edward P.  
Coelho, Hon. Tony  
Conte, Hon. Silvio O.  
Derwinski, Hon. Edward J.  
Dingell, Hon. John D.  
Donnelly, Hon. Brian J.  
Dornan, Hon. Robert K.  
Dwyer, Hon. Bernard  
Dyson, Hon. Roy  
Early, Hon. Joseph D.  
Fary, Hon. John G.  
Florio, Hon. James J.  
Hiler, Hon. John  
Hyde, Hon. Henry J.  
Kazen, Jr., Hon. Abraham  
Kildee, Hon. Dale E.  
LaFalce, Hon. John J.  
Lujan, Jr., Hon. Manuel  
Luken, Hon. Thomas A.  
Madigan, Hon. Edward R.  
Markey, Hon. Edward J.  
McDade, Hon. Joseph M.  
McGrath, Hon. Raymond  
Minish, Hon. Joseph G.  
Moakley, Hon. Joe  
Nowak, Hon. Henry J.  
O'Neill, Jr., Hon. Thomas P.  
Obey, Hon. David R.  
Rinaldo, Hon. Matthew J.  
Rodino, Jr., Hon. Peter W.  
Rostenkowski, Hon. Dan  
Roth, Hon. Toby  
Roybal, Hon. Edward R.  
Russo, Hon. Marty  
Stanton, Hon. J. William  
Volkmer, Hon. Harold L.  
Young, Hon. Robert A.  
Zablocki, Hon. Clement J.

On the day of the anniversary, my wife and I had the special privilege of attending the memorial mass and centennial banquet of the Knights of Co-

lumbus. These were two of the most moving and uplifting events in which we have ever had the honor of participating. The mass was celebrated in New Haven, Conn., in the church of Saint Mary where, as a parish priest a century ago, Father Michael J. McGivney founded the Knights of Columbus. His Excellency, Most Rev. John F. Whalon, S.T.D., archbishop of Hartford and principal celebrant and His Excellency, Most Rev. Charles P. Greco, D.D., supreme chaplain, homilist, and concelebrant led the congregation in solemn reflection on and joyous thanks to Father McGivney and God Almighty for the great success of the Knights of Columbus in serving their fellow man. The other distinguished ministers of the mass included: John Walshe, who delivered the first reading; Gerald O'Brian, delivering the second reading; Rev. G. Thomas Burns, presenting the Gospel; Rev. James Cunningham, O.P., offering the prayer of the faithful; Pamela Jackson, cantor; and Rev. Gene Gianni and Rev. Kevin D. Robb, O.P., masters of ceremonies.

Following the mass, the guests proceeded to the splendid centennial dinner, at which it was my privilege to deliver the greetings. The program of festivities also included the invocation by the Most Rev. Basil H. Losten, bishop of Stamford; remarks by Rev. G. Thomas Burns, pastor of St. Raphael's Parish of Livingston, N.J., Rev. James J. Cunningham, O.P., pastor of Saint Mary's Church of New Haven, and John W. McDevitt, past supreme knight; an address by the Most Rev. Daniel P. Reilly, bishop of Norwich and State chaplain; and the benediction by the Most Rev. Walter W. Curtis, bishop of Bridgeport. It was an occasion of joy and warm fellow feeling for all.

Both the mass and the dinner were most enlightening as to the life and times of the founder of the Knights of Columbus, Father Michael McGivney. I would like to take this opportunity to say a few words about this outstanding American. Himself bereft of his father at an early age, Father McGivney was sensitively aware of the plight of widows and their children during the latter half of the 19th century. Many men who immigrated to our country at that time, seeking a better life for themselves and their families, found jobs requiring strenuous and often dangerous labor. They often died young, leaving families without means to sustain themselves.

Father McGivney decided to do something about the problem. On October 2, 1881, this young New Haven priest gathered together a group of his parishioners in the basement of St. Mary's Church and enunciated his plan for an organization of Catholic men to help the wives and children of

## EXTENSIONS OF REMARKS

their deceased brethren. His next actions demonstrate Father McGivney's devotion to two higher authorities. First, he sought the approbation of the Pope. The Knights of Columbus were to serve first and foremost God and the Catholic Church. Second, he requested the recognition of the government, and on March 29, 1882, Governor Bigelow signed into law Special Act 133 of the Connecticut Legislature incorporating the Knights of Columbus as a legal entity. All of the Knights' activities since their founding have demonstrated their unquestionable dedication to God and country.

Of course, the membership and functions of this noble order have burgeoned spectacularly since 1882. The Knights of Columbus now has 1.35 million members across the country and around the world, and has contributed greatly to an endless list of needy causes, including aid to the underprivileged and mentally handicapped, religious counseling, medical research, help to Vietnamese refugees, assistance to senior citizens, college scholarships, and on and on. But it is precisely the same spirit as motivated Father McGivney in the basement of his church 100 years ago that motivates the activities of the Knights of Columbus around the world today, and that is the undying spirit of charity, unity, fraternity, and patriotism.●

THE MILWAUKEE BAR ASSOCIATION HONORS BRUNO BITKER

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. REUSS. Mr. Speaker, on February 17, 1982, the Milwaukee Bar Association passed a resolution honoring Mr. Bruno Bitker for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law—a well-deserved honor for a great man. The text of that resolution follows:

RESOLUTION

Whereas, Bruno Bitker was born in Milwaukee on February 5, 1898, studied at Cornell University, and practiced law in Milwaukee from 1923 onwards; and

Whereas, Bruno Bitker has served his city and state as a member of the Sewerage Commission of Milwaukee from 1931 to 1953; as Special Counsel to the Governor of Wisconsin in 1937; as Counsel for the State Banking Commission in 1938; as Wisconsin State Counsel District Director of the OPA from 1942 to 1944; as Chairman of the State Public Utility Arbitration Board in 1947; as Chairman of the Milwaukee Committee on Living Cost and Food Conservation in 1947; as Chairman of the Milwaukee Commission on Economic Study in 1948; as a member of the Mayor's Commission on Human Relations from 1948 to 1952; as Federal Court Trustee of the Milwaukee Rapid Transit

line from 1950 to 1952; as a member and officer of the Governor's Commission on Human Rights from 1947 to 1956; as Chairman of the Municipal Commission on Mass Transportation in 1954; as Chairman of the Governor's Commission UN from 1959 to 1976; and as a member and Chairman of the Wisconsin Advisory Committee to the U.S. Commission on Civil Rights from 1960 to 1971; and

Whereas, Bruno Bitker has represented his country as the U.S. Delegate to the International Conference on Local Governments in Geneva in 1949; as a member of the National Citizens Commission on International Cooperation in 1965; at the U.S. National Commission for UNESCO from 1965 to 1971, on the President's Commission for the Observance of Human Rights Year in 1968 and 1969; as the U.S. Civil Leadership Delegate to Germany in 1964; as the U.S. Representative at the International Conference on Human Rights in Teheran in 1968; as Consultant to the Department of State in 1968 and 1969; as a Delegate at the Human Rights Conference in 1972; and as the U.S. Representative to the UN Seminar on Human Rights in Geneva in 1978; and

Whereas, Bruno Bitker has served his community as Trustee for the Adv. Council of the Milwaukee Art Institute from 1957 to 1978; and in recognition of his many achievements has received the Milwaukee Citation for Distinguished Public Service in 1944, the Amity Award in 1950, and the Junior Achievement Award in 1959; and

Whereas, Bruno Bitker has served and represented the legal profession as a member of the Milwaukee, Wisconsin, and American Bar Associations, as Chairman of the International Human Rights Committee of the American Bar Association; as a member and past president of the Federal Bar Association in Milwaukee; as a member of the American Society of International Law and its Human Rights Panel; as a member of the World Peace through Law Center in Geneva; as a Lecturer in the Division of Continuing Education at Marquette University in 1961; and as the U.S. Representative at the 1st World Conference of Lawyers in Athens in 1963, in Geneva in 1967, in Belgrade in 1971, and in the Ivory Coast in 1973.

Now therefore, be it resolved, That the Milwaukee Bar Association honors and bestows recognition upon Bruno Bitker for his services and leadership in this city and state, and for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law.●

MINERAL LEASING POLICY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. CONTE. Mr. Speaker, one of the most controversial issues the Congress has had to deal with in recent years is how best to balance the need for oil, gas, and minerals with the need to preserve the recreational, scenic, and wildlife wilderness areas. Year after year, the debate arises, and year after year, following the usual name calling and heated exchanges,

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we fail to make truly meaningful strides.

The Wilderness Act of 1964 empowered the Secretary of Interior to issue oil and gas exploration leases on a discretionary basis. This law does not preclude the Secretary from withholding leasing authority if wilderness value, for example, is seen as an overriding value of importance. Thus, the Secretary of Interior is not compelled to issue a maximum number of leases before the December 1983 expiration date of his authority.

Congressman Mo UDALL and I have cosponsored a resolution to call attention to the need to establish a set of basic principles to be used as guidelines in formulating future mineral leasing policies, and to go on record with our belief that wilderness areas should be the last areas of our land where mineral exploration should occur. In view of the fact that our highly industrialized society has a natural appetite for oil, gas, and minerals, we need to get a better hold on our criteria for issuing exploration and development leases. This is nothing more than sound land management policy, not for any one interest group, but for all citizens.

I hope that as the debate over our leasing policies continues, this resolution, with its basic principles of guidance, will bring some semblance of reasoning to the controversy, and help facilitate a healthy debate over what our needs really are. Our needs for natural resources are important and we are cognizant of those needs. By the same token, our needs for maintaining the wilderness are important too, and we are cognizant of those needs.

As our lands continue to be explored and developed, and our policies set to govern such exploration and development, let us try to hold on to some principles and balanced reasoning in the debate over what constitutes the most pressing need. I ask you to join Mr. UDALL and me in a step in that direction, and support House Resolution 427.●

BURNS & MCDONALD ENGINEERING CO., INC., HONORED WITH OUTSTANDING ENGINEERING ACHIEVEMENT AWARD

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. ATKINSON. Mr. Speaker, I wish to congratulate the Burns & McDonnell Engineering Co., Inc., for being honored with an Outstanding Engineering Achievement Award from the National Society of Professional Engineers in its 16th annual national competition.

This award was presented to Burns & McDonnell for their sewage treatment plant design. This design uses existing technology in a unique way that should save future communities millions of dollars in construction and operation costs. The design uses only 3 pieces of mechanical equipment compared with the 10 to 20 in other systems. It eliminates many of the pumps, pipes, and tanks required in traditional plants, resulting in lower costs all around. Burns & McDonnell estimates that the design could cut construction costs by up to 60 percent, operation and maintenance costs by up to 45 percent, and land area costs by up to 50 percent.

This award-winning system is built in self-sufficient modules. Therefore, allowing a city or an industry, which experiences seasonal demands, to build a number of basins for use in the peak season, then close them down during the off-season. Energy savings from this flexibility is considerable. The new system can also be installed in existing waste-water facilities as additional capacity or as a modification. Further, the system is quiet and virtually odor-free.

Self-sufficiency can also aid airports, factories, powerplants, or military installations located miles from the nearest sewer hookup. These facilities can process their own waste water independently and recycle the cleaned water directly back into their industrial processes. This ability to recycle the same water is especially important for water-short regions of the country.

Burns & McDonnell sought an innovative way to process waste water because the Little Blue Valley Sewer District needed a plant they could not afford. The new plant can do the work of sewage treatment plants costing more than twice as much and requiring less energy, factors which saved Little Blue \$30 million.

The Environmental Protection Agency gave Burns & McDonnell the funds to build and operate a pilot project. In addition, it officially classified the design as "innovative and alternative" which means the EPA guarantees the design works, and the Federal Government will pay 85 percent instead of 75 percent of the design costs of the sewage treatment plant.

Mr. Speaker, during a time when the construction of waste-water treatment plants are being criticized because of cost overruns and unsatisfactory performances, I think it is only fair to recognize Burns & McDonnell for their unique and inexpensive design. I am sure that this system with its innumerable benefits will aid many communities that before would have been unable to afford a needed waste-water treatment plant.●

## EXTENSIONS OF REMARKS

### HIGH INTEREST RATES: AN ECONOMIC CRISIS THAT CAN BE SOLVED

#### HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

• Mr. EVANS of Delaware. Mr. Speaker, the American people are beginning to tire of the seemingly endless arguments over what is causing interest rates to remain at intolerably high levels. They want action to bring those rates down.

High interest rates are the single most cause of immense human suffering in our country today—unemployment, economic stagnation, forced bankruptcies, mortgage, and loan defaults. And whatever the cause may be, one unalterable fact remains: If interest rates are not brought down substantially that human suffering will not only continue but will grow more severe.

I believe we have the means at our disposal to bring down interest rates—rapidly and dramatically. We need only to act with courage and resolution.

I have long been proposing a number of initiations that will help bring down interest rates. These proposals have unfortunately have been stalled by some in the administration, and in Congress, who prefer endless rhetoric to making hard choices.

This inertia is unfortunate, for if all were to see the larger picture it would be clear that the following initiatives could be put into effect without gouging of Government programs for people truly in need, without abandoning the basic foundations of the President's economic program such as individual tax relief, and without sacrificing such vital interests as our national security.

Furthermore, these initiatives would also work toward increasing the equity and fairness of the administration's comprehensive economic program. In order for any Government program to have a reasonable chance for success it must have the support of a broad segment of the American people. To achieve that support, the program must be perceived as evenhanded, equitable, and fair. Rightly or wrongly, that is not now the case with the comprehensive economic program.

Here are some ways in which I feel interest rates can be brought down—while simultaneously improving the equity of the administration's economic policies:

First, Congress must signal its determination to narrow the budget deficit by reducing expenditures. This can be accomplished without hurting people truly in need through such legislation as my Coastal Barrier Resources Act—

which would end the Federal Government's unnecessary and unwise subsidies for private development of fragile, storm-prone barrier islands. Estimated savings: Up to \$500 million a year for the next two decades, and there are similar opportunities for billions in additional savings.

Second, Congress must signal its determination to further narrow the budget deficit by increasing revenues. This can be accomplished without delaying or repealing the individual tax cuts through such legislation as the Bankruptcy Improvements Act. This legislation would end current abuses of bankruptcy laws and separate those individuals who truly cannot pay their debts from those who can, but would rather not. Estimated revenue increase: \$1 billion a year, or more.

Third, Congress must signal all segments of the economy that everyone is going to pay their fair share of the tax burden—no more, certainly, but just as important, no less. In brief, we must act immediately to close tax loopholes by, among others: restricting the lease sale provision whereby successful corporations can buy the losses of other businesses to eliminate their own tax bill; by establishing a minimum tax for large, profitable corporations and wealthy individuals; and by tightening the windfall profits tax on oil companies. Closing tax loopholes is not a tax increase; it is tax equity.

Fourth, Congress must signal its determination to assure that all Federal agencies and departments—including the Pentagon—share equally in the burden of cutting the runaway growth of Government. Foremost should be an acceleration of our efforts to eliminate waste, abuse, and mismanagement from Government spending. The President's appointment of a Private Sector Survey Commission, which I have long recommended, was a step in the right direction. Congress should now direct that Commission to eliminate waste and inefficiency in every area—including defense spending. I firmly believe we could reduce the growth in defense spending by \$10 billion without jeopardizing our national security.

Fifth, Congress must act—now—to provide short-term emergency relief for those segments of the economy hardest hit by intolerable interest rates; but any such action must not aggravate the already bloated Federal deficit.

I recently sought to introduce, along with my colleague from Illinois, Congressman Tom CORCORAN, an amendment to the urgent supplemental appropriations bill which had been scheduled for House consideration on March 31. Our amendment would transfer \$1 billion from already appropriated but unallocated funds from the Synthetic Fuels Corporation—

SFC—to provide emergency assistance to people who want to buy homes but cannot afford current mortgage interest rates.

This \$1 billion would be administered by State and local housing agencies to make mortgages more affordable in conjunction with mortgage revenue bond issues. Such badly needed assistance could provide up to 8.7 billion dollars' worth of 12-percent home mortgages, and generate 348,000 home sales over the next 18 months; over 287,000 construction and construction-related jobs in the next year; and over \$1.8 billion in increased tax revenues at the Federal, State, and local level due to accelerated business activity.

I would remind my colleagues, to use the President's words, this is not a "budget busting bailout." These are previously appropriated funds for fiscal year 1982. The choice is clear: continued subsidies for huge, immensely profitable, multinational energy companies, or help—now—for our Nation's homebuilders and construction workers and those thousands of American families who want to achieve the American dream of owning their own home.

Taken together, these initiations would not only provide some immediate relief, they would also work to narrow the Federal deficit and reduce interest rates.

We can—immediately—assist severely depressed segments of the economy without risking another surge in inflation. We can put tens of thousands of Americans back to work. We can increase Federal revenues without going back on our pledge to provide tax relief for average Americans. And we can add a new measure of fairness and equity to the administration's economic program—thereby improving immeasurably our chances for success in achieving real economic recovery.

The time for rhetoric is past—both in the White House and in Congress. It is time for action. ●

#### OUR WILDERNESS AREAS MUST BE PROTECTED

**HON. GLENN M. ANDERSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. ANDERSON. Mr. Speaker, the National Wilderness Preservation System, established in 1964 by the Wilderness Act, was created by Congress with the intent to provide the American people with an "enduring resource of wilderness." I fear, however, that the programs currently being promoted by the Department of the Interior will have a contrary effect to that desired by the Congress and the American people, both in 1964 and today.

#### EXTENSIONS OF REMARKS

Specifically, I fear that the Department of the Interior seeks to exchange a proposed short-term moratorium on mining and drilling in wilderness areas for the longrun vulnerability of those same pristine areas. Yet, it was precisely the longrun protection of our priceless natural heritage that Congress desired when it passed the Wilderness Act of 1964.

I do not think that any reasonable citizen could or should object to the development of resources that are clearly vital to our Nation's security. I do believe, however, that few citizens would tolerate widespread devastation of pristine wilderness areas. I strongly believe that wilderness areas are unique resources of enduring and priceless value. Based on the mail I have received from my constituents, I am convinced that the values delineated by the Wilderness Act continue to be held by the majority of Americans.

Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD the following editorials from two respected and prominent newspapers, widely read in my district of California, the "Los Angeles Times" and the "Long Beach Press-Telegram." These two editorials, written in late February of this year, illustrate that, in spite of adverse economic conditions, the values Californians hold for their country's wilderness areas remain strong. I hope that these editorials will be read and considered by the Department of the Interior's policymakers.

[From the Los Angeles Times, Feb. 24, 1982]

#### LOOSE IN THE WILDERNESS

The olive branch that Interior Secretary James G. Watt seemed to extend in the fight over the nation's wilderness areas turns out to be a cactus.

During a Sunday appearance on NBC's "Meet the Press," Watt said he would ask Congress this week to amend the Wilderness Act of 1964 to block the exploration for minerals in any wilderness area until the year 2000.

That sounded at first like a good deal for people who have fought for years to preserve some of America's forests and mountain slopes in their natural state.

But, when the Sunday promise was reduced to writing, it turned out to be a step backward for the wilderness.

First, the present law closes wilderness areas to mining and oil production indefinitely starting at the end of 1983. Under the Watt proposal, wilderness lands would automatically be reopened to leasing in the year 2000. To keep them closed, Congress would have to go back through the whole protection fight again.

Second, the one concession that Watt would make is a moratorium on leasing between now and 1983. The original law allowed applications for leases for 20 years. No Interior secretary had ever encouraged leasing in the wilderness. Watt did. So his concession deals with a problem that he created.

On close examination, it is not a concession at all. Congress already has the authority to close wilderness areas to leasing when it thinks they are being threatened.

In fact, Watt's proposal is a direct result of a move by Congress to do just that—a move led by Rep. Manuel Lujan Jr. (R-N.M.), ranking minority member of the House Interior Committee. Lujan was so disturbed by an effort to drill for oil in a New Mexico wilderness area that he proposed shutting down all 78 million acres of the National Wilderness Preservation System at once.

Other sections of the draft bill make it clear that Watt is not softening his crusade to open wilderness areas to mining and energy production, but is trying to soften the law.

For example, federal officials are evaluating 64 million more acres of wilderness area that Congress is considering for inclusion in the national wilderness system.

The Interior Department draft bill would set deadlines for Congress to make up its mind on the new acreage. If Congress missed the deadlines, the land would be up for grabs again.

That is a sly notion. Congress is not good at meeting deadlines.

Watt argues that the nation must explore for resources more aggressively; he stresses the dangers of depending on foreign countries for such strategic minerals as chromium and platinum.

But a recent study by a top U.S. resource economist says that only about 1% of the country's untapped oil will be found in wilderness areas. The Interior Department's own basic-resources handbook says there is no chromium in the United States worth mining, and very little platinum, inside or outside wilderness areas.

It seems clear from these geological reports that wilderness areas have little to offer the nation but natural grandeur. They are parts of North America that remain as they always were—uncluttered by traffic, free of pollution, places where no slabs of concrete separate people from the land.

These havens of raw nature are worth fighting to preserve, as Congress has made clear in its first reactions to the Watt draft.

Watt should acknowledge that he is wrong on the issue, and stop trying to force his way into the wilderness disguised as a friend of nature.

[From the Long Beach Press-Telegram, Feb. 25, 1982]

#### AH, WILDERNESS: WATT'S NEXT?

Congress should reject James Watt's latest plan to 'save' the wilderness.

For the briefest of moments on Sunday it looked as if Interior Secretary James Watt had been reborn as an environmentalist. In a television interview program, he said he would ask Congress for a moratorium to the year 2000 on drilling for oil and gas and mining for coal and minerals on nearly 80 million acres of wilderness.

It sounded like a turnaround by the environmentalists' Wilderness Enemy No. 1. No such luck. When copies of the proposed legislation began to make the rounds in Washington Monday, it became apparent, the Watt plan was just a covert attempt to slip oil, gas and coal companies into what remains of America's wilderness.

Under the Wilderness Act of 1964, companies wishing to look for oil, gas and coal would have to obtain permission to do so by Dec. 31, 1983. After that date, designated wilderness areas would have been permanently beyond their grasp. Faced by that deadline, companies whose main product is

energy have been pushing for the approval of roughly 1,000 oil and gas lease applications in 200 wilderness areas in 25 states.

By proposing legislation that would extend the ban for 18 years, Watt was, in essence, trying an end run around the Wilderness Act and the 1983 deadline. On Jan. 1, 2001, the ban would have been over—and the wilderness areas would have been open, once more, to uncontrolled exploitation.

Watt's Sunday "conversion," it is now clear, was also a clumsy attempt to get by Congress.

About 20 million acres of land are being considered for designation as sanctioned wilderness areas. Although formal protection has not yet been extended to these lands, development on them has been halted. Under Watt's new approach, these lands would come under the government's protective wing only if Congress acted by deadlines to be set by Watt. Since any deadline could easily be subverted by any one of a hundred legislative delaying tactics, many of those 20 million acres, no doubt, would soon be crawling with heavy land-moving machines.

Watt's attempts to bypass existing legislation, to manipulate Congress and to sidestep the national desire to protect America's wilderness areas were ill-advised. Unlike the wilderness, Watt's plan should be allowed to wither away. ■

#### WALT MICHAELS, FOOTBALL GREAT, TO BE HONORED

#### HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. NELLIGAN. Mr. Speaker, on April 18, the Borough of Swoyersville in Luzerne County, Pa., will pay tribute to one of its most famous sons—Walt Michaels. It is with pleasure that I join with the residents of Swoyersville and the Wyoming Valley in saluting one of the finest players in modern pro football history.

The son of Polish immigrants, Walt Michaels first distinguished himself as an outstanding high school athlete before going on to play fullback, guard, and linebacker at Washington & Lee. Walt was drafted by the Cleveland Browns in 1951.

While a linebacker for the Browns, he played on two National Football League championship teams, five divisional winners and was selected to play in the Pro Bowl 4 straight years—from 1957 through 1960. He began his coaching career as a defensive line coach for the National Football League's Oakland Raiders in 1962, and joined the New York Jets the following year in a similar position.

In 1977, Walt was named the head coach of the New York Jets. Since then, he has been selected National Football League Coach of the Year by several media organizations.

Walt is a member of one of the Nation's best-known football families. His brother Lou was a standout place-

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kicker and defensive end who played in the National Football League for 11 years after earning All-America honors as a tackle at Kentucky. Their mother Mary was named National Football League Mother of the Year in 1966.

Walt is married to the former Betty Yuhas of Swoyersville. The Michaels have four children: Mary Ann, Walter, Jr., Mark, and Paul.

Mr. Speaker, I join with the residents of the 11th Congressional District of Pennsylvania, which I am privileged to represent, in saluting the achievements of this outstanding athlete and coach. ■

#### CENTRAL AMERICA AND THE CARIBBEAN ARE NOT STRATEGICALLY IMPORTANT TO THE U.S.

#### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. BROWN of California. Mr. Speaker, an unspoken assumption in the debate over U.S. policy in Central America and the Caribbean is that these are vital areas of the utmost importance to the United States in strategic terms. The very geographical proximity seems to make this proposition self-evident, and the existence of the Panama Canal would appear to render the strategic importance of the region unchallengeable.

As with so many other implicit assumptions in our foreign policy, this one, too, can benefit from a more rigorous examination. Such an inquiry has been under way by Dr. Abraham F. Lowenthal, a scholar at the Wilson Center of the Smithsonian Institution. Dr. Lowenthal is a Caribbean and Central American specialist, and has written an excellent article on this subject in the spring 1982 issue of the Wilson Quarterly. Unfortunately, the length of that article precludes placing it in the RECORD for wider dissemination within the Congress. In its stead, I am placing an article by Dr. Lowenthal, which appeared in last Sunday's Washington Post Outlook section.

As surprising as it may seem, it is his carefully studied conclusion that the Caribbean and Central America are not strategically important to the United States. Just as the generals are always fighting the last war, judgments as to the strategic importance of any one region have typically been made in terms that would make sense in World War II. In this day of shrinking global distances, air transport, instant communications, and long-range missiles, we must use different measures for the strategic importance of one or another region.

Among such measures are the degree and extent of international trade, the transmigration of peoples, and general cultural interaction between the United States and the region. Because of our sheer size in terms of trade, our ability to absorb migratory waves, and as well as the immense cultural influence we have over the countries of the region, the United States exerts a powerful presence. The reverse cannot be said to be so valid.

Even the Panama Canal, while still useful, cannot be said to be essential in the old sense. A shrinking share of U.S. trade passes through the canal, and it is unthinkable that any Panamanian Government, whatever its color, would choose to reduce a major source of its income.

In economic terms, the importance of the region to the United States has decreased. By 1978, U.S. investment in the Caribbean, for example, amounted to only 2.5 percent of direct U.S. foreign investment. Today, the United States depends on no commodity imported from the Caribbean.

The real importance of the region to the United States should be seen in humanitarian terms. It is unconscionable that we should continue to pursue the cyclical policy of neglect followed by extreme military concern, with no regard to the genuine needs of the region. While the region is not of major economic importance to the United States at present, an enlightened foreign policy that would spur its economic development could render the area a major trading partner to the mutual benefit of all parties. A Caribbean Basin initiative that has two thirds of its resources going to one country, and in security assistance at that, is not at all the kind of policy that can bear future benefits.

I commend the following article to my colleagues.

LET THE LATINOS HAVE THEIR TURMOIL IN PEACE: IT'S THE ONLY REASONABLE POLICY OPTION WE'VE GOT

(By Abraham F. Lowenthal)

It is obvious by now that the United States is caught in a deepening morass in Central America. Every week brings more bad news: political and military reverses for the groups our government is backing in the region; further evidence that many elements of Central America's security forces are brutal and corrupt; desperately incompetent attempts by the Reagan administration to influence public opinion; and a widening gap between what is at stake in Central America and the means available to advance U.S. interests.

Is there any way out of this disturbing mess? To answer that question, we need to focus on the range of choice left to the United States, to define which results would be acceptable and achievable—and which would be dangerous and unacceptable.

The Reagan administration's approach to Central America is based primarily on exaggerated fears and unrealistic aims. It derives more from a desire to display national

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strength than from a sense of national self-confidence. And it stems more from projecting extraneous concerns upon Central America than from assessing the region's own realities and significance.

The welter of contradictory statements emerging from various parts of the administration suggests that the U.S. government thinks of Central America as a stack of dominoes, being tipped primarily by external (Cuban and Soviet) pressure. The administration believes that a revolutionary triumph in El Salvador would lead almost ineluctably to leftist victories in the other Central American nations. The possibility of several insurgent victories is thought ultimately to threaten oil-rich Mexico (and problems for Mexico, it is said, would inundate the United States with refugees). More immediately, the administration apparently fears that leftist regimes in Central America would jeopardize U.S. security and other interests: maritime routes, the Panama Canal, and other assets.

Taken together, those interests are regarded as "vital"—more so, according to Secretary of State Alexander Haig, than those for which so many tens of thousands died in Vietnam. To protect these interests—and to preserve U.S. influence and prestige—the Reagan administration provides military training and equipment, sends advisers, steps up economic assistance, considers (and probably undertakes) covert paramilitary intervention, refuses to rule out direct military involvement, and eschews negotiations that might involve redistributing power.

The Reagan administration's fears are largely unfounded, its concept of what is at stake in Central America is unwarranted, its assessment of Central America's dynamics is inadequate, and its chosen instruments are ill-chosen to achieve even those goals that are attainable.

The realities are as follows:

The insurgencies in Central America are primarily indigenous, not inspired or controlled by the Soviets or the Cubans. Cuba is no doubt supporting the guerillas, and a panoply of other external actors are involved: the United States and the Soviet Union, Israel and the PLO, Argentina and Venezuela, the European Social Democrats and the Christian Democrats, the human rights activists and the anti-communist international movement. But none of these actors is as important as what is happening internally. Whatever their source, guns do not fire themselves.

Each Central American country is different. Events in any one nation surely will affect trends in another, sometimes importantly, but internal conditions in each country are crucial. Costa Rica's future, for example, will be more affected by its own economic quandary than by El Salvador's civil war.

The probable effect on Mexico of a region-wide turn to the left in Central America would be to strengthen conservative forces. The most likely way to increase the chances of a left-nationalist anti-U.S. movement in Mexico would be to undertake U.S. military action or detectable paramilitary intervention in Central America.

The real threat to U.S. security, even from region-wide leftist victories, is strictly limited. The one clear imperative is to prevent a strategic threat from being introduced in Central America. Strategic weapons have been kept out of Cuba for 20 years by agreement between the United States and the Soviet Union. There is no reason to believe that it would be easier for the Soviet Union

to introduce such highly provocative (indeed, unacceptable) weapons into the vulnerable nations of Central America than into its close and consolidated ally in Cuba.

U.S. economic interests in Central America are scant. No other significant and tangible U.S. interests are engaged, except insofar as Central American migration expands and creates a new set of U.S. interests. Central America's future need not be any more "vital" for the United States than we make it. The more the administration escalates its rhetoric, the more it creates a self-fulfilling prophecy.

The central issue for the Reagan administration is its perception that "losing" a confrontation in Central America will further undermine U.S. influence elsewhere and—not incidentally—weaken the administration's own political standing. To point out that this would be largely self-inflicted—the administration chose, after all, to "draw a line" in El Salvador, perhaps because Soviet expansionism is easier to "stop" where it is not occurring than where it is—does not solve the problem. The way to reduce the troubling prospect that a setback in Central America will weaken the United States elsewhere, however, is not by forcing an unwinnable confrontation, but by seeking a diplomatic solution.

The Reagan administration appears to desire in Central America is a cluster of friendly, stable nations which hold honest elections and respect human rights, welcome U.S. private investment, and support Washington internationally. In short, the Reagan administration wants congenial, prosperous neighbors.

That goal is not realistic. No matter what the U.S. government does (or does not do), Central America in the next several years will be unstable, economically distressed, strife-torn, and unable to build and sustain effective political institutions. U.S. investors will not flock to Central America. Some of the region's most stable countries may turn out to be the most independent of the United States. Hegemony will not be easily reimposed.

What, then, should be done? How can the United States reverse the drift toward disaster in Central America?

The first step is to focus on how to avoid the worst.

The worst that could possibly happen in Central America would be to blunder into a global war with the Soviet Union. That ultimate tragedy is improbable, but the chain of consequences leading from a possible U.S. invasion of Cuba all the way to Armageddon is not harder to imagine than the process which led from the assassination of an Austrian archduke to World War I.

The United States should immediately take steps, therefore, to reassure the Soviet Union that our government will continue to respect Cuba's territorial integrity, as we expect full adherence by the Soviet Union to other aspects of the 1962 agreements which settled the missile crisis.

Apart from world war, the worst reasonably feared course in Central America would be prolonged U.S. military involvement in Central America's civil turmoil. U.S. military intervention would strengthen anti-American forces throughout Central America, Latin America and the whole Third World, fuel major conflicts with key allies, fracture consensus within the United States, and distract attention from more serious national and international problems.

A quick, decisive and "successful" U.S. military intervention is simply not in the

cards. Even if it were, it would be a course to avoid. U.S. military intervention would blur the important distinction between the international role of the United States and that of the Soviet Union, and would perpetuate precisely the forms of international behavior we are trying to end. Ultimately, too, the regime imposed or reinforced by U.S. intervention would likely be forced out by intransigently anti-U.S. forces, enraged by the interventionist role of the United States.

The way to avoid all these profoundly undesirable results is by making it crystal clear that the United States will not undertake military or paramilitary intervention in Central America. The administration should voluntarily and formally clarify that force will only be contemplated to remove a clear and present security threat, and then only under multilateral auspices of the Organization of American States. If the administration persists in keeping its (rhetorical) options open, Congress should impose further restrictions on the executive.

Another result the United States should be trying to avert is the decisive military victory of anti-U.S. leftist forces over those with whom we have been aligned in Central America. The more clearly military a victory of the insurgents, the less influence the United States and other forces for moderation will have after a leftist triumph—and the greater the demonstration effect elsewhere in the region. It would be in the interest of the United States, therefore, to move the forum of confrontation in El Salvador from the battlefield to the negotiation table—an arena where the economic strength and political influence of Mexico, Venezuela, and the United States will be more relevant.

The most likely outcome in Central America in the intermediate term is protracted and expanded civil war. The United States should do all it can to help avoid this: by supporting international efforts at mediation, by working with all relevant parties to curtail arms flows from ourselves and others to the region, by supporting economic development programs in countries (like Costa Rica) where viable policies are threatened, and by trying to support moderate groups in each country. All these courses should be pursued, but they may very well not be enough to co-opt the insurgents.

It may be, therefore, that the best we can realistically hope for in Central America is the establishment in the next several years of independent, nationalist, left-leaning, even Marxist-Leninist regimes. Some of these regimes, like the current Sandinista junta in Nicaragua, may well be friendly to Cuba and to the Soviet Union, especially if they come to power with Cuban help and against the will of the United States.

If U.S. policy permits, however, all these nations should still be inserted firmly within the international capitalist economy. They will still be dependent on trade, finance, technology and investment from the United States, and they will be accessible to U.S. influence. They will still be interested in U.S. economic assistance, which is likely to be far more effective as a constructive influence on behavior than predictably counterproductive threats.

Not even this result will be easily achieved. If the administration continues to "draw lines," to threaten, to reject negotiations, to undermine international efforts at mediation, and to grasp at straws to justify its stance, it will leave itself no choices but humiliation or intervention.

One can hope, however, that today's elections in El Salvador, however they turn out, will give the Reagan administration a chance to change its course.

The way to do so is clear: to rule out U.S. military intervention; to seek renewed multilateral backing to prohibit the introduction of extra-hemispheric military bases in the region; to support fully Mexico's effort to negotiate a political solution, and genuinely to accept profound changes in Central America, even when they diminish immediate U.S. influence. There is no other way out.●

**COLORADO RIVER BASIN SALINITY CONTROL ACT AMENDMENTS OF 1982**

**HON. RAY KOGOVSEK**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. KOGOVSEK. Mr. Speaker, I, along with several of my colleagues, am introducing today a bill to amend the Colorado River Basin Salinity Control Act of 1974. This legislation will authorize certain additional measures in the program to assure accomplishment of the objectives of title II of Public Law 93-320.

The Colorado River is one of our Nation's most valuable resources. It includes some of our great scenic wonders, such as the Grand Canyon and Lake Powell, which are enjoyed by all of our citizens. It is the sight of some of our most distinguished engineering achievements such as Hoover and Glen Canyon Dams. It provides water and energy to approximately 17 million citizens in one-twelfth of the United States, ranging from farms and small communities in Colorado and Wyoming to the huge industrial complex of Los Angeles, our third largest city. Furthermore, development of the vast mineral resources of Colorado and Wyoming, as well as mitigation of growth impacts hinge on the use of the waters and energy from the Colorado River Basin. How wrong was Lt. Joseph Ives, one of the Colorado River's first explorers, when he dismissed the region saying,

It seems intended by nature that the Colorado River, along the greater portion of its lonely and majestic way, shall be forever unvisited and undisturbed.

We are now faced with a new challenge on the Colorado, one which requires that we advance our understanding of its problems and bring new technology to resolve them. In 1974, Congress recognized that both nature and man contributed to the increasing salinity of the Colorado River, and it was reaching its limit of usefulness. The total annual salt load in the river at Imperial Dam near the Mexican border is estimated to be approximately 10 million tons. In our urban areas, this reduces the useful lives of our

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utility distribution systems, home, business and industry piping, fixtures, and heating vessels, increases water treatment and conditioning costs, and prevents reclamation and reuse without costly desalting techniques. High salinity harms our agricultural areas by limiting the crops that can be grown, and the productivity of the soils. Salt buildup in our ground water basins will destroy their use as natural reservoirs. Furthermore, continued increases in salinity levels on the river are of deep concern to the Republic of Mexico, who suffers similar damages to its economy.

Research by the Bureau of Reclamation has put an annual price tag of \$100 million on the damages caused by this salinity today, and estimates that it will more than double by the turn of the century if the corrective steps authorized by the 1974 Colorado River Basin Salinity Control Act are not continued and expanded. We have learned a great deal since Congress acted in 1974, and we can now develop a more effective program to implement salinity control measures to carry out the objectives of the original act. These objectives include the Federal-State adopted policy for the Colorado River Basin which requires that salinity levels in the lower mainstem be maintained at or below 1972 levels while the States continue to develop their compact entitled waters. Therefore, I am introducing today, with some of my colleagues from the Basin States, legislation to implement new strategies and programs to overcome this problem.

The bill provides for the authorization of six new units, and also includes specific administration and congressional oversight of final implementation plans of such units prior to construction. It allows for joint ventures with industrial water users so that brackish and saline basin waters, rather than fresh water, can be beneficially used for industrial purposes. Furthermore, it provides for improving interconnected canal and lateral systems with all the salinity benefits being paid for by the water users benefited by the program. The legislation authorizes the development of a salinity control program on lands administered by the Bureau of Land Management, as well as the implementation of a voluntary onfarm salinity program through the Department of Agriculture. This approach takes full advantage of the capability of Agriculture's agencies in lieu of the "programs available" approach currently being followed. Finally, the bill contains two features which are important to those concerned about Federal spending. It provides an obligation by non-Federal interests to repay the costs of Department of Agriculture programs in the manner previously established for Department of the Inter-

rior programs. In addition, it requires continued studies and evaluations of the overall cost effectiveness to better define the program.

Mr. Speaker, the essence of this legislation is that it is "preventative medicine" for the Colorado River Basin. It will permit us to avoid more costly salinity control techniques now, and in the future. The bill has the full support of the seven Colorado River Basin States and demonstrates the continued effort of those States to resolve their problems in a cooperative manner. By maintaining these salinity objectives, my State and the other States of the Upper Basin can continue to develop the water supplies allocated to them under the Colorado River compact and prevent further damage to our downstream neighbors including the Republic of Mexico.

I believe this is an important step in resolving a serious pollution problem in one of our largest rivers, and I urge my colleagues to join me in enacting this legislation.●

**CUTTING FUNDS FOR CHILDHOOD IMMUNIZATION—SHORT-SIGHTED RISK WITH LONG-TERM CONSEQUENCES**

**HON. MARIO BIAGGI**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. BIAGGI. Mr. Speaker, of all the proposals in the President's fiscal year 1983 budget request, perhaps none are as damaging as his proposals to cut funds for valuable health maintenance programs for those of all ages. It is a well-established fact that the old adage, "An ounce of prevention is worth a pound of cure" neatly applies to the proposals to slash childhood immunization programs which have proven their effectiveness in preventing disease in those who are some of the most vulnerable of our population.

The following article from the Los Angeles Times appropriately describes the importance of this small, but effective program—and the consequences we face without it. I commend it to my colleagues attention as we discuss the merits of the President's fiscal year 1983 budget proposals in the weeks ahead.

**PUTTING CHILDREN IN DANGER OF DEATH; IMMUNIZATION, A GOOD FORM OF MEDICINE, WOULD BE CUT**

(By Carol Levine)

On the long trip home from a New England vacation, my daughters chatted eagerly about Louisa May Alcott's house and Paul Revere's ride. My son, then 6 years old, sat between them, uncharacteristically solemn. What, I finally asked, did he remember most about the trip?

"That old cemetery we visited," he replied. "The one with all the funny carved

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stones that you read out loud." A long pause. "I didn't know that children could die."

Tragically, children do die—of accidents, birth defects and cancer, among other causes. But in this country, in this decade, and with very few exceptions, children do not die of illnesses like whooping cough and diphtheria, which ravaged entire communities in colonial times and threatened children as recently as the 1950s.

Now are large numbers of children crippled by polio, or left permanently damaged by the complications of measles and mumps, or afflicted with birth defects like deafness or retardation because their mothers contracted rubella (German measles) during pregnancy. Only about 10 cases of paralytic polio are reported each year. A few generations ago, nearly every child contracted measles; within a few years the disease may be eliminated, the federal Center for Disease Control predicts.

These devastating childhood diseases can be prevented by immunizations, and since the early 1960s (and with a special push starting in 1977) the center has been funding grants to the states through its childhood immunization program, providing half the doses of polio, rubella, measles and mumps vaccine distributed in the public sector.

This program has saved lives and reduced suffering. Moreover, as Dr. H. David Banta, assistant director of the Office of Technology Assessment, pointed out in testimony to a congressional committee on Feb. 4, it is that rarest of medical interventions: one that actually saves money. The costs of immunization are much lower than—perhaps one-tenth—the costs of treating sick children, not even counting projected losses in their future productivity.

Why then should anyone want to cut a successful effort at federal-local cooperation that has no history of abuse? Has any child been vaccinated who didn't need or deserve to be?

Yet if the program's proposed budget for 1983 is approved, the number of children immunized will drop by 2 million. The Reagan Administration has proposed \$21.9 million in funding, just about the same amount that was provided by the continuing budget resolution passed by Congress on Dec. 15. (The Administration had earlier proposed a budget of under \$16 million.)

The difference is that an average 25-percent increase is expected in the cost of the vaccine supplied to the Center for Disease Control by the Merck, Sharp & Dohme and Lederle pharmaceutical companies. The higher costs are due to inflation and less advantageous contracts based on the purchase of smaller quantities of vaccine.

Each year, the center estimates, 5.4 million to 5.6 million pre-school children who receive immunizations through public funding need either basic immunization or booster shots. In addition, 3 million to 4 million school-age children have not been adequately immunized, and 13.6 million children have never received mumps vaccine. These unimmunized children are primarily those from the families of the urban and rural poor and undocumented immigrants.

Surely the policy-makers in Washington do not want these children to get sick or, worse yet, to die. But they are willing to take a chance in the belief that others will step in to close the gap. Perhaps the states will increase their share of the funding. Perhaps charitable doctors will immunize poor children without charge. Perhaps parents

will pay on their own, choosing vaccines over bread, clothing or transportation.

Perhaps. But the history of the immunization program shows that, when federal spending has declined, the number of reported cases of a particular disease has increased. And, even though the states now have potential sources of additional income through the maternal-and-child-health block grants and preventive health grants, the competing pressures for these funds are certain to be severe.

Only a sustained federal commitment can maintain the public interest in controlling childhood diseases. Even in previous administrations, when funding levels were higher, poor children did not have equal access to medical care. But, in this Administration's budget priorities, poor children have suffered most—through cuts in Medicaid, food stamps, school-lunch programs, maternal-and-child-health grants, grants to crippled children and more.

One medical program will not redress all the inequities in these children's lives. But how can we deny any child basic protection against communicable disease? Immunization is good medicine, sound economics and humane care. An Administration that proclaims its support of the family should also support the needs of children. ■

#### SMALL BUSINESS AND FARMERS BENEFIT FROM CORRECT USE OF SAFE HARBOR LEASING

**HON. HAL DAUB**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

• Mr. DAUB. Mr. Speaker, the Economic Recovery Tax Act of 1981 set in motion basic structural improvements in our economy. They were desperately needed.

We finally reduced taxes. We finally acted to encourage savings. We finally provided business incentives to invest in new equipment—to retool and modernize America for the future.

Long overdue, we finally responded to our capital needs with a comprehensive economic recovery plan designed to improve our Nation's lagging productivity and our ability to compete in the world marketplace. As a Congressman with a business background, I thought these actions made good economic sense then and I still do.

One aspect of this economic stimulus package that has been the subject of intense criticism was the safe harbor leasing provision. Although the foundation of this law is basically sound, that being to allow the incentives for capital expansion and modernization to be useful to concerns that are currently unprofitable. This is important in as much as it was our intent to assist these unprofitable enterprises in particular.

My concern today is not to suggest reform of the safe harbor leasing law, although I believe reforms are necessary to avoid certain abuses. Nor is it to recount the advantages available to

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the distressed auto manufacturers. The airlines and others who badly need new equipment to strengthen their operations and ensure continued if not increased employment.

What I intend is to draw attention to today is the opportunity and advantage available to two groups who have been little discussed in the current controversy. Those two groups are the agricultural and small business communities.

Although agricultural and small business involvement is not that extensive yet nor much publicized, the interest and future potential for such beneficial activity is apparent.

High interest rates are creating severe problems across the entire economic spectrum. Businesses are having to close their doors. Cash flow problems are abundant. Expenditures for new equipment are being postponed.

In the area of agriculture alone, indebtedness this year will reach a record high of approximately \$200 billion. Interest charges on that debt will be staggering. According to the American Farm Bureau Federation, net farm income will fall to the "lowest level since the depression of the 1930's." Agricultural exports will decline for the first time since the late 1960's. Coming from a State where both agriculture and small business are prevalent, I recognize that they are the backbone of our economy. There can be no recovery without their overall involvement.

I believe it should be more widely discussed that during these times of high interest rates, safe harbor leasing could prove to be particularly helpful to small business and especially the farming industry. Particularly in the areas of financing new equipment and interest rate relief, the new provision is quite helpful to agriculture. By entering into a leasing arrangement, the farmer can realize significant interest savings. Interest rates for purchase of new equipment can be cut by as much as 8 to 9 percent.

For example, the Allis-Chalmers Credit Corp., is offering the farmer an opportunity through a safe harbor leasing arrangement to purchase equipment at a finance rate as low as 9.9 percent. Information on the lease/ownership plan is readable, understandable, and to the point.

Because the lease purchase or full-payout lease may now be treated as a true lease for Federal income tax purposes. This means that additional tax benefits are available to the lessor which can inure to the benefit of the customer. A combination of a low interest rate, the ability to expense the entire lease payment, and to acquire ownership at the completion of the lease for a nominal amount.

The bottom line, in the case of an offer currently available to the farmer by the Allis-Chalmers Credit Corp., is

that by purchasing equipment valued at \$50,000 under Safe-Harbor the purchaser pays \$8,000 less than he would if he acquired the property at the 13.9 percent rate available under conventional purchase.

It appears clear that the advantages of Safe-Harbor are available not only to Chrysler or Eastern but to the family farm or the small, independent business. This example I cite is only to illustrate that it is altogether possible to use Safe-Harbor to assist our struggling agriculture and small business communities. I am confident that if we allow Safe-Harbor to remain intact that such activity will grow and expand and by so doing will enhance the ability of our agricultural and small business communities to prosper.

Small business and farming involvement is, therefore, evident. Interest in more leasing activity is apparent. What, then, are the problems? The law is new, and Treasury regulations have not been out long. As new as the law is, I doubt if many rural bankers, farmers, fertilizer, feed, and implement dealers even have heard of safe harbor leasing. Even if they have, the legal costs to understand the provision and accounting costs to file are often more than what the farmer or small business owner can afford.

The new law is certainly not perfect. The regulations are confusing. Modifications will have to be made to allow more involvement.

Retention with maybe some modification, yes, but not repeal. The concept is sound; it deserves a chance to work. What is needed is a good educational process by other companies similar to what Allis-Chalmers provides that reaches the small business and agriculture communities. March 2, 1982, Senate Small Business Committee testimony made this point quite clear.

Mr. Speaker, let us not change this course toward economic recovery in midstream. A certain, consistent economic policy that will lead us toward more national productivity, providing more jobs for Americans will, in the long run, be best for our national economic health.●

#### SOCIAL SECURITY

#### HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. CONTE. Mr. Speaker, I am today introducing a concurrent resolution concerning a very distressing problem that will soon be affecting many of our older constituents. We hear much in the news about the problems of the social security program; a recent poll published in the Washington Post showed that very

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few people continue to have faith in the system.

In 1977, we made amendments to the Social Security Act to help preserve the financial integrity of the system. Those amendments were supposed to protect the system until the 1990's—but last Friday's Post contained an article that claimed both old age and disability trust funds will run out of money in 1982—a little sooner than we expected.

One of the changes in the 1977 amendments was to eliminate the spouses' benefits for those spouses who receive a public pension. Recognizing that many people were counting on both incomes, we provided a 5 year "grandfather" period for persons who become eligible prior to December of this year. Finally, we decreed, the persons who receive two pensions after this coming December will have the social security benefit offset dollar for dollar from the public pension, and the rules would be enforced "as they were in January of 1977."

This meant, of course, that a man had to prove financial dependency on his wife in order to receive both social security and a public pension; otherwise, his pension was offset immediately and he did not receive the "grandfather" protection accorded to women.

In March of 1977, in their landmark Goldfarb decision, the Supreme Court ruled that any financial dependency test unconstitutionally discriminated against men. But since the offset was being enforced as it was in effect in January of 1977, nothing further happened: Men continued to have their social security spouses' benefits offset, and women did not.

In December of 1981, a Federal district court in New York held this "exception clause" to be unconstitutional, and used the Goldfarb decision as its precedent. Since it was not a class-action suit, this decision (Rosofsky against Schweiker) applied only to the plaintiff. The United States has appealed to the Supreme Court.

Even though the Court is some months away from a decision, it is quite probable that they will require the Social Security Administration to devise some sort of plan to make the pension offset equitable. I think they have four choices. The first is that they can do nothing, which the Court would not accept.

The second option is for social security to pay back all men whose pensions were offset since 1977, at a cost to the system of \$300 to \$350 million. The third and fourth options are what concern me.

These would be some sort of beneficiary payback, requiring all persons who have received both the spouses' benefit and a public pension to either pay back the benefits they have received, or begin to offset them imme-

dately. We cannot allow this to happen. One of my constituents writes that she will be living on an income of \$500 per month if she does not receive both incomes. How can someone pay rent, electricity, heat, and every other item on just \$500 a month?

To prevent this needless worry to our older constituents who will be affected by this change in the laws, I am introducing this concurrent resolution with my colleagues, Mr. MITCHELL of Maryland, Mr. McEWEN, Mr. FAUNTRY, Mr. APPLEGATE, Mrs. HOLT, Mr. DAVIS, Mr. LOWRY, Mr. BOLAND, Mr. WORTLEY, Mr. CORRADA, Mr. FRANK, Mr. VENTO, Mr. DOWNEY, Mr. LEHMAN, and Mr. ROE. This resolution expresses the sense of the Congress that any remedy for the Rosofsky decision not be one that involves a beneficiary payback.

We must do something to preserve the trust our older constituents have placed in us.●

#### THE CHESTUEE SMALL FARM DEMONSTRATION PROJECT

#### HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DUNCAN. Mr. Speaker, the family farm has long been a symbol of American determination, independence, and cooperation. It is a symbol we cherish and seek to preserve, but one which, in this age of high technology, inflation, and urban living, is increasingly threatened. It takes some of the farmers' determination and cooperation to keep this institution alive.

McMinn and Monroe County farmers have displayed this spirit in the past 4 years, and with the aid of the Department of Agriculture, have made it possible for the family farm to remain a symbol in east Tennessee. Before 1978 these farms were losing crops to flooding, erosion, and pollution. Poor management of land and excessive upland farming were contributing to the pollution of the Chestuee Creek watershed. The silt would fill the creek's channel causing flooding several times each year and carrying away valuable cropland.

The 900 farms on this 77,000 acre area were not wealthy enough to invest in new technology. Most made less than \$20,000 a year in gross farm income. The farmers did not have the sophisticated land management expertise to pull out of this cycle of flooding, erosion, and pollution. The cycle continued, however, and as the floods came, these farmers would see between 20 and 40 tons of soil per acre washed away.

This cycle not only endangered the farms of the Chestuee Creek water-

shed, but also the health of the citizens of Englewood. The pollution taxed the abilities of the town's water treatment facilities. Nearby Madisonville was forced to close its plant on the Chestee because of the pollution and silt.

Had this cycle continued, the family farm might have vanished from the Chestee Creek watershed. In 1978, however, something was done. That year, the Rural Development Committees of Monroe and McMinn Counties applied for a small farm demonstration project under the agricultural conservation program. The Chestee project was selected as the best in the Nation, and was 1 of 10 to receive funding. As the largest of the projects, to be administered by the Agricultural Stabilization and Conservation Service, Chestee received \$220,000 in 1978.

It took a determined and cooperative effort to make this project, in 4 short years, a great success. The Department of Agriculture can point with pride to the accomplishments of this program. These accomplishments have been achieved by providing funds directly to the farmers that needed them. No funds were used for administrative purposes.

The objectives of the Chestee small farm demonstration project were to help the small farmers treat the conservation problems on their own farm-land, demonstrate the effectiveness of the agricultural conservation program through cooperative efforts of Federal, State, and local agencies and organizations, and increase the income earning capacity of small farmers. These objectives were met by efforts on all levels to aid the small farmer.

Cost-share assistance was provided at a 90-percent level to encourage farmers to carry out conservation practices aimed at reducing soil and water conservation problems. During the project period, 1,553 individual requests were filed for cost-sharing assistance at the counties Agricultural Stabilization and Conservation Services offices. Locally elected county committees would review and issue approvals on an individual farm basis. The ASCS county offices were able to administer this program without additional personnel or funds. This made it possible for the greatest return to be realized on the over \$1 million allocated to the farmers over the 4-year period.

Other Federal, State, and local agriculture groups also gave assistance to the farmers in the Chestee area. The Soil Conservation Service prepared 366 new farm conservation plans and revised 21. The Farmers Home Administration provided loans under their regular programs to assist farmers. Through the extension service information about the Chestee project and its benefits was distributed. Field personnel worked with the landowners

## EXTENSIONS OF REMARKS

interested in applying for assistance, since many of these farmers had not previously participated in Federal farm programs.

Today, because of these efforts, 80 percent of the conservation needs prior to the project have been completed. Over 150 water improvement reservoirs have been constructed to reduce flooding, sediment, and provide increased recreational opportunities. Acres of critically eroded land have been stabilized under the project, and animal waste disposal systems have been constructed to reduce water pollution. The result has been a break in the cycle of flooding, erosion, and pollution.

Another, an equally important result, has been a rebirth of the spirit of independence and cooperation between the farmers and the Government. Next week farmers and agriculture officials will gather to celebrate the successful conclusion of the Chestee watershed small farm demonstration project. They do so with the knowledge that goals have been met and the tradition of the family farm preserved.

I believe this is more than a celebration of the completion of one project. It is also the celebration of Government working for and with the people to provide a new beginning. Here we can see the Government economically, and efficiently providing needed assistance. It has done so by bringing its resources to break a deteriorating cycle and building the trust of those who could use these resources. This is cooperation.

We can also see these farmers taking advantage of the education and assistance made available to build upon for their future needs. I suppose everyone has heard the saying, "Give a man a fish, and he can eat for a day. Teach a man to fish, and he can eat for a lifetime." This is what the Agricultural Stabilization and Conservation Service has done. It has laid the foundations from which the farmer can freely build. This is independence.

All this, however, could only be accomplished through the determination of all parties to attain a goal which was worthwhile. The family farm will remain with us so long as we follow this spirit. The Chestee watershed was a demonstration project, and it has shown us a great deal about farming. But it has also shown us what is possible when we follow the ideals which have made this a great country, ideals which have come to us from the family farm.

April 6, 1982

## IN TRIBUTE TO HONORABLE ANDREW J. BIEMILLER

### HON. FRANK ANNUNZIO

OF ILLINOIS

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Andrew J. Biemiller, former Member of Congress from the State of Wisconsin, who died on April 3, 1982, at the age of 75, after dedicating his long and brilliant career to human justice and to the betterment of the living conditions of the working man. I was proud to call Andy my friend. His respect for and understanding of the needs and wants of working Americans and those disadvantaged by fate are reflected by his splendid record of accomplishment during his distinguished life of service.

Andy Biemiller began his life of exemplary leadership as a delegate to the Philadelphia Central Labor Union in 1929, and beginning in 1932, as a labor relations counselor, organizer, and executive board member of the Milwaukee Federation of Trade Councils and the Wisconsin State Federation of Labor. He was a member of the Wisconsin State assembly from 1937 to 1942, and was a floor leader from 1939 to 1941.

In 1941, Andy was appointed Special Assistant to the Vice Chairman for Labor Production of the War Production Board, where he remained until 1944. He was then elected to a seat in the House of Representatives, and served in both the 79th and the 81st Congresses. From 1951 to 1952, he was a Special Assistant to the Secretary of the Interior, and then went on to serve as a member of the Legislative Committee of the American Federation of Labor. It was in 1956 that he was elected the director of the AFL-CIO legislative department.

Mr. Biemiller also served as a member of the Citizens Advisory Committee of the Outdoor Recreation Resources Review Committee, a member of the National Petroleum Council, a labor adviser to the U.S. Delegation to the General Agreements of Tariffs and Trade Conference, and a member of the Labor-Management Advisory Committee for the Atomic Energy Commission.

Mr. Speaker, Andrew J. Biemiller dedicated his life to the betterment of his fellow citizens and compiled an outstanding record on civil rights, social welfare, and health care legislation for all Americans during his distinguished career. Few men gave more of themselves to progress for the working man and woman or had a more compassionate understanding of human problems. His dedication to high standards was an inspiration to

his friends and fellow citizens, and his devotion to human improvement and human compassion will long be remembered by those of us who had the privilege of working with him.

Mrs. Annunzio and I extend our deepest sympathy to his wife, Hannah, his son, Andrew, his daughter, Nancy, and his four grandchildren.●

**BIAGGI POLISH REFUGEE ASSISTANCE ACT GAINS SUPPORT IN NEW YORK LEGISLATURE**

**HON. MARIO BIAGGI**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. BIAGGI. Mr. Speaker, I am pleased to report to my colleagues that both the New York State Assembly and State Senate approved resolutions urging "immediate passage" of my bill, H.R. 5384, to lift the current numerical limitations on the number of refugees we admit from Poland in 1982.

Martial law was brutally imposed over the citizens of Poland almost 5 months ago. Prior to the imposition, and very recently since the relaxation of passport rules, thousands of Polish citizens have fled their homeland and are seeking asylum. As the resolutions indicate, "there are already 30,000 Polish refugees in Austria, thousands more can be expected should General Jaruzelski fulfill his promise to relax Poland's passport laws."

The need for my legislation is based on the fact that there is currently a 9,000 limit on the number of refugees which can be admitted to the United States from all of Eastern Europe. Within that number, there is a further limit of 5,000 refugees from Poland. Just in the first 6 weeks of martial law, more than 1,000 Poles applied for refugee status and on an annualized basis; this could well exceed the limit.

I urge my colleagues to give their support to my legislation, for, as the greatest freedom-loving Nation in the world, we cannot deny access to any person fleeing tyranny.

At this point in the RECORD, I wish to insert the text of the legislation approved by the State legislature:

(State of New York—The Legislature)

LEGISLATIVE RESOLUTION: SENATE NO. 348—  
ASSEMBLY NO. 434

In Senate: By Senators Bartosiewicz, Ackerman, Beatty, Berman, Bernstein, Bogues, Bruno, Connor, Floss, Galiber, Gazzara, Kehoe, Knorr, Marino, Markowitz, Masiello, Mega, Mendez, Ohrenstein, Perry, Solomon, Stachowski, Volker, Weinstein and Winirow.

In Assembly: By the Committee on Rules (at the request of Messrs. Gorski, Butler, Casale, D'Andrea, Fossel, Hinckley, Kisor, Madison, Mazza, Morahan, Murtaugh,

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Orazio, Parola, Perone, Robles, Ruggiero, Skelos and Talomie):

**LEGISLATIVE RESOLUTION URGING IMMEDIATE PASSAGE OF THE POLISH REFUGEE ACT OF 1982**

Whereas, United States Senator Patrick Moynihan and Congressman Mario Biaggi are sponsors of the Polish Refugee Act of 1982; and

Whereas, This Act is specifically concerned with granting asylum to refugees who have fled Poland to avoid religious or political persecution since the current imposition of martial law upon the beleaguered people of that beloved nation; and

Whereas, Under present law, only nine thousand refugees can be admitted to the United States from all of Eastern Europe; only five thousand can be admitted from Poland; and

Whereas, There are already over thirty thousand Polish refugees in Austria; thousands more can be expected should General Jaruzelski fulfill his promise to relax Poland's passport laws; and

Whereas, The plight of these beleaguered Polish refugees is a challenge to the compassion of all; their exile is a consequence of their effort to emulate the free and unfettered institutions of our beloved country; and

Whereas, Mere words cannot express the cruel and confused condition of exile, nor may brief phrases make manifest the forlorn yearnings of those deprived of their beloved homeland; and

Whereas, It is, moreover of the interest of our nation that its most treasured traditions be preserved and extended; and

Whereas, We number among those vital traditions, the compassionate extension of asylum to those who suffer persecution for the sake of religious or political conviction; and

Whereas, It is our circumspection that the Tree of Liberty is best watered by the exercise of its components; and

Whereas, Upholding the indigenous right of all nations to self-determination, it is, moreover, the sense of this Legislative Body to urge the immediate passage of the Polish Refugee Act of 1982; now, therefore, be it

Resolved, That this Legislative Body pause in its deliberations and most emphatically urge the Congress of the United States to immediately pass the Polish Refugee Act of 1982; and be it further

Resolved, That copies of this Resolution, suitably engrossed, be transmitted to President Ronald W. Reagan, to Speaker of the House of Representatives, Thomas P. O'Neill, Jr., to Senate Majority Leader, Howard Baker, to Senator Daniel Patrick Moynihan and Congressman Mario Biaggi. By order of the Senate,

STEPHEN F. SLOAN, Acting Secretary.

By order of the Assembly,

CATHERINE A. CAREY, Clerk.

Adopted in Senate on March 10, 1982.

Adopted in Assembly on March 15, 1982.●

**A SALUTE TO STATE REPRESENTATIVE IKE THOMPSON**

**HON. LOUIS STOKES**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. STOKES. Mr. Speaker, it is a great honor for me to pause and salute one of Ohio's foremost legislators—my

good friend, State Representative Ike Thompson. Because of his numerous and varied contributions to the residents of the 13th House District and the State of Ohio, there will be an appreciation dinner for State Representative Thompson on May 22, 1982 in Cleveland. I ask my colleagues to join in saluting Ike Thompson on that special occasion.

Mr. Speaker, there is a unique kinship between State Representative Ike Thompson and myself. As the State representative for the 13th House District, Ike represents many of my constituents in the Ohio General Assembly. Through this association, I have developed a respect for the quality of leadership, representation, and service he has afforded our mutual constituents.

Mr. Speaker, the caliber of service Ike Thompson has provided has resulted in the respect of his colleagues and the leadership of the Democratic Party in the statehouse.

Ike Thompson was first elected to the State house of representatives in January 1971. Since 1971, Ike Thompson has made many legislative achievements and attained key committee assignments in the State house of representatives.

Currently, State Representative Thompson is the chairman of the transportation and urban affairs committee and the chairman of the Ohio Task Force on Bridges. In this capacity, Ike Thompson has demonstrated commendable leadership in assessing the transportation and specifically bridge problems in the State.

Moreover, Mr. Speaker, State Representative Thompson has been the catalyst for linking the work and ideas of State legislators on this subject with members of the Ohio congressional delegation to maximize assistance to Ohio residents.

Mr. Speaker, in my estimation, this is characteristic of the kind of leader Ike Thompson is. He is innovative and usually explores all options in order to deliver quality service to 13th District residents and Ohioans. This has been the hallmark of his public service career.

In addition to his two chairmanships, State Representative Thompson is a member of the important commerce and labor committee, the health and retirement committee and the interstate cooperation committee. It is my understanding that he has done an exceptional job on each committee.

Mr. Speaker, before his election to the State house of representatives, my good friend, Ike Thompson was involved in personnel relations for the Weatherhead Co. in Cleveland. Through the years, he was a key union official with the company on behalf of Local 463 of the United Auto Workers Union. Prior to that, Mr.

Speaker, Ike attended Fenn College and Cleveland State University.

Mr. Speaker, because of his many contributions of time and energy to various community groups coupled with his legislative achievements, Ike Thompson has been afforded the name recognition and respect given to few individuals in the city of Cleveland. This recognition and respect, seemingly have enhanced his desire and determination to bring quality existence and services to people from every socioeconomic sector in Ohio.

Because of this continued commitment, Mr. Speaker, it is not hard to understand how Ike Thompson has amassed such an exhaustive list of accomplishments. They include "Man of the Year" by the 13th District Civic League, "Outstanding Legislator" from former Speaker A. G. Lancione, "Ohioan of the Year" from the Ohio Civil Service Employee Association.

In addition to these honors, my good friend is the vice chairman of the Cuyahoga Democratic Party, a member of the 17th, 20th, 24th, 25th and 27th Ward Democratic Clubs, the Forest Hill Parkway Area Council, the NAACP, the PTA and board chairman of the 13th District Civic League.

Mr. Speaker, as my colleagues can conclude, my good friend, State Representative Ike Thompson is a man of seemingly endless energy. Through his public service career and civic affiliations, he has maintained his commitment and concern for the people. On behalf of the people, I salute Ike Thompson on a job well done.

At this time, Mr. Speaker, I ask my colleagues to join me and the residents of the 21st Congressional District in saluting an exemplary legislator and friend of the people—State Representative Ike Thompson.●

#### SHARED HOUSING ASSISTANCE ACT

#### HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. ROYBAL. Mr. Speaker, on March 31 I introduced H.R. 6015 the Shared Housing Residence Assistance Act to allow the use of the section 8 rental assistance certificate in shared housing arrangements. I was joined by my colleagues: Mr. HAMMERSCHMIDT, the ranking minority and Mr. SANTINI, the ranking majority members of the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging which I chair. This legislation provides an opportunity to assist older persons at no additional cost to the Federal Government, and in many cases would result in savings in Federal rental assistance subsidies. The legislation does not expand the

#### EXTENSIONS OF REMARKS

eligibility pool for the section 8 certificate. It merely allows those persons already eligible for rental assistance to use the certificate in a "shared housing" arrangement.

Present HUD regulations require that each living unit have a private bathroom and separate cooking and food storage equipment. This regulation makes it impossible for individuals living, or wanting to live, in a shared housing arrangement, from receiving rental assistance under section 8. A shared housing arrangement can generally be described as the use of a large home where each of the participants has a private room, but share the rest of the house including the bathroom and kitchen facilities.

For purposes of this legislation, shared housing is a residential property which includes a multifamily housing project where the residents share the facilities and includes 2 unrelated individuals, one of whom is 60 years or older or is handicapped.

My Subcommittee on Housing and Consumer Interests recently held a hearing to evaluate this living arrangement. We heard testimony regarding the way current laws tend to penalize many older Americans who reside in shared housing. Testimony presented highlighted the fact that the Federal subsidy required to support one section 8 unit can generally support three units in a shared housing arrangement.

The removal of obstacles for the development of shared housing was established as the third housing priority by the delegates to the 1981 White House Conference on Aging. House sharing is not a new idea, but it is gaining popularity due to the serious shortage of affordable housing. Increased energy and home maintenance costs, condominium conversions, housing displacement, and the scarcity of affordable rental units require the identification and promotion of housing alternatives. In addition to the many economic and social benefits from living together, residents have the advantage of enjoying both private and common space. Shared housing holds the promise of providing a cost-effective alternative through better use of the existing housing stock. Testimony presented at the hearing by Mr. Philip Abrams, General Deputy Assistant Secretary for Housing, supported the concept of shared housing as a cost-effective use of the existing housing stock. At a time when inflation is causing many hardships for older Americans, we should not deny the elderly benefits they are entitled to simply because they seek an innovative housing alternative. We need to eliminate unnecessary regulations and barriers which stand in the way of effectively using the housing we have.

*April 6, 1982*

I urge all my colleagues to join us in cosponsoring this important piece of legislation.●

#### SEARS, ROEBUCK TAKES ACTION WHILE CONGRESS FIDDLERS

#### HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. HYDE. Mr. Speaker, export trading companies legislation has been languishing for these many months in the suffocating grasp of the Judiciary Committee's Subcommittee on Monopolies and Commercial Law.

Despite widespread bipartisan support, those movers and shakers who control the flow of legislation in the House have some obscure objectives to this bill, and hence, its legislative stagnation.

The French must have a word for the state of mind that permits sharp criticism of our lackluster economy and high unemployment by those who admittedly refuse to mark up legislation that addresses in a responsible fashion these concerns.

No wonder the public patience with Congress is wearing thin.

I submit for your close review an article which appeared in the April 2 edition of the Chicago Tribune, relating how Sears, Roebuck & Co. is attempting to deal with this inexplicable stalemate.

The article follows:

#### SEARS SHUNS TRADE DEBATE

(By R. C. Longworth)

In an ever-changing world, the United States Congress can be relied on to defend the old verities. In fact, it occasionally defends them so well that part of the country remains mired in the past, while the rest of the world goes galloping into the future.

This is one lesson behind the announcement Tuesday that Sears, Roebuck & Co. plans to form an export trading company that will help itself and other American firms, particularly smaller ones, sell to foreign markets.

In so doing, Sears simply sidestepped a debate in Congress about laws governing American trading companies. Unfortunately, American banks, which would be Sears' natural competitors in this area, are still stymied by the laws.

Export trading companies are old hat in other countries. They operate overseas on behalf of companies back home. They seek out markets and handle paperwork, advertising, marketing, billing and many other chores for companies too small to do them on their own.

Over the years, these companies, such as Japan's Mitsui, have thrived. So has their nations' trade. Some, like Belgium, export up to half their GNP; the United States relies on exports for 14 percent of its income.

There are about 300 American export trading companies, all small compared with the foreign competition. As Harris Bank

trade expert Albert Naveja says, this reflects the "national attitude that trade is something you do when you can't do anything domestically."

The stunting of U.S. export trading companies has two basic reasons:

American banks are forbidden to own trading companies. While banks overseas have become major sources of invested capital, American banks are restricted by populist hostilities against banks participation in any form of commerce.

Antitrust laws hamper trading companies. The Justice Department traditionally bristles at any cooperation by American companies to promote sales abroad. There is a 64-year-old law giving trading companies some antitrust protection, but it's so vague that many would-be traders consider it a leaky shield at best.

This is where Congress comes in. Adlai E. Stevenson, the former Democratic senator from Illinois, sponsored a bill that would let banks own part of trading companies and let the government give prior certification for trading companies, guaranteeing that they wouldn't be hit later by any antitrust suits. Stevenson also said this certification should come from the Commerce Department, which favors trading companies, rather than the Justice Department.

Stevenson's bill was passed by the Senate unanimously, then died in the House of Representatives. Another version, sponsored by Sen. John Heinz (R., Pa.), was passed again by the Senate, again unanimously, then sent to the House, where it sits now, mired in a triple bog of three House committees.

The administration favors it but is too preoccupied with the budget to give it much help. Few people expect it to be passed in this session.

There are several congressional objections: that the trading companies should not be exempt from antitrust laws, that the Commerce Department has no business giving exemptions, that banks are evil folk and to be kept at length.

While Congress jaws, the world moves on. As noted above, America's competitors have turned their trading companies loose, with no antitrust restrictions or bank participation limits.

Now companies like Sears, which are moving rapidly into financial services but are not themselves banks, are setting up their own trading companies.

"It's conceivable that we might eventually be (as big as) Mitsui," Philip M. Knox Jr., Sears general counsel, said, "but that won't happen overnight."

Knox said Sears had decided to go ahead without waiting for Congressional action but conceded that present U.S. laws would tend to handcuff it overseas.

The banks are not only handcuffed but shackled. Several of Chicago's biggest banks have had teams ready for years to set up their own trading companies, but they are growing weary waiting for Congress, especially when companies like Sears make non-sense of the whole debate.

"They (Congress) are living under the misapprehension that the world is still flat," says Robert Walker, associate general counsel at Continental Bank. "Those ancient rules that commerce and banking don't mix are falling daily. Everybody is in the banking business today—or rather, the marketplace is creating a new kind of financial institution."●

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### NUCLEAR ARMS REDUCTION

#### HON. THOMAS B. EVANS, JR.

OF DELAWARE

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 30, 1982

● Mr. EVANS of Delaware. Mr. Speaker, Soviet leader Brezhnev has proposed his version of a nuclear arms freeze. This comes at a time when proposals of a similar nature are gaining increased attention in Congress, and by the administration.

There is no single issue before this body that carries such weight or demands more complete attention from each Member of Congress. A nuclear attack is so horrible to contemplate that we must continue to do all we possibly can to convince the Soviet Union that neither side could win, and the existence of humanity itself would be at grave risk.

The single greatest threat to our country, and all other nations in the world, is the ominous destructive potential of nuclear weapons. Mutual and verifiable reductions in these deadly arsenals by the Soviet Union and the United States must be of the highest priority for both governments.

I would agree with those who say a freeze is not enough; what we truly need is a real reduction in the number of nuclear weapons. I would also point out that, while unbalanced situations that jeopardize our national security are unacceptable, there simply has to be a halt in production of these weapons by both sides in order to have meaningful reductions. We cannot back away from the brink of a nuclear holocaust without first halting our charge toward it.

All Americans must continue to pledge support for a real, negotiated, bilateral reduction in the number of nuclear weapons, and for all nations to stop building these instruments of global destruction.●

### ANTIRELIGIOUS VIOLENCE IS A NATIONAL PROBLEM REQUIRING AN IMMEDIATE SOLUTION

#### HON. MARIO BIAGGI

OF NEW YORK

#### IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. BIAGGI. Mr. Speaker, last year, I introduced H.R. 2085 a bill to impose stiff new Federal penalties against those persons who engage in acts of religious violence and vandalism. One of the most prevalent of all problems involves the physical destruction of religious buildings and facilities.

On March 31, the Washington Post in its District Weekly section ran a feature article entitled "Violence in the Church: Attacks on Parishioners,

Theft and Vandalism Rise." It provides graphic illustrations of the kinds of acts which my bill seeks to outlaw. This problem is by no means limited to the Washington metropolitan area. It must be viewed by my colleagues as the national crisis that it is. I therefore urge the House Judiciary Committee to schedule early hearings on my legislation so we can reaffirm our long-standing position that freedom of religion must be preserved.

The Washington Post article follows immediately.

[From the Washington Post, Mar. 31, 1982]

### VIOLENCE IN THE CHURCH: ATTACKS ON PARISHIONERS, THEFT AND VANDALISM RISE

(By Alice Bonner)

Many of Washington's churches have become the targets of an unprecedented number of burglaries, robberies and other crimes to which houses of worship long seemed immune. Clergy and church workers are also facing an increasing amount of unpredictable, sometimes violent, behavior by frustrated, destitute street people who come to them for aid.

Apprehensive and fearful because of the recent increase in crime and violence, church leaders say they are installing bars and alarm systems and hiring guards.

But the ministers say they are uncomfortable with the notion that even the church must bar its windows and lock its doors.

"I think it's times we are in: people are getting more desperate, there's more homelessness, more unemployment, more despair," said the Rev. Ernest Gibson, executive director of the Greater Washington Council of Churches.

"I don't think churches are being targeted because of some antagonism toward religion; I think it's the worsening of economic conditions, and how it affects the poor and deprived element of the city," he said.

"There is no question that churches are vulnerable," said the Rev. John Steinbruck, pastor of Luther Place Memorial Church at 14th Street NW and Thomas Circle. Steinbruck occasionally has to bodily remove inebriated or disturbed persons from the church although he usually relies on "gentle persuasion," a firm touch and his 220-pound presence.

Steinbruck's wife, Erna, who operates a day center for homeless women in the basement of Mount Vernon Place United Methodist Church, 900 Massachusetts Ave. NW, said the fear some feel is based on "the potential (for violence) that is always there" in working with street people. She recalled a time when a mentally imbalanced woman shot at, but didn't harm, a center volunteer at close enough range to leave powder burns on her clothing.

"Some of them really scare me. . . . A lot of them carry some kind of weapon, a little knife or whatever, (and) when you are out on the street, maybe they feel it is a deterrent," Erna Steinbruck said.

In the basement of Mount Vernon Place United Methodist Church, a woman known for hearing imaginary voices was sitting quietly watching television when, without warning or provocation, she reached out and smashed the face of another woman sitting beside her with a length of pipe, Erna Steinbruck said.

The Steinbrucks are not alone in their concerns.

Steve Wilson quit his job last week, after four years as building manager at St. Stephen and the Incarnation Episcopal Church at 16th and Newton streets NW, because of growing violence in the church. He said he has been scalded with hot water and slugged with a coffee pot while trying to keep a destitute man out of the senior citizens' meal line. In another incident, in which he interrupted an assault on an old man in the church's men's room, he was slashed at by a man with a razor blade in each hand.

He believes churches are "unprepared to deal with desperate, hungry people."

While violence has been increasing, church members say crime has risen as well. Four times since August, the Israel Metropolitan Christian Methodist Episcopal Church at 557 Randolph St. NW has been burglarized, not counting a series of purse snappings and thefts of handbags from the kitchen area. The Rev. Raymond Williams said robbers have hidden in the church during nighttime wakes or sermons until the church was locked, and then broken out, taking office equipment and microphones.

"It's almost frightening to our members and to me to enter the church and not know what you will find," Williams said.

Members of the Johnson Memorial Baptist Church, 800 Ridge Rd. SE, have lost communion table ornaments, microphones, candelabra and other items in a recent increase of night burglaries. The Rev. Rodney Young, the pastor, said such burglaries are not new in his part of town.

"It was when the CETA programs began to be reduced—that was the inception of the increase of burglaries in churches, which says to me that the unemployment situation contributes to the cause," Young said.

The Rev. Gibson, who is also pastor of the First Rising Mount Zion Baptist Church in Shaw, said the era in which "churches were more sacred and more highly respected" is past, and he advises all clergy not only to secure their buildings but also to instruct congregations on security.

"I think the attacks on church persons or property is minimal and the unusual rather than the usual," Gibson said. "But what has increased a great deal is attacks on churches in terms of robberies. . . . The robber gains entry to the church by some ruse while persons are there in prayer meetings or the like, and the individuals get robbed. That's the new twist."

Eight city churches have been the scene of an armed robbery since November. The rash of robberies has apparently subsided, police say, but no arrests have been made.

The Rev. Frank D. Tucker, who was robbed at gunpoint earlier this year in the First Baptist Church at Randolph Street and New Hampshire Avenue NW, agreed that there is "anxiety and even vulnerability that is present when there is a community ministry and you are open to provide a service." His church runs a day-care center, a senior citizens center, Girl Scout and Boy Scout programs and other youth programs.

"It's the impact of the runaway drug scene in our community, the wasteland of moral breakdown, (and the) moral decay in our society," Tucker said. "We don't have the same kind of respect for the traditional values we have had in times past," said Tucker, who also blames the incidents on the economic policy of the Reagan administration.

"People are hungry, they are frustrated, and people who would not ordinarily have done things like this are becoming more desperate to deal with their personal dilemmas,

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whether drug sickness or the starvation of their families," Tucker said.

Many churches have installed elaborate alarm systems, electronic surveillance equipment, locks and window bars or hired security guards to protect their members and property.

All Souls' Unitarian Church at 16th and Harvard Streets NW lost typewriters, film projectors and other equipment to robberies in the past year. Now the church has installed an alarm system that tracks the location of any intruder inside the labyrinthine structure, and the Sunday collections are taken by escorted ushers directly to a cage room, like a walk-in safe, said church administrator Patrick Dixon.

"It seems like black-on-black crime," said Williams, pastor of Israel Metropolitan church. "Black folk know black churches. They know when we say praise God from whom all blessings flow, we leave the money up at the altar." Williams said he has also seen a recent "evil streak" in which vandals or robbers paint profanity on inner walls and drop the paint cans in the church.

The recent rise in violence and crime has thrown some clergymen into self-analysis and reexamination of their mission, while others believe churches should concentrate on protecting their members and property.

"It might be we aren't really the caring community we ought to be," Williams said.

"We're not willing to give in to the siege mentality and become a quivering convocation and therefore lose our sense of care and love for the community," said the Rev. Timothy Dismeyer of Mount Vernon Place United Methodist Church, where, even on bright sunny Sunday mornings, church members have been victims of purse snappings and vandals have smashed a "priceless" stained glass window. But "it's a very fine line" between cowering and protecting the church, he added.

Church council director and pastor Gibson says, "Everyone feels there is a need, and security is a part of our way of life in these days, especially in areas where robberies, break-ins and anti-social behavior are part of the life scene."

Even some churches untouched by the attacks are affected, as their members react with wariness and apprehension. Many ministers say they have had to take security measures that seem antithetical to the churches' mission.

"There is just marked fear, especially among the senior citizens," said the Rev. Robert L. Pruitt, pastor of Metropolitan AME Church, 15th and M streets NW. Although Metropolitan seems protected by its proximity to the Soviet embassy and other large institutions, Pruitt said, its evening programs are poorly attended because members are afraid to come out after dark. He has rescheduled evening Lenten services to noon.

Two weeks ago, the Mount Vernon Place Church started a new procedure for handling its Sunday collections: ushers now pass the plates "in view of 400 people" through a special door leading from the auditorium into a treasurer's office, which is protected by an alarm system.

Tucker's church, First Baptist, has installed an extensive security system to protect the 1,800-member congregation as well as participants in the day-care and senior citizen programs, Tucker said. Elderly members are now provided transportation from their homes to the church.

Williams said Israel Metropolitan first hired a security guard, then replaced him

with iron bars, and gates on all the entrances.

He also said he has given up the long nighttime hours he used to spend in prayer at the church, and he makes sure he locks himself in his office. In general, Williams said, he is "more prayerful and very careful."

The Rev. Jack Woodard, rector of St. Stephen and the Incarnation Episcopal Church, stands 6-foot-6-inches tall. Nevertheless, he has begun to keep a police stick in his desk drawer. The church's building manager and security guard are similarly equipped.

On a recent rain-drenched afternoon, a man—just out of jail, smelly, hungry and apparently demented—entered Woodard's office, and in desperation told him of a "red devil sitting on my shoulder," urging him to do violent things.

It was but one example of the growing nervousness Woodard said he feels from the almost daily visits from frustrated, needy people, many of them with apparent psychiatric problems.

Yet Woodard and many other ministers insist that the church will not shirk its responsibilities to its members or the destitute.

"One thing we feel very strongly about here at St. Stephen's and that is that we will not close our doors to street people. We will continue to be the kind of church we want to be. Vulnerability is part of the ministry," said Woodard.

"St. Stephen's is here to help anybody who comes in peace," he continued, adding that the church would not hesitate to call the police in cases of violence or crime. "We love people, but we are not pigeons." ●

## LITTLE KNOWN FACTS ABOUT TODAY'S ECONOMY

**HON. BARRY M. GOLDWATER, JR.**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

• **Mr. GOLDWATER.** Mr. Speaker, amidst all the doommongering we hear and read about today's economy, I occasionally find a piece that does paint a brighter picture and, in my opinion, one deserving of attention.

The April 5 Wall Street Journal had just such a column and I encourage all my colleagues to study it carefully. I particularly recommend a close look at the last paragraph of the article. I believe that we should remember the old adage "accentuate the positive." Unfortunately, the press does not often share that sentiment.

**HERE'S GOOD NEWS TO SPRINKLE ON THE BAD**  
(By Alfred L. Malabre, Jr.)

**NEW YORK.**—Perspective, Mr. Webster tells us, is the ability to see things in true relation to one another. It's useful, among other places, in dealing with the economic outlook. Accordingly, today's column amounts to an unabashed, unbalanced attempt—knowing full well that bad news sells more papers than good news—to supply some good-news perspective at a time when bad news grabs the larger headlines.

A few questions may be where to start:

Have interest rates in the latest recession fallen more or less sharply than normal for a business-cycle downturn? Does the economy provide jobs for more or less of the working-age population now than in most years of the post-World War II era? Are businesses failing at a record rate?

The answers may come as a surprise:

For all the talk about how high and sticky today's interest levels appear, rates generally have dropped more sharply than usual since the recession's start last summer. For instance, the prime rate, the commercial-paper rate and the federal-funds rate all have dropped more sharply in this recession's course than they fell, on average, in the seven earlier recessions that punctuate postwar prosperity.

For all the talk about a scarcity of jobs, today's economy generated jobs for a near-record proportion of working-age Americans. At about 57%, today's employment rates remains within a whisker of the 59% high reached in 1979. The current level easily tops levels prevailing until the mid-1970s.

(A startling statistic: In 1953, when only 2.5% of the labor force was jobless, the employment rate was two percentage points lower than now. Today's employment rate would be higher still, analysts say, if the date could take into account a huge rise in off-the-books jobs. Behind the paradox of higher joblessness alongside higher employment levels: the economy's inability to spawn jobs fast enough to accommodate a steep climb in job-seeking by women.)

There's also much talk about businesses failing with depression-level regularity. But the record-book tells another story. In 1961, at the start of the long 1960s expansion, 64 of every 10,000 businesses went under. If the latest recession persists much longer, a rate higher than the 1961 figure could come; in a recent 12 months, 62 of every 10,000 firms failed. For now, however, 1961 remains the record year for the postwar era. And its failure rate doesn't remotely approach 150-plus rates reached in the depressed 1930s.

Another concern often voiced by some economy-watchers is that the Federal Reserve may be keeping too tight a lid on the money supply, and that this must stop or a bad economy will soon become a horrible economy. In fact, the money supply not only has been on the increase during the latest recession, but it has risen faster than usual in a slump.

The Federal Reserve's largess is even more extraordinary when the money numbers are stripped of growth reflecting higher prices. Even the inflation-adjusted money supply is substantially larger now than at the recession's start. In contrast, it declined in every other recession in the last two decades.

Much concern also is expressed about the burden of debt and the shadow this casts over the economic outlook. In fact, the burden of monthly payments of mortgage-plus-installment debt has eased markedly since mid-1979, when it exceeded 28% of after-tax income. In recent months, this debt-burden rate has approximated 25%. At the same time, a lower percentage of installment loans shows up as delinquent in this recession than in the relatively mild 1980 recession or the severe 1973-75 recession.

By almost any standard, the corporate-debt picture appears bleaker. For instance, at approximately 1.4, the ratio of long-term to short-term corporate debt is lower now than in any recent recession.

There may be less to this deterioration, however, than meets the eye. Much of the

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short-term debt is automatically renewed under corporations' lines of credit with banks. Thus, companies in effect have long-term credit at variable rates, instead of the usual long-term debt at fixed rates that could prove extremely burdensome in a less strained economic environment.

"In some ways, this is a healthier situation for corporations," says Martin Feldstein, the Harvard economist who is also president of the nonprofit National Bureau of Economic Research in Cambridge, Mass. "If the banks weren't willing to do business this way, corporations would have to borrow much more without what amounts to a floating interest rate."

Still another worry is the reluctance of corporations to step up their investment plans, despite such supply-side incentives as faster write-offs for depreciation of plant and equipment. This reluctance, however, is by no means exceptional in light of the fact that a recession developed last summer. In recessions, companies invariably become saddled with rising amounts of idle capacity. By no coincidence, investment outlays, adjusted for inflation, invariably fall, often steeply.

That has been the pattern, at least, until now. Recent surveys find that this year's investment outlays, adjusted for inflation, will roughly match those in 1981. But 1981 was a record year. If the 1982 total comes anywhere close to last year's amount, the real news would be the sturdiness, not the weakness, of corporate spending through a recessionary period.

All this good news may not sell many papers, but it should provide a bit of balance for all the unmitigated bad news that keeps hogging the headlines.●

## LASTING PEACE AND SECURITY

**HON. JOHN H. ROUSSELOT**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. ROUSSELOT. Mr. Speaker, lasting peace and security—what does this mean? A world without war, where no one is able to threaten another, where children can grow up without the worry of war or destruction? This is a definition that would seem to satisfy the House of Representatives, the Senate, the administration, and the growing nuclear freeze movement. But how do we achieve these honorable goals? There are those who would have us believe that all it takes is a unilateral nuclear arms freeze on the part of the United States and all else will fall into place. Mr. Speaker, this belief is based on a combination of wishful thinking and ignorance.

An editorial from the April 2 edition of the Wall Street Journal does an excellent job of describing the situation this country is being forced into by those who do not understand the full consequences of what they are supporting. I urge my colleagues to read this editorial very carefully—the future of this country may depend on us understanding the basic principle of what it is saying.

[From the Wall Street Journal, Fri. Apr. 2, 1982]

## FIRST THINGS FIRST

President Reagan devoted a hefty chunk of his Wednesday night press conference to arms control. "My goal," he said, "is to reduce nuclear weapons dramatically, assuring lasting peace and security." To this end, he continued, the U.S. is negotiating with the Soviet Union over conventional and theater nuclear forces in Europe, and Washington planners are preparing for talks on strategic nuclear weapons, possibly as soon as this summer.

We are certain of Mr. Reagan's sincerity in wanting, just as we all do, "lasting peace and security." We are equally certain his remarks are aimed at appeasing the current "nuclear freeze" movement. What we find so disturbing in these developments, however, is the widening dichotomy between the arms control debate and the real world.

When Senators Kennedy and Hatfield introduced their "freeze" resolution, the ink had only just dried on the State Department's "yellow rain" report. It is a compilation of masses of refugee and defector reports, medical evidence, intelligence information and scientific analysis of "yellow rain" samples, and it draws the inescapable conclusion that the Soviet Union and its proxies are actively engaged in chemical and biological warfare in Laos, Cambodia and Afghanistan. Deputy Secretary of State Walter Stoessel asserted March 22: "The Soviet Union and its allies are flagrantly and repeatedly violating international laws and agreements."

The Soviet Union is violating no mere bilateral agreement; rather, it is breaching the two most widely recognized arms control treaties in the world. The Geneva Protocol of 1925 bans "the use in war of asphyxiating, poisonous or other gases, and of all analogous liquids, materials and devices" and also prohibits "bacteriological methods of warfare." The other treaty is the 1972 "Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction." It was signed by 111 countries and is the only true disarmament agreement because it requires the destruction of any existing weapons.

How can President Reagan address the issue of arms control without mentioning yellow rain? How can he square his intention to conduct negotiations on new treaties with the Soviets in the knowledge that more than 10,000 people in Southeast Asia and Afghanistan have been killed with weapons banned by solemn international law? How can Senators Kennedy and Hatfield propose a "freeze" resolution without first demanding further investigation of the Soviet violations of the Biological Weapons Convention, which they voted to ratify in 1974?

But instead of responses to these troubling questions, the response to the Brezhnev "freeze" proposal was a noisy campaign in this country to remind us of the horrors of nuclear war. New England town meetings called to discuss potholes and sewer problems were invited to vote their abhorrence of nuclear holocaust. The New Yorker runs an endless doomsday musing and Time once more plasters the famous mushroom cloud on its cover. Herblock gives his all to the irony of a family picnic framed by that awful cloud.

The thrust of all this is so utterly mindless as to be beyond belief. The only issue, now or ever, is how to avoid nuclear calamity.

ty. Do you do it by yielding to Soviet intimidation or by resisting? Either way, the outcome is uncertain, but we think resistance is far safer than appeasement. The men in the Politburo, all products of a hard school, have utter contempt for weakness and appeasement will only encourage them to press us toward the kind of desperate position that will imperil both sides.

A vital preliminary to further arms negotiations thus becomes a U.S. demand that the Soviets answer our charges of past violations, specifically the use of yellow rain. This demand must be pressed at the UN, at the Helsinki Accord talks, in the existing arms negotiations and at a special emergency meeting of the signatories of the 1972 Convention. It simply is not responsible for American leaders to negotiate arms agreements when there is such powerful evidence of Soviet disregard for past commitments.

We are quite aware that our argument does not engender hope for successful arms control or reduction. But wishful thinking is never helpful in politics; indeed, it is extremely dangerous. We all want peace, we all hate the bomb. But some of us are not ready to capitulate, either to the Soviet Union or our own fears.●

#### ENTERPRISE ZONE TAX ACT OF 1982

##### HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 31, 1982*

● Mr. STANTON of Ohio. Mr. Speaker, as ranking minority member of the Banking, Finance and Urban Affairs Committee, I am pleased to join in this bipartisan effort to launch an enterprise zones experiment in this country. This proposal represents a new and innovative approach to the problems of depressed urban areas.

I think it has great promise. We should give it a try.

Rather than relying on Federal grants and rigid guidelines, the enterprise zone concept stresses local-State cooperation complemented by Federal regulatory and tax relief to create jobs and revitalize concentrated areas of distress in American cities and rural towns. It involves no direct Federal appropriations, except for modest administrative costs, and is entirely in harmony with the President's New Federalism concepts.

The fact that this urban initiative is strongly backed by President Reagan and has drawn significant bipartisan backing in both this body and the Senate, underscores its special appeal and augurs well for prompt and favorable consideration by Congress. I will do everything in my power to expedite consideration of the Enterprise Zone Tax Act of 1982 in my committee and I urge my colleagues on the Ways and Means and Judiciary Committees of this body to do the same.

Mr. Speaker, I like the stress in this proposal on encouraging job-creating investments and business activity in

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zone areas by the private sector. I like the emphasis on providing relief from local, State and Federal taxes, and from local, State, and Federal regulations. I like the premium this bill places on grassroots innovation to create the climate essential to redeveloping distressed cities and towns.

As I have indicated, since this program keyed to the concept of removing Government burdens rather than providing Government subsidies, it will involve almost no Federal appropriations. This contrasts with past efforts which emphasized huge Government outlays and heavy regulations, which generally have been unsuccessful. In spite of the expenditures of billions of Government dollars in our inner cities in the past two decades, many of these are even worse off than before. More of the same approach is futile, and advocating those past policies is intellectually sterile. A new approach is needed.

Mr. Speaker, this bill envisions that factors of poverty, unemployment, and economic distress would be considered to make an area eligible to be declared an enterprise zone. This is not, however, an entitlement program. A distressed area would have to be designated by both the city and State government, and those two governments would then apply to the Department of Housing and Urban Development to have the area named an enterprise zone.

The Federal designation process would be competitive, with no more than 75 zones to be selected over 3 years. The nature, quality, and strength of the State and local incentives—tax relief, regulatory relief, service improvements, and possibly other contributions—would be the primary criteria for selection. For example, the State and city could propose reductions in State and local income taxes, property taxes, and sales taxes. They could propose deregulation in such areas as zoning, occupational licensing, permit requirements, and building codes. They could propose service improvements by contracting out for services. They could appropriate their own funds to make loans and to run job-training programs, for example, or to use Federal revenue-sharing funds or block grants in the zone.

Mr. Speaker, the keynote here is State and local creativity. No single package of State and local contributions would be required. Cities and States can gauge best what is needed to make an enterprise zone succeed in their particular cases. The diversity of proposals which we anticipate will be developed is ideal for an experimental program of this kind. But this is a competitive program, and only the best applications will be chosen, in other words those which seem to offer the greatest chance of success because

of substantial State and local government commitment.

Federal contributions to an approved zone would consist of a series of tax incentives to encourage both capital-intensive and labor-intensive activities and deregulation.

Major features of the proposed Federal tax package include: a tax credit for capital investments in an enterprise zone; an income tax credit to employers for wages paid to zone employees; a special income tax credit for wages paid to zone employees who were disadvantaged when hired; an income tax credit to zone employees for wages earned in zone employment; and the elimination of capital gains taxes within the zone.

Under this proposal, Federal regulatory bodies would be given discretionary authority to relax or eliminate regulatory requirements within enterprise zones, in accordance with standards set by Congress, but only if they do not affect health, safety, or civil rights and, I stress, only on the specific request of the State and local governments involved.

Mr. Speaker, this proposal has the strong backing of HUD and Treasury, as well as the President and his administration. It seeks to remove Government barriers to businessmen who can create jobs and economic growth. It seeks to build upon the talents and abilities already present in our distressed cities and towns. It summons the kind of imaginative and innovative local leadership and private initiatives which can bring renewed hope for our ailing communities.

Mr. Speaker, enterprise zones are not a panacea nor a speedy fix for our troubled cities, and while exaggerated expectations should be tempered, it holds real promise for a better future. I am pleased to cosponsor this significant initiative and urge its prompt consideration.●

#### RURAL ELECTRIFICATION ADMINISTRATION ADMINISTRATOR'S MEMO

##### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. LEWIS. Mr. Speaker, in concert with the Reagan administration's efforts to reduce Government encroachment into the private sector, the Rural Electrification Administration is initiating a revised program for loan and loan guarantees. I am submitting the Administrator's report which details some of the proposals:

During the past several weeks, I had the privilege of participating in the Annual Meetings of both the electric and the telephone cooperatives of this Nation. Anyone

who might have attended those conferences would have been impressed by the "people power" that was assembled in Atlanta and San Francisco.

And although I was graciously received, I couldn't help but note that the substantial reductions proposed for the REA funding programs during the coming fiscal year are causing concern for some co-op people.

However, I also heard many leaders of local electric and telephone cooperatives expressing support for these needed reductions. Such comments are admirable illustrations of the vision and foresight that has historically characterized the leadership of the rural electrification program. Such men are ready to support reductions in these programs in order to assure that "economic recovery" will be a reality.

REA loans and guarantees are a substantial part of the Federal borrowings that have created an intolerable burden upon the sources of available credit. In 1974, Federal borrowings totaled only \$24.4 billion. In 1983, they are expected to total more than \$200 billion. By accepting, for a time, a fair proportion of the reduction in Federal borrowings, REA can do its part in the gigantic effort to revitalize the economy of America.

The long-term benefits of a renewed economy would be a most acceptable reward for the short-term sacrifice of a reduced program level.

Rural electric and telephone cooperative leaders, such as were present at the Atlanta and San Francisco conferences, are well prepared to understand that often important long-term goals can be attained only at the cost of some immediate inconvenience.

The lives of agricultural people are made up of situations that entail today's sacrifice in order to make possible the goal of tomorrow. The purchase of the new family car is delayed until after the harvest of the crops that was made possible by expenditures for seed, tillage, fertilizer, etc., of a year earlier.

The worn tractor is driven one more season so that the daughter's college tuition costs can be met. That most desired vacation is postponed in order to assure that family funds will be available to pay for Mama's expected operation.

The Administration's proposals include reductions in the levels of both insured and guaranteed loan funds, and recognize the need for rural electric systems to obtain \$2.5 billion from non-REA sources without a federal guarantee. A large portion of this latter type financing will be for the purchase of pollution control facilities which can be obtained at reduced interest rates.

I am confident that we will be able to take care of the essential needs of borrowers within the recommended levels. The loan programs established for fiscal year 1982 will be completed to the fullest possible extent.

I am certain that all of you are familiar with the proposed budget figures, so I will not repeat them. However, I believe that as we move into this latest phase in the evolution of the REA programs, it is important that everyone has a clear understanding of the issues involved.

#### REVOLVING FUND

During fiscal year 1982, the Rural Electrification and Telephone Revolving Fund sold \$683 million worth of Certificates of Beneficial Ownership (CBO's) to the Federal Financing Bank (FFB) in order to fund about 50 percent of its cash needs, because debt collections were not sufficient to fund advances. FFB gets its money from the U.S. Treasury, which, in turn, gets its funds from

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public borrowings and from tax collections. Therefore, that \$683 million is part of the Government borrowing which increased the United States federal debt to more than a trillion dollars.

As of September 30, 1981, REA had sold CBO's totaling \$2.8 billion at a composite interest rate of 11.096 percent. During the month of March 1982, REA supplemented collection proceeds by borrowing from the U.S. Treasury at the rate of 14.25 percent. So although a revolving fund is used to finance the needs of electric distribution and telephone systems, this financing does not come without cost. The difference between the 5 percent charged for most REA loans and the 14 plus percent REA has to pay for a portion of these funds is a direct cost that must be borne by the taxpayers of this country.

#### IMPACT OF INTEREST RATE ON CONSUMERS' BILLS

The number of distribution borrowers required to obtain a portion of their financing needs from outside sources will increase. However, this should not place an excessive burden upon most systems. Even if REA were to provide only 50 percent of distribution borrowers' loan needs, instead of the present 70 percent, the composite interest rate a borrower would pay on a new loan would increase by only 1.8 percentage points and the impact of that one additional loan on the total interest expense of the borrower would be very small: the average interest rate on total long-term debt outstanding would increase by only about 0.29 percentage points on the average. During calendar year 1980 REA distribution borrowers were paying an average rate of only 4.06 percent on their total long-term outstanding. Thus, a change to a 50/50 loan split would have increased the average interest rate to only 4.35 percent.

REA borrowers have benefited from a history of low cost capital provided by REA. As of the end of 1981, REA had approved electric loans totaling more than \$9.8 billion at the 2 percent rate, and \$5.8 billion at the 5 percent rate. As a result, the average interest rate on long-term debt outstanding is far less for REA distribution borrowers than for investor-owned utilities. The IOU's paid an average 8.1 percent during calendar year 1980.

Reductions in the proportionate amount loaned by REA will have little impact on bills paid by the ultimate consumer, except in a few specific situations which can be examined by REA on a case-by-case basis. For the distribution systems, the average interest expense represents only 4.5 percent of the consumer's bill. Other items are far more significant. For example, power cost alone accounts for about 70 percent of the average consumer's bill. So even if the small component which makes up interest cost increases gradually, the impact will be relatively small.

#### REA LOANS FOR HEADQUARTERS FACILITIES

This Administration is serious about belt tightening. We seek to use the limited resources of the Rural Electric and Telephone Revolving Fund in delivering electric and telephone service to rural America. In order to prevent the depletion of the Revolving Fund, some adjustments have to be made, such as those set forth in the Federal Register notice which announces REA's intention to give priority to loans for line and substation construction necessary for actual delivery of electric and telephone service.

REA is not opposed to its borrowers having adequate headquarters facilities, but

they should not be constructed with low-interest money.

#### "TAX BREAKS" FOR IOU'S

The "tax relief" available to investor-owned utilities is also available to all corporations which actually pay income taxes. Cooperatives, however, with few exceptions, have qualified for exemption for income taxes for decades. Moreover, the tax breaks being offered to the investor-owned utilities generally only defer payment of income taxes and, therefore, will result in larger actual tax payments in later years when depreciation accruals are no longer possible on plant for which accelerated depreciation was taken.

The purpose of these tax breaks is to enable all corporations, including utilities, to spend money that would otherwise be paid in income taxes for the construction of necessary plant facilities and thereby provide jobs and incomes subject to income taxes.

Rural consumers, unlike most urban consumers, will continue to receive the benefit of subsidized loans and loans under federal guarantees at less than rates charged by the money market for debt and equity capital. •

## MILLER BILL TO HALT WORKER EXPLOITATION

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. MILLER of California. Mr. Speaker, I am introducing legislation today to strengthen enforcement of the Fair Labor Standards Act by substantially increasing penalties against unscrupulous employers who exploit workers in violation of the law.

Last year, the Subcommittee on Labor Standards, of which I serve as chairman, conducted a prolonged investigation into the resurgence of sweatshops and other types of sub-standard, exploitative labor conditions in the garment trades in this country. Almost simultaneously, and unbelievably, the Secretary of Labor, who has the statutory responsibility of protecting workers from exploitation, announced that he was planning to lift the 40-year ban on industrial homework in several industries, thus sanctioning at-home sweatshops.

Industry, labor organizations, and State enforcement personnel, as well as numerous Department of Labor experts who would speak only off-the-record, assured me that the Secretary's action would make enforcement of the fair labor laws a total impossibility. Over 150 members of this body joined a number of former Secretaries of Labor from both Republican and Democratic administrations in vigorously opposing Secretary Donovan's ill-advised decision.

Fortunately, the unanimity of public opposition forced the administration to back down from its proposal to allow domestic sweatshops to flourish.

But despite this chorus of criticism, the Secretary has gone ahead with regulations permitting industrial homework in one major segment of the garment industry.

The subcommittee's investigation of sweatshops revealed a severe defect in the enforcement of the fair labor laws which Secretary Donovan promised us a year ago he would correct through legislation. In the midst of the sweatshop hearings, the Secretary told participants in a dinner meeting of the Business Roundtable that he would recommend changes in the fair labor laws to punish more severely those employers who exploit their workers by paying less than the wage rate required by Federal law.

This legislative proposal was to be the cornerstone of the administration's war on exploitation of workers. Now, nearly a year later, no legislation has been proposed. Five times the Secretary has promised to send legislation to the Congress. None has ever arrived.

We can all judge for ourselves the seriousness of the administration's commitment to prevent the exploitation of workers. But we cannot wait any longer—American workers cannot wait, legitimate businessmen cannot wait—for this administration to make good on its promises to protect workers. In fact, the only action by this administration in the last year has been to reduce drastically the number of enforcement agents charged with protecting workers.

Mr. Speaker, I was under the impression that this is a law-and-order administration. The law should be as vigorously enforced against the unscrupulous employer who exploits his employees as it is against the mugger in the streets. The Secretary recognized this when he promised to support legislation to toughen penalties for violators, but he has done nothing to follow up on that promise.

So, today, I am introducing the legislation which I first recommended last spring, and which is very similar to legislation endorsed that very same night by the Secretary before the Business Roundtable.

My bill addresses the two fundamental flaws in the Fair Labor Standards Act's effort to protect workers from illegal wages. Under the current law, when a lawbreaking employer is caught paying subminimum wages, he must pay only what he ought to have been paying the worker initially. If the Department of Labor cannot find the underpaid worker, the back wages are simply returned to the employer.

Where is the disincentive to exploit labor? The worst that can happen is that the employer pays the amount he ought to have been paying all along. The best thing that can happen, from the lawbreaker's viewpoint, is that the underpaid worker is never found, in

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which case the employer simply pockets the additional wages and profits by his exploitation.

The General Accounting Office has confirmed that this weak enforcement scheme encourages the exploitation of workers. In May 1981, GAO concluded,

We found that many employers willfully violated the Act and that current enforcement actions have not resulted in penalties that would deter these violations. Without penalties, the worst that happens to employers when they are found in violation is that they must repay the back wages they should have paid initially.

Mr. Speaker, when a worker is paid less than the legal wage, when the Government has to undertake a search for that worker, when legitimate manufacturers and contractors are undercut by unscrupulous employers who know that they run little risk in exploiting their workers—when these situations occur, the integrity of the law has been challenged and a grave wrong has been committed. A tougher enforcement policy is essential.

My legislation requires an employer who has underpaid his workers to pay them three times the amount of the underpayment. If the Labor Department is not able to locate the worker within 3 years, my bill requires that the money be paid to the Treasury rather than be returned to the law-breaker.

Mr. Speaker, under the current penalty provisions, crime pays. Nothing is risked by cheating workers who are often too frightened to challenge underpayments. Under my bill, which embodies the very concepts endorsed by Secretary Donovan, the financial lure to cheat workers is eliminated. I was very critical of the Secretary's well-publicized raids on a few sweatshops last year because they struck me as theatrical stunts rather than a committed policy of enforcing the law against substandard working conditions and substandard wages. If the Secretary, if the Reagan administration are serious about protecting the rights of workers, and if they are serious about enforcing the law of this land, they will endorse this legislation and exert influence to assure its enactment.

The "bent-backed women of the sweatshops" of whom a Labor Department publicist wrote last year, and millions of other working people throughout this country who are laboring at subminimum and illegal wages, are still waiting for the Secretary to follow up on his commitment to help them. This legislation provides him that opportunity, and I look forward to working with the administration in moving it through the Congress this year.

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to provide that an employer who violates section 6 or 7 of that Act shall be liable to the employee involved for three times the amount of wages involved in the violation, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216) is amended—*

(1) by inserting "(1)" after "(b)";

(2) by amending the first sentence to read as follows: "Any employer who violates section 6 or 7 of this Act shall be liable to each employee affected in the amount of three times the unpaid minimum wages or unpaid overtime compensation, as the case may be.;"

(3) in the third sentence by striking out "An action to recover the liability prescribed in either of the preceding sentences" and inserting in lieu thereof the following:

"(2) An action to recover the liability prescribed in paragraph (1)"; and

(4) in the sixth sentence (A) by striking out "this subsection" and inserting in lieu thereof "this paragraph", and (B) by redesignating clauses (1) and (2) as clauses (A) and (B) respectively.

(b) Section 16(c) of the Fair Labor Standards Act of 1938 is amended—

(1) in the first sentence by striking out "under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages" and inserting in lieu thereof "to bring an action under subsection (b)(2) for such wages or compensation";

(2) by amending the second sentence to read as follows: "The Secretary may bring an action in any court of competent jurisdiction to recover three times the unpaid minimum wages or unpaid overtime compensation, as the case may be.;" and

(3) in the third sentence (A) by striking out "the first sentence of such subsection" and inserting in lieu thereof "the first sentence of paragraph (1) of such subsection", and (B) by striking out "unpaid minimum wages or unpaid overtime compensation under sections 6 and 7 or liquidated or other damages provided by this subsection" and inserting in lieu thereof "the amounts".

(c) Section 17 of the Fair Labor Standards Act of 1938 (29 U.S.C. 217) is amended by adding at the end the following: "Any sums recovered by the Secretary on behalf of an employee in an action under this section shall be held in a special deposit account and shall be paid, on order of the Secretary, directly to the employee or employees affected. Any such sums not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts."●

## JERRY MOLLI—KING OF TAILORS

## HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. STOKES. Mr. Speaker, in the city of Cleveland, quality tailoring, competitive soccer, a love for police work, and good opera have one important link—my good friend Jerry Molli. I take this opportunity to pay special tribute to this master craftsman and exceptional human being.

Mr. Speaker, my colleagues from the Cleveland metropolitan area in the House are very familiar with the legend and the man, Jerry Molli. I use both of those words to describe Jerry because he has become a legend in his own time. More importantly, his professional achievements and civic associations have earned him the respect of both people in high places as well as the average Clevelander.

Mr. Speaker, just as important as his almost instant name recognition amongst the top male executives in Cleveland is that this Italian-born immigrant has been able to mesh easily dramatically different goals in his life. As the song goes, Mr. Speaker, Jerry Molli has dared to dream the impossible dream and succeeded. This fact makes Jerry Molli a very rare kind of human being.

Mr. Speaker, the backdrop for any illustration of Jerry Molli literally can be seen and heard by visiting his tailor shop on West 6th Street in Cleveland. As a customer walks across the threshold of his shop, the first thing that greets the person is soft opera music in the background and almost life-size pictures of Rocco Scotti, Enrico Caruso, and Luciano Pavarotti.

The second thing that meets the eyes of customers in Jerry Molli's shop are the numerous awards for excellence in tailoring and plaques from various groups, most notably police associations. The survival of the store itself in the old garment district in Cleveland is a trophy to the tailoring achievements of Jerry Molli.

Third, Mr. Speaker, the element which completes this backdrop is the friendliness extended to each customer.

Mr. Speaker, the pleasant atmosphere which I just painted is reflective of the personality and dreams of Jerry Molli. That is what this tribute is all about—the dreams and achievement of those dreams of Jerry Molli.

Although he is not an accomplished opera singer, Jerry shares some of the qualities of the opera great Luciano Pavarotti. Pavarotti is the king of the high "C's" and Jerry is the undisputed king of the tailoring business in Cleveland. Jerry Molli is also a noted soccer

## EXTENSIONS OF REMARKS

enthusiast, part-time policeman and proud of his heritage as an Italian-American citizen. Finally, Mr. Speaker, he is a shining example and the source of energy for his entire staff.

With that backdrop complete, I think that it would be appropriate to give some biographical notes on Jerry Molli. By doing so, his various goals and the development of them will become apparent to my colleagues.

Mr. Speaker, Jerry Molli was born in 1932 in Pastene, Italy. Quite early in his life, he began learning the art of tailoring from craftsmen in Benevento, Italy. Fate was an important factor in his decision to pursue tailoring and garment designing as a vocation.

This desire, initially, to learn about the tailoring business was not voluntary. Jerry Molli was urged by his mother to take up some trade after he accidentally broke the window of a 22-room palace with a soccer ball.

Thereafter, Jerry spent every afternoon perfecting his craft as a tailor and tailoring his skills as a garment designer. At age 17, he left his hometown and went to the big city to learn more about designing suits from master designers. After 1 year, Jerry Molli returned to his hometown to practice his craft.

However, unable to find work because of an overabundance of good tailors, the young Jerry Molli developed a new dream. That dream was to become a member of the "Carabinieri", a type of police in Italy. Unfortunately, this dream never came true for him while Jerry lived in Italy.

Shortly after that time, Mr. Speaker, Jerry Molli came to the United States. Although he left his homeland in Italy, he never lost sight of his dream of becoming an accomplished tailor or soccer player or policeman.

When he arrived in this country, Mr. Speaker, Jerry Molli assumed a position with the Cannon Tailors in the garment district in Cleveland. Until 1962, he worked for Brinkman and Cleary, which was another respected tailoring establishment in the Cleveland area. By virtue of this experience and exposure, Jerry Molli developed the reputation as the man with the prescription for any garment or clothing design problem.

After becoming one of the master tailors and true craftsmen in Cleveland, Jerry Molli started his own firm and moved to a location on West 6th Street in Cleveland. It did not take him long to attract customers from all over the city of Cleveland. Those customers include FBI officials, Federal judges, Members of Congress, military personnel, State officials, and some media personalities.

Now, Mr. Speaker, I could easily end the success story of Jerry Molli at this point. However, there is still much

more to tell about the legendary Jerry Molli of Cleveland.

Mr. Speaker, as I mentioned at the beginning of this tribute, Jerry's enthusiasm for being a soccer player led to his study of tailoring in the first place. Therefore, it is not so difficult to believe that he still belongs to a soccer club. Jerry and some of his friends, years ago, purchased a professional soccer franchise and named the team the Cleveland Stars. His soccer clubs have won numerous trophies in athletic competitions.

Mr. Speaker, the fact that Jerry reached two dreams is remarkable. However, even more astonishing is the fact that my friend has managed to reach still another dream—the desire to be a policeman.

In 1973, Jerry Molli became a Deputy Sheriff through the Cuyahoga County Sheriff's Department. He has completed the Ohio Law Enforcement Officer Training Course and received full police power throughout the county. Currently, he works under the administration of Sheriff Gerald T. McFaul in the motorcycle unit and is an active member in other police organizations like the Metropolitan Crime Bureau and the Buckeye Sheriff's Association.

Mr. Speaker, the important link between quality opera, soccer, tailoring, and police work should be evident. That all-important link is my good friend and living legend in Cleveland—Jerry Molli. At this time, I ask my colleagues to join me in applauding the achievements of Jerry Molli. He is one of the very few people I know who dared to dream seemingly impossible dreams and made them realities.●

## TRIBUTE TO ROBERT J. ZELLER

## HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. BIAGGI. Mr. Speaker, last month one of our distinguished leaders of the banking industry, Robert J. Zeller, retired as chairman and chief executive officer of the Dollar Savings Bank of New York. As one who has worked closely with Bob Zeller on a number of major economic development projects for the Bronx, I know that his effective leadership and genuine concern for the community he has so admirably served will be sorely missed.

The best evidence of his abilities is Dollar's prominent position of strength in the thrift industry as the seventh largest savings bank in the Nation. How many among us have witnessed and nurtured the growth of a company in the midst of the Great De-

pression into a nearly \$3 billion operation?

In addition, civic, banking and real estate organizations have long sought his talent and judgment in a variety of roles. He is a member of the Bronx Advisory Board of the Manufacturers Hanover Trust Co. and plays a vital role in the Savings Banks Association of New York State serving on the committee on Federal Government regulations, committee on New York City government relations and committee on legislation. Mr. Zeller is a director of the Mutual Savings Bank Fund Inc. and the Savings Banks Trust Co.

He has been active in civic affairs for the past 40 years and is a prominent leader in many health service and fund-raising organizations. As New York's ranking member on the House Select Aging Committee, I have been especially impressed by Mr. Zeller's leading advocacy for improved health care and programs for senior citizens. He has personally and successfully intervened in many cases where he has received an appeal to preserve the individual dignity of a troubled senior citizen.

Mr. Zeller serves as president and director of the Andrew Freedman Home, chairman of the Bronx County Division of the United Way of Tri-State, chairman of the finance committee for the committee for economic development and a member of the New York Urban Coalition Steering Committee.

In addition, he currently serves on the Real Estate Board of New York, Westchester County and Bronx County, and as a past member of the board of governors, he was cited in 1973 for outstanding community service.

During Mr. Zeller's tenure, the bank's local community mortgage investment within its service area has grown dramatically. He was a leading proponent of the good repair clause and this initiative resulted in both State and Federal legislative efforts to reinforce this law so that housing decay would be prevented and eliminated. Mr. Zeller's dedication to preserve good housing stock championed the early alert inspection program, which mandates early and more regular inspections of mortgaged buildings, and this has substantially promoted neighborhood stabilization throughout the metropolitan area.

Mr. Zeller was past post commander of the Peter Minuit Real Estate Post of the American Legion, past president of the Savings Bank Auditors and Comptrollers Forum, past president of St. Thomas Lutheran Church. He has provided invaluable guidance in developing the highly regarded community service programs of the Resurrection Lutheran Church Council.

Robert J. Zeller served with distinction as an officer in the Medical Corps during World War II, and continued to

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serve our country in the U.S. Army Reserve where he retired as a lieutenant colonel.

Mr. Zeller's deep concern for the city of New York and particularly the Bronx community has been an inspiration to all who have known and worked with him to build a better quality of life for his fellow man.

Mr. Speaker, spirit and effort like this can rebuild our cities. My colleagues, Representatives ROBERT GARCIA, PETER PEYSER, and JONATHAN B. BINGHAM, join me in saluting Mr. Zeller on his outstanding record of service and achievement.●

## SUPPORT GROWS FOR DISTRICT HEATING LEGISLATION

### HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. OBERSTAR. Mr. Speaker, on March 15, the gentlewoman from Rhode Island (Mrs. SCHNEIDER) and I introduced H.R. 5833, a bill to broaden the lending authority of the Synthetic Fuels Corporation to include district heating and cooling and municipal waste to energy, or resource recovery projects.

The legislation developed from two hearings of the Northeast-Midwest Congressional Coalition which Representative SCHNEIDER and I held last year, and extensive discussions with the Conference of Mayors and district heating and cooling and resource recovery organizations.

The House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels, chaired by the gentleman from Indiana (Mr. SHARP), April 2 held hearings on the current status of the Synthetic Fuels Corporation. I would like to submit, for the RECORD, the testimony presented by myself and the gentlewoman from Rhode Island in favor of H.R. 5833, as well as letters of support from the National League of Cities, National Association of Counties, Consumer Energy Council of America, and the International District Heating Association.

#### STATEMENT OF HON. JAMES L. OBERSTAR

Mr. Chairman, we want to commend you for holding hearings today on the Synthetic Fuels Corporation and to thank you for considering our legislation. The future of the Synthetic Fuels Corporation has been the center of increasing debate in our country. Your hearings, Mr. Chairman, provide Members of Congress and representatives of industry with the best possible forum for discussing and studying some new directions the Synthetic Fuels Corporation might take in the years ahead.

On March 15, Rep. Claudine Schneider and I introduced H.R. 5833, legislation which would broaden the authority of the Synthetic Fuels Corporation to permit the Corporation to fund district heating and

cooling and municipal waste-to-energy projects. The legislation represents the products of two hearings to the Northeast Midwest Congressional Coalition which Rep. Schneider and I held last year, and of extensive discussions with the Conference of Mayors and district heating and resource recovery organizations.

The purpose of the legislation is to:

Broaden the lending authority of the Synthetic Fuels Corporation to include district heating and cooling. These projects would be eligible for all forms of financial assistance available from the Corporation.

Amend Section 132 of the Energy Security Act, relating to loans made by the Synthetic Fuels Corporation, by adding a new section—Section 132a—authorizing price support loans for municipal waste to energy projects.

Stipulate and require that 25 percent of the financial assistance available from the Synthetic Fuels Corporation be directed to district heating and cooling and municipal waste to energy projects.

Requires the Board of Directors of the Synthetic Fuels Corporation to assure that the Corporation is organized and staffed so as to effectively evaluate, process and review applications for district heating and cooling and municipal waste to energy projects.

District heating is an American technology invented in 1877. It is a system of delivering hot or cold water or steam from a central thermal source through pipes to customers for space heating and cooling and industrial processes. District heating and cooling is a flexible energy distribution system that can obtain heat from any number of fuels and deliver it to many different customers. The central source may be from the waste heat of an electric power plant, refuse incineration, industrial process, geothermal sources, manufactured sources or coal. This technology is used widely in Denmark, Sweden, West Germany, France, Italy, and the Soviet Bloc. It is gaining acceptance in Japan. West Germany has set a goal of 25% of all residential heating from district heating/cogeneration in 10 years. District heating provides 60% of home heating in Sweden and 75% reduction of sulphur in the atmosphere.

District heating can achieve 85-90% fuel efficiency and such systems can be cost-effective in 48 states. By comparison, kinetic energy derived from an electric turbine uses only 30% of the energy potential of a conventional fuel burn. District heating harnesses the remaining by-product which would otherwise be released into the atmosphere or waterways as waste.

District heating and cooling systems have been getting increased attention in these days of energy conservation and "appropriate energy technology", particularly in the district and state I represent, which have been pioneers in America's use of district heating. Minnesota is the home of some of the oldest systems in the nation. Furthermore, my home area, the Mesabi Iron Range, has some of the largest residential systems in the world. In Virginia, MN, 90 percent of the commercial district and 75 percent of the residential area are linked to the community's system. Virginia claims the largest number of metered customers of any district heating system in the world.

District heating, like so many other conservation efforts, was derailed by the decades of cheap oil and gas enjoyed in this country during the post-war decades until 1973. The relentless increases in energy

prices in the past seven years have forced a revival of interest throughout the country, in the private and public sectors in district heating.

From the standpoint of energy cost and availability, communities with district heating systems will look particularly attractive to industries, businesses, and families that need reliable sources of heat, electricity, and cooling.

District heating and cooling also offer the very attractive prospect of stabilizing heating and cooling costs for business, industry and residential consumers, through its broad-based distribution of costs. Only 25 percent of the annualized cost of supplying thermal energy through district heating and cooling is in fuel costs; 75 percent is in capital costs. This suggests that fuel price inflation will be less of a factor in future energy pricing for district heating and cooling customers than for other systems.

District heating and cooling systems can be a means of promoting new technology in the energy field. As the new technologies mature, they can be incorporated into an existing district heating and cooling system at relatively low risk. District heating systems can become a convenient channel for new suppliers and new users to enter the energy market.

I believe that the Synthetic Fuels Corporation should be broadened to include energy options applicable to all regions of the country in order to spread out this much-needed investment capital. The entire Northeast-Midwest is virtually eliminated from consideration of Corporation-supported projects. The regional inequity in Corporation spending will only strengthen growing opposition to the Corporation within our region.

There are benefits for states interested in developing district heating and cooling systems. If district heating were developed in all Minnesota communities over 5,000 people, the total heat delivered by the year 2000 would be 44 trillion Btus per year. This is about 3.5 percent of the state's projected primary energy demand in the year 2000. Since about 60 percent of this would be cogenerated, the heat would be produced by fuel also used to generate electricity. Cogeneration would save 28 trillion Btus of energy per year. This is equivalent to 200 million gallons of oil per year.

So why isn't every city in the United States scrambling to convert to district heating? Because of the high costs of financing these projects. The assistance provided through the Synthetic Fuels Corporation would mitigate impediments and promote development of these innovative energy technologies. I firmly believe that, as a matter of public policy, government, federal, state, and local, has a responsibility to stimulate the development of initiatives like district heating.

Mr. Chairman, at a time when the Administration and Congress are telling America's cities that there will be no funds for new programs, and less money for existing programs, your Subcommittee is appropriately focusing on an energy source that is as old as the century. District heating and cooling are old processes that Congress, state and local governments, and the American people are wisely giving a new look.

#### STATEMENT OF HON. CLAUDINE SCHNEIDER

Thank you, Mr. Chairman, for the opportunity to testify today. I think our presence here indicates that the Synthetic Fuels Corporation has run into trouble and is losing

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support here in the Congress. Before the SFC commits billions of dollars to promote synthetic fuels development, I believe that we need to consider whether we are making a balanced investment in energy supply.

I have joined with Congressman Oberstar in introducing H.R. 5833, which would open the SFC to allow financing for district heating and cooling, and waste-to-energy projects. If the Synthetic Fuels Corporation is to survive, I believe that it must provide for a fairer distribution of federal capital for energy development.

The SFC as it stands reserves its lending authority for the fossil fuel industries—which already seem to have plenty of capital—to underwrite their development of synthetic fuels. Our bill would reserve some of those loans for urban technologies, so that our cities—which are always short of capital, even in good times—can put people to work to build their own innovative energy supply systems.

The SFC as it is currently written does not really address the chronic dependence of oil-consuming cities on the actions of producers and suppliers over which they have no control. H.R. 5833 offers cities the chance—by investing in district heating and urban waste-to-energy projects—to take their energy future into their own hands.

Waste-to-energy systems, otherwise known as waste recovery plants, are like district heating and cooling systems in that the economics over the life-cycle of the plant are very attractive. In addition, waste recovery offers cities the advantage of being able to burn garbage to produce steam for heat or electricity, instead of dumping it in landfills, where it may contaminate groundwater supplies, or pose other environmental hazards.

Unfortunately, a serious obstacle has emerged to discourage investment in waste recovery. If a recovery plant is to be economical, it needs a large and steady supply of waste for reprocessing. However, the fees that a new plant would have to charge for the garbage it processed into energy are relatively expensive in the early years of operation. Right now, it is still relatively cheap in the short run for most cities to dispose of their waste in landfills. The volume of waste that a recovery plant must receive to become economical is therefore likely to be reduced to a trickle, as its supply is diverted to cheaper landfills.

The dilemma is compounded by the fact that many cities are beginning to run out of landfill space, and may face a waste disposal crisis in the not-too-distant future. The challenge we face is how to develop the solution—waste recovery—before the problem—dwindling landfill space—gets out of hand.

After several working sessions with representatives from the Conference of Mayors, we decided to direct the financial assistance available through our proposed legislation for urban waste recovery to price support loans. The loan would represent the difference between the set standard price of imported oil, and the cost of the energy the waste plant would displace.

This mechanism would allow the plant to increase its revenues in the early years of operation—the increased revenues would in turn be used to help reduce the tipping fees charged to the city for waste reprocessed at the plant. Waste recovery would then be a more economical alternative to landfill in many cases, and could be developed before existing landfills are depleted. The price support loan would extend for seven years,

which would give the recovery plant time to become economically self-sufficient.

As Members of the Subcommittee are aware, what we are proposing with regard to waste recovery is not really new. The original legislation authorizing the Synthetic Fuels Corporation contained a title for financing waste recovery plants. Unfortunately, the funding for that title got lost in the shuffle—all we are left with is financing for fossil fuel technologies which, although important, are probably not going to lower energy costs in American cities at any time in the near future.

The energy potential of waste recovery plants—up to 220,000 barrels of oil-equivalent a day—is great. That potential exists in dozens of American cities—San Francisco, New York, Hartford, Warwick, Baltimore, San Diego, Trenton, Savannah, and Philadelphia, to name a few.

H.R. 5833 would help to make that potential a reality for the oil-dependent cities of America's industrial heartland.

NATIONAL LEAGUE OF CITIES,  
Washington, D.C., April 1, 1982.

HON. PHILIP R. SHARP,  
Chairman, Subcommittee on Fossil and Synthetic Fuels, Committee on Energy and Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in behalf of the National League of Cities to urge your prompt and favorable consideration of H.R. 5833, sponsored by Representatives Oberstar and Schneider.

With the severe reductions proposed by the administration in its EPA and energy conservation and renewable resource budgets, at a time when state and local governments have already been forced to accept disproportionate reductions in federal funds, it is difficult to understand continued multibillion-dollar subsidies to the private sector for profit-making initiatives. More importantly, cities—as consumers—are importers of energy. One of the few means cities have to decrease energy prices is to become involved as suppliers through district heating or cooling systems, or through municipal waste-to-energy projects such as Indianapolis is pursuing.

In our view, there should be a much greater sense of equity in allocating scarce budget resources. Of particular concern to our members is that those federal funds which are utilized be directed to benefit those most in need and least able to obtain the necessary capital financing through the private markets.

Consequently, we would urge your serious consideration of the Oberstar-Schneider proposal. It merits your Committee's support and early approval.

Sincerely,

GEORGE GROSS,  
Director of Federal Relations.

NATIONAL ASSOCIATION OF COUNTIES,  
Washington, D.C., March 30, 1982.

HON. PHIL SHARP,  
Rayburn House Office Building,  
Washington, D.C.

DEAR REPRESENTATIVE SHARP: The National Association of Counties (NACo) would like to commend you on holding hearings on H.R. 5833, the "Synthetic Fuels Corporation, Amendments of 1982." NACo has long felt that in establishing the Synthetic Fuels Corporation, Congress failed to include within its scope of activities a number of significant project types. High on this list of

omissions are district heating and cooling and municipal waste-to-energy projects.

NACo is strongly supportive of the provision of H.R. 5833 extending the Corporation's loan authority for the above projects. We also feel that for this extension to have a practical effect that the Corporation must have staff which can evaluate these technologies and that a specified percentage of the overall funding be set aside for these projects. Both of these latter concerns are positively addressed in H.R. 5833.

Again, we would like to commend you on holding these hearings. We hope that they are the beginning of timely consideration of an important issue. NACo is very interested in working with you on this matter and hopes that we might be called upon for advice and assistance.

Sincerely,

MARK I. CROKE,  
Legislative Representative.

CONSUMER ENERGY  
COUNCIL OF AMERICA,

Washington, D.C., April 1, 1982.

Hon. PHILIP R. SHARP,  
Chairman, Subcommittee on Fossil and  
Synthetic Fuels, Washington, D.C.

DEAR MR. CHAIRMAN: The Consumer Energy Council of America (CECA), a broad-based coalition of major national consumer, labor, farm, public power, rural electric cooperative, senior citizen, farm, urban, and low income organizations, is writing to express its support for H.R. 5833, the Synthetic Fuels Corporation Amendments of 1982.

H.R. 5833, which would earmark 25 percent of Synthetic Fuels Corporation monies for district heating and cooling and municipal, waste-to-energy projects, would help to ensure a broad mix of energy resources in this country. Although the Energy Security Act of 1980 recognized biomass as a significant fuel source which deserves federal support, biomass programs have been eviscerated in the budget battles of the past year. As a synthetic fuel which receives little federal support, biomass should rightfully come under the umbrella of the Synthetic Fuels Corporation.

Of all the synthetic fuels, biomass is the most readily available and technically mature energy resource. Biomass is clearly a cost-effective local resource that deserves the support of the Synthetic Fuels Corporation.

The Consumer Energy Council of America urges you to lend your full support to H.R. 5833.

Sincerely,

ELLEN BERMAN,  
Executive Director.

INTERNATIONAL DISTRICT  
HEATING ASSOCIATION,  
Washington, D.C., April 1, 1982.

Hon. PHILIP R. SHARP,  
U.S. House of Representatives, Rayburn  
House Office Building, Washington,  
D.C.

DEAR MR. SHARP: The International District Heating Association is a not-for-profit, incorporated, technical association founded in 1909 for the advancement of and exchange of information about district heating. IDHA represents utilities, municipalities, universities and other physical plant systems engaged in the supplying of thermal energy in the form of steam, hot and chilled water for heating, cooling and process use. It also represents manufacturers of equipment of district systems and engineers

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involved in the design and development of systems. The membership is involved in and greatly concerned with the most efficient use of energy, the planning and development of central cities and other high density areas, the conservation of investment in the industry and the protection of the environment in an intelligent and rational manner.

IDHA would like to state its support for H.R. 5833, the Synthetic Fuels Corporation Amendments of 1982. The development of district heating systems is highly capital intensive, but their creation, particularly those utilizing refuse for fuel, can have a strong positive economic effect on the growth of our cities. Jobs are created through the building of systems and by the industries attracted to stable energy sources. In evaluating the economics of the systems it must be kept in mind that most district heating systems in the U.S. are over 50 years old and the economics of new systems should be based on similar long term distribution of energy. With the provision of capital for the initial development of district systems through the amendments, cities would gain new control over their economic and energy futures.

The professionals represented by the International District Heating Association represent both the public and private sector. They are all aware of the difficulties in developing the financing for a major enterprise in these times of high interest rates and tight money. Through the proposed Amendments to the Synthetic Fuels Act, greatly needed assistance would be provided for the initial development of energy saving district systems. Any new systems developed should have strong economic feasibility, but once that potential is clear barriers should be removed to allow the system to make its contribution to the community.

Sincerely,

NORMAN R. TAYLOR,  
Executive Director. •

## H.R. 5750: A UDAG FOR HOUSING

### HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. SCHUMER. Mr. Speaker, in recent weeks we have heard a great deal about the crisis that faces the Nation's housing industry, and about the need for an emergency stimulus program to save the industry. To be sure, with housing starts at their lowest point and construction industry unemployment at its highest point in the postwar era, a crisis does exist. Beyond the crisis in the industry, however, lies a genuine housing crisis. This crisis is nowhere more evident, nor more severe, than in the rental housing market, yet not one of the emergency proposals that I have seen even mentions rental housing. An emergency program for rental housing, such as building out the section 8 pipeline, would help ease the crisis and enable the Government to fulfill funding commitments that have already been made, but it will not end the crisis, and it will not provide the justification for

ending all Federal assistance for the production and rehabilitation of new rental housing. An ongoing program will still be required; our responsibility should be to make that program as workable and cost effective as possible.

On March 8, I introduced legislation which addressed the unprecedented crisis in the Nation's rental housing market in a way that is fundamentally different from current programs. The bill, H.R. 5750, directs the Secretary of Housing and Urban Development to provide assistance to State and local governments to finance the production and rehabilitation of affordable rental and cooperative housing. This program, working in conjunction with an adequately funded existing housing support program, can form the basis of a comprehensive, cost-effective strategy for addressing the needs of those citizens who are not being served by the private market. In fact, it has been included in, and dovetails with, the comprehensive housing bill introduced last week by Chairman HENRY GONZALEZ of the Housing Subcommittee.

The program I am proposing is a fuller, more refined version of legislation I introduced in the last session. This effort is the result of close collaboration with Senator CHRISTOPHER DODD, of Connecticut, as was last session's bill, and the House Housing Subcommittee.

The symptoms of the rental housing crisis are abundant. Vacancy rates are at their lowest level since this statistic has been recorded. Overcrowding is increasing for the first time in many years. Although the number of units with serious defects has declined steadily in the postwar era, over 5 million lower income families still live in physically inadequate housing. Without a doubt, insufficient income is a major problem for these families, but, as the number of insufficient units indicates, it is not their only problem, as the administration would have us believe. There is no shortage of demand in any segment of the rental market. The shortage lies in the supply.

Despite the large numbers of families who prefer or are forced to rent, virtually no unsubsidized rental housing is being built. Private capital has sought other opportunities. Banks, investors, and developers no longer view rental housing as an attractive investment. Recent changes in the depreciation schedules for rental housing have made it more attractive than it used to be, but changes in the depreciation schedules of other assets have actually made housing even less attractive compared to these assets than it was previously. Upper income families have opted for the inflation protection and tax advantages of homeownership, thus skimming off the only potential source of demand for new unsubsi-

dized rentals built at today's interest rates. At the same time, many families, locked out of the single-family market by high interest rates, are forced to remain in rental units or in houses they have outgrown, thus choking off a vital source of rental vacancies. The National Association of Home Builders estimates that at current rates only 11 percent of American families can afford to buy a home. The inescapable conclusion is that the current gap between the supply and demand of rental housing will grow larger. Experts ranging from the National Association of Home Builders to the Brookings Institution estimate this gap at about 200,000 units per year.

A comprehensive survey recently completed in New York City—where close to 70 percent of the population are renters—presents a clear view of the depth of the problem. Overall vacancy rates plunged from 3 percent in 1978 to 2.1 percent in 1981. For lower income renters the vacancy rate was even lower, at 1.8 percent. For moderate-income renters the situation was the worst of all, with vacancies at 1.6 percent. New York's rental crunch got worse even though there was a net increase of 8,000 units in the city, the first increase in a decade.

Yet, instead of assisting the production of new rental units, the administration has proposed to support fewer units of existing housing with less assistance per unit than ever before. It views the housing crisis as an affordability problem rather than a supply problem. The potential success of a strict affordability approach can be predicted by considering what would have happened in New York City if there was no section 8 production program operating for the past 3 years, but only the section 8 existing housing program. First, there would have been a net decrease in the number of units in the city, since the 8,000-unit increase is more than accounted for by the section 8 construction program. More importantly, the existing certificate program itself would have been less effective. The current waiting list for section 8 existing certificates is 6 years long—the wait is similar in other cities—and over 30 percent of those who finally receive certificates must return them because they cannot find a unit that fits the program. The evidence is clear: We must do something to increase the supply of rental units available in the market, or housing vouchers will be ineffective, and will only lead to higher rents, not new units.

The goal of H.R. 5750 is to increase the supply of rental housing available in supply-constrained areas for families without other reasonable and affordable housing opportunities in the private market. Briefly, the program would work like this:

## EXTENSIONS OF REMARKS

HUD would make funds available to State and local governments to assist in the production and rehabilitation of modest rental housing in areas experiencing severe shortages. Local governments would apply for these funds on behalf of an in conjunction with housing developers, including nonprofit and cooperative corporations.

Applications would detail the location of the project, the cost, and work to be performed. They would request an amount of assistance sufficient to reduce rents to a level affordable by families with moderate incomes, and to reduce rents in at least 20 percent of the units to a level affordable by lower income families without further assistance. The application may call for assistance to be used as a grant, a loan, an annual interest reduction payment, or in any other way that will reduce rents efficiently. This provision gives local governments considerable flexibility, allowing them to design projects that fit their needs.

Projects would be judged competitively. The selection criteria reward those projects which do the most to alleviate shortages in areas of need, contribute to neighborhood development, and mitigate displacement, and those applicants which have a demonstrated record of meeting their assisted housing needs. In addition, the criteria provide incentives for minimizing the amount of Federal assistance requested and maximizing the local governmental and private contribution.

This program will provide more housing for less money than the section 8 program. The \$1.3 billion authorized in H.R. 5750 will add between 60,000 and 100,000 units of rental housing, depending on the mix between new production and rehabilitation. In contrast, only 10,000 units could be assisted with an equal amount under the section 8 construction program. In addition, this program does not require that the Federal Government commit itself to spend money 30 years in the future, which has been one of the most persistent and damaging criticisms of the section 8 program. Without these long-term commitments, Congress will regain control over annual housing expenditures.

This program is perhaps best thought of as the housing equivalent of the urban development action grant program, because it brings the principles of that highly successful program to a housing program for the first time. First, assistance is provided only to fill the gap between reasonable construction or rehabilitation costs and what the market can support. Second, assistance is flexible. Third, projects will represent a Federal-local-private partnership, with the center of responsibility for housing decisions shifted to the local level. Fourth, Federal assistance will leverage non-Federal govern-

mental and private contributions in as favorable a ratio as possible. Fifth, assistance is targeted to areas most in need, to be selected according to objective measures of housing need, such as overcrowding, vacancy rates, and the amount of substandard housing.

Some who oppose this program are likely to argue that this is a middle-income housing program and that we should only provide assistance to the lowest income families. I believe that this argument is sincere, but that it overlooks three important considerations. First, the program is designed to let localities determine their housing needs and use Federal assistance to help meet them. It is assumed that one major need is providing housing for lower income families; for this reason a locality's record in meeting this need is a principle factor to be used in selecting projects to be assisted. At least 20 percent of the units in each project must be set aside for low-income families, but this is an absolute minimum; localities may design projects which set aside whatever fraction of the units they determine will result in a viable project that fits into their overall housing strategy.

Second, as noted earlier, there is a desperate need to increase the basic supply of modest rental housing. Renters are simply not being served by the private market. Tight markets put upward pressure on rents, pressure which hurts lower income families the most. Given that, unfortunately, housing assistance is not likely to become an entitlement program soon, if we can put some slack into excruciating tight markets, we will alleviate some of this pressure, and serve all renters well—those low-income families who do not receive Federal assistance as well as those who do.

Finally, this program represents a fundamental departure from the current approach to assisted housing. Although it stands alone as a production vehicle it is designed to serve as one element in a comprehensive housing assistance strategy. As outlined in the bill Chairman GONZALEZ introduced last week, that strategy includes funding for section 8 existing housing certificates, loans for the construction of elderly and handicapped housing, sufficient funding for public housing modernization, operating subsidies, and production, and a single-family production assistance program. I believe that this strategy is a sound approach to meeting the Nation's housing needs in a balanced, fair, and efficient manner.

Mr. Speaker, I include the text of H.R. 5750 in the RECORD:

A bill to stimulate the production and rehabilitation of multifamily rental housing

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

**SHORT TITLE**

**SECTION 1.** This Act may be cited as the "Rental Housing Production and Rehabilitation Act of 1982".

**STATEMENT OF PURPOSE AND AUTHORITY**

**SEC. 2.** (a) The purpose of this Act is to increase the Nation's stock of rental and cooperative housing and to reduce the housing costs of the residents of such housing by encouraging the construction and rehabilitation of multifamily rental housing projects and cooperative housing projects for families and individuals without other reasonable and affordable housing alternatives in the private market.

(b) The Secretary of Housing and Urban Development (hereafter referred to in this Act as the "Secretary") shall, to the extent approved in appropriation Acts, provide financial assistance to carry out the purpose of this Act with respect to multifamily rental housing and multifamily cooperative housing if such cooperative housing is owned by limited dividend corporations, private nonprofit corporations, or other nonprofit corporations or limited dividend entities eligible under section 221(d)(3) or (e) of the National Housing Act.

(c) Such assistance shall be made available by the Secretary to states, units of local government, or designated agencies of States or units of local government which apply for such assistance in a form and manner prescribed by the Secretary and which are selected for such assistance on the basis of the eligibility and selection criteria and other conditions set forth in this Act.

(d) States, units of local government, or agencies thereof which receive such assistance shall utilize it to stimulate the construction or rehabilitation of rental or cooperative housing projects described in subsection (b) by providing—

- (1) capital grants;
- (2) loans;
- (3) interest reduction payments;
- (4) grants to finance the purchase of land;

or

(5) other comparable assistance, which the Secretary deems appropriate to carry out the purposes of this Act, designed to reduce project debt service cost.

**AREA ELIGIBILITY CRITERIA**

**SEC. 3.** To be eligible for assistance under this Act, a project must be located in an area which is experiencing a severe shortage of decent rental housing opportunities for families and individuals without other reasonable and affordable housing alternatives in the private market. The Secretary shall issue regulations, consistent with the preceding sentence, which set forth minimum standards for determining areas eligible for assistance. Such standards shall take into account the extent and change in the level of poverty, housing overcrowding, the amount and duration of rental housing vacancies, the amount of substandard rental housing, the extent of rental housing production lag, and such other objectively measurable conditions specified by the Secretary which are consistent with the first sentence of this section.

**PROJECT SELECTION CRITERIA**

**SEC. 4.** In selecting projects for assistance under this Act from among the eligible

**EXTENSIONS OF REMARKS**

projects, the Secretary shall make such selection on the basis of the extent—

(1) to which the project or projects described in the application reduce the severe shortage of decent rental housing opportunities in the area for families and individuals without other reasonable and affordable housing alternatives in the private market;

(2) of non-Federal public and private financial or other contributions which reduce the cost of the project or projects;

(3) to which the project or projects contribute to neighborhood development and mitigate displacement;

(4) to which the applicant has established a satisfactory performance in meeting assisted housing needs; and

(5) to which the assistance requested from the Secretary will provide the maximum number of units for the least cost, taking into consideration cost differences among different areas and differences among the types of projects and tenants being served.

**ALLOCATION OF ASSISTANCE**

**SEC. 5.** In providing assistance under this Act, the Secretary shall seek to assure a reasonable distribution among eligible areas in different geographic regions, between metropolitan and nonmetropolitan areas, and between States and units of local government or their designated agencies, based on the Secretary's determination of the prior and current capacities of those entities to develop and implement housing initiatives. In addition, the Secretary shall make a reasonable distribution of assistance among newly constructed, substantially rehabilitated, and moderately rehabilitated projects on the basis of local housing needs and prevailing local housing market conditions identified in the application for assistance.

**AMOUNT OF ASSISTANCE**

**SEC. 6.** The amount of assistance provided under this Act with respect to a project shall be the least amount which the Secretary determines is necessary to provide, through the construction or rehabilitation of such project, decent rental or cooperative housing of modest design which is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to make rents for units described in section 7(a)(2) affordable for persons and families whose income does not exceed 80 per centum of the median income of the area.

**TERMS AND CONDITIONS OF ASSISTANCE**

**SEC. 7.** (a) Assistance under this Act may be provided with respect to a project only if—

(1) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure financial feasibility of the project, and to carry out the other provisions of this Act;

(2) the owner agrees that, during the 15-year period beginning on the date on which 50 per centum of the units in the project are occupied (or in the case of a moderately rehabilitated project, are completed), at least 20 per centum of the units the construction or rehabilitation of which is provided for under the application shall be occupied, or available for occupancy by, persons and families whose income does not exceed 80 per centum of the area median income;

(3) the owner agrees—

(A) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this Act;

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(B) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal housing assistance program; and

(C) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

during the 15-year period beginning on the date on which the units in the project are available for occupancy (or in the case of a moderately rehabilitated project, are completed);

(4) any mortgage secured by the property—

(A) has a principal amount which is not more than the amount which could be insured for the project under section 207 of the National Housing Act; and

(B) bears a rate of interest and contains such other terms and conditions as the Secretary determines are reasonable;

(5) the project is newly constructed or substantially or moderately rehabilitated, contains five or more dwelling units, and is used predominantly for residential purposes; and

(6) the State or unit of local government which receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284.

(b)(1) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in paragraphs (1), (2), and (3) of subsection (a) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary in an amount which equals the total amount of assistance provided under this Act with respect to such project, plus interest thereon (without compounding), for each year and any fraction thereof the loan was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

(2) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, payable in the case of any event described in paragraph (1), secured by the security instruments given by the mortgagor to the Secretary.

(c)(1) A mortgage on a project assisted under this Act may be insured under title II of the National Housing Act.

(2) Section 817 of the Housing and Community Development Act of 1974 is amended—

(A) by striking out "and" after "1966"; and

(B) by inserting after "and 1970" the following: ", and the Rental Housing Production and Rehabilitation Act of 1982".

(d)(1) Rents charged for units described in subsection (a)(2) in any such project shall be approved by the Secretary. In approving such rents, the Secretary shall provide that tenants of such units are charged not more than 30 percent of their adjusted income for rent, including utilities, and shall require that not less than 30 days prior written notice of any increase in rents be provided to such tenants.

(2) Any schedule of rents submitted by an owner to the Secretary for approval shall be deemed to be approved unless the Secretary

informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

#### LABOR STANDARDS

Sec. 8. Any contract for assistance pursuant to this Act shall contain a provision requiring that not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development, and all maintenance laborers and mechanics employed in the operation, of the lower income housing project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved, and the Secretary shall require certification as to compliance with the provisions of this section prior to making any payment under such contract.

#### AUTHORIZATION

Sec. 9. There is authorized to be appropriated for assistance under this act not to exceed the sum of \$1,300,000,000 for fiscal year 1983.●

**CONGRESSMAN FORD OF TENNESSEE SALUTES THE 125TH ANNIVERSARY OF THE AMERICAN INSTITUTE OF ARCHITECTS**

**HON. HAROLD E. FORD**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. FORD of Tennessee. Mr. Speaker, as we approach the 125th anniversary of the American Institute of Architects, the organized voice of our country's architectural profession, it is appropriate to reflect upon the enormous contribution this profession has made to our society.

Who can imagine our Nation's great cities without such landmarks as the Empire State Building or the Washington Monument? This fine tradition began with the colonists. On the eastern seaboard, the predominant style was English, but the French, Spanish, and Dutch added their stylistic influences as the country grew. A number of monumental projects—the establishment of Washington in 1800, the Philadelphia Centennial Exposition in 1876, and the 1893 World's Columbian Exposition in Chicago reflect the national aspirations of the 19th century. The strong-willed independent personalities of the Chicago school artistically exploited the new building techniques of iron, steel, glass, and concrete. The most dramatic result of these developments was the skyscraper, a quintessence of American ingenuity that reflected the dramatic rise in land values and business concentration during the great building boom of the 1880's.

## EXTENSIONS OF REMARKS

This spirit of prosperity alternated with the turmoil of the early part of the 20th century to form contemporary architectural thought. The new wave of immigrants brought many distinguished architects to our shores. Their logic and search for perfection of form developed the international period, which was eagerly sponsored by corporations desirous of expressing their corporate images architecturally. Modern architects have continued to combine building technologies with design innovations to create exciting new visual forms. In many urban centers, lobby atriums literally re-create the outdoors inside. Plazas bring people together for every imaginable public celebration, and fountains and sculpture gardens provide a restful alternative to the day's busy work schedule. The architect's achievements touch every aspect of our lives.

In my great hometown of Memphis, Tenn., architects have designed shopping malls, industrial parks, and residential subdivisions that blend well with our natural terrain and environment. Perhaps most exciting is the revitalization of our downtown area. Architects are currently working on several important projects. One of the foremost is the restoration of Beale Street, home of the blues. This four-block area has been designated a national historic district by the National Trust for Historic Preservation. The area is famous for its influence on W. C. Handy, father of the blues. When completed, restaurants, music halls, and boutiques will please visitors from around the world. It took a team of dedicated architects many hours to conceptually link the development's disparate elements. Tirelessly, they held many public meetings to explain their concepts and solicit community support. Without them, the Beale Street project would not be a reality today.

Plans are also underway to revitalize our magnificent riverfront along the mighty Mississippi River. Highlighting this effort is the development of Mud Island, a \$60-million undertaking which features the world's only museum dedicated to a river. A 4,000-seat amphitheater, a marina, and a river walk add to the experience. Mud Island will open July 4, in what surely will be one of the summer's most exciting events. Once again, local architects made it happen.

Nationwide, many new design vistas are ahead of us. Our country continues to face the limitations of our natural and economic resources. We have expanding urban populations that require housing, recreational, and employment opportunities. Our suburbs, too, are growing older and more troubled. Architects stand ready to address these problems, competently and imaginatively. The architect's creative use of new materials and construction

methods continue to meet the demands of inflation without compromising the quality of our environment. They inspire and challenge us to look toward the next century, while remembering the proud accomplishments of our design heritage.

We can be thankful, Mr. Speaker, that yesterday's architects respected their environment. For a glimpse into the environment of tomorrow, we have only to examine the architect's drawing boards of today. Our design professionals are a national treasure no less than the great architectural forms they create. It is my honor to salute them on the occasion of their 125th anniversary.●

## FORT WORTH PLANT MARKS 40TH YEAR IN KEY ROLE OF NATION'S DEFENSE

**HON. JIM WRIGHT**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

● Mr. WRIGHT. Mr. Speaker, on a tranquil spring day in 1941, a cow grazed in a muddy pasture west of Fort Worth and had the place pretty much to herself.

To a fisherman on Lake Worth just to the north, there was no sign that the peaceful meadow stretching southward from the shoreline was about to fulfill a date with history.

Yet it was here, on April 18, 1941, that ground was broken for an aircraft factory whose planes would form America's first line of defense for decades to come.

Exactly 1 year later, the plant went into feverish wartime production of the legendary B-24, whose wings were to blacken the skies over America's enemies in both Europe and the Pacific in World War II.

Today that same plant, operated continuously since its opening by General Dynamics Corp., and its predecessor companies, is preparing to observe its 40th anniversary of service to the defense of our country. A special ceremony will be held in the plant on Monday, April 19.

Few of the plant's personnel today were on hand for the groundbreaking back in 1941. Taking part in the historic ceremony that day were Fort Worth's Mayor, Amon G. Carter, officials of the U.S. War Department, and Maj. Reuben H. Fleet, founder and the president of Consolidated Aircraft Corp.

Consolidated was one of the companies that was later merged to form General Dynamics, whose Fort Worth division, headed by Herbert F. Rogers, operates the mile-long assembly plant today.

Still known by oldtimers in the area merely as "the bomber plant," the installation bears the official title of Air Force Plant No. 4. Since its opening in 1942, the plant has produced nearly 5,000 military aircraft for the United States and friendly nations.

The gigantic plant has been the anvil on which superb teams of designers, engineers and craftsmen have built each new generation of aircraft—the B-24 Liberator, the B-32 Dominator, the B-36 Peacemaker, the B-58, the F-111, and finally the F-16 Fighting Falcon, the most versatile fighter-bomber in the world today.

The F-16, which is manned by only one pilot and flies at more than twice the speed of sound, can carry nearly twice the munitions load of its historic old forebear, the B-24, which required a crew of 10.

The maneuverability, versatility, and economy of the F-16 have prompted the U.S. Air Force to order 1,985 of the Fighting Falcons, and nine friendly countries have announced plans to buy 600 more. The industries of five nations—the United States, Belgium, Denmark, the Netherlands, and Norway—are jointly building various parts of the plane. Besides the one in Fort Worth, assembly lines for the F-16 are in operation in Belgium and in the Netherlands.

Thus the F-16, conceived, designed, and built in Fort Worth, constitutes the largest international military co-production program in history. The new fighter will be, in the years ahead, the free world's first line of defense.

Since its opening 40 years ago, the Fort Worth plant has had an annual average employment level of 16,648 men and women. These employees have earned a total of more than \$5.6 billion. The average annual employee salary has increased nearly tenfold since the first B-24 rolled off the line.

Sales during the four decades have exceeded \$20 billion and, because of sound management and a dedication to quality work, the division has earned nearly \$1.2 billion.

The annual payroll today is \$406 million. Each payroll dollar generates approximately \$3 in other jobs, businesses and benefits for the Fort Worth regional economy. Thus the impact from the payroll alone will be \$1.2 billion this year.

Thousands of subcontractors across the Nation also benefit. In 1981, the Fort Worth plant purchased \$895 million in materials and services in 48 States and the District of Columbia.

Texas clearly receives most of the financial benefits from the plant. A total of 2,238 Texas businesses received \$168 million in contracts in 1981. This amount, combined with the \$406 million payroll, directly introduced \$574 million into the Texas economy. It is estimated that the

## EXTENSIONS OF REMARKS

plant thus generates more than 40,000 jobs for Texans.

But these economic benefits, as impressive as they are, would be less than welcome unless we, as neighbors of General Dynamics, knew that it was fulfilling its basic fundamental role of providing the best possible value for America's defense dollar. We are Texans, but first we are Americans.

We are proud to have the General Dynamics plant as our neighbor because we believe it builds for our Nation's defense the best military airplanes in the world.

So as our friends and neighbors who work in this important defense installation prepare to observe the 40th anniversary of their plant, their fellow citizens in Tarrant County, in Texas and in the United States at large, can offer them a well-deserved salute for their outstanding contribution to the defense of our country.●

## RICHSTONE CENTER: A COMPREHENSIVE APPROACH TO CHILD ABUSE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. ANDERSON. Mr. Speaker, the existence of child abuse in our society is a tragic fact whose frequency is too often overlooked, for it is an uncomfortable subject of which people do not like to be reminded. The abused child is in a particularly difficult situation, for his or her problem is not one that can be solved by dealing exclusively with the child. If a child suffers from acute appendicitis, the mother or father recognizes that a problem exists, takes the child to a doctor and then to a hospital where the offending appendix is removed. In the case of the abused child, however, the mother or father would perhaps not recognize the problem or would be ashamed and not seek assistance. Even if the problem is acknowledged and assistance sought, the solution is still difficult for it is the parents as well as the child who must be treated.

The South Bay area in California is fortunate to be served by the Richstone Family Stress Center for the Prevention of Child Abuse, a private, nonprofit organization dedicated to the treatment of the abusive family. The peculiar, vague nature of the problem of child abuse demands the bold and comprehensive solution that Richstone provides under the leadership of Executive Director Dorothy Courtney and Clinical Director Elaine Struhl. Rather than dealing exclusively with the child or the parents, Richstone approaches the problem from the perspective of treating the family as a unit. Although Richstone offers

individual counseling for parents and individual counseling for children, the goal is to improve the overall communication and relationships of the family. Other services offered by Richstone include a therapeutic nursery program for the preschoolers, a parent-support group with child care provided, dinners to provide the opportunity for social interaction, house calls from staff members, and a 24-hour telephone line for all families.

Richstone is a model center and more than willing to share its experience and knowledge with others. Last year, for instance, members of the staff made more than 31 presentations to community and professional groups. Richstone has also offered, in conjunction with El Camino College, a parenting class, an excellent way to introduce hesitant parents to the Richstone agenda.

Mr. Speaker, I believe that Richstone offers an excellent example of a private, community-based approach to dealing with one of society's ills, and I offer it for my colleagues' consideration as a model organization.●

## HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child care, food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

Head Start has made my child more aware of the different races and to accept them without prejudice. He learns a lot of educational things he wouldn't learn at his age if it weren't for Head Start. Head Start has made us more aware of the things our child does when we are away. It brings us closer together and makes us appreciate being together after a long day. If there were no Head Start I could not manage financially. My husband is temporarily disabled and if I had to pay regular day care fees I wouldn't even make enough to pay rent and utilities. If there were only a half-day program, I would have no one to pick my child up or nowhere for him to be the rest of the day. I could not take off work at that time everyday because I also work in a day care center

and the children could not be left. The best thing about Head Start is that it gives the parents the opportunity to work and still have a say in the care of their child.

HEAD START PARENT,  
Russellville, Arkansas.●

**ANTISEMITISM—ALL ANTIRELIGIOUS VIOLENCE AND VANDALISM MUST BE STOPPED**

**HON. MARIO BIAGGI**

OF NEW YORK  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. BIAGGI. Mr. Speaker, last year I introduced H.R. 2085, a bill to impose stiff new Federal penalties against those persons who carried on acts of antireligious violence and vandalism. My bill was prompted in many respects by the proliferation of antisemitism in this Nation. This problem has shown tremendous growth in the past 2 years, especially in the Northeast.

Antisemitism takes many forms—some as blatant as the painting of a swastika on a sacred synagogue or as subtle as the publishing of a telephone directory which purposely excludes Jewish names. Such a publication has been discovered in Saco, Maine, according to an article in a recent Jewish Press.

I find this type of antisemitism as deplorable as all other types. It has no place in a democratic society which prides itself on allowing its citizens the freedom of religion. All those who seek to interfere with the free exercise of these beliefs should be punished severely.

I assure my colleagues that this is but one example of a very large and burgeoning national problem. We in Congress cannot escape our responsibilities any longer than we need to pass strong legislation, such as my bill H.R. 2085.

At this point in the RECORD I wish to insert the aforementioned article: New Christian Directory: Sorry, No Jews Allowed.

The article follows:

**NEW CHRISTIAN DIRECTORY: SORRY, NO JEWS ALLOWED**

(By Yaakov Rodan)

SACO, MAINE.—It's no different from any other telephone directory: There's supermarkets, legal advice—even blueberry pie featured in this publication.

One catch however, If the product or owner is Jewish, it won't appear in the directory.

It's called the Christian Telephone Directory and around here Barry J. Hough and his friends are publishing it.

Mr. Hough does not claim that the services in his directory will be any cheaper or better than those in different publications.

Just Christian.

"It's miracle," said Mr. Hough, a layman "It's our first publication."

**EXTENSIONS OF REMARKS**

"I'm not saying that anybody who listed has rates any more reasonable than other businesses.

"But with the ideals of Christians they should perform to the best of their ability," he said.

Apparently, Mr. Hough's ideal is striking a sympathetic chord in many. Already, the born-again Christian and his associates have published 30,000 copies of the directory. The men charge advertisers \$35 per every three lines of copy.

Mr. Hough's directory may be unique for New England but it is just one of many such publications in the United States. Christian-only directories have been published in numerous locations in the South.

The main opposition to such publications come from Jewish leaders. In San Francisco, the Anti-Defamation League sued the owners of a Christian directory operating in that area.

The ADL and the publishers came to an agreement which halted the exclusivity of the directory.

Opposition to the Saco directory appears mild, however. "To tell you the truth. I didn't know anything about it," an employee of Saco's Temple Beth-El told THE JEWISH PRESS.

But the rabbi of the congregation, Harry Z. Sky, is aware of the directory—and he's bothered by it.

"All of it is divisive," he said.

"I just can't believe the ordinary citizen of

Maine will go for that kind of stuff."●

**ONE VOICE FOR DEMOCRACY: A HOUSE UNITED**

**HON. BERNARD J. DWYER**

OF NEW JERSEY  
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DWYER. Mr. Speaker, I am proud to insert for the record the speech of Susan E. Beck of Woodbridge, N.J., our State's winner in the recent Voice of Democracy contest conducted each year by the Veterans of Foreign Wars.

Susan's message is at once simple and profound. She strikes a telling analogy between the efforts made routinely in building and maintaining a home, and those waged in founding this great Nation of ours. Her words must strike a responsive chord in all of us who value our democracy and realize the responsibility we all share in protecting it.

A vacant lot stood near my home for nearly a year. I would pass this patch of green every day, and it remained untouched, until one day a "sold" sign appeared on the lawn. Only a few days later, the area bustled with activity. The sign was gone, and the green covered with men and machinery—all sharing a common interest—the construction of a home. As these men had a goal, so did our forefathers—the building of a democracy, the building of our United States.

The laborers, each skilled in a different area, began working together to build the foundation of the house. They all held the same dream, despite their differing abilities. Our forefathers were too a diverse group.

for each possessed talent in a different area. They were united, however, by their desire to build the foundation for a democratic America. The result: the Constitution of the United States has withstood the years well, having been designed to last through generation after generation as a concrete symbol of our nation's beliefs.

The crew then began to build the wooden frame of the house. Piece by piece, the skeleton of this dwelling took shape. In this way, we built upon our Constitution and formed a government of the people, by the people, and for the people.

Traditions, morals, and values formed the brick, plaster, and paint on our home—the United States. These beliefs enhanced and enriched our lives, for as each house on a block has a different appearance than another, so each family on a block holds different beliefs than another. Through the different traditions present in our country, we have been able to adapt our governmental system to the needs of all.

Since the building of the house, some of the paint has peeled, but the area has always been quickly repainted. The family living in the house has committed itself to the maintenance of their home. We, too, by living in the United States have committed ourselves to the maintenance of our democracy. This is a strong responsibility, and we have accepted its challenge well.

We maintain our democratic system, and thus build America together, by following the traditions handed down to us from our parents. These traditions exemplify the morality that first built America. By following these traditions, we set an example for others to follow. It is only through a determined, unified effort by all that the freedoms and privileges we enjoy can be preserved. These privileges can and are sometimes taken advantage of or misused, but by our commitment to building America together, we can suppress this immorality and injustice.

Many citizens of the United States help to build America without even realizing it. Simply by obeying the law, a citizen enables others to enjoy their freedom without danger or worry. Others gave their most precious possession, their lives, in order to build America. For these people, the building of a better America was their only commitment—a quality we should all try to exemplify.

In the foundation of our nation—the Constitution—we are granted certain inalienable rights; among them—the right to vote. This is one of our most powerful tools in the building of America together, for by voting carefully, we can select representatives who will promote and build on our great democratic system.

In conclusion, we are building America together in the same way that our forefathers built America during the beginning of our nation. Through the unified commitment of each and every American to uphold our values and traditions, we can continue to maintain the greatness of the United States, and to build America together.●

NATIONAL ECONOMIC POLICY  
FOR THE EIGHTIES: WHERE  
DO WE GO FROM HERE?

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 6, 1982*

• Mr. LENT. Mr. Speaker, I rise to direct the attention of my colleagues to a most interesting and learned discussion of this Nation's economic problems. I refer to the remarks of Mr. Willard C. Butcher, chairman of the Chase Manhattan Bank of New York at a recent alumni business conference at New York University's Graduate School of Business. In his address Mr. Butcher provided an incisive analysis of the reasons for our present economic woes, and offered some thoughtful advice on dealing successfully with them.

I call attention to Mr. Butcher's main premise which holds that the Reagan administration's economic program of tax cuts, tax incentives, and Federal fiscal restraint does offer hope of return to economic stability growth, if continued. Mr. Butcher's thorough discussion of this premise gives concrete evidence that thoughtful and informed members of the business community appreciate the value and validity of the President's economic program.

I commend to my colleagues the full text of Mr. Butcher's remarks, in the belief that his words will contribute a great deal of solid information to our ongoing discussion of economic policy.

NATIONAL ECONOMIC POLICY FOR THE  
EIGHTIES: WHERE DO WE GO FROM HERE?

President Brademas, Dean May, distinguished alumni and friends of the Graduate School of Business: I am honored by the invitation to address this distinguished conference, and I salute New York University on its 150th year.

The Chase Manhattan Bank has had a long and warm relationship with NYU, and each year we draw some of our finest "executive timber" from the ranks of GBA.

We find that graduates of this business school are particularly well suited to a career at Chase, primarily for three reasons. One, they are exceptionally well trained. Two, they display a continuing eagerness to learn. And three, they already possess that most elusive of commodities—a New York City apartment.

So for all these reasons then, I'm delighted to share my Saturday afternoon with you.

Today, as advertised, I would like to discuss the U.S. economy and our present economic policy; to consider recent achievements and failures and, in essence, raise the question: where do we go from here?

I might say that "Economic policy" is one of those subjects about which a political columnist once advised, "If it looks complicated—immediately lose interest." Until recently, many Americans seemed to apply this dictum to their mounting economic problems.

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They seemed content with a national economic policy that encouraged lavish spending for Government services and discouraged investment for productive purposes.

And they seemed resigned to the depressing drone of new "highs": High interest rates; high inflation rates; and chronically high unemployment.

In the 1970s, the situation became far more critical than most people realized. For example, during the decade just past:

Our Nation's average business investment as a percentage of gross national product sank lower than Japan's, lower than that of France, Germany, Belgium, and Italy—and even lower than that of Great Britain, which, until recently, was hardly the model of an economy to which we would aspire.

The increase in average annual productivity in the U.S. also dwindled to a level far below that of most other industrialized nations.

At the same time, government spending in the U.S. climbed to over 20 percent of GNP—more than double the rate in Japan and higher than any other industrialized nation, again with the exception of the U.K., with whom, however, we are in a virtual last-place tie.

Fortunately in my view—and not a moment too soon—in the late 1970s. The American people seriously began to question previous policy initiatives. Gradually, through the elections of '76, '78 and certainly 1980—the American people expressed their will to reverse the dangerous direction in which our economy was headed.

And that's exactly what our new government set out to do. Certainly the so-called Reagan economic program has as its overall objective. A change in policy direction. In its first year, the Administration implemented a program of tax cuts, tax incentives, and fiscal restraint—a policy direction, if continued, and a program, if allowed to work, does offer the hope of a return to economic stability and growth.

I underscore the phrases: "if continued" and "if allowed to work."

Regrettably, a number of elements in our society—including too many members of the business community—have risen up in opposition to the basic policy directions of the new economic program. Clearly, the Administration's program offers no panacea, and in a moment, I'll touch on several areas where I believe improvements are badly needed. But there is no doubt in my mind that the program's goals are correct, and eminently better for our society than the well-meaning but misguided policies that preceded them.

Obviously, the economic program has not been helped by the recession—which began, by the way, before any of the new policies became effective. Business conditions today are not good. And as unemployment rises, the hue and cry of the critics intensifies.

But I believe we must steadfastly resist capitulating to these skeptics. If we forfeit this opportunity to reverse our economic course, I fear we may not soon get another chance.

Whatever the doubters and skeptics say, the broad majority of our citizens, in the final analysis, believe the Administration's objectives are irrefutable.

We have to encourage more capital formation.

We have to stimulate more investment.

And we have to reinforce a flagging private sector.

Stated another way, we have to retrieve our nation's economic resources from the

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Government and return them to their rightful owners—namely, 228 million individual Americans.

And that, in a sentence, is what I believe the Administration's economic program is all about and why it is so critical that we not lose our resolve to see the program through.

Rather than naysaying the program, I think we should concern ourselves with trying to improve it. Here, I would concentrate on three critical areas: the Federal deficit, Government overregulation and monetary policy.

The Federal deficit last year reached \$58 billion. It now seems likely that the 1982 deficit may be in the area of \$80 to \$90 billion, with some analysts forecasting that a \$100 billion deficit is reachable.

"Reachable" maybe. But if sustained for several years, intolerable.

Intolerable not because I say so, or because David Stockman says so, or because the phrase "national debt" is such a handy excuse for failure.

A deficit of that size is intolerable because it brings massive Federal borrowing, strains, the Nation's credit resources, and depletes capital for productive use.

It invites higher interest rates, renewed inflation, and further economic stagnation.

To my mind, the answer lies not in increasing taxes but rather in continuing a determined reduction of Government spending.

To put this spending in some perspective, 20 years ago during the Kennedy Administration, total Government expenditures did not exceed \$100 billion. That's less than we now pay for interest alone on the national debt. More important, today's budget is 7½ times as high as the last budget of the Kennedy Administration.

So clearly, our challenge today is to cut back spending. Let's take a look at our nation's 1982 federal budget of some \$725 billion.

As I mentioned, \$100 billion of that budget—about 14 percent—pays the interest on the national debt—and I think we can all agree that we can't default on that. But if sizable deficits continue, I can see the day when the total income of the U.S. will go just to service this debt. So it's imperative that we begin to attack the spending which results in federal deficits.

Spending on defense this year is about \$190 billion. The whole question of how much to spend on national defense is a difficult one. On the one hand, it seems clear to me that we have neglected our defense in recent years. Few people realize that under President Kennedy, defense represented almost 48 percent of total government spending. This year, by contrast, defense represents about 26 percent of total government spending. Perhaps more important, defense spending in the Kennedy Administration equaled 9 percent of GNP. Today, it equals less than 6 percent of GNP. On the other hand, the defense budget should not be immune from the same kind of thoroughgoing examination for waste and duplication to which all government programs must be subject.

Beyond defense, 13 percent of the budget or \$96 billion is for the general functions of the government. A category from which we've done most of the cutting so far and where there is a limit on how much more we can cut.

And that leaves 47 percent or \$342 billion in the largest single budget category—the so-called entitlement programs. These pro-

grams experienced staggering cost increases during the decade of the 70s. For example:

Social security programs increased by 381 percent.

Civil service retirement programs increased by 548 percent.

And the food stamp program increased by an incredible 1,783 percent.

In this fiscal year alone, entitlements are expected to rise by another \$50 billion or 16 percent—when the underlying inflation rate has declined to around the 7 percent level. Clearly, entitlement expenditures are out of control.

I am not suggesting that we abruptly terminate such programs of necessary assistance. Not at all. But I am suggesting that escalator clauses and liberalized definitions of who qualifies for what have crept into these programs and pushed their cost far beyond intended—or affordable—limits.

And if the Administration's program is ultimately to succeed, it must bring these costs back to reality. The answer is as simple—and as complex—as that.

A second key area for renewed Administration effort is dealing with excessive Government regulation.

The clarion call by citizens everywhere to "get the government off our backs" finally has registered with elected officials. A great many more politicians today understand that while some government regulation is necessary and proper, much is not. And each carries a cost. "A billion here and a billion there," as Senator Dirksen used to say, "and pretty soon it adds up to real money."

The Reagan Administration has capitalized on this new recognition by registering some notable gains:

Vice President Bush's Task Force on Regulatory Relief claims to have helped save close to \$7 billion through modifications of existing regulations.

Unnecessary pollution standards in the auto industry have been rescinded—which may save \$1.5 billion in equipment costs on U.S. cars.

And the government has ended its probe of TV advertising, dismissed legal action against IBM, and dropped its 10-year-old suit to break up a so-called "shared monopoly" of breakfast food producers. (Apparently, the threat of Alpha-bits and Sugar Snaps cornering the market had been greatly exaggerated.)

While these gains are a good start, much more must now be done.

Speaking now purely as an "impartial observer," I think one industry that could benefit mightily from a fortified dose of deregulation is banking. For years, the banking industry has been weighted down by anachronistic laws and regulations that deprive consumers of a fair return on their savings and inhibit U.S. banks from competing equally with foreign banks and non-bank competitors. The result has been a steady diminution in the amount of the nation's financial resources in the hands of the banking system.

Here again, federal authorities recently have begun to ease regulatory burdens on banks. Indeed, with technological and competitive pressures increasing and with consumers becoming more sophisticated in financial matters—bank regulators have had little choice to do otherwise.

I could spend the rest of the weekend detailing our nation's pressing need to modernize its financial structure, but that's another lecture—for which I'm available, Dean May, if you've got the nerve to invite me back.

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Let me just say here that in banking, as in other industries, one would hope that the pace of deregulation accelerates rapidly in the near future.

Now, let me turn to a third economic issue I believe we must confront immediately—namely, establishing a credible monetary policy.

This has a couple of elements. First, the Federal Reserve Board has a clear responsibility to maintain a monetary policy that guards against inducing "cheap money." But now is not the time for the Fed to be dogmatic in its monetarist zeal. Interest rates today are too high—unnecessarily high, in my judgment, especially in view of the way inflation has come down.

The Administration too, in my view, must share the blame. On the one hand, it has called on the Fed for greater monetary restraint. And on the other hand, it has called for lower interest rates. Obviously, the Fed can respond to either request—but not to both at once.

What has resulted from this schizophrenic approach to monetary policy has been an economy thwarted by yo-yoing interest rates at historically high levels.

The most recent example came this past Monday, when my bank reluctantly had to increase its prime commercial lending rate because the cost of our funds over the past week had significantly increased.

I believe a monetary policy—more sensitive to the level of interest rates and less sensitive to short-term fluctuations in monetary aggregates—would be a better course.

Again, what our nation desperately needs now is lower interest rates. The longer that interest rates remain high, the longer it will take for our economy to recover and for the Administration's program to be given a chance to work.

In calling for a monetary policy more sensitive to the level of interest rates, I am not for a moment advocating either "loose money" or increased inflation.

Monetary growth that reflects productive investment and economic expansion does not carry the same inflationary consequences as money growth that feeds consumption.

This argument was amply demonstrated in the 1950s and 60s in Germany and Japan.

During this period, Germany's average inflation rate was low—about 2 percent, the same as the United States. Japan's inflation rate was a bit higher at 4 percent. Monetary growth rates in the three countries, however, were strikingly different: a low 3 percent in the U.S., and a much higher 9 percent in Germany, and 12 percent in Japan.

The high rates of monetary expansion in Germany and Japan did not spur high inflation because they were accompanied by rapid, real economic growth—more than double that of the U.S. growth rate of about 3 percent. So in both Germany and Japan, a higher rate of money growth was not inflationary.

Thus, I believe, we need to allow the money supply to grow in tandem with the economy and not be a drag on it or a prod to it.

We should not let the current recession distort the fact that we as a Nation have embarked on a bold, new course of action. The policies implemented last year were designed to halt a ruinous economic decline and spare the Nation greater poverty and pain. To reinstate discredited programs, to reinstate regulations, or to reimpose burdensome taxes would be a tragic mistake.

With a concerted effort to improve in the areas I've touched on this afternoon, I be-

lieve the economic policies enacted last year can work.

But they need time, and they will require the patience of all of us. I, for one, believe it will be worth the wait.●

## A SALUTE TO PAUL M. WELLS

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. STOKES. Mr. Speaker, it is a pleasure for me to join with the members of the Laborers' Union Local 1099 of the Municipal, County, and State Employees Laborers' International Union of North America, AFL-CIO, in tribute to its president and business manager—Mr. Paul M. Wells. On May 14, 1982, there will be a testimonial in Cleveland for Mr. Paul M. Wells. I take this opportunity to congratulate him on an exemplary job.

Mr. Speaker, my good friend, Paul, has worn many hats within this great local union organization. With every position he assumed, Paul carried three goals with him.

The first was to serve the best interest of the union members. The second goal, Mr. Speaker, was to perform his job to the best of his ability. The third and final goal was to make the motto "In Union There Is Strength" a reliable tool for each member.

Mr. Speaker, I am pleased to report today that holding steadfastly to those goals, Paul M. Wells has made an indelible mark on the union and the lives of the union members in Cleveland.

In many respects, Mr. Speaker, Paul Wells has been the tower of strength for the Laborers' Union Local 1099 starting from the days when the union movement in Cleveland was in its infancy to the present. He has nurtured and guided the development of the local 1099 for the past 20 years. During that time, Paul has been one of the major forces facilitating the growth of the union.

Mr. Speaker, for countless years, Paul M. Wells has been a strong and faithful union man. He served as steward for over 6 years and became the local's president in 1970 and business manager in 1974.

At this juncture, I think that it would be appropriate to share pertinent biographical information on this distinguished union man with my colleagues.

Paul Wells attended the Ohio State University Labor Education and Research Service and graduated from the Harvard University School of Business trade union program in 1972.

A lifetime resident of Cleveland, Ohio, Paul's dedication to aiding the community, in many respects, mirrors

the kind of community involvement he encouraged the union and the membership to undertake. He is a board member of the Cuyahoga County Republican Executive Committee, the Blue Cross of Northeast Ohio, Labor Advisory Council, the Cuyahoga County employee referral program and the Carnegie Roundtable. His name is associated with many worthwhile and productive organizations in Cleveland.

Mr. Speaker, in terms of the union, for his dedication and achievement, Paul Wells has received both local and national recognition by union members. He is a delegate to the Cleveland AFL-CIO Federation of Labor, the Cleveland Building and Construction Trades Council and the Laborers' District Council of Ohio.

It is evident, Mr. Speaker, that Paul M. Wells has been the guardian and force behind the Laborers' Union Local 1099 in Cleveland for many years. Just as important, Mr. Speaker, is the fact that Paul M. Wells, through his actions in the community, epitomizes the principles of the union movement. He has held steadfastly to those goals and helped to make them a reality for his union members.

At this time, I ask my colleagues to join with me, the testimonial committee and the members of the Laborers' Union Local 1099 in saluting Paul M. Wells for a job well done and best wishes for continued achievements for the union, the city of Cleveland and the Nation.●

#### OVERTURNING EXCLUSIONARY RULE NO PANACEA FOR CRIME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. CONYERS. Mr. Speaker, one of the proposals recommended by the Attorney General's Task Force on Violent Crime, and endorsed by the administration as part of its anticrime effort, is a legislative attempt to modify the constitutional rule that prohibits prosecutors from profiting by use of evidence illegally seized by the police. This proposal, unfortunately, is just another example of the administration attempting to improve its public image by taking advantage of a common misperception that the so-called exclusionary rule will have substantial effect on the ability to arrest, charge, or convict criminals. Rather, as the following column by Prof. William Greenhalgh of Georgetown Law Center (chairperson of the committee on legislation of the ABA Criminal Justice Section) so aptly demonstrates, this proposal will have no substantive impact other than a diminution of the rights and welfare of the citizens of

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this country. I strongly recommend this article to my colleagues who are interested in achieving real progress against crime, rather than just the appearance of progress.

[From the Washington Post, Mar. 30, 1982]

#### THIS IS NO WAY TO FIGHT CRIME

(By William W. Greenhalgh)

As crime and the fear of crime increasingly govern the public's daily lives, the search for solutions has understandably become more and more desperate. Nevertheless, we should remain alert to the dangers of answers that not only offer false promise, but, more important, trample on cherished constitutional principles. The current legislative movement to eliminate or modify the federal 4th Amendment exclusionary rule is a case in point.

The 4th Amendment provides: "The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized."

Few advocates of a free and orderly society would dispute this principle in theory. While on the one hand it guarantees all citizens protection against unreasonable government searches and seizures, on the other it provides a system for searches and seizures when probable cause for them exists. Unfortunately, however, power is a heady thing. Experience has demonstrated numerous instances in which state and federal law enforcement officers have tried to limit the amendment's applicability by illegally searching—that is, searching without a warrant—those they would like to see convicted of criminal activity.

In 1914, the Supreme Court attempted to remedy this situation on the federal level. Its *Weeks v. U.S.* decision required the federal courts to exclude from consideration at criminal trial all evidence collected in violation of the 4th Amendment. In 1961, in *Mapp v. Ohio*, the court used the 14th Amendment's "due process" clause to extend this "exclusionary rule" to the states.

Now Congress is considering several bills and the administration is proposing to sponsor another to modify the rule, arguing that it allows criminals to escape federal conviction when the excluded evidence is crucial to the prosecution's case. The American Bar Association vehemently opposes such efforts as unconstitutional, unwarranted and unnecessary.

Because Congress has no authority to pass legislation that violates the Constitution, it lost its power to legislate the abolition of the exclusionary rule when the Supreme Court in *Mapp* declared the rule to be an essential part of the 4th and 14th amendments. Now the rule can only be nullified by constitutional amendment or a reversal of the *Mapp* decision.

A less radical approach pending in the Senate recognizes the rule in cases where there is an "intentional or substantial" violation of the 4th Amendment but not in other cases—in effect, sanctioning some illegal searches and seizures. This legislation, like the broader proposal to abolish the rule outright, is a violation on its face because it effectively abolishes the objective standard of reasonableness that has been the law for 67 years.

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The administration has recommended legislation to admit evidence illegally obtained in the course of a reasonable, "good faith" search. The rationale is that since application of the exclusionary rule is not anticipated by the offending officer in such cases, it will not act as a deterrent to his actions. The ABA again objects. For over 100 years the Supreme Court has consistently rejected the so-called "good faith" test. Objectivity—not subjectivity—must be the rule of law.

Since Congress has no authority to legislate a change in the exclusionary rule, are we "stuck" with a rule we would be better off without? Our response is an emphatic "no." Public policy alone militates against the proposed legislation. By creating a lesser standard in federal courts, its passage would exhume the "silver platter" doctrine that allowed federal courts to admit evidence illegally seized by state officers, or vice-versa, thereby destroying any semblance of uniformity of 4th Amendment decisional law in federal and state criminal proceedings.

Moreover, the exclusionary rule should be retained because it works. Since its imposition, federal law enforcement has come a long way toward living and working well without the need of unlawful searches and seizures.

Not only does the federal exclusionary rule work, it works without greatly affecting the disposition of cases. The overwhelming percentage of guilty pleas and convictions in federal courts provides ample proof that the rule has not stultified either federal law enforcement or judicial determination.

The current rhetoric that the rule is responsible for legions of criminals going free on "technicalities" is absolutely refuted by several recent studies. In one survey undertaken by the prestigious Institute for Law and Social Research "less than 1 percent of all arrests were refused by the prosecutor with an indication that the police failed to protect the arrestee's right to due process." In another, due process questions appeared to have "little impact on the overall flow of criminal cases after arrest." A General Accounting Office report confirms this minimal impact of the exclusionary rule on conviction rates.

The American Bar Association joins with the administration, Congress and the public in recognizing the need to undertake concerted and effective measures to reduce crime in America. But it emphatically opposes legislation to abolish or modify the exclusionary rule as an easy answer to our crime problem. Constitutional issues aside, congressional changes in the rule will undercut law enforcement professionalism, engender decades of litigation over various new tests and result in very few additional criminals ending up behind bars.

And in the bargain, we will—perhaps forever—have casually tossed aside a valued constitutional protection on which this country was founded.●

## TIME TO REVAMP THE FED'S MONETARIST POLICIES

HON. BENJAMIN S. ROSENTHAL  
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. ROSENTHAL. Mr. Speaker, I am distressed by the persistence of extremely high interest rates in our economy even after inflation has cooled and the economy has grown very weak. Although the President's budget is partly to blame, the Federal Reserve's continued adherence to monetarism, which dictates that there must be a rigid limit imposed on the growth in some arbitrarily defined financial statistics called the money supply, is, I believe, an important contributing factor to the persistence of repressively high interest rates.

What makes the present situation so distressing is that I see no early resolution of the problem, no easy return to economic prosperity. On the contrary, the Federal Reserve, in its rigid adherence to the theory of pure monetarism has lost touch with its public responsibilities to promote economic prosperity. Inflation control is not the only objective of monetary policy. Economic prosperity and stable financial markets are equally important objectives of sound monetary management. But the Fed appears not to care about these important concerns.

The Fed is surely not blind to what is happening to the economy. Unemployment is at 8.8 percent and rising. Business failures and mortgage delinquencies are occurring at rapidly increasing rates. Interest rates, measured in real terms adjusted for inflation, are currently at the highest levels since the Great Depression. Under these conditions, it is economic suicide for the Fed to maintain interest rates at such levels in spite of the rapidly deepening economic slump.

A growing body of opinion shares this same conclusion. A very important recent expression of this is found in Hobart Rowen's column entitled, "It Is Time To Relegate Monetarism to a Museum" that appeared in the Washington Post on Sunday, March 28, 1982, which I commend to my colleagues.

The article follows:

(From the Washington Post, Mar. 28, 1982)

## IT IS TIME TO RELEGATE MONETARISM TO A MUSEUM

(By Hobart Rowen)

Milton Friedman, the noted economist, has made a career of jumping on the Federal Reserve Board. It almost never does anything right, in the Friedman view—and over a long stretch, going way back to the Big Depression, there is plenty of blemish on the Fed record.

Professor Friedman, a Nobel award winner, gets a lot of attention not only because he is one of the nation's most distin-

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guished economists, but also because he is one of the most articulate. And as the founder of the monetarist school of economics, he has had a profound effect on the thinking of economists and governments all over the world.

The Reagan administration adopted his basic belief that a slow, stable growth in the money supply is the correct—and only—strategy necessary to control inflation. If it grows too fast, inflation is the result. If it doesn't grow enough, the economy doesn't grow enough. If the growth is erratic, then financial markets are erratic.

Friedman is said to be the president's favorite economist, telling him it's okay to slash taxes as the best way to reduce the size of government—even a 25 percent maximum rate would work. It's a mutual admiration society: on "Meet the Press" last week, Friedman labeled Reaganomics "a great triumph."

But the truth is that Reaganomics has led the nation to the brink of economic disaster, and the monetarist approach blueprinted by Friedman, endorsed by Reagan and carried out by the Fed has acted not just to squeeze out inflation in the economy, but also to crunch real growth to the point of creating a recession.

So Friedman has to find an excuse for failure of the monetary policy, and his excuse is that the Fed hasn't been doing what it was supposed to do. The Fed's overall money growth targets are okay, but he complains that one week the money policy is too tight, and the next week it is too easy. By pursuing such a "roller-coaster" or "yo-yo" approach, he argues, the Fed has eroded the confidence of the business community in the Reagan program, and thus should take the blame for economic instability and high interest rates.

Even when confronted with evidence that he may have overstated the case—or, God forbid, may actually be wrong—he won't admit it. Federal Reserve Chairman Paul Volcker, for example, testified before the Senate Banking Committee that there is no "obvious link" between the growth rate of monetary aggregates and "our current economic problems."

If there were, Volcker asks, how come countries whose economic performance we tend to admire—like Japan, Switzerland, and West Germany—have so much wider swings in their rates of monetary growth?

Volcker supplied committee Chairman Jake Garn (R-Utah) with figures for the narrowly defined money supply growth last year that showed a range between minus and plus of 138 points for Japan, 60 for West Germany, 56 for Switzerland, and only 29.5 points for the United States. The only better record among industrial powers—if stability is some kind of virtue—was Italy (which, incidentally, had one of the highest inflation rates!).

On "Meet the Press," Friedman brushed these statistics aside as "wholly meaningless." He told a questioner that Germany, Switzerland, and Japan can get away with wide fluctuations, because "over a period of years, [they have] demonstrated the credibility of their long-run patterns. You can have the widest fluctuations in a short run, provided everybody is confident that over the longer run you will attain your target."

"The Federal Reserve has not, in fact, achieved its targets over the longer run. It has no credibility, and the real harm which these fluctuations is doing is that it destroys the credibility of the Fed's targets."

But the record shows that the Fed has pretty much done what Reagan demanded

of it. True, in 1980, it slightly overshot the target range for M1, the narrowly defined money supply that Friedman now focuses on. And in 1981, it considerably undershot it. However, looking at M2, a much broader measure of the money supply, the Fed was just about on the mark last year.

Interestingly enough, after having said a year ago that M2 was the be-all and end-all of money measurement, Friedman has reverted to M1 as his guide, although many other experts think that the vast innovation that has taken place in financial markets makes M1 much less meaningful.

For example, there was a huge bulge in M1 in January that agitated Friedman and other monetarists. But as Boston Federal Reserve Bank President Frank Morris pointed out recently at a conference in Atlanta, most of the bulge occurred in interest-paying checking accounts. This was probably "a defensive buildup of precautionary balances . . . that in earlier times would have been largely reflected in an increase in savings accounts."

In other words, people edgy about the economy may have decided at that time to hold extra money in "NOW"-type checking accounts, which are federally insured rather than in higher yielding money market funds, at least temporarily. The bulge, as Morris says, didn't mean that an inflationary surge was under way, or that the Fed had lost control, or had to rush to change its policy.

" . . . it seems to me that the monetary aggregates, particularly M1, have been rendered obsolete by innovation and the computerization of the financial system," Morris said.

The Fed's recent scorecard has certainly not been perfect, but on the whole, considering the difficulties of combatting an inflationary White House fiscal policy, it's not bad. Even if it were physically possible to hold the supply of money rock steady in the exact middle of a target range (which many respected monetary analysts doubt), there is no reason to believe that there is a predictable relationship between a stable money supply and the economy.

Gyrations in interest rates are not due to short-term money supply fluctuations, but, as Henry Kaufman says, to monetarism itself. It's the monetarist fixation with the money supply that "creates interest rate volatility."

But given the monetarist mania created by Friedman and his followers, and which has swept up the Fed itself (and large segments of the press), the panicky money markets have gotten "hooked" on the weekly M1 growth figures published every Friday. Any big bulge—regardless of the reason—sends interest rates soaring.

If there is a ray of hope, it is that the slavish devotion to monetarism is finally being questioned. Ferment for a change is reflected not only in the Morris speech, but also in an earlier one by New York Federal Reserve Bank President Anthony Solomon, and in testimony by Kaufman.

What's needed is not a new set of technical measures (as demanded by Friedman) to make money growth patterns even more rigid, but a complete breakaway from monetarism so that the nation once again can follow a sensible monetary policy that doesn't focus exclusively on interest rates or the money supply.

In today's computerized era, with a whole new range of money market and other financial instruments that can constantly shift in their composition, no one knows

how to define money, much less control it—not even Milton Friedman. It's time to move monetarism out of the Fed to a quiet historical study corner in the Smithsonian.

The most important thing the Congress can do now is make the Fed more accountable for its actions. As an independent agency whose members have 14-year terms, the Federal Reserve cannot effectively be held accountable by the electorate. It is very timely, therefore, that the Congress give prompt consideration and passage to a measure recently introduced by Mr. Conyers, the Federal Reserve Reform Act (H.R. 5066), which I am cosponsoring.

This bill will shorten the terms of the Fed Board members to 5 years, make the Fed chairman's term of office coincide with that of the President, and eliminate the present voting role of the presidents of certain Federal Reserve Banks in the policymaking Open Market Committee. In this way the administration in control of the White House will exercise direct control over the Federal Reserve Board's membership and can in turn be held accountable by the voters.●

#### A TRIUMPH OF DETERMINATION: RUTGERS LADY KNIGHTS

#### HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DWYER. Mr. Speaker, I commend to my colleagues the outstanding achievements of the Rutgers University women's basketball team, victors in this year's Association of Interscholastic Athletics for Women national basketball championships.

The Lady Knights of Rutgers, our State university, upset top-seeded Texas, 83-77, to capture the national title—the first ever won by a Rutgers athletic team, men's or women's.

Rutgers Coach Theresa Grentz attributed the victory to determination, leadership, and maturity.

All that and more were in evidence on that last Sunday in March when our team defied the odds and emerged the victors both in numbers and in spirit.

The Lady Knights' singular achievement deserves our warmest appreciation and commendation. They are a tribute to the State of New Jersey and national athletics.●

#### EXTENSIONS OF REMARKS

#### BUILDING AMERICA TOGETHER

#### HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. HEFTEL. Mr. Speaker, I am pleased to share with my colleagues a speech written by the Hawaii State winner of the Voice of Democracy contest, sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary. James Walter Matthews (Jimmie), an 11th grader living in Honolulu, wrote this speech, and has won a trip to Washington, D.C., and a chance to compete for a national scholarship. I am proud to submit Jimmie's speech in the RECORD, and recommend it to my colleagues.

1981-82 VFW VOICE OF DEMOCRACY  
SCHOLARSHIP PROGRAM

HAWAII WINNER: JAMES W. MATTHEWS

The easiest way to consider how we "build America together" is to think of our country as a large mansion under construction. Technically the house has been completed, but the inhabitants work constantly to revise and improve upon the existing construction. The mansion has 50 separate wings, some large and some small, but none with control over the others. Each of the wings sends members to the central planning committee, which in turn directs the continuous work being done. The plans that this committee adopts are carried out by a head foreman, at this moment Ronald Reagan. He exerts a powerful influence on the direction of the construction, but neither he nor the committee may deviate from the original blueprint for the mansion, our Constitution. This document sets certain restrictions on the builders so that the work done will not violate the intentions of our founding fathers. These men broke the ground and laid the foundation. It has proven to be a strong base, one without serious faults or deficiencies. We have stood on it for over 200 years, and it is as strong now as it was first laid. So this mansion of the United States has the advantages of good organization and solid structure.

Even then, final success depends on the workers. They work most ambitiously, for they know that what is good for the mansion is also good for them. And this is the significance of the word "together", for this great cooperation has made possible the prestigious accomplishments of our nation. For example, in 1960 our President, John Fitzgerald Kennedy, committed the total force of our 200 million people to an effort that culminated in Apollo 11. The mind, body, and spirit of a nation were behind the space program, an example of voluntary cooperation that few countries have been able to match. When Neil Armstrong set foot on that dusty surface of the Moon, it was not only his personal triumph, but a triumph of all Americans.

Another example of successful cooperation, though on a much smaller scale, came to light in 1978. Experts verified then that two Illinois high school students, after hard work, had discovered the world's largest prime number. This had been a puzzle with which professional mathematicians had struggled to no avail. In accomplishing this feat, the two teenagers showed the world

the power of cooperation, and made other nations respect the educational system that produced them.

However, our successes have come not only in the field of science. There have been notable triumphs in the field of team athletics. Our teams have dominated men's basketball ever since it was introduced as an Olympic sport. And just last year the spirit of the entire country was aroused by the astounding victory of our Olympic hockey team. Those young men, through their singular determination, were able to change the mood of a nation. People flew Old Glory with pride. The Star-Spangled Banner was a hit again. And "I Love America" became the slogan of the day. But it couldn't have happened without teamwork and cooperation. Without people working together. In each of these triumphs a labor was accomplished. A leak in the roof was patched, a furnishing replaced. Bit by bit, the mansion is improved. And we build America together.●

April 6, 1982

#### TRIBUTE TO NORMAN A. BERG

#### HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. JONES of Tennessee. Mr. Speaker, a distinguished American last week completed nearly four decades of exemplary service toward improving the natural resources and economic livelihood of our continent.

Norman A. Berg has been a career civil servant of the USDA Soil Conservation Service for all those years, Chief of the agency for almost 3 years, and the second-ranking leader of the agency for a decade before that.

The contributions he has made to strengthen agriculture, improve water quality, and to the intelligent expansion of communities are truly remarkable. His retirement from active Federal service on April 2 we hope is merely a steppingstone to continued strong involvement in helping resolve important natural resource issues.

Mr. Berg has helped make the Soil Conservation Service the finest corps of dedicated, responsive professional conservationists in the world. He has enhanced its capabilities for action, improved its performance toward accomplishing conservation objectives, achieved wider public understanding of conservation needs, and maintained excellent working relationships with organizations and agencies at every level.

At the same time, Mr. Berg has proven a skilled diplomat in Departmentwide efforts to redirect conservation programs, as well as in joint United States-Canadian efforts over a 6-year period to demonstrate the relationships between land use practices and Great Lakes water quality.

In my years on the House Agriculture Committee, I have never known a more open, responsive, and creative

leader of Federal agency. He has been unfailingly helpful to the Congress in providing technical information on which to base new legislative initiatives, such as the special areas conservation program for targeting Federal assistance to those geographic areas with the most urgent soil erosion and related problems, and several other concepts now embodied in the Agriculture and Food Act of 1981. He has provided valuable testimony in formal hearings as well as in day-to-day briefings, and he has generously provided knowledgeable employees of the agency to aid in developing concepts that meet both congressional and administration objectives.

A charter member of the Senior Executive Service, the top of the U.S. civilian leadership, Mr. Berg was among the first to receive the Presidential rank award as a meritorious executive. At the time of his retirement he was under consideration for the SES's highest accolade, the distinguished executive rank award. He also has won the USDA's highest honor, the Distinguished Service Award.

Throughout his career, Mr. Berg has been prolific as a speaker, writer, teacher, and student and has proven himself unusually adept at translating new ideas, methods, and technical developments into agency and departmental action. He also has excelled in working with soil and water conservation districts as well as State conservation agencies to increase their effectiveness and sharpen their program capabilities, greatly improving both the accomplishment of the present and the promise of the future in local soil and water conservation achievement.

I know that my colleagues join me in saluting Norman A. Berg for an eminent career that, in the words of his Canadian counterparts, has represented "admirable service not only to agriculture in Canada and the United States, but to society generally." ●

#### REAGANOMICS—DEJA VU?

#### HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. BARNES. Mr. Speaker, I am pleased to submit for the CONGRESSIONAL RECORD an analysis of the historical antecedents of Reaganomics written by Rick Heyman, who recently won the U.S. Capitol Historical Society's Historian of the Year Award in Montgomery County, Md.

Mr. Heyman is a senior at Charles Woodward High School in Rockville, Md. His work, "Reaganomics—Deja Vu?", demonstrates that the supposedly novel "supply side" economics practiced by the administration is closely

#### EXTENSIONS OF REMARKS

related to the "trickle down" economics of the past. I commend it to my colleagues as valuable reading.

##### REAGANOMICS—DEJA VU?

(By Rick Heyman)

The Reagan administration describes its economic plan as "a major departure from past policies." Although the Administration's policy employs the "futuristic" theories of supply side economics, in reality the President's plan differs only slightly from the Revenue Acts of 1924-1928 (which employed the "trickle down" theory) and the Tax Reduction Act of 1984 (which employed demand side economics). All three plans cut expenditures and slashed taxes.

##### REAGAN ECONOMICS

The program the President presented to Congress focused upon five major changes in governmental policy which the Administration deemed essential to economic recovery:

1. Cut the growth of Government spending. From 1977 to 1981 Federal spending increased at an annual rate of 13.3%. The Administration estimates that the growth in spending between 1981 and 1984 will be reduced to 5.5% per year.

2. Reduce taxes to remove disincentives to work, save, invest and produce. The centerpiece of the Administration's program is the Kemp-Roth tax bill which proposes a 30% tax reduction over 3 fiscal years:

These (the 30% tax cut) reductions are essential to restoring strength and growth to the economy by reducing the existing tax barriers that discourage work, saving, and investment. Individuals are the ultimate source of all savings and investment.

The President feels that:

The most insidious tax increase is the one we must pay when inflation pushes us into higher tax brackets. As long as inflation is with us, taxes should be based on real income. \* \* \* Federal personal income taxes should be indexed to compensate for inflation, once tax rates have been reduced.

Thus to reward work, higher taxes via "bracket creep" must be reduced. By rewarding work, the Administration feels it will be rewarding savings, and therefore "reduced tax burdens and increased private saving will provide funds for productive investment." To reward investment, depreciation reform and business tax reductions will "increase incentives for capital expansion, resulting in higher productivity."

3. Remove "tentacles" of excessive government regulation.

4. Work with the Federal Reserve Board to "establish a stable, sound, and predictable monetary policy." The Administration feels that "stable monetary supply, combined with expanding productive capacity, will bring about a reduction of the inflation rate."

5. Balance the Budget. The Office of Management and Budget estimates that if the President's program is implemented, the Budget totals between 1980 and 1986 would be as follows:

##### BUDGET TOTALS

[In billions of dollars]

Fiscal year	Receipts	Target	
		Expenditures	Deficit (-) surplus (+)
Actual 1980	520.0	579.6	-59.6
Estimate: 1981	600.3	650.3	-54.9

##### BUDGET TOTALS—Continued

[In billions of dollars]

Fiscal year	Receipts	Expenditures	Target Deficit (-) surplus (+)
1982	650.3	695.3	-45.0
1983	709.1	732.0	-22.8
1984	770.7	770.2	+0.5
1985	849.8	844.0	+5.8
1986	940.2	912.0	+28.2

These estimates reflect tax and spending reductions proposed as part of the President's program for economic recovery; proposed increases in defense spending; and revised estimates of receipts and outlays resulting from revised economic assumptions.

The Administration feels that the program, if enacted as proposed, will lead the U.S. into an economic promised land:

The decline in tax rates is likely to generate both strong economic improvement and impressive gains in receipts, paving the way for a balanced budget. . . . The reduced size of the public sector will free up the resources for a strong, rapidly growing private sector. . . . The reduced Federal share of GNP under the new budget plan, reinforced by monetary stability, will signal a sharp reduction in future rates of inflation, and will thus have beneficial effects on financial, labor, product, commodity, and foreign exchange markets. As inflationary expectations moderate, interest rates will decline and business confidence will improve. Long-term capital markets will recover, making possible the refinancing of corporate balance sheets. Wage and price demands will become less aggressive. Commodity prices will stop rising, and the dollar will strengthen in foreign exchange markets. Tax burdens will ease. Better fiscal policies will become the basis for economic revival.

An equally important part of the President's domestic policy is his commitment to "restore our defenses." In 1982, defense expenditures accounted for 47.8 percent of the budget. The President plans to reverse recent trends by increasing defense spending from 24.7 percent of the budget in Fiscal Year 1981 to 33.2 percent in Fiscal Year 1984.

This naturally will change the balance between spending for domestic programs and spending for defense. As shown below, the emphasis in Federal spending has been moving sharply away from defense to domestic programs. For every dollar spent on defense:

##### Domestic program spending per dollar of defense spending

Fiscal year:

1961	\$1.70
1964	1.90
1965	2.10
1980	4.32
1985 (Proposed)	3.00

By cutting social programs and expanding defense spending, the President is attempting to keep both his campaign promise to reduce Federal spending and to increase national preparedness. At the same time, these policies have definite but sometimes contradictory implications for the economy.

##### MELLON ECONOMICS

Contrary to what the Administration and proponents of Kemp-Roth infer, many of the President's "new" theories have direct antecedents in those of Secretary of the Treasury Andrew Mellon, who served under

## EXTENSIONS OF REMARKS

April 6, 1982

Presidents Harding, Coolidge, and Hoover. Mellon based his tax policy on what has become known as the "trickle down effect" that "if recipients of the highest incomes were sufficiently free of restraint and taxation, investment of their savings would insure prosperity filtering down through the economy."

The economy in 1923 was just starting to recover from the economic ills following the demobilization after World War I. Mellon urged in that year that the whole tax program be revised. He argued that the wealthy would not invest in industry when the government was taking so large a percentage of their profits. Without investments by the rich, "new fields of economic enterprise" could not be developed. President Harding agreed, saying that a tax cut was "a requisite to the revival of business activity in this country."

The death of President Harding gave uncertainty to the prospects of a tax cut. When Calvin Coolidge reviewed the situation, he too agreed that a tax cut was necessary, but only if it were accompanied by tax reform. The Coolidge-Mellon Revenue Act of 1924 was proposed to Congress to reduce private and corporate tax rates and to enact a series of tax reforms. The Coolidge Administration received strong criticism on the bill:

The conservatives desired the burden to be lifted most quickly from the wealthy, who could thereby use the amounts hitherto earmarked for taxes to develop national industry and therefore national income. The liberals, on the other hand, believed that excess-profits, estate and inheritance, and income taxes should be continued at the high rates, with the primary alleviation given those in the lower brackets. President Coolidge and Secretary Mellon were subjected to bitter attacks for not sharing this view.

The Revenue Act of 1924 was a compromise between the two factions. Coolidge and Mellon got a 25 percent rebate on earned income, yet corporate taxes remained the same and estate taxes increased. Coolidge felt that it did not "represent a sound permanent tax policy" because it was "tax reduction not tax reform" and both reduction and reform should be promoted "upon an economic and not a political basis." He concluded that the act would "throttle initiative and new enterprise."

Despite his strong reservations, Coolidge signed the bill. The prosperity which followed the enactment of the Revenue Act of 1924 gave him the political leverage he needed to pass several revenue acts between 1926 and 1928. Unlike the taxcut of 1924, these acts included tax reform: personal and corporate taxes were lowered and the estate tax was cut in half. Moreover, the excess-profits and automobile sales taxes were eliminated.

Federal income tax receipts showed that Mellon's plan to cut taxes in order to increase future receipts proved to be effective. The Federal government received \$1.842 billion in taxes in 1924; in 1925, after the taxcut, only \$1.762 billion; but by 1929, income taxes brought \$2.331 billion into government coffers.

While they were cutting taxes, Coolidge and Mellon were also cutting expenditures: from \$3.697 billion in 1923 to \$3.506 in 1924 and down to \$3.483 billion in 1927. Good fiscal planning, high tariffs, and the absence of the post-New deal social safety net allowed the Federal government to operate on a surplus during most of the 1920's.

## KENNEDY-JOHNSON ECONOMICS

The only other time both taxes and expenditures were cut was in 1964 with the Tax Reduction Act of 1964. Personal income tax rates were reduced from a 20-31% scale to 14-70% over a two year period; corporate rates went from 52% to 48%, and small corporation taxes dropped from 30% to 22%.

Kennedy entered office during a recession. Inflation was high and unemployment was at 6.7%, up from 5.3% in January 1960. Many theories on economic recovery were put forth during 1961 and 1962, but the President and his economists settled on tax reduction in mid-1962.

Kennedy unveiled the basic outline for his tax and budget proposals before the conservative Economic Club of New York. In this landmark speech he said that the biggest problem confronting the economy was "the burden on private initiative imposed by our present tax system . . . that . . . reduce the financial incentives for personal investment, effort, and risk-taking." Kennedy promised reduction of non-defense spending, emphasizing his own interest in balancing the budget, and "held out the vision of tax reduction as the surest route to budget-balancing." Herbert Stein, a noted economist, made the following insightful comments on the economy and President Kennedy's plan:

The emphasis was no longer, as it had been in the summer of 1962, on the danger of an imminent economic decline. The economy was rising and the object of the tax program was to insure and accelerate the continuation of the rise. This would be done by removing the drag caused by an excessively burdensome wartime tax structure which both siphoned off purchasing power and stifled incentives to invest and produce. Tax reduction would promote the expansion of production, employment, and incomes, thereby raising the revenues despite the reduction of the tax rates. It was the best and probably the only route to a balanced budget.

Although the Kennedy plan seemed revolutionary, it was only partially so. Kennedy mixed the "new economics of the flexible use of fiscal policy to achieve high employment" with the "old Puritan ethic of balancing the budget and the old Mellon philosophy of reducing taxes to stimulate growth." This mix of old and new formed the core of President Kennedy's proposals.

Once again, the death of a President caused a drastic change in the nature of a landmark tax bill. When passed, the Act contained as much Johnson's demand side theories as Kennedy's supply side economics.

Johnson faced a dilemma when he entered office: he too felt that the country sorely needed a tax cut, yet the budget was already in the red (by \$9 billion) and Congress was unlikely to pass a tax cut during a deficit. Johnson said: "In my judgement, we could have our budget intact or we could have our tax cut, but Congress would not give us both." Therefore, he ordered cabinet members to "Start reviewing the budget, start cutting expenditures; nothing is sacred."

On January 20, 1964, Johnson presented the finished package to Congress. In his impressive speech, he outlined the plan for tax reduction and fiscal restraint:

By combining efficiency with expansion, frugality with compassion:

1. We shall hold the fiscal 1965 budget below the fiscal 1964 budget, and cut the deficit in half;

2. We shall strengthen our programs to meet pressing human needs, fully satisfy

our defense requirements and respond to the demands of economic progress;

3. And we shall, at the same time, provide an unparalleled fiscal stimulus to the economy.

Speedy passage of the tax cut.

1. Will cut tax collections by \$8.8 billion in 1964.

2. Will cut corporate tax . . . by \$1.5 billion in 1964.

3. Will in fact provide a greater net stimulus to the economy in terms of production, income and profits than any other peace-time year in history.

These gains [in Gross National Product, consumption and profits] will at long last lead to a balanced budget in a balanced economy at full potential. . . . The \$11 billion tax cut will challenge American businessmen, investors, and consumers to put their enlarged incomes to work in the private economy to expand output, investment, and jobs. . . . If we are to master these problems [unemployment, lack of productivity, advancements, labor force growth, unused capacity, wasting potential, and balance of payments deficits] we must above all enact the tax bill not in one or two or three months, but now; not diluted but in strengthened form."

President Johnson got the bill passed, but when enacted it differed from Kennedy's original plan. Kennedy proposed the cut be "spaced over three fiscal years and a . . . reduction in the budget—excluding defense, space programs, and interest." Yet Johnson's plan spaced the cut over two years and cut the Defense Department budget.

The main difference between the two plans, however, was how Kennedy and Johnson wanted people to spend their tax cuts. Kennedy included savings incentives, hoping that the public would invest their tax savings and thus provide the necessary capital for business expansion. Johnson, however, was more concerned with full employment and increased production. Johnson felt that increased private spending in the private sector would provide the necessary stimulus to the economy.

## OLD PRINCIPLES IN NEW TIMES

President Reagan has often been accused of proposing simplistic solutions to complex problems. His economic program is no different. "Our program for economic recovery," the President said, "does not rely upon complex theories or elaborate government programs. . . . The principles are easily understood." He goes on to state that only "politics-as-usual stands in the way of lower inflation, increased productivity, and a return to prosperity."

In a campaign speech, Candidate Reagan, referring to his proposed tax cut, said: "It has worked before and it will work again." By saying this, Mr. Reagan acknowledges that his plan is not new. The majority of it is simply rehashed Coolidge-Mellon and Kennedy-Johnson.

Mellon's idea of cutting taxes to increase future receipts is the theory behind Kemp-Roth. President Coolidge was the first to cut taxes and expenditures at the same time, which is what the Administration proposes to do now. This approach to budget balancing has been proven effective, so the Administration's adoption of this theory is quite sound.

President Reagan's tax proposals follow Mellon's trickle down theory. The policies assume that the wealthy and big business are likely to invest the most, spurring eco-

conomic growth, thus aiding everyone. However, the role of the wealthy in accumulating investment capital has changed considerably in the past 50 years (considering the much larger and more sophisticated nature of the middle class in the 1980's), thus introducing doubt as to the validity of the theory in today's economy.

The theories behind the President's program may be Mellon's, but the actions behind the proposed program are heavily from Kennedy and Johnson. Again, adherence to the past may not have the desired consequences, because conditions are considerably different today.

First, the economy in 1964 was beginning to recover from a recession and only needed a boost to achieve prosperity. In 1980, the economy is much sicker, with high inflation, high unemployment and high interest rates. Moreover, steep rises in oil and other energy prices combined with increased costs due to environmental protection measures have created a situation recognized by President Reagan as being "historically unique."

Second, President Johnson wanted people to spend their tax cut and thus offered no incentives to save. Reagan, like Kennedy, wants people to save their money, yet unlike Kennedy offers no incentives to save. Without these incentives, people will most likely spend their tax cuts, which was healthy in 1964 but would be highly inflationary now. Mr. Reagan may have recognized this, for in recent discussions with the Democratic opposition the President implied that he may lower taxes on investment returns, thus providing reasons for private savings.

Third, the drastic increases in defense spending that the President proposes may be highly inflationary. After the initial success of the Tax Reduction Act of 1984, inflation rose because of the increased war effort in Vietnam. The President's plan to double defense spending between 1981 and 1986 could so fuel inflation that the President's optimistic economic assumptions would be grossly mistaken.

President Reagan's plan is based on sound economic theories. However, the economy in 1981 is not the same as it was in 1924 or 1964 and thus the results will be different. Moreover, the President's mix of economic theories with his demands for less government regulation and more defense spending is potentially dangerous. Only time will tell if Reagan's historically-based plan will bring prosperity or depression.●

#### SUPPORT FOR S. 2333

#### HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. MINETA. Mr. Speaker, I fully support the action taken by this House last week when it adopted S. 2333 permitting an official or employee of the U.S. Government injured during an assault on or assassination of the President, Vice President or Member of Congress to receive contributions from charitable organizations. Dedicated public employees, injured while serving their country, should not have to face the financial burden of their injuries alone. These people are deserving of the support and ap-

#### EXTENSIONS OF REMARKS

preciation of the American public. S. 2333 is designed to help women and men such as the press secretary of the President, Mr. James Brady, who has suffered greatly since he was injured during an attempt on the life of the President last year. Mr. Brady's continued courage and sense of humor throughout his ordeal is a reminder of the fine qualities shared by the many women and men who work hard everyday on behalf of the people of the United States. I applaud the action of Congress and urge the President to sign this legislation.●

#### MAR LIN CITIZENS HOSE COMPANY

#### HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. YATRON. Mr. Speaker, I rise today to pay tribute to the Mar Lin Citizens Hose Company, who will be celebrating their golden anniversary this year. Fifty years ago in May, the Mar Lin Citizens Hose Company was chartered and they began providing their community with effective fire protection services. Since that time, this volunteer fire company has made an outstanding contribution to the protection of individuals and property of their area.

At the beginning of their service, this excellent hose company participated in numerous local fund-raising events in order to generate the necessary funds required to purchase a fire-truck and a firehouse. In the fall of 1941, a 1928 Cadillac pumper was purchased and construction was started on a new building. This structure was completed and occupied in January 1942. In 1946, a new truck was purchased which served the company until 1978. In order to better facilitate the needs of the community, they determined that a new, better equipped truck would be necessary in conjunction with a larger building. They purchased a new 1979 FMC, 750 gal/min pumper, financed by a combination of the company's savings and two separate loans. Payments for the loans are totally provided from allocations given to the company from the local township government which are provided from the Federal Revenue Sharing program.

At the same time, the Mar Lin Company broke ground for the construction of a new firehouse. Funds for this project have been provided totally from accrued savings and from continued fundraising projects. Almost all the construction has been performed by the members themselves thereby limiting the costs of construction to basically the cost of the materials. The completion of this building is co-

inciding with their 50th year celebration.

A banquet will be held Saturday, April 24, 1982 and a building dedication and truck house celebration will be held on Saturday, June 12, 1982.

At the banquet, the Mar Lin Citizens Hose Company will honor three charter members who, for the past 50 years, have provided dedicated, faithful service to their organization and community. These outstanding individuals are: Mr. Louis Dallago, Mr. Frank Dallago, and Mr. Frank Orlosky, Jr. A fourth member to be honored is Metro Wyda who has given over 40 years of service to the company and who served as their first truck foreman and later as fire chief for a number of years. He presently is actively involved as both trustee of the organization and self-proclaimed caretaker and custodian of the new building. The fifth award will be presented to the wife of deceased member, Peter Zedonick, in appreciation for the 40 continuous years he served as treasurer and his diligent fiscal management.

I know my colleagues will join me in wishing the Mar Lin Citizens Hose Company continued success and in applauding the outstanding service they provide in their community.●

#### BATAAN DEATH MARCH

#### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. PAUL FINDLEY. Mr. Speaker, on April 1, the House passed House Joint Resolution 435 to pay special tribute to the 36,000 Americans captured by the Japanese during the fall of Bataan and Corregidor in the Philippines.

Forty years ago in April these Americans, along with the captured Filipinos, were made to march for up to 10 days without food, water, or medicine on what is referred to as the "Bataan Death March." Before they reached Camp O'Donnell, more than 10,300 people, including women and children, died.

The survivors of this horror were then taken to Cabanatuan, where incredibly cruel and inhumane treatment continued, and 3,000 more died between May of 1942 and February of 1945. On September 2, 1945, the remaining prisoners were freed. Of the original 36,000 captured Americans, fewer than 7,000 survived this tragic ordeal.

Forty years later there are 3,015 survivors who still remember this painful time in their lives. For them and for the families of those who did not survive, Congress passed this resolution. In addition, the President of the Re-

public of the Philippines, Ferdinand Marcos, himself a survivor of Bataan, has declared April 12 as the "Ruby Reunion for Peace" in the Philippines, inviting all Americans who took part in this tragic event to return to his country for a week-long commemoration of this important time in both our histories. Further, he has agreed to build a memorial in honor of the Americans who died at Cabanatuan.

Certainly these people who endured such a tragic and horrid experience deserve our recognition as well, as do the families of those who did not survive. It is important that we not forget their suffering. The "American Salute to Cabanatuan Prisoner of War Memorial Day" is indeed a fitting and appropriate tribute to all involved.●

#### A RESIDENCE FOR PAGES

#### HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. BENNETT. Mr. Speaker, I rise today to express my support for providing a residence for pages so as to alleviate their continual housing problems.

On the weekend of March 20 to 21, the pages were once again involved in their annual mock congress. The pages, who so ably serve us in the House and Senate, debated in subcommittees to determine what legislation they would like to see brought to the House floor. The first and foremost legislation to be considered by the mock congress was a bill to establish a residence for pages, and it passed by a unanimous vote. I believe that all who have sponsored pages recognize the difficulty of obtaining housing for them. At the moment there are only a few boardinghouses in the area. Several pages have been forced to seek lodging in expensive and inadequate apartments.

The time is ripe to provide the pages, both male and female, with a dormitory-style residence. The total amount of rent paid each month by the pages would surely help defer the cost of this structure and provide a safe and more unified atmosphere for these hard-working young people. The legislation authorizing such a page home was passed in 1970, and it is time to get on with building this project. I certainly hope the Appropriations Committee will fund it this year.●

#### EXTENSIONS OF REMARKS

#### PRIVATE SECTOR ROLE IN JOB TRAINING

#### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. HAWKINS. Mr. Speaker, as the Congress deliberates employment and training proposals, there are some proponents who endorse the idea of giving the business community carte blanche approval to run public job training programs without serious regard to whether businesses are capable or willing to undertake this vital social responsibility. This is a heavy burden for most private businesses to carry, given the reality of the shrinking public dollar targeted for these programs. Businesses generally are preoccupied with the short-term profit motive and have not demonstrated enthusiastic commitment to long-term job training programs on their own initiative, particularly those programs targeted to the economically disadvantaged.

Active participation of the private business community in public job training programs is, however, a key component to insure permanent unsubsidized private sector jobs for program participants. Indeed, I am in favor of giving the private sector greater responsibility in job training programs—H.R. 5320, my employment initiative pending before the Congress, reflects this. A cooperative partnership between local government and local business, I believe, is the most sensible role for the private sector in shaping manpower policies. This partnership concept provides an opportunity for greater local flexibility by the government and business leaders who are most knowledgeable and sensitive to local needs. In concert, they can appreciate the economic and social realities of their local communities and can best devise programs to address their local problems.

The threat of dismantling the current local delivery system in employment and training programs for one that is controlled by the States and the private sector is a risky proposition. I urge the proponents of pro-business involvement in job training to divert their energies away from trying to discredit a system that works and instead seek a more effective partnership between business and local government.

Following are a few of the letters the Subcommittee on Employment Opportunities has received from the private sector reflecting some of the concerns outlined above:

April 6, 1982

UNION OIL CO. OF CALIFORNIA,  
Santa Rosa, Calif., March 25, 1982.

Hon. DAN QUAYLE.

Chairman, Senate Subcommittee on Employment and Productivity, Dirksen Senate Office Building, Washington, D.C.

Hon. AUGUSTUS F. HAWKINS.

Chairman, House Subcommittee on Employment Opportunities, Rayburn House Office Building, Washington, D.C.

DEAR SENATOR QUAYLE AND CONGRESSMAN HAWKINS: A few days ago, I wrote to you officially as Chairperson of the Private Industry Council in Sonoma County here in California. At that time, I presented our Council's general perspectives on issues pertaining to the development of new job training legislation to replace the Comprehensive Employment and Training Act. I am writing today to address one specific concern.

I have heard reports that, in last week's testimony at the joint hearings held by your Subcommittees, the National Alliance of Business (NAB) spoke in support of S. 2184, the Administration's job training bill. NAB representatives evidently stated that S. 2184 reflected the view point of American business on the need for a new federal job training system.

Please be aware the S. 2184 does not reflect our Council's perspective. We strongly support the important principles of 1) a partnership for job training, based on concurrence, between local government and local business and 2) program flexibility and control in and by local communities. S. 2184 does not establish a strong private sector role at the local level; would create a new, unneeded state bureaucracy; could result in eliminating services in many areas of the Country; severely limits flexibility to design programs to meet the needs of local areas; and denies local government and business leaders the opportunity directly and effectively to plan the services which would be delivered in their own communities. Worst of all, S. 2184 does not strengthen, but in fact weakens, the cooperative partnership for job training which have been established between local business and government.

Of the four bills before the Congress, I would like to state my personal support for H.R. 5320, the Community Partnership for Employment and Training Act. This bill respects the principle of local control, significantly reforms the federal job training system without wasting the expertise which now exists with local Private Industry Councils and other structures, and provides for a strong private sector role in a cooperative partnership with local government.

I urge you and other members of the Subcommittees to work toward a final bill which permits program planning and decision making by local government and business people working together in a partnership at the local level.

Very truly yours,

DIANE K. PARDINI.

CONTROL DATA CORP.,

Minneapolis, Minn., March 22, 1982.  
Hon. AUGUSTUS F. HAWKINS,

House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN HAWKINS: Your efforts to secure timely enactment of national employment and training legislation this year deserve strong support. Creation of a public/private partnership to reduce unemployment by improving basic skills and providing jobs training is clearly in the national

interest, and Control Data has already demonstrated its feasibility. The benefits to the economically disadvantaged, local communities and business, particularly at a time of rising unemployment, have been evident.

Hopefully your committee will authorize sufficient appropriations to make a substantial national training effort possible. Given the very sharp cuts in the CETA program in 1981, it is especially important that budget authority not be reduced below fiscal year 1982 levels. In addition, careful consideration should be given to the relative responsibilities of the federal, state, and local governments in the arrangement of an appropriate national delivery system.

Sincerely,

WILLIAM C. NORRIS.

TACOMA-PIERCE COUNTY  
PRIVATE INDUSTRY COUNCIL

Tacoma, Wash., February 22, 1982.

Hon. AUGUSTUS F. HAWKINS,  
U.S. House of Representatives, Chairman,  
Employment Opportunities, Rayburn  
House Office Building, Washington,  
D.C.

DEAR CHAIRMAN HAWKINS: As chairman of the Tacoma-Pierce County Private Industry Council (PIC) I would like to share the thoughts of the business community on the reauthorization of employment and training legislation soon to be considered by Congress. Our local PIC is a subcommittee of the area Economic Development Board (EDB) which is comprised of representatives of business and industry as well as government who are interested in promoting the development of Tacoma-Pierce County. It is the lead business-backed group in the community and provides input in planning Urban Development Action Grant projects, Housing and Urban Development projects, Economic Development Administration initiatives, as well as programs under the current Title VII of CETA. Over the years, the EDB and the PIC have developed considerable expertise in the area of economic development including federal employment and training programs.

The PIC has considerable interest in the future of employment and training programs as part of an overall economic policy revitalizing this country's economy. Such programs must address the training needs of both business and industry and the labor force participants, including our low-income, unemployed citizens. Key to economic recovery is an increase in worker productivity. The PIC is in a position, organizationally and experience-wise, to ensure that federal dollars will address these needs at the local level.

At a recent work session, PIC members studied the existing proposals for reorganizing the employment and training system. While the PIC supports the concept of a single block grant, it is preferable that the grant be allocated to local governments, not to the states. Since the initiation of Title VII, we have developed excellent relationships with the prime sponsors of Tacoma and Pierce County. We do not see a need to add the state to the system at this time and feel that allocating funds to local government will ensure that the greatest amount of resources will reach the eligible clients as intended. Additionally, we have long advocated the reduction of the administration and red tape which deter business from actively participating in training programs. This can best be accomplished at the local level, and allocating money through the state will only add to this administrative burden.

## EXTENSIONS OF REMARKS

The PIC desires to maintain its role in designing local programs and evaluating those efforts under the future employment and training system. As I stated before, we now have the expertise to achieve results. We are not, however, interested in administering or operating programs directly. We have neither the financial capacity nor the willingness to assume the potential liability. As essentially volunteers, we are willing to leave this function to the existing prime sponsors' professional staffs.

The funding mechanism and the role of the PIC are the two major issues. We do support the concept that maximum flexibility be afforded local governments to define policy and operational procedures appropriate for their areas. Flexibility should be extended to determining whether stipends are to be paid to individuals in training, methods of client selection for training, and the types of programs to be funded. The determination of performance standards should be the prerogative of the PIC and be based upon local economic conditions. The actual standards could be negotiated with the Department of Labor.

I would like to emphasize that the issues I've discussed here resulted from thoughtful deliberations by the PIC members themselves, particularly those representing business. We feel the most logical approach to reauthorization is to build on the best of what we have learned by participating in Title VII.

Sincerely,

LINN E. LARSEN,  
Chairman.

PRIVATE INDUSTRY COUNCIL,  
Canton, Ohio, February 12, 1982.

Congressman AUGUSTUS HAWKINS,  
Rayburn House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN HAWKINS: We are writing to communicate our views after reviewing the major elements of legislation proposed to replace the Comprehensive Employment and Training Act of 1973, as amended.

Our Council has been in existence as an organization for nearly three years after a fairly lengthy and in-depth process of determining the degree and scope of our involvement in local employment and training efforts. In cooperation with local elected officials we have been planning and overseeing such efforts for approximately two years under Title VII of CETA. Day to day administration and operations have been carried out by a Managing Director with the bulk of services, administration, and evaluative analysis provided by local Prime Sponsor staff. We find this arrangement to be effective, efficient, and results-oriented. Therefore, we are concerned when we interpret some of the legislative proposals as dismantling a fairly-well organized structure and replacing it with something as yet to be adequately defined.

In our opinion, employment and training policy is something that requires definition at the national level in terms of establishing overall goals and intent, generally outlining suggested services, specifically defining the recipient population, and providing adequate funding. To move this responsibility to the state level would insure no policy at all, guarantee fragmentation of goals, and cause confusion as to the definition of "adequate funding." It is our belief that Federal legislation and funding should provide long-term continuity for these major elements while it respects the flexibility and ability

of local communities to identify local needs and priorities and provide for them within the parameters of both the spirit and intent of the broader legislation. These basic elements appear to be quite adequately covered through Titles II abc and VII of the existing CETA legislation while at the same time significant consideration is given to special Federal and States' needs and programs.

We would like to provide the following specific information regarding the major elements of employment and training legislation based on our experience here:

Period of authorization: As contained in the Hawkins and Quayle Proposals we concur with the concept of "permanency" to provide continuity for national policy and goals. Should the need ever cease the legislation can be rescinded. In the meantime, funding levels can be determined by increasing or decreasing need. Simultaneously, we urge a stability of funding to enhance long range planning concepts.

Funding process: We subscribe to the Hawkins proposal for direct appropriate response to the concept of national policy and goal-setting which is implemented locally. Some funds should be earmarked for special Federal and States' needs as they have in the past.

Planning and operational authority: We support the notion of a single joint Council as representative of the local Prime Sponsorship specified in the current CETA Act. We envision the composition of the Council as that presently defined under Title VII of CETA with decisions subject to the Governing Board of local elected officials as the initial source of accountability.

Services: We are in agreement with those specified in CETA which are paralleled closely in replacement proposals. We think the concept contained in the Quayle Bill for limited work experience for youth in the private sector should be expanded to include adults. We urge renewed emphasis on cooperative relationships among occupational training institutes, school systems, employers organized labor, government, and community agencies with each recognizing appropriate roles without fear or jealousy.

Service delivery areas: We subscribe to the current Prime Sponsor structure as both viable and proven. Labor market area lines are invisible to job seekers and political jurisdictional boundaries are not barriers to employment in the next county. The significance of structure and definition is one of accountability, not service. Residency is important to the client in terms of service relationship, but it is more important in light of employment opportunities. For example, residents of Canton work in Akron and vice-versa. Each uses the other's training facilities and placement opportunities. The fact that they are separate Prime Sponsors creates no obstacles to the effectiveness of both. The idea of less Prime Sponsors covering larger areas may be initially attractive, but it has yet to be proven that it is administratively less costly. Service only takes place where an individual lives and struggles. In the main, industry views its plant locations as relatively self-contained, individual profit centers.

Broad policy is made at corporate or regional offices, but local control of operations and administration is essential for continued effectiveness and profitability. We submit this concept as the most suitable for a national employment and training system.

April 6, 1982

**Accountability and liability:** Since we are dealing with the trust of public funds, we believe that this is properly placed in the hands of local elected officials who know best the ramifications and how best to account for it. Shifting such accountability into the hands of the private sector moves the funds into different accounting systems and into a realm where the additional responsibility is neither sought or desirable. The private sector has much to offer by way of management consultation, training efforts priorities, and job market projections, but has no more to offer than the government by way of securing ultimate accountability. This rests on the basic integrity of the people responsible. We believe that the merging of public and profit accounting systems is a bad idea. For the same reason staff personnel should be employed by local government to ensure clear-cut local lines of responsibility, accountability, operational and administrative authority.

**Performance standards:** We agree with both Congressman Hawkins and Senator Quayle that performance standards and measurements need to be different for adults and youth. We side more with the Hawkins provisions on this point but would like the Quayle proposal of "achievement in employability competency" for youth incorporated. We also see the need for including some productivity/cost standards.

**Stipends (allowances):** We suggest the consideration of a mid-point concept between the Quayle and Hawkins proposals on this issue. In addition to providing minimum wage for limited work experience, we subscribe to the need for payment of supportive services. However, in terms of allowances for training we suggest local option payment at up to 60 percent of minimum wage under a weekly maximum, provided that no other forms of adequate subsistence are available.

**Recipient population:** We support the concepts of a single Title serving adult and youth specifically and separately. We also concur with the present eligibility measurement of 70 percent of the lower living standard income level which overall does a creditable job of indentifying that 7 percent or less of the population most in need. "Displaced" workers will eventually and appropriately become eligible under current methods of computation of income. Local priority ranking does well in singling out those individuals requiring the most assistance. However, we believe that too many mandatory set-asides for particular programs and population segments, as provided in the Jeffords Bill, will create an unmanageable and untrackable system. If it is deemed desirable to mandate a youth/adult ratio we suggest that this be done on a level of participation rather than a percent of funds. Costs vary greatly for similar services in different parts of the country.

For whatever form the finished product may take, we close with one final thought. Government oversight of such programs tends to focus on administrative and regulatory compliance with productivity effectiveness and results seemingly as an afterthought. This approach guarantees top-heavy and unnecessary administrative costs.

Local plans submitted to the Federal level should consist of overall concepts, needs, and priorities; basic budgets; and an outline of projected results. Detailed planning occurs only within the local level. Systems audited and found to be in compliance and procedurally sound need not be monitored and audited as frequently as those that are

## EXTENSIONS OF REMARKS

not. Structures assessed as solid and without mismanagement, abuse, and relatively free of inexperience and human error do not require the same management attention from the Federal level as those that are not. A change in management emphasis by the government can significantly reduce administrative costs.

This correspondence is submitted with the hope that the information it contains is helpful in designing effective employment and training legislation.

Sincerely,

JOHN C. THOMPSON,  
Council Chair.

Attachment.

### THE PRIVATE INDUSTRY COUNCIL OF WAYNE AND STARK COUNTIES, INC.

#### EXECUTIVE COMMITTEE

Mr. John C. Thompson, Chair, Manager, Hourly Personnel, The Timken Company.

Mr. Charles B. Scheurer, Vice-Chair, Vice-President, Industrial Relations, Diebold, Inc.

Dr. James G. Hyre, Superintendent, Canton City Schools.

Mr. John M. Kelleher, Executive Director, Canton-Stark-Wayne, CETA Consortium.

Mr. Joseph N. Smith, Secretary-Treasurer, Director, Canton Urban League.

#### MEMBERSHIP

Ms. Janet C. Buehler, President, Restaurant and License, Beverage Association of Stark County.

Mr. Christopher L. Dutton, Attorney-at-Law, Day, Ketterer, Raley, Wright & Rybolt.

Mr. Harold L. Hall, Assistant Superintendent, Stark County Department of Education.

Mr. Charles A. Dougherty, President, Industrial Tool Company, Inc.

Ms. Kay Greenleaf, Executive Director, Wayne County Community Action Agency.

Mr. Hugh Jae, Director of Industrial Placement, Mt. Union College.

Mr. Bernard P. Jenkins, President, B. P. Jenkins, Inc., General Contractor.

Mr. John J. Lucas, Jr., Executive Director, Victory Economic Development Corporation.

Ms. Marilyn M. Prather, Vice-President of Human Resources, United National Bank & Trust Company.

Mr. Daniel R. Sciry, 2nd Vice-President, AFL-CIO Greater Canton Council.

Mr. Richard A. Juenemann, Executive Vice-President, Capital Plastics, Inc.

Mr. William McGeorge, Director, Urban Redevelopment Department, City of Canton.

Mr. Stephen A. Robbins, Assistant Executive Director for Human Resources, Timken Mercy Medical Center.

Mr. Fred A. Yenny, President, Stark Technical College.

PRIVATE INDUSTRY COUNCIL,  
OF THE CITY OF LOS ANGELES,  
January 13, 1982.

SUSAN GRAYSON,  
Subcommittee on Employment Opportunities, Rayburn House Office Building, Washington, D.C.

### RECOMMENDATIONS REGARDING CETA REAUTHORIZATION FROM LOS ANGELES AREA PRIVATE INDUSTRY COUNCILS

Over the past three months, representatives from the six Private Industry Councils in the Los Angeles area—Glendale, Long Beach, Los Angeles City, Los Angeles County, Pasadena, and Torrance—have met

to develop a consolidated position statement on issues related to the reauthorization of legislation governing Federally-funded employment and training programs.

The Los Angeles area Private Industry Councils strongly endorse the continuation of Federally-funded employment and training programs. This endorsement reflects the conviction of the majority of PIC members (including business representatives) that such training programs represent a valuable resource for the business community, as well as for disadvantaged persons.

The area Private Industry Councils have agreed that the following principles should form the basis of future employment and training legislation:

Continued high priority should be given to serving primarily the economically disadvantaged. (Glendale dissents.)

Funds should be allocated in block grants awarded to local Prime Sponsors and should not be awarded through the states.

Programs should be developed and administered at the local level.

Maximum flexibility and latitude should be allowed at the local level, consistent with broadly-defined Federal guidelines and requirements for program accountability to meet planned objectives. Grants should be administratively simplified, with a minimum of regulations and paper work.

The private sector (including labor, small and minority businesses) must continue to play its partnership role in program development, planning, and administration.

In addition to these general principles, the area Private Industry Councils endorse the following recommendations (with individual dissents as noted):

There should be a system of additional incentives to encourage more systematic linkages among Prime Sponsors (wherever there is an overlap of Prime Sponsors serving the basic labor market area).

Prime Sponsors should develop a system for coordinating the participation of the private sector (business and labor), schools, vocational education, state employment service, and economic development.

Coordination of planning and implementation between employment and training programs and economic development should be especially encouraged.

Commitment of Federal funds on a multi-year basis is needed to enable PICs and Prime Sponsors to fund training programs in higher skilled occupations which require a longer training period, to make commitments on training support to companies which are planning for future expansion or diversification, and to participate in economic development projects which have a multi-year timetable.

Employment and training programs should be assessed in terms of their success in placing participants in unsubsidized employment and/or in meeting other locally-established program outcomes which are employment-related. Quality as well as quantity of job placements should be considered in the assessment criteria.

Performance contracting should be encouraged under employment and training programs.

A portion of block grant funds should be designated for services to youth. A commitment should be obtained from the school system and vocational education, specifying how each would participate in the program. Prime Sponsors should be permitted to work out agreements with local educational institutions in terms of a locally developed plan, and no specific proportion of funding

should be mandated for school districts in the legislation.

The Councils believe that a valuable and necessary role for community-based organizations is to serve as intermediaries between business and program participants by performing recruiting, providing orientation, job preparation, and training, and arranging supportive services for the economically disadvantaged. They may also work directly with private industry. Individual community-based organizations should have equal opportunity, based on their individual capabilities and the service delivery composition of the Prime Sponsor, to play a role in the implementation of programs and delivery of services through the PIC.

The program of tax credits for employers who hire the disadvantaged should be continued, but it should be broadened to cover all economically disadvantaged groups. (Glendale dissents.)

It is suggested that tax credits might be given to employers who provide training without direct Federal subsidy. (This would be of particular relevance to larger employers.)

Union concurrence on employment and training programs (where there is a collective bargaining agreement) should be retained, and review and comment provisions should be maintained for all other employment and training programs. (Glendale dissents.)

New legislation should continue to require that all employment and training participants who receive wages while in training (i.e., on-the-job training and work experience participants) should be paid the prevailing wage. (Glendale dissents.)

All labor standards in the current law should be retained.

It is recommended that the new employment and training legislation encourage coordination between the Department of Defense and Department of Labor. Appropriate provisions should be made to include the economically disadvantaged, wherever possible, in job opportunities and training programs created in defense (Glendale dissents.)

Publicly supported work programs should be an allowable activity for individual Prime Sponsors under the new employment and training legislation to the extent that the PICs (or their equivalent) give their concurrence on plans and spending of federal funds.

The views of individual Private Industry Councils which are in dissent from recommendations above, or which endorse additional recommendations, are attached. If you need any further information, please contact Kathy Schreiner, Executive Director of the Los Angeles City Private Industry Council at (213) 485-6120 or 6516.

CHARLES F. HORNE, Jr.,

Chair, Los Angeles County Private Industry Council.

JOE SAUCEDO,

Chair, Long Beach Private Industry Council.

JEAN ANDERSON,

Chair, Private Industry Council of the City of Torrance.

LESLIE N. SHAW,

Chair, Private Industry Council of the City of Los Angeles.

AULDEN SCHLATTER,

Chair, Glendale Private Industry Council.

DONALD PFEIFFER,

Chair, City of Pasadena Private Industry Council.

## EXTENSIONS OF REMARKS

### ADDENDUM FROM TORRANCE PIC

There must be maximum flexibility in designing employment and training programs to be responsive to the needs of the local business community and the unemployed. It is essential that employment and training programs provide services to those most in need; but individual groups to be targeted must be determined by each community based upon local conditions, rather than mandated nationally.

The Glendale Private Industry Council strongly endorses the continuation of Federally funded employment and training programs. The preceding recommendations are endorsed with the following modifications:

(1) The definition of disadvantaged be expanded to include other criteria in addition to economic.

(2) Tax credits for employers who hire the disadvantaged continue to be targeted and not broadened to cover all economically disadvantaged.

(3) Union concurrence not be mandated for all employment and training programs.

(4) New legislation not require that participants in training be paid prevailing wage.

(5) Department of Defense contracts not require any jobs or training programs to be filled by economically disadvantaged.●

## KEEP EDUCATION STRONG

### HON. IKE SKELETON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. SKELETON. Mr. Speaker, the administration is jeopardizing the future security and livelihood of the United States through its drastic and shortsighted cuts in Federal education spending.

Since coming to office, the administration has been taking systematic steps to dismantle the entire Federal commitment to education, a commitment which recognizes that education is fundamental to the best interests of our Nation. Federal spending on education, under the administration's plan, would be reduced to \$10.3 billion in fiscal year 1983, and cut by another \$1 billion in fiscal year 1984. These figures are in comparison to nearly \$15 billion committed to education programs just 2 years ago. Budget authority for a number of programs, including title I, the education block grants enacted last year, Pell grants and work-study programs for college students, would be cut to less than half their 1981 levels by 1984. Several other programs of aid to college students would be abolished, including guaranteed student loans for graduate and professional students. The administration is also proposing discouraging reductions in funding for vocational and adult education and handicapped education.

Mr. Speaker, we all recognize the need to control the Federal budget and to eliminate the national debt. We also believe that education must remain under local authority and con-

trol. Unfortunately, however, the administration cannot see that the education which we provide our children today will determine the strength and vitality of our Nation tomorrow. In the interest of our Nation's future, we cannot afford the cuts the administration is proposing for American education.●

ANDREW J. BIEMILLER

### HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. WEISS. Mr. Speaker, the American labor movement and the working people of this country lost a good friend and valiant servant when Andrew J. Biemiller passed away on Saturday. I want to take this brief opportunity to honor Mr. Biemiller, pay tribute to his many achievements and express sympathy to his family and many friends.

To those who mistakenly perceive the labor movement as simply just another special interest group, I strongly urge that special attention be given to Andrew Biemiller's career as chief lobbyist for the AFL-CIO. During his 22 years of service in this capacity, Mr. Biemiller was honest, clear, and objective in advocating full employment measures, worker safety protection, and many other labor issues important to all working people. Perhaps more important, however, was his advocacy of legislative measures that contributed to the improvement of the general welfare of the Nation, sometimes even at the immediate expense of labor's own objectives.

Several examples demonstrate his strong humanitarian commitment and determined leadership. Mr. Biemiller played a significant role in encouraging liberal Members to add an equal employment provision to the Civil Rights Act of 1964, despite the opposition of the Kennedy administration. He also played a key role during the Johnson administration in assisting the passage of much of the Great Society legislation and opposing Senator Dirksen's attempt to overturn the Baker against Carr equal population decision of the Supreme Court. In both cases, Mr. Biemiller and the leadership of the AFL-CIO sacrificed their organization's immediate goals to promote and defend major social reform which was in the best interests of the general public. Indeed, Mr. Biemiller felt that his greatest accomplishment was his strong opposition to President Nixon's Supreme Court appointments of Clement F. Haynsworth and G. Harold Carswell—hardly what one might expect of labor's chief lobbyist.

## EXTENSIONS OF REMARKS

April 6, 1982

Andrew Biemiller was conscientious, thoughtful, honest, and committed. He cared about the people he encountered in Congress, the people he represented, and the working people whose lives were improved by the legislation he sought. His life serves as one of the finest examples for young people who wish to enter a career of public service. He was deeply loved and respected. He will be deeply missed by all who knew him.●

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**FIREARM OWNER'S PROTECTION ACT**


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**HON. DAVID DREIER**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DREIER. Mr. Speaker, I believe that this Congress must make every effort to protect the constitutional right of all law-abiding citizens of the United States to keep and bear arms. The misguided attempts by legislators and proponents of so-called gun control to ban the sale or possession of handguns must not be allowed to succeed given the mandate of the second amendment.

H.R. 3300, the McClure-Volkmer Firearm Owner's Protection Act, takes major steps toward protecting citizen's second amendment rights. I was an early cosponsor of this important bill and continue to support it strongly. I am outraged that the House Judiciary Committee has not held hearings on this bill, and I urge my colleagues on that committee to do so immediately. Government harassment of legitimate gun owners and dealers must be brought to an end.

Furthermore, I believe that outlawing handguns would not cause a reduction in violent crime. Instead, stiffer penalties and tougher criteria in setting bail are needed if crime is to be reduced. I have cosponsored a bill that would establish a mandatory 5-year prison term for anyone convicted of committing a Federal crime involving the use of a firearm. Additionally, I am cosponsoring legislation that authorizes a judge to consider the danger to the community posed by a person charged with a noncapital offense when determining whether to release that person on bail.

This Congress must promptly take actions such as these if we are to deal effectively with violent crime while at the same time defending the right of citizens to keep and bear arms. I am firmly committed to supporting legislation which will maintain and protect the rights of gun owners in the United States.●

**BOY SCOUT TROOP 379—A DISTINGUISHED 50 YEARS**
**HON. NORMAN Y. MINETA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. MINETA. Mr. Speaker, next month, one of the outstanding Boy Scout troops in the Nation, Troop 379, sponsored by the Koyasan Buddhist Temple in Los Angeles, will celebrate its 50th anniversary.

Comprised primarily of Japanese American youths, Troop 379 was founded in 1931 and within 4 years, attained the distinction of being named the outstanding Boy Scout troop in the United States. As a signal honor to the troop in 1935, President Franklin D. Roosevelt, through the national headquarters of the Boy Scouts of America, invited the entire troop to the 1935 National Jamboree. The jamboree, which was to be held in Washington, D.C., was later canceled by the President due to an outbreak of polio in the East.

Many of the Scouts from Troop 379 served in the U.S. Armed Forces during World War II and two were killed in action in Italy while serving with the famed 442d Regimental Combat Team. They were Cpl. Yoshiharu Aoyama, who received posthumously the Bronze Star, the Silver Star, and the Purple Heart for gallantry in action, and Lt. Kei Tanahashi, who was a scoutmaster with Troop 379.

During its 50 years of service to the community, Troop 379 has had a total of 680 Scouts in its program. Probably the most outstanding record of the troop is the number of Eagle Scouts in its ranks. A total of 177 Scouts attained the highest rank of the Boy Scout program, or 26 percent of all the youths became Eagle Scouts during the troop's long history. The ratio of Eagle Scouts to the number of Scouts in the program is one of the highest in the Nation, and the high percentage was maintained for 50 years.

Another national standard may have been set in 1956 when 15 Scouts from Troop 379 became Eagle Scouts at a single court of honor.

Of special interest is the drum and bugle corps of the troop. Organized in 1932, the corps is considered the oldest continuous Boy Scout drum and bugle corps in the Nation. The group has consistently won State drum and bugle corps competitions against older non-Scout groups and has marched in most of the famous parades throughout the State.

In addition to attending many national jamborees, the troop has also participated in International Boy Scout Jamborees. In 1937, the troop made a goodwill tour to Japan and has

since made similar trips to Japan in 1962, 1968, 1971, and 1978. The troop is planning to attend the Eighth Nippon Boy Scout Jamboree in Japan during the summer of 1982.

Boy Scout Troop 379 will celebrate its golden anniversary on May 22, 1982, in Los Angeles. Expected to attend are hundreds of former members of the troop, including some of the original members of the 1931 group. Mr. Speaker, on behalf of all my colleagues, I want to heartily congratulate Boy Scout Troop 379 on its 50 years of distinction.●

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**ANTONIN SVEHLA**


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**HON. EDWARD J. DERWINSKI**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DERWINSKI. Mr. Speaker, as we will be in adjournment on the 15th of April, I would like to bring the attention of the Members to the 109th anniversary of the birth of Antonin Svehla, the Prime Minister of Czechoslovakia from 1922 to 1929.

Antonin Svehla was largely responsible for the successful development of the first free Czechoslovak Republic. Under his leadership, the nation of Czechoslovakia flourished and became one of the most prosperous countries in Eastern Europe. One of the greatest achievements was his land reform policy which made it possible for thousands of small farms to develop and grow.

Upon achieving the distinction of Prime Minister of Czechoslovakia, Svehla began a distinguished career as a statesman and a successful leader of his people. Although he never received the international recognition that he richly deserved, Svehla led his country in accordance with the democratic principles which he had studied.

The memory of Antonin Svehla lives on in the minds and hearts of his countrymen to whom he dedicated his life, and he remains a symbol of inspiration to all who value freedom and true national independence. Although he served his country for a short time, Antonin Svehla is one of the greatest statesmen in the history of Czechoslovakia.●

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**BUILDING AMERICA TOGETHER**


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**HON. GENE CHAPPIE**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. CHAPPIE. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy

contest. This year over 250,000 secondary school students participated in the contest. The theme of the contest this year was "Building America Together."

I am pleased to submit for the RECORD the winning speech from California which was written by Todd M. Turner of Millville, a student at Enterprise High School.

1981-82 VFW VOICE OF DEMOCRACY  
SCHOLARSHIP PROGRAM

**Building America Together.** A New England harpooner, calmly and carefully coiling his whale line in preparation for the chase. A New York shopkeeper, busily scooping out flour for a waiting customer. A Wisconsin school marm, textbook in hand, readying her students for the day's lesson. A tough, brawny, absolutely fearless miner, digging for silver in the Comstock Lode. It was men and women like these who, together, built the foundation for this country. People of diverse skills and talents from every corner of the land. And they were the backbone of our bustling young nation, contributing day in and day out, to America's spectacular growth and progress.

The building of a nation is no new thing in world history. Many were built long ago that are still around today. But many rose to colossal power and just as quickly, fell back into the dust from whence they came.

The building of America is a story of movement, of travel and transportation. It is a story of people spreading out across a vast unexplored continent and building a mighty nation of men and women who are not afraid of new places or strange surroundings.

The building of America is a story of communication, of town criers and newspapers, The Pony Express and the United States Mail, of radio, television and satellites. If the railroads bound the nation together with bands of steel, the telephone and telegraph bound the people together with copper wires.

The building of America is also a story of business, big business and small. It is the story of giant corporations and huge industries, of mail order houses and department stores, of supermarkets and chain stores with branches in a hundred cities and it is a story of the old-fashioned, small-town general store, where you could buy almost anything in the world you need, or just sit around and chat with your friends.

Finally, the building of America is a story of traffic, of shiploads of immigrants crossing the sea lanes to the new world, of long lines of prairie schooners trekking westward across the continent, of steam boats snorting up and down the Mississippi. Today, sleek automobiles streak endlessly across the broad highways that crisscross the nation, and in the skies above America the rumble of mighty airplane jets never ceases. In the cities, traffic clogs the streets so seriously that many shake their heads in despair. Horns blow, brakes squeal, and engines sputter, but traffic continues to move. The progress of America will also face obstacles and delays, but it is my concern that we continue to go forward as we have throughout history.

What it all narrows down to, the building of America is a story of people. Before constructing a mighty nation, our ancestors had to fight for and win our independence. This success aroused a feeling of unity. This togetherness inspired the dedicated, hard-working men and women to build our cities,

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tend our farms, tame our wildernesses and shape our nation's proud heritage. And this unity is what makes America special.

Now, in the eighth decade of the twentieth century, the New England harpooner has been replaced by the Longshoreman, the school marm has given way to the trained specialist. The brawny miner's work has been made easier with heavy equipment and the shopkeeper may spend more time punching the keys of a computer than scooping flour. But the spirit of free enterprise still flourishes, and the common goals of freedom, love, peace, and prosperity still unite the people of this great land. These goals were not easily acquired, nor are they easily retained. It is up to you and me to see to it that the unity of this nation is a candle whose flame never flickers, dims, or weakens. Its light must be eternal. As long as there is an America, there must be a candle, and as long as there are Americans, there must be that light.

PAULINE LONG LOWMAN

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• **Mr. NAPIER.** Mr. Speaker, one of the stalwart institutions of the Nation is its fourth estate. The great, diverse mass of newspapers, magazines, broadcast facilities, and other journalistic efforts which our Constitution not only protects but inspires exists as a true statement of our dedication to the principles of democracy. When we mention news media or press, we often think in terms of the Washington Post or CBS News, but while those organizations are among the largest and most famous members of the fourth estate, they tower over much of the Nation's media only in terms of size and recognition.

Out there in the hinterlands, the small presses grind on and the local broadcast stations meet their deadlines, providing the truth much closer to home. South Carolina has a long and proud history of journalism, as old and as solid as this Nation itself.

One point of history I would like to feature is the recent election of Pauline Long Lowman of North Myrtle Beach as the first woman president in the 106-year history of the South Carolina Press Association. Another point I would like to make is that Polly Lowman could not give her North Myrtle Beach Times newspaper away 11 years ago. Today, that publication has become one of the leaders in the State's weekly newspaper ranks.

Polly Lowman began her newspaper career 11 years ago, February 24, 1971, with the first issue of the North Myrtle Beach Times, a weekly newspaper that has won 42 State press association awards in the last 8 years and 10 national awards for advertising and community service.

Among the top awards won by the Times are: General Excellence as the State's best weekly newspaper, Best Special Edition, Best Advertising Promotion, First Place for Community Service, Best News Photo, Best Feature Photo, Best Sports Photo, First Place for In-Depth Reporting, and First Place for Best News Story. The Times has won eight blue ribbon designations by the National Newspaper Foundation for service to the community.

Polly Lowman has a long track record of leadership in professional and civic organizations. For most of her 35 years before starting her own newspaper, Polly had been extremely active on the State and local level in garden club work.

Ms. Lowman was born in Little River, S.C., and has lived in North Myrtle Beach for 28 years. She is the mother of two sons, Robert Reeves Lowman, Jr., 27, and Michael Duane Lowman, 20.

Among her lists of accomplishments and honors are:

In 1970 selected Outstanding Young Woman of America.

Career Woman of the Year by Grand Business and Professional Women's Club in 1971-72 for North Myrtle Beach.

King Award recipient as South Carolina Newspaper Woman of the Year in 1973 by the SCPA.

She is a member of Myrtle Beach Area Chamber of Commerce, charter member of the Grand Strand Press Association, member of the South Carolina Press Association, National Newspaper, and member of Society of Professional Journalists (SPJ) on the State and national level.

In 1977 she received the Gaugh-Thompson Award from the Grand Strand press Association for outstanding service to the community.

In 1979 first honorary member of the collegiate division of the South Carolina Press Association (SCPA).

Elected to the South Carolina Press Association board of directors in 1977 then treasurer of that organization in 1979, second vice president in 1980 and first vice president in 1981; and now, 1982 first woman president of the South Carolina Press Association in the organization's 106 years.●

OPERATION DRIVER  
EXCELLENCE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• **Mr. DYSON.** Mr. Speaker, I would like to bring to the attention of my distinguished colleagues a worthwhile program entitled "Operation Driver

Excellence." This program, sponsored by the American Veterans of World War II, Korea-Vietnam (AMVETS), is in its 16th year.

Maryland's AMVETS are holding the program in Maryland. Mr. J. Hugh Nichols, a Howard County executive, is the host for this year's program. It will be held on Sunday, April 18, 1982, 10 a.m. at the County Government Building Center, 3430 Court House Drive, Ellicott City, Md.

This competition is open to all high school students in the State who have completed an approved drivers training course within the past year. The winner of Maryland's finals will compete for scholarships totaling \$25,000 at the National Final held in Rosemont, Ill., May 15 and 16.

Driving an automobile is a privilege and encompasses many responsibilities. Proper training and education is a critical component for the beginning driver if safe driving records are to be assured. "Operation Driver Excellence" promotes an alert, able, and responsible driver through education, awareness, and competition.

Mr. Speaker, I most heartily support this program and the efforts of AMVETS in promoting it. I urge my distinguished colleagues to support "Operation Driver Excellence" in their own States and I would encourage Marylanders to attend.●

#### THE HAZARDS OF OVERCLASSIFICATION

#### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. HAMILTON. Mr. Speaker, only a few months after his controversial Executive order which allows the Central Intelligence Agency to conduct activities within the United States, President Reagan has issued an even more disturbing order. Effective in August, it will alter the way we classify sensitive information and will reverse many sound policies of classification which have remained essentially unchanged through several administrations.

The system of classification now in effect was instituted by President Roosevelt and expanded by President Truman in response to a sharp increase in the volume of sensitive information during World War II and the cold war. However, it soon became apparent that a system devised to protect our secrets was also being used to hide waste, abuse, and embarrassment; moreover, it was denying Congress and the public the opportunity to debate both domestic and international issues in an informed manner. The dilemma was, and still is, that the dangerous, fast-paced nature of current events makes two conflicting demands: More

secrecy in Government and better access to information for policymakers, including Congress.

Ever since the days of the Truman administration, Presidents have emphasized the hazards of overclassification. President Eisenhower's order of 1953 reduced the number of agencies authorized to classify; President Kennedy's order of 1961 established the concepts of automatic declassification and downgrading; President Nixon's order of 1972 led to a policy best summarized by the statement, "When in doubt, do not classify"; and President Carter's order of 1978 required classifiers to use a balancing test to determine whether public interest in disclosure might outweigh the need for secrecy.

Each of the changes in this series of executive orders have arisen from a recognition of the evils inherent in overclassification—evils which are not always what they seem to be. Ironically, overclassification results in the disclosure of too little and too much information at once. Justice Stewart may have stated the point most succinctly:

\*\*\* when everything is classified, then nothing is classified, and the system becomes one to be disregarded by the cynical or the careless and to be manipulated by those intent on self-protection and self-promotion \*\*\* the hallmark of a truly effective internal security system would be the maximum possible disclosure, recognizing that secrecy can best be preserved only when credibility is truly maintained.

Under current procedure, a document is classifiable if it falls into one of several categories and if its unauthorized disclosure could reasonably be expected to cause identifiable damage to national security. The general presumption is that doubt whether the document should be classified implies that it should not be. President Reagan's new order will overthrow this scheme by adding several new categories, dropping the requirement that expected damage be identifiable, and making the general presumption that classification is in order where there is doubt. Also, it will eliminate the balancing test.

Of greater importance than specific provisions of the new order is its departure from the overall direction taken by previous administrations. President Reagan has undone with a stroke of the pen the years of work to create an aura of Presidential support for the principles that declassification is as important as classification, that it is wrong to overclassify, and that decisions to classify should be thoughtfully taken. In addition, he will in effect be rewriting legislation tied to the system of classification, including some espionage laws, the Freedom of Information Act, and the pending Intelligence Identities Protection Act.

Overclassification has more of an effect on the proper functioning of

Congress than one might imagine. In principle, Members of Congress are supposed to have access to classified material, and constitutionally they are allowed to discuss sensitive material in public if it pertains to valid legislative duties. In practice, however, overclassification makes quite a difference. Many legislators hesitate to discuss secret documents even if they think the classification is unjustified. Given the tight schedules on Capitol Hill, most lawmakers are unwilling to spend time getting such documents declassified. Also, the level of classified information presented in closed briefings varies with the Members of Congress who attend, and Members who have direct access to most classified material, such as those who serve on the Intelligence Committees, are restricted by internal rules in what they may discuss with their colleagues. Overclassification breeds mistrust between Congress and the administration, friction grows when legislators can find out more from the newspaper than they can from the administration. Overclassification also increases the likelihood that claims of executive privilege will lead to a constitutional clash.

As a member of the House Intelligence Committee, I appreciate the fact that access to certain information must be restricted. But as a member of the House Foreign Affairs Committee, I know how difficult it is to formulate and explain foreign policy when the administration acts on undisclosed information, when the access to sources is overly restricted, or when the release of information is unnecessarily delayed. My impression is that Congress' current access is not what it should be. The President's proposal will impair it further.

Since the President is determined to proceed by fiat toward greater secrecy, it may be wise for Congress to refashion the way it handles sensitive information. We might also follow the suggestion of three congressional committees and enact, for the first time, a statutory system of classification—one which would embody the ideas that protecting and disseminating information are not sole prerogatives of the President and that national security is well served when Congress has ready access and is able to share information with the public.

Congressional access to information is no mere convenience; it is a necessary condition of effective democracy. In general, a democracy simply cannot be governed well if the citizenry and its elected legislature are kept in ignorance. Only in rare circumstances is information so sensitive that it should be withheld.

Those who would withhold information by classifying it should bear the burden of proof that its disclosure would compromise national security. I

am convinced that President Madison's words still retain their vitality and cogency today:

A popular government without popular information or the means of acquiring it, is but a prologue to a farce or a tragedy; or perhaps both. Knowledge will forever govern ignorance; and the people who mean to be their own governors must arm themselves with the power which knowledge gives.●

#### TRIBUTE TO VICTOR BLANCO

#### HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. ROUSSELOT. Mr. Speaker, I rise to pay tribute to the accomplishments and leadership of Victor Blanco, a dedicated American and astute businessman, who has made many outstanding contributions to the Hispanic community, the Republican Party and California.

Victor was the prime mover behind the first Hispanic movement on behalf of the California Republican Party. During his years of distinguished service to Republican politics, he has been chairman of "Latin Americans for Reagan" in 1976, and of "California Hispanics for Reagan" in 1980. Victor is currently coordinator of the National Hispanic Advisory Committee to the Republican National Committee, and recently served as chairman of the Hispanic Republican Convention, which boasted over 1,000 participants.

In addition to his outstanding contributions to the world of politics, Victor has been in the forefront of the revolution in medical technology; the application of this technology has done much to alleviate suffering. He is president and chief executive officer for Blanco Laboratories and Automated Biochemical Analysis. In 1979, Victor founded Blanco and Allaina Partnership, for the purpose of providing state of the art technology in the clinical laboratory field. Victor is a former president of the California Association of Medical Laboratory Technologists, Los Angeles Chapter; he has also served on the National Advisory Council of the Small Business Administration.

Accomplished in everything he undertakes, Victor Blanco is an asset to all the organizations he has most generously shared his time with. Recently the Orange County chapter of the California Republican Hispanic Council honored him for his commitment to excellence. Well wishers at the dinner included: Representative DORNAN, Julio Gonzales, Tom Fuentes, Mrs. Lois Lundberg, Cruz F. Sandoval and Richard Hernandez, among others.

I, too, would like to congratulate Victor Blanco on his contributions to

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the betterment of our community and our world. I think I can speak for the entire House of Representatives in commanding Victor Blanco for his pursuit of excellence, and wishing him the best of success in the future.●

#### CYPRUS SPECIAL ORDER APRIL 22

#### HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mrs. SNOWE. Mr. Speaker, on April 22, my colleagues on the Foreign Affairs Committee, Mr. BROOMFIELD, the ranking minority member; and Mr. YATRON will be holding a special order to address the need to a prompt and peaceful settlement to the Cyprus conflict.

It has been 8 years since the Turks invaded the island and displaced 200,000 native Cypriots and occupied 40 percent of the land. The time is long overdue for a solution to this problem. I commend my colleagues for taking this special order and I urge all Members to take part in this important discussion.●

#### PERSONAL EXPLANATION

#### HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. DeNARDIS. Mr. Speaker, a speaking engagement prevented me from participating in two rollcall votes on Thursday, April 1, 1982. I wish to have the RECORD show that, had I been present, I would have voted "no" on rollcall No. 50 and "yes" on rollcall No. 52.●

#### INVESTMENT IN THE HUMAN MIND

#### HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. LONG of Maryland. Mr. Speaker, the secret of America's greatness from its very beginning has been its insistence on education for everybody.

An organization has just been formed in Baltimore County, Md., to protest cuts in the Federal education budget.

The Baltimore County Coalition on Federal Funding for Education includes 24 organizations which have joined to form Project HELP (help education lobby politicians). Members of Project HELP are: Americans for

Democratic Action; Archdiocese of Baltimore; Association for Children with Learning Disabilities; Baltimore County Board of Education; Baltimore County Chamber of Commerce; Baltimore County Coalition of Handicapped and Children's Council; Baltimore County Public Schools; Baltimore County Special Education Advisory Committee; Coalition of Public Employees; Coalition on Zoning; Congress of Administrative and Supervisory Educators of Baltimore County; Council for Exceptional Children; Department of Recreation and Parks; District Advisory Council of Baltimore County ESEA Title I; League of Women Voters; Maryland Congress of Parents and Teachers, Inc.; Maryland Home Economics Association; Maryland State Board of Education; Maryland State Teachers Association; Parent Teachers Association Council of Baltimore County; Private Industry Council; Retired Teachers Association of Baltimore County; Teachers Association of Baltimore County; and Vocational Education Advisory Council.

The goal of the coalition is simple: "To support Federal funding for education at the level appropriated in fiscal year 1981 and encourage no further cuts in education."

I share Project HELP's concern about the lack of wisdom in these cuts.

The interest of this administration in stimulating investment in modernization and expansion of private industry is commendable. It makes little sense, however, to stimulate investment in machinery and equipment if we curtail the investment in the human mind, for it is this investment that has given us the greatest return—not only economically, but also in terms of political stability and social progress.●

#### DR. ISADOR GITTELSON HONORED FOR MEDICAL SERVICE

#### HON. HAROLD C. HOLLOWBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. HOLLOWBECK. Mr. Speaker, on April 17, Dr. Isador Gittelsohn of River Edge, N.J., will be honored as "Man of the Year" by the Cpl. Charles M. Wallach Post of the Jewish War Veterans of the U.S.A. As a practicing physician for 53 years, Dr. Gittelsohn has earned a distinctive reputation as a compassionate and dedicated medical professional. Forty-nine of those years have been spent in River Edge where he has delivered several generations of babies and has been featured on a major New York City TV news program as one of the few doctors who still makes house calls.

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Evidence of Dr. Gittelsohn's humanitarianism goes back to World War II when, because of a shortage of doctors in Bergen County, he worked as a volunteer at Hackensack Hospital once a week from midnight to 8 a.m.

During the war years and again from 1978 through 1980, he served as police surgeon in River Edge and was a member of the borough's civilian defense department. Over the years, his dedication to his community has brought him honors from the River Edge Women's Club and the River Edge mayor and city council. He also received the Police Benevolent Association's Good Citizen Award, the Crime Detectives' of New York and New Jersey Award, the Pascack Valley Hospital Appreciation Award and the Hackensack Hospital Award for long and meritorious service.

Dr. Gittelsohn is a member of the Bergen County Medical Society, the New Jersey Medical Society, the American Medical Association, the American Geriatric Association, and is a charter member of the American Academy of Family Physicians and of the Pascack Valley Hospital where he was director of pediatrics for 9 years.

I am proud to offer Dr. Isadore Gittelsohn my congratulations on his well-deserved recognition for his achievements and to express my sincere appreciation for his continued efforts to make our communities a better place in which to live.●

## HUMAN RIGHTS—AFGHANISTAN

## HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

Mr. BONKER. Mr. Speaker, more than 2 years have passed since the brutal invasion of Afghanistan by the Soviet Union, and the atrocities against the civilian population continue unabated. French doctors, who are operating clandestine relief missions in the mountains and valleys of Afghanistan, report attacks against defenseless towns and villages in order to demoralize the local population. Deliberate attacks by Soviet forces on the civilian population of Afghanistan is an ominous turn in that war.

Dr. Claude Malhuret, executive director of the Paris-based Médecins Sans Frontières reports:

The Russians have been conducting a reign of terror. We feel it is now up to world public opinion to pressure the Russians into stopping such atrocities.

I would like to commend to the attention of my distinguished colleagues an article which appeared in the Times of London on March 22, 1982, entitled, "Soviet 'atrocities' condemned by doctors":

[From the Times, Mar. 22, 1982]

## SOVIET ATROCITIES CONDEMNED BY DOCTORS

For the past year and a half, three French medical organizations have been discreetly operating clandestine relief missions in the mountains and valleys of resistance-held Afghanistan. In recent weeks, they have become increasingly outspoken against what they consider to be atrocities against the civilian population by the Soviet occupation forces.

At present, the Paris-based Médecins sans Frontières (MSF), Aide Médicale Internationale (AMI) and Médecins du Monde (MDM), whose medical teams are active in war zones elsewhere in the world including Cambodia, Kurdistan and El Salvador, are the only Western humanitarian groups to work inside Afghanistan on a permanent basis.

About 25 volunteer men and women, mainly French but with a sprinkling of Belgians and Swiss, are now running clinics, dispensaries and itinerant aid programmes in eight different provinces at any one time for periods of up to six months.

Originally, the French organizations had hoped that by keeping their activities low key—and consisting primarily of providing basic health care in the insurgent-controlled areas—the Russians would leave them alone. But the presence of foreign doctors among the Afghans is known to irk the Kabul regime. Not only do they serve as morale boosters for the resistance but also as constant witnesses to conditions inside the country.

Three French-run hospitals in the Panjshir valley north of Kabul, the Haxarajat and Paktya province were suddenly attacked by Soviet MiGs and helicopters over a two-day period last November. Medical staff and patients narrowly escaped.

Regarding this as a deliberate intimidation tactic, the doctors of MSF and AMI decided to publicly upbraid the Russians by explaining their position to the media. They said that they were also deeply concerned by an upsurge in recent months of communist attacks against towns and villages intended to demoralize the local population and deny support to the guerrillas.

The French doctors have not come across any direct evidence of chemical warfare by the Russians but have heard numerous reports from Afghans that point to its use. Some victims, they said, bore traces such as blackened skin, blisters and other symptoms, that seemed to suggest chemical attacks.

In one case, the doctors examined a male victim with body burns which they said could have come from napalm or a similar chemical.

"The Russians have been conducting a reign of terror," said Dr. Claude Malhuret, executive director of MSF. "We feel it is now up to world public opinion to pressure the Russians into stopping such atrocities." Western military analysts have also recently drawn attention to what they feel to be a more brutal attempt by the Russians to crush resistance.

Returning French teams in some cases have been able to provide first-hand evidence of communist bombardments and military incursions.

One AMI team, which returned earlier this month after spending the winter in the Panjshir valley, north of Kabul, said that they had seen 13 aerial attacks since December. French doctors were also present when an estimated 15,000 Soviet and Afghan troops launched an offensive against the valley in early autumn.

More recently, the team said, they had retreated severely injured Afghans during an 11-day sweep in early February by mainly Soviet troops in Kohistan at the mouth of the Panjshir valley. According to Marie-Paul Soleiller, an AMI nurse, local resistance leaders and refugees had told them that more than 1,000 civilians and guerrillas had been killed including at least 400 Afghans executed by the Russians. She said that according to the report they had recovered "most of them were machine-gunned but they also took 18 white-bearded old men from a village called Bulareh, doused them with petrol and burned them".

With most Afghan doctors having fled the country or living in the communist-occupied towns, perhaps as many as eight million Afghans in the resistance-held regions are forced to rely on this small, scattered handful of foreign doctors for medical care.

Relying primarily on public donations for support, the organizations are trying to send more missions to Afghanistan. At the moment there are no British doctors working inside Afghanistan but the French are keen to combine efforts with other countries.●

## H.R. 6092: ADEQUATE COVERAGE FOR MENTAL HEALTH SPECIALISTS UNDER MEDICARE AND MEDICAID

## HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

Mr. FITHIAN. Mr. Speaker, I rise today to support H.R. 6092. A bill to amend social security to provide more adequate coverage of the services of mental health specialists—clinical social workers, clinical psychologists, and psychiatric nurse specialists—under the medicare and medicaid supplemental benefits program. This much-needed legislation would insure that qualified mental health providers and specialists will be directly reimbursable under these social security programs, without any Federal requirement of physician supervision of referral. Senator DONALD W. RIEGLE, Jr., of Michigan, will shortly introduce a companion bill on the Senate side. This bill with minor changes is similar to H.R. 3373, a bill I introduced on September 10, 1981.

Even though this bill will expand eligible providers of outpatient mental health services, it will not alter the ceiling on reimbursement, nor will it change the 50-50 copayment provision currently established by law for outpatient mental health services under medicare and most medicaid plans. The purpose of my bill is primarily to offer elderly and low-income beneficiaries greater options in their search for a mental health provider and to save valuable health care dollars.

The existing law allows a medicare or medicaid beneficiary to obtain

mental health services only from a physician—who may not have even been trained as a mental health specialist. The three other core mental health specialists are excluded—clinical social workers, clinical psychologists, and psychiatric nurse specialists.

As in so many other areas, the States have demonstrated the leadership in establishing programs that allow a beneficiary to have freedom of choice in selecting his or her mental health specialist. Several States including Idaho, California, Colorado, Maryland, Utah, Wisconsin, New York, and Virginia have enacted freedom of choice laws mandating coverage for the services of clinical social workers in all mental health insurance programs.

Many private insurance companies have issued policies providing coverage for social workers as mental health specialists. In addition, many of the most important government employees organizations recognize the need to reimburse social workers for their mental health services. For some time the Department of Defense's CHAMPUS program has been directly reimbursing clinical psychologists for mental health services, and last year implemented a pilot demonstration project for independently reimbursing psychiatric nurses and clinical social workers for their services.

We as a nation must recognize that the mental health delivery system has changed drastically in the last two decades, with States and private insurance companies providing the leadership. Now the time has come for the Federal Government to recognize the need to make a fundamental change in the social security system by broadening and expanding coverage to include direct reimbursements to all of the mental health specialists.

The 1978 President's Commission on Mental Health recommended that all existing private and public health insurance systems, including medicare, as well as any future national health insurance program, should provide for mental health care in the "most appropriate and least restrictive setting; and the consumer should have a choice of provider and provider systems." Certainly the reimbursement of clinical social workers, clinical psychologists, and psychiatric nurse specialists makes available a wider range of therapeutic services. Nondiscriminatory coverage of all four core professions would give the elderly and the poor the same freedom of choice which is enjoyed by CHAMPUS beneficiaries. The present system of financial reimbursements clearly works at cross-purposes with other Federal efforts to improve the mental health delivery system.

The underserved mental health populations—rural residents, small town dwellers, the urban poor and racial

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and ethnic minorities—are particularly impacted by the existing system of financial reimbursement for mental health services. As a Congressman from northwestern Indiana—largely small towns and rural areas—I can directly attest to the limited mental health resources in these communities. Many towns are without a doctor, and a psychiatrist is many miles away. Under these circumstances it only makes sense to utilize the other mental health services which are available. Why should a patient seeking mental health services be forced to drive many miles to a distant town simply because it is the only way under the existing law to get reimbursement for these services.

The present system of financial reimbursement for mental health services includes only physicians who are the least available and the most costly. Although physicians and psychiatrists play an important role in the mental health system—since they alone can prescribe medication—they treat only a small portion of beneficiaries. Clinical social workers provide more psychotherapy to individuals and groups in a variety of settings, including hospitals, outpatient clinics, community mental health centers, health maintenance organizations, private and public agencies and in private practice. In fact, clinical social workers provide services to many more patients than psychiatrists, clinical psychologists, or psychiatric nurse specialists. A 1978 survey of mental health manpower, published by National Institute of Mental Health, found that 42 percent of all mental health treatment in federally funded community mental health centers was provided by clinical social workers. The time has come to recognize those mental health specialists that provide the bulk of the services and establish a system that allows them to be directly reimbursed for their services.

Importantly, H.R. 3373 legislatively defines at the Federal level the professional standards and the type of educational requirements that are necessary for each of the four traditional mental health disciplines under which they can practice independently. I have specifically spelled out the proposed definitions of clinical social workers, clinical psychologists, psychiatric nurse specialists, and psychiatrists. By adopting these strict educational requirements, as well as State licensure and/or certification, I am confident that only highly qualified practitioners will become reimbursable under the law.

Again, many of the States and professional organizations have taken the lead in establishing licensing and certification laws, as well as minimum requirements for education and experience. Clinical social workers, for example, are subject to State licensing and

certification laws in 26 States, containing a majority of the Nation's population. The professional organizations are actively working to establish a minimum standard for independent unsupervised practice of at least a masters degree in social work plus 2 years of postgraduate supervised clinical experience. In addition, the National Registry of Health Care Providers in Clinical Social Work and the National Association of Social Workers Clinical Registry certifies clinical social workers who meet these requirements of education and experience. Is it not time that the Federal Government implement the same strict standards that already exist in numerous States across the country?

Most importantly, increasing the availability of mental health services to our Nation's social security recipients by including clinical social workers, clinical psychologists, and psychiatric nurse specialists will not result in huge cost increases for the program. In fact, there is every indication that the overall cost of our national health care programs would decline. How is this possible in an age of rapidly escalating prices and inflationary pressures? First, the utilization of less costly outpatient psychotherapy has been shown to decrease the need for more costly inpatient psychiatric care. It simply costs much more to treat people in a hospital setting. Second, psychiatrists simply charge more for their services than other mental health specialists. If we as a nation could further utilize these other core mental health providers, we could reduce the cost of psychotherapy. A recent survey of psychotherapy finances concluded that of 1,284 respondents the highest percentage of psychiatrists report charging "\$60 or more" for individual psychotherapy sessions, while clinical social workers charge \$40 per session, and clinical psychologists charge \$50 per session. Consequently, the reimbursement of clinical social workers and clinical psychologists actually costs less than psychiatrists.

Third, a recent study by the National Institute of Mental Health pointed out that the utilization of mental health services resulted in decreased utilization of physical health services. This data is not shocking news. General practice physicians have long been aware of the high percentage of patients who are suffering physical symptoms; for example, spastic colon and migraine headaches, caused by underlying nervous and mental disorders. Other studies confirm these findings. A pilot study conducted by the Group Health Association of Washington, D.C., revealed that patients who received short-term outpatient psychotherapy reduced their usage of general medical services and of X-ray and lab-

## EXTENSIONS OF REMARKS

oratory services by approximately 30 percent. Another study by Kaiser-Permanente over a 16-year period with mental health benefits concluded that patients who underwent short-term psychotherapy showed a reduction of almost 75 percent in medical utilization over a 5-year period. Consequently, it is possible to decrease physical health services which have become exceedingly costly.

Fourth, it is possible to increase coverage to include other core mental health specialists without raising overall costs. A study by the Union Labor Life Insurance Co. of New York City and Bankers Life Insurance Co. of Des Moines, Iowa, demonstrated that it was not necessary to raise premiums because of their inclusion of social workers as core mental health specialists. In fact it is possible to obtain more services for less money.

Fifth, the use of other core mental health providers would reduce the cost of hospital, medical, and surgical costs while stimulating worker productivity and increased profits in private industry. A pilot program conducted by a clinical social worker at a Kennecott Copper plant in Salt Lake City, Utah showed the cost-effectiveness of an onsite, outpatient mental health program. Over a 1-year period, the employees involved showed a significant reduction in absenteeism—from 5.8 working days per month to 2.93 days, a drop of 40.5 percent—and in hospital, medical and surgical costs—from \$109.04 per person per month to \$56.91 per person per month, a reduction of 48.7 percent. Over the same period the control group—those not involved in the outpatient mental health program—showed a 2-percent increase in absenteeism and a 7.7-percent increase in hospital, medical, and surgical costs. Consequently, we as a nation can actually reduce the overall costs of our mental health programs while expanding the scope of mental health services and fully utilizing other core mental health specialists.

The existing mental health delivery system includes four core professional groups, but medicare and medicaid does not recognize these contributions because it only directly reimburses physicians. Ironically, it reimburses the least available, the most expensive, and the smallest group of mental health specialists. We as a nation must take advantage of the mental health services provided by clinical social workers, clinical psychologists, and psychiatric nurse specialists. We cannot continue to neglect these fundamental human resources within our communities across the country. The time has come to directly reimburse these other mental health specialists for their services under medicare and medicaid.

For much too long, mental health programs in general have been relegat-

ed to second-class status and the contributions of clinical social workers, clinical psychologists, and psychiatric nurse specialists have been ignored and forgotten. The general public has not known or understood the complex mental and emotional problems experienced by millions of Americans nor appreciated the services provided by mental health specialists.

We must now remove these inequities in the law by amending the existing medicare and medicaid programs. I respectfully urge my colleagues in the House to join me in cosponsoring H.R. 6092 and supporting its passage in the 97th Congress. A copy of the bill is reprinted as follows:

## H.R. 6092

A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a) other than (a)(2)(A), section 1835 except (a)(2) and (b)(1), and subsections (j), (k), (m), and (o) of this section, a mental health specialist, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such in the State in which he performs them".*

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

## "Mental Health Specialist

"(bb)(1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of mental health service providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health service, at least one year of which is postdegree.

"(3) The term 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

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"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by a duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861(r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfully completed a minimum of three years of approved graduate medical training in psychiatry."

(c) The amendments made by subsections (a) and (b) of this section shall be effective in the case of services furnished after the date of enactment of this Act, and the amendments made by subsection (c) shall be applicable in the case of services furnished in any calendar year after calendar year 1980.

Sec. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph:

"(17) services of a mental health specialist (as defined in section 1861(bb)); and".

(b) Section 1902(a)(13)(C)(ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".

## STRAIGHT TALK FROM SENIOR CITIZEN LUD ANDOLSEK

## HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. OBERSTAR. Mr. Speaker, the retired American has experienced the full crushing weight of Reagan economics.

Those of us in Congress who care about programs enacted to insure senior Americans a decent standard of living should be encouraged by the increasing determination with which older Americans are working to preserve critically important programs.

Lud Andolsek, former U.S. Civil Service Commissioner, and now president of the National Association of Retired Federal Employees, offers straight talk cutting to the basic political realities of the struggle facing retired Americans.

I would like to include for the RECORD Mr. Andolsek's speech of March 3 to the Federal Managers Association, entitled, "It's Time To Fight Back."

## IT'S TIME TO FIGHT BACK

(By L. J. Andolsek)

I haven't kept track of the number of times I have been privileged to meet with your fine organization, but it must be coming close to an even dozen. Of course,

I've been in touch with your Executive Director, Bun Bray, many times between meetings and lean on him for advice and consultation.

Each time in the past, I have come as a Presidential appointee—a member of the Civil Service Commission—and I have labored under all of the constraints that the term implies. You know the theme: "Now Lud, don't give away the store, or the White House will come down on you." I've always been a political person, as you know, but I've had to restrain myself. And I might add, I have made a commitment to my present organization that while I plan to be political, I will not be partisan.

So today the wraps are off. There are no constraints. I'm on your side, and I'm going to say some things that will scare the hell out of you—and, I hope, some things will stir you to action.

There are two common pegs that will underlie everything I say to you:

1. These are dog days for federal workers, both active and retired.

2. To protect what we've worked years and years to achieve, we have to take off the kid gloves and fight back. We have to learn how the political game is played. We have to play the game hard. And we have to become good at the art of being political.

First, let me set the stage, and if I brand myself as a lifelong liberal in the process, I make no apologies.

In my lifetime, I've seen many politicians who saw gains to be made in flailing the bureaucracy. But this is the first Administration that—after election—seems hell bent on destroying the bureaucracy. It would perhaps be charitable to think and say, "Forgive them, Father, for they know not what they do." But my fear is that severe damage may well be done because they know well what they are doing, and they simply do not grasp the consequences.

Let me illustrate my point:

The other day, a friend of mine was talking to a group of federal retirees. A very responsible person—a professional man who had devoted his working life to public service—stood up and related an absolutely frightening story.

He said he had been born and raised in the midwest, and was somewhat accustomed to attacks on the bureaucracy as a reader of the Chicago Tribune. When he was around family and friends, he continued, there were times when he was more inclined to say, "I am a veterinarian," rather than say, "I am a civil service veterinarian." But he outgrew that inhibition, and learned to say with pride: "I am a civil servant. I work for the agency that has produced wash-and-wear fabrics, concentrated orange juice, the Beltsville turkey (that has all breast and no bones), and the greatest crop yield per acre for any country on the face of the earth."

But the man continued: "Now my daughter is finishing graduate school. She has worked summers in government, and has heard government discussed at the dinner table all of her life. The other day, I suggested that she consider a career in government."

Then came the frightening punch line. He said: "She looked me straight in the eye, and using words not fit to be repeated in public, she told me in unmistakable terms why government is the last place she'd want to work."

Consequences. \*\*\*? You've got it. If RIFs and threats of RIFs don't permeate the air, what does? If insults to the bureaucracy and to the people in it are not commonplace,

## EXTENSIONS OF REMARKS

what is? And if the highly desirable people we should be trying to attract are instead being turned off by the mention of public service, what lies ahead for the republic?

Going beyond the pervasive climate, let's look at some of the visible evidence that the man on Pennsylvania Avenue is playing hard ball—with your livelihood, and with your earned benefits.

Exhibit A: RIFs, Furloughs, and Firing. I don't need to cite numbers, for this of all groups, but it is all too apparent that the objective of "getting government off the people's back" translates to the practice of reducing federal employment, and more specifically, reducing the cost of government—a furlough of say one day per day period might sound more desirable than a RIF notice, but it still comes down to a 10 percent cut in pay.

Exhibit B: A decision to cut the cost of health insurance by reducing the extent of coverage sounds appealing, until it is you or a member of your family that is going into the hospital.

Exhibit C: A "pay cap" of 4.8 percent, when comparability calls for 15 percent, will sure as hell save dollars, but it might well prove to be the worst way to balance the budget.

Exhibit D: The elimination of one cost-of-living adjustment for retirees may not be all that painful, but the dice keep rolling. Why not a postponement of COLA's? Why not something less than 100 percent indexation? Why not a "cap" on retirement benefits, just like we have "caps" on pay—you know the beat, and the beat goes on. And on. And on. And it seems not to matter a whole lot that each cut—real or proposed—is the denial of a solemn promise made, a shirking of a moral commitment. What seems to matter is cutting costs—but as I have stated, at what long-term price to the quality of the work force?

One final element in the matter of stage-setting. What are the motivations of those who would treat public employees like dirt, and what are their techniques?

I have no doubt that President Reagan is sincere in his belief that the first step on the way to a sound economy is to curb government spending. And we can't honestly fault him for pursuing that objective. But we do have the right to hope that he will begin to show some human compassion in where the cuts are made. I firmly believe that federal employees, active and retired, are willing to pay their fair share in balancing the budget, but to date they are being asked—no, forced—to carry more than an equal load.

And still on the subject of motives. I think there are some folks out there whose motives are suspect. I think they see a continuing attack on the bureaucracy, and the people in the bureaucracy, as a means to feather their own nests. You know very well what I am getting at: Their advertisements end on the note, "If you want to see this attack continued, send us money."

Moving from motives to techniques, we have seen in recent months two instances in which it is not the mercenaries in the market place but the people appointed by the President who are using exaggerations and deceptions to win support for the President's program.

In one case, the head of OPM was using "dynamic" projections, which produced big numbers, when he briefed the press on the unfunded liability of the retirement system. But he was using the statutory procedures, which produce a much smaller figure, in de-

termining the amount of interest to be paid by the government.

In the second case, Mr. Stockman's office released a "fact sheet" which greatly exaggerated the numbers of retired federal workers receiving the minimum social security benefit, and which likewise greatly exaggerated the amount they received in annuities.

It goes without saying that we called both deceptions to the attention of Congress.

### THE BUDGET PROPOSALS

I am sure you are aware that the Administration is now proposing to reduce retirement benefits by (1) limiting cost-of-living adjustments to the lesser of the CPI increase or the annual pay increase, and (2) imposing "caps" on certain Federal annuities.

We have asked the leadership of Congress to reject these proposals because:

1. The Administration apparently does not know why annuities were indexed in the first place.

2. The Administration is using faulty assumptions by not recognizing the value of tax-exemptions for Social Security.

3. Congress has already eliminated those features that were presumed to over-compensate retirees.

4. The President's proposals would subject annuities to the same degree of politics—and Presidential arrogance—that now pertain to pay.

5. The Administration erroneously concludes that key workers are being lured out of government by "excessive" retirement benefits, when in fact they are being driven out by a parsimonious pay policy.

6. It is unreasonable to equate retirement income, a single source, with active worker salary, because active workers have benefit of promotions and longevity increases as well as periodic pay adjustments.

### CALL TO ACTION

I have devoted enough time to the climate that I characterize as dog days for civil servants, and to the motivations of the people who are out to do us in.

Now I will get down to bedrock and ask you to bring the resources of your fine organization to bear in the fight to retain what we've got.

First, I would say that while "image" is a problem, the issue is bigger than image. It's a pocketbook matter. Or perhaps more plainly, a matter of survival. I don't think your organization nor mine can wave a magic wand and get the editorial writers to stop writing adverse editorials. The real arena, where we will either win or lose the battle, is in the Congress rather than the media.

The question, then, is how to succeed.

I believe we have to follow a dual course—whether we are dealing with pay and benefits for active workers or benefits for retired workers.

The first road is education. We must explain why it is in the public interest to attract and keep the quality of men and women who will get the public's work done. And why it is contrary to the public interest to demoralize and humiliate the good men and women who have elected to serve the public.

This road is not easy, for two reasons: (1) Those who would dismantle the public service are good at the art of persuasion, and they are experts in the matter of placing blame where it does not belong; (2) good deeds by civil servants are simply not newsworthy. The press thrives on controversy

and colorful catch-phrases, and there's not much of a market for good deeds and accomplishment.

The second road we must follow is the road of practical politics—and believe me, we've got to shed any hang-ups we might have that politics is a dirty word. To repeat myself, being political does not mean being partisan.

We have to realize that elected officials are mortal human beings, not automatically endowed with full knowledge of all the issues. We have to arm the newcomers and the neutrals with solid facts that support our interests, and we have to dispel the myths and half-truths that our opponents serve up.

And when it comes to those who share the Administration's view that the shortest way to a balanced budget is the decimation of the public service—and who make it clear that their minds are set on this course—we have to play some hard-ball ourselves. To dispel any questions about my meaning, let me say it in the fewest possible words: We have to help our friends get elected, and we have to help our foes find other employment. I'm not speaking in partisan political terms, for our friends might wear either the Republican label or the Democrat label, and our foes might have earned the label of Boll Weevils by the nature of their votes.

I have been a civil servant long enough to know that my words might be creating a lump in the pit of your belly, for you are saying to yourself: "Wait a minute; this guy is trying to get me involved in hard core politics, and the Hatch Act prohibits political activity."

No, I'm not suggesting that you violate the Hatch Act, or any other law. I'm suggesting that you use your muscle, your organization, and your know-how, to protect your rights and benefits within the law.

The Hatch Act does not prohibit you from paying your dues to your organization. But you do have a voice in saying how your dues should be spent by your elected officers. And with an old pro like Bun Bray at the helm, I'll guarantee that he will get your message.

The Hatch Act does not dictate your votes, nor deny your constitutional right to petition the Congress, nor your right to make a political contribution to the candidate of your choice. What I'm saying is that there are practical steps you can take without violating the law.

The Hatch Act does not forbid you to write a letter to a newspaper, in which you dispel the half-truths and exaggerations that someone else has served up. Nor does it prevent you from explaining the virtues of an effective public service to a civic or community group. But if you hide behind the Hatch Act to remain silent when the demagogues are trying to do you in, then you are begging for second-class citizenship. And a public servant worth his salt should insist on being treated as a first-class citizen, for he has earned nothing less.

Finally, I don't want to intrude into the internal affairs of your Association, nor to dictate that your Association must always be in 100 percent agreement with mine on all issues, nor am I unaware of the fact that the concerns of active and retired workers may sometimes differ.

But I will say, with deep conviction, that if there has ever been a time when organizational unity was needed, that time is now. We must have organizational discipline, for if every single member of every single organization chooses to march to a different

## EXTENSIONS OF REMARKS

drummer, we are inviting nothing but trouble. No single organization representing federal workers and retirees can sit back and say "Let the other fellow do it," for the job is too big for any one organization to carry alone. The threat is so big that the work—and the expense of the work—must be shared.

My Association is straining its every fiber to fight the good battle for retired folks, and we never miss the chance to give a plug to active workers.

Our most recent initiative has been the creation of a political action fund that we call NARFE-PAC. We are asking all of our 500,000 members to contribute voluntarily to that fund, and we intend to use the proceeds to help our friends get elected and our foes to find other employment.

If your Association does not have such a fund, may I suggest that you should consider starting one. Contributions qualify for the tax deduction, and they must be voluntary.

I'm simply asking you and your fine organization to go out and do the kinds of things that must be done—in harmony with our Association and with all others whose ox is being gored.

The alternative is a loss of pay and benefits such as we have not seen since the great depression.●

### SECRETARY OF STATE ALEXANDER M. HAIG'S SPEECH AT GEORGETOWN UNIVERSITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

● Mr. MICHEL. Mr. Speaker, Secretary of State Haig made an important speech this morning concerning nuclear arms, conventional forces, American policy, and world peace. At this point I wish to insert in the RECORD the full text of the speech made by Secretary Haig at Georgetown University:

ADDRESS BY HON. ALEXANDER M. HAIG, JR.  
PEACE AND DETERRENCE

It is a melancholy fact of the modern age that man has conceived a means capable of his own destruction. For thirty-seven years mankind has had to live with the terrible burden on nuclear weapons. From the dawn of the nuclear age, these weapons have been the source of grave concern to our peoples, and the focus of continuous public debate. Every successive President of the United States has shared these concerns. Every administration has had to engage itself in this debate.

It is right that each succeeding generation should question anew the manner in which its leaders exercise such awesome responsibilities. It is right that each new administration should have to confront the awful dilemmas posed by the possession of nuclear weapons. It is right that our nuclear strategy should be exposed to continuous examination.

#### *The strategy of nuclear deterrence*

In debating these issues, we should not allow the complexity of the problems and the gravity of the stakes to blind us to the common ground upon which we all stand. No one has ever advocated nuclear war. No

responsible voice has ever sought to minimize its horrors.

On the contrary, from the earliest days of the post war era, America's leaders have recognized the only nuclear strategy consistent with our values and our survival—our physical existence, and what makes life worth living—is the strategy of deterrence. The massive destructive power of these weapons precludes their serving any lesser purpose. The catastrophic consequences of another world war—with or without nuclear weapons—make deterrence of conflict our highest objective, and our only rational military strategy in the modern age.

Thus, since the close of World War II American and Western strategy has assigned a single function to nuclear weapons: the prevention of war, and the preservation of peace. At the heart of this deterrence strategy is the requirement that the risk of engaging in war must be made to outweigh any possible benefits of aggression. The cost of aggression must not be confined to the victims of aggression.

This strategy of deterrence has won the consistent approval of the Western peoples. It has enjoyed the bipartisan support of the American Congress. It has secured the unanimous endorsement of every successive allied government.

Deterrence has been supported because deterrence works. Nuclear deterrence and collective defense have preserved peace in Europe, the crucible of two global wars in this century. Clearly neither improvement in the nature of man, nor strengthening of the international order have made war less frequent or less brutal. Millions have died since 1945 in over 130 international and civil wars. Yet nuclear deterrence has prevented a conflict between the two superpowers, a conflict which even without nuclear weapons would be the most destructive in mankind's history.

#### *The requirements for Western strategy*

The simple possession of nuclear weapons does not guarantee deterrence. Throughout history societies have risked their total destruction if the prize of victory was sufficiently great, or the consequences or submission sufficiently grave. War, and in particular nuclear war, can be deterred, but only if we are able to deny an aggressor military advantage from his action, and thus ensure his awareness that he cannot prevail in any conflict with us. Deterrence, in short, requires the maintenance of a secure military balance, one which cannot be overturned through surprise attack, or sudden technological breakthrough. The quality and credibility of deterrence must be measured against these criteria. Successive administrations have understood this fact and stressed the importance of an overall balance. This administration can do no less.

The strategy of deterrence, in its essentials, has endured. But the requirements for maintaining a secure capability to deter in all circumstances have evolved. In the early days of unquestioned American nuclear superiority the task of posing an unacceptable risk to an aggressor was not difficult. The threat of massive retaliation was fully credible as long as the Soviet Union could not respond in kind. As the Soviet Union's nuclear arsenal grew, however, this threat began to lose credibility.

To sustain the credibility of Western deterrence, the concept of flexible response was elaborated, and formally adopted by the United States and its NATO partners in 1967. Henceforth, it was agreed that NATO

would meet aggression initially at whatever level it was launched, while preserving the flexibility to escalate the conflict, if necessary, to secure the cessation of aggression and the withdrawal of the aggressor. The purpose of this strategy is not just to conduct conflict successfully if it is forced upon us, but more importantly to prevent the outbreak of conflict in the first place.

Flexible response is not premised upon the view that nuclear war can be controlled. Every successive Allied and American Government has been convinced that a nuclear war, once initiated, could escape such control. They have therefore agreed upon a strategy which retains the deterrent effect of a possible nuclear response, without making such a step in any sense automatic.

The alliance based its implementation of flexible response upon a spectrum of forces, each of which plays an indispensable role in assuring the credibility of a Western strategy of deterrence. At one end of the spectrum are America's strategic forces, our heavy bombers, intercontinental missiles, and ballistic missile submarines. Since NATO's inception, these forces have been the ultimate guarantee of Western security, a role which they will retain in the future.

At the other end of the spectrum are the alliance's conventional forces, including U.S. troops in Europe. These forces must be strong enough to defeat all but the most massive and persistent conventional aggression. They must be resistant and durable enough to give political leaders time to measure the gravity of the threat, to confront the inherently daunting prospects of nuclear escalation, and to seek through diplomacy the cessation of conflict and restoration of any lost Western territory. The vital role which conventional forces play in deterrence is too often neglected, particularly by those most vocal in their concern over reliance upon nuclear weapons. A strengthened conventional posture both strengthens the deterrent effect of nuclear forces, and reduces the prospect of their ever being used.

Linking together strategic and conventional forces are theater nuclear forces, that is NATO's nuclear systems based in Europe. These systems are concrete evidence of the nature of the American commitment. They are a concrete manifestation of NATO's willingness to resort to nuclear weapons if necessary to preserve the freedom and independence of its members. Further, the presence of nuclear weapons in Europe ensures the Soviet Union will never believe that it can divide the U.S. from its Allies, or wage a limited war with limited risks against any NATO member.

The strategy of flexible response and the forces that sustain its credibility reflect more than simply the prevailing military balance. Western strategy also reflects the political and geographical reality of an Alliance of fifteen independent nations, the most powerful of which is separated from all but one of the others by four thousand miles of ocean.

Deterrence is consequently more than a military strategy. It is the essential political bargain which binds together the Western coalition. Twice in this century, America has been unable to remain aloof from European conflict, but unable to intervene in time to prevent the devastation of Western Europe. Neither we nor our allies can afford to see this pattern repeated a third time. We have, therefore, chosen a strategy which engages American power in the defense of Europe, and gives substance to the principle

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that the security of the Alliance is indivisible.

### *The task ahead*

During the past decade the Soviet Union has mounted a sustained buildup across the range of its nuclear forces designed to undermine the credibility of this Alliance strategy. Soviet modernization efforts have far outstripped those of the West. The development and deployment of Soviet intercontinental ballistic missiles now pose a serious and increasing threat to a large part of our land-based ICBM force. A new generation of Soviet intermediate range missiles are targeted upon our European Allies.

In the last ten years, the Soviets introduced an unprecedented array of new strategic and intermediate range systems into their arsenals including the SS-17, SS-18, and SS-19 ICBM's, the Backfire bomber, the Typhoon submarine and several new types of submarine-launched missiles, and the SS-20 intermediate range missile. In contrast, during this same period, the U.S. exercised restraint introducing only the Trident missile and submarine, and the slower air breathing cruise missile.

In order to deal with the resulting imbalances, President Reagan has adopted a defense posture and recommended programs to the U.S. Congress designed to maintain deterrence, rectify the imbalances, and thereby support the Western strategy I have outlined.

His bold strategic modernization program, announced last October, is designed to ensure the maintenance of a secure and reliable capability to deny an adversary advantage from any form of aggression, even a surprise attack.

The President's decision, in his first weeks in office, to go ahead with the production and deployment of the Pershing II and ground launched cruise missiles, in accordance with NATO's decision of December 1979, represents an effort to reinforce the linkage between our strategic forces in the United States, and NATO's conventional and nuclear forces in Europe. A response to the massive buildup of Soviet SS-20's targeted on Western Europe, this NATO decision was taken to ensure that the USSR will never launch aggression in the belief that its own territory can remain immune from attack, or that European security can ever be decoupled from that of the U.S.

The improvements we are making in our conventional forces—in their readiness, mobility, training and equipment—are designed to ensure the kind of tough and resilient conventional capability required by the strategy of flexible response.

It is important to recognize the interrelationship of these three types of forces. The requirements in each category are dependent upon the scale of the others. Their functions are similarly linked. The Soviet Union understands this. That is why they have consistently proposed a pledge against the first use of nuclear weapons, an idea which has achieved some resonance here in the West.

NATO has consistently rejected such Soviet proposals, which are tantamount to making Europe safe for conventional aggression. If the West were to allow Moscow the freedom to choose the level of conflict which most suited it, and to leave entirely to Soviet discretion the nature and timing of any escalation, we would be forced to maintain conventional forces at least at the level of those of the Soviet Union and its Warsaw Pact allies.

Those in the West who advocate the adoption of a "no first use" policy seldom go on to propose that the United States reintroduce the draft, triple the size of its Armed Forces, and put its economy on wartime footing. Yet in the absence of such steps, a pledge of no first use effectively leaves the West nothing with which to counterbalance the Soviet conventional advantages and geopolitical position in Europe.

Neither do Western proponents of a "no first use" policy acknowledge the consequences for the Western Alliance of an American decision not to pose and accept the risk of nuclear war in the defense of Europe. A "no first use" policy would be the end of flexible response, and thus of the very credibility of the Western strategy of deterrence. In adopting such a stance, the United States would be limiting its commitment to Europe. But the alliance cannot function as a limited liability corporation. It can only survive as a partnership, to which all are equally and fully committed—shared benefits, shared burdens, shared risks.

Another concept which has recently attracted interest is that of a freeze on nuclear weapons. While being sensitive to the concerns underlying this proposal, we have had to underscore the flaws in such an approach. A freeze at current levels would perpetuate an unstable and unequal military balance. It would reward a decade of unilateral Soviet buildup, and penalize the United States for a decade of unilateral restraint. As President Reagan stressed last week, such a freeze would remove all Soviet incentive to engage in meaningful arms control designed to cut armaments, and reduce the risk of war.

Much of the argumentation for a nuclear freeze revolves around the question of how much is enough. Each side possesses thousands of deliverable nuclear weapons. Does it then really make any difference who is ahead? The question itself is misleading, as it assumes that deterrence is simply a matter of numbers of weapons, or numbers of casualties which could be inflicted. It is not.

Let us remember, first and foremost, that we are trying to deter the Soviet Union, not ourselves. The dynamic nature of the Soviet nuclear buildup demonstrates that the Soviet leaders do not believe in the concept of "sufficiency". They are not likely to be deterred by a force based upon it.

Let us also recall that nuclear deterrence must work not just in times of peace, and moments of calm. Deterrence faces its true test at the time of maximum tension, even in the midst of actual conflict. In such extreme circumstances, when the stakes on the table may already be immense, when Soviet leaders may feel the very existence of their regime is threatened, who can say whether or not they would run massive risks if they believed that in the end the Soviet State would prevail.

Deterrence thus does not rest on a static comparison of the number or size of nuclear weapons. Rather, deterrence depends upon our capability, even after suffering a massive nuclear blow, to prevent an aggressor from securing a military advantage, and prevailing in a conflict. Only if we maintain such a capability can we deter such a blow. Deterrence, in consequence, rests upon a military balance measured not in warhead numbers, but in a complex interaction of capabilities and vulnerabilities.

*The military balance, crisis management and the conduct of American diplomacy*

The State of the military balance, and its impact upon the deterrent value of American Forces cast a shadow over every significant geopolitical decision. It affects on a day-to-day basis the conduct of American diplomacy. It influences the management of international crises, and the terms upon which they are resolved.

The search for national interest and national security is a principal preoccupation of the leaders of every nation on the globe. Their decisions and their foreign policies are profoundly affected by their perception of the military balance between the United States and the Soviet Union, and the consequent capacity of either to help provide for their security or to threaten it.

More important still, perceptions of the military balance also affect the psychological attitude of both American and Soviet leaders, as they respond to events around the globe. For the foreseeable future the relationship between the United States and the Soviet Union will be one in which our differences outnumber points of convergence. Our objective must be to restrain this competition, to keep it below the level of force, while protecting our interests and those of our allies. Our ability to secure these objectives will be crucially influenced by the state of the strategic balance. Every judgment we make, and every judgment the Soviet leadership makes will be shaded by it.

Thus the Soviet leadership, in calculating the risks of subversion or aggression, of acquiring new clients or propping up faltering proxies, must carefully evaluate the possibilities and prospects for an effective American response. Soviet calculations must encompass not only American capabilities to influence regional developments, but American willingness to face the prospect of U.S.-Soviet confrontation, and consequent escalation. American leaders, for their part, must go through comparable calculations in reacting to regional conflicts, responding to Soviet adventurism, and seeking to resolve international crises in a manner consistent with U.S. interests.

Put simply, our own vulnerability to nuclear blackmail, as well as the susceptibility of our friends to political intimidation, depends upon our ability and willingness to cope credibly with any Soviet threat. A strong and credible strategic posture enhances stability by reducing for the Soviets the temptations toward adventurism, at the same time that it strengthens our hand in responding to Soviet political-military threats.

*Arms Control and nuclear deterrence*

In no area of diplomacy does the military balance have greater effect than in arms control. Arms control can reinforce deterrence, and stabilize a military balance at lower levels of risk and effort. Arms control cannot, however, either provide or restore a balance we are unwilling to maintain through our defense efforts.

Just as the only justifiable nuclear strategy is one of deterrence, so the overriding objective for arms control is reducing the risk of war. The essential purpose of arms control is not to save money, although it may do so. Its purpose is not to generate good feelings, or improve international relationships, although it may have that effect as well. Arms control's central purpose must be to reinforce the military balance, upon which deterrence depends, at reduced levels of weapons and risks.

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On November 18, President Reagan laid out the framework for a comprehensive program of arms control designed to serve these objectives. He committed the United States to seek major reductions in nuclear and conventional forces, leading to equal agreed limits on both sides. Last week he reviewed the steps we have taken:

In Geneva we have put forth detailed proposals designed to limit intermediate range nuclear forces, and to eliminate entirely the missiles of greatest concern to each side. This proposal has won the strong and unified support of our allies.

In Vienna, we are negotiating, alongside our allies, on reductions in conventional force levels in Europe. These negotiations have gone on without real progress for over eight years. Because we are now facing diplomatic atrophy, we must urgently consider how to revitalize East-West discussions of conventional force reductions, and stimulate progress in these talks.

Our highest priority, in the past several months, has been completing preparations for negotiations with the Soviet Union on strategic arms. Here, too, we will be proposing major reductions to verifiable, equal agreed levels. Here, too, we will be presenting detailed proposals when negotiations open.

The prospects for progress in each of these areas of arms control depend upon support of the President's defense programs. This imperative has been caricatured as a policy of building up arms in order to reduce them. This is simply not true. As President Reagan's proposals for intermediate range missiles make clear, we hope that we never have to deploy those systems. But we must demonstrate a willingness to maintain the balance through force deployments if we are to have any prospect of reducing and stabilizing it through arms control.

Negotiations in the early 1970's, on a treaty limiting anti-ballistic missile systems provide an historic example. At the time, the Soviets had already built a system of ballistic missile defenses around Moscow. The United States had deployed no such system. Arms control offered the only means of closing off an otherwise attractive and expensive new avenue for arms competition. Yet it was not until the American administration sought and secured congressional support for an American ABM program that the Soviets began to negotiate seriously. The result was the 1972 treaty limiting anti-ballistic missile systems, which remains in force today.

This same pattern was repeated more recently with intermediate range missiles. For years the Soviets had sought limits on U.S. nuclear forces in Europe, but refused to consider any limits upon their nuclear forces targeted upon Europe. Only after NATO took its decision of December 1979 to deploy U.S. Pershing II and ground launched cruise missiles did the USSR agree to put its SS-20 missiles on the negotiating table.

In the area of strategic arms, as well, there is little prospect the Soviet Union will ever agree to equal limits at lower levels unless first persuaded that the United States is otherwise determined to maintain equality at higher levels. It is, for instance, unrealistic to believe that the Soviet Union will agree to reduce the most threatening element of its force structure, its heavy, multiwarheaded intercontinental missiles unless it is persuaded that otherwise the United States will respond by deploying comparable systems itself.

For many opposed to reliance on nuclear weapons—even for defense or deterrence—

the issue is a moral one. For those who first elaborated the strategy of deterrence, and for those who see to maintain its effect, this issue is also preeminently moral. A familiar argument is that, in a nuclear age, we must choose between our values and our existence. If nuclear weapons offer the only deterrent to nuclear blackmail, some would argue we should submit, rather than pose the risk of nuclear conflict. This choice, however, is a false one. By maintaining the military balance and sustaining deterrence, we protect the essential values of Western civilization—democratic government, personal liberty, and religious freedom—and preserve the peace. In failing to maintain deterrence, we would risk our freedoms, while actually increasing the likelihood of also suffering nuclear devastation.

As human beings and free men and women, we must reject this false alternative, and avoid the extremes of nuclear catastrophe and nuclear blackmail. In the nuclear age, the only choice consistent with survival and civilization is deterrence.

An eminent theologian once described our age as one in which "the highest possibilities are inextricably intermingled with the most dire perils." The scientific and technological advances so vital to our civilization also make possible its destruction. This reality cannot be wished away.

Americans have always been conscious of the dilemmas posed by the nuclear weapon. From the moment that science unleashed the atom, our instinct and policy has been to control it. Those who direct America's defense policies today share completely the desire of people everywhere to end the nuclear arms race and to begin to achieve substantial reductions in nuclear armament.

Confronted by the dire perils of such weapons, America has responded in a manner that best preserves both security and peace, that protects our society and our values and that offers hope without illusion. The strategy of deterrence has kept the peace for over thirty years. It has provided the basis for arms control efforts. And it offers the best chance to control and to reduce the dangers we face.

Deterrence is not automatic. It cannot be had on the cheap. Our ability to sustain it depends upon our ability to maintain the military balance now being threatened by the Soviet build-up. If we are to reinforce deterrence through arms control and arms reduction, we must convince the Soviets that their efforts to undermine the deterrent effect of our forces will not succeed.

The control and reduction of nuclear weapons, based on deterrence, is the only effective intellectual, political and moral response to nuclear weapons. The stakes are too great and the consequences of error too catastrophic to exchange deterrence for a leap into the unknown. The incentives for real arms control exist and we have both the means and the duty to apply them.

Let us be clear about our objectives in the nuclear era. We seek to reduce the risk of war and to establish a stable military balance at lower levels of risk and effort. By doing so today, we may be able to build a sense of mutual confidence and cooperation, offering the basis for even more ambitious steps tomorrow. But above all, we shall be pursuing the "highest possibility" for peace. •

## HUMAN RIGHTS—EL SALVADOR

## HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 6, 1982

• Mr. BONKER. Mr. Speaker, Secretary of State Alexander Haig announced within days of the inauguration of the Reagan administration that international terrorism would replace human rights violations as the focus of U.S. foreign policy. Yet, day after day and month after month, the administration, by its actions and/or lack of action, has aligned the United States with regimes that practice terrorism against their own people.

The latest example of this spectacle is a report that the Reagan administration is cozying up to Robert D'Aubuisson, a right-wing, former Salvadoran army officer.

Former U.S. Ambassador Robert E. White described D'Aubuisson as a pathological killer and the person linked repeatedly to incipient military coups and paramilitary terrorist activities. Because of his alleged role in the murder of Archbishop Oscar Arnulfo Romero and his other terrorist activities, D'Aubuisson had been banned from entering the United States since May of 1980.

Now, Thomas Enders, Assistant Secretary of State for Inter-American Affairs, is saying that D'Aubuisson will be allowed to enter the United States. If Reagan administration officials are really concerned about terrorism, they should not be associating our country with individuals who engage in that activity. Double-talk and double standards are no substitute for policy.

I would like to commend to the attention of my distinguished colleagues an article which appeared in the Boston Globe of March 17 which further details the sordid activities of Mr. D'Aubuisson.

The article follows:

[From the Boston Globe, Mar. 17, 1982]

## SALVADOR HOPEFUL TIED TO SLAYINGS

(By Katharine Koch)

WASHINGTON.—The governments of the United States and El Salvador have possessed for nearly two years documents that link the leading right-wing contender in El Salvador's current election campaign to death squads whose operations are believed to have included the assassination of Salvadoran Archbishop Oscar Arnulfo Romero.

Copies of the documents, seized from former army major Roberto D'Aubuisson in May 1980, have been obtained by The Globe. D'Aubuisson is regarded by most observers as the most powerful of the right-wing contenders in El Salvador's March 28 election for a constituent assembly.

Neither the US nor Salvadoran governments, however, has taken official action on the information, which points to D'Aubuisson as a key figure in an international paramilitary network.

In El Salvador, there has been no vigorous investigation into the Romero murder, no

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action against the active-duty officers linked to the death squads and no prosecution of D'Aubuisson, the former national guard intelligence officer now emerging as the potential leader of a rightist coalition that may come to power in the elections.

Information in the documents connects D'Aubuisson to the Miami underworld, but a US law-enforcement source said that information was not made available to appropriate investigative authorities.

D'Aubuisson reportedly tried to eat some of the papers when he and a group of civilian and military colleagues were arrested in May 1980 in connection with an alleged coup conspiracy and the documents were seized. Col. Adolfo Arnaldo Majano, a member of the Salvadoran junta at the time, who ordered the arrest of the group, has authenticated The Globe's copies. They also have been examined and authenticated by former US ambassador to El Salvador Robert E. White and US intelligence analysts.

The documents were turned over to the Salvadoran junta and military high command, but the men were released after 72 hours for "lack of evidence." A Salvadoran military source said the matter was not pursued because it implicated members of the high command. D'Aubuisson had been cashiered from the national guard after the former military regime was ousted in October 1979.

The papers underscore the reasons for US concern about the unexpectedly strong showing D'Aubuisson is making in the current campaign as head of the Nationalist Republican Alliance (ARENA), which has promised to undo the US sponsored reforms of El Salvador's civilian-military junta.

But given the Salvadoran failure to prosecute, the documents also raise questions about the Reagan Administration's recent certification that the Salvadoran military is trying to curb human-rights abuses.

D'Aubuisson has said that if elected, he will "exterminate" leftist guerrillas fighting the government within three months and try the president of the US-backed junta, Jose Napoleon Duarte, for treason. D'Aubuisson views Duarte's Christian Democratic Party as "red on the inside." ARENA blamed the Christian Democrats for a shooting in which D'Aubuisson was grazed on the shoulder late last month.

The Chiristina Democrats, ARENA and the conservative Nationalist Conciliation Party are the main parties in a field of six running in the March 28 elections for a constituent assembly and interim president. Leftists are boycotting the election, arguing that participation would cost them their lives.

The captured documents include propaganda to discredit US policy in El Salvador, a plan for a coup and a daily log of meetings, expenditures, arms lists and the composition of hit teams. Also in the documents is a list of names, addresses and phone numbers of a number of businessmen from El Salvador's oligarchy, some of whom now live in the Miami area and in California. Also listed are expenses for trips to Costa Rica and Guatemala. One US analyst said the organization and materiel mentioned in the papers constituted "the best terrorism that money can buy."

Among the papers is the outline for an "Operation Pina," which US and Salvadoran sources identified as the plan for the murder of Archbishop Romero on March 24, 1980. It calls for a team composed of a driver, a killer and four security guards. The

equipment includes a night-sight scope, a .257-caliber Robert's rifle, four automatic pistols and grenades.

According to reports from the Salvadoran Archbishop, Romero was killed by a single .25-caliber cartridge shot into the heart, fired from the side of a small chapel while he was delivering afternoon Mass. Four men were seen escaping into a waiting red car. The documents contain repeated references to gasoline and repair expenses for a "red car."

A judge initially assigned to investigate the murder fled El Salvador after his life was threatened. Despite repeated requests from church officials, the case has not been pursued by Salvadoran authorities.

The "physical elimination" of Romero and more than 100 other persons is called for in another of the captured papers, signed by the "Secret Anti-Communist Army." The list includes leading members of the Christian Democratic Party as well as then-US Ambassador White. Another document attempts to associate White with Archbishop Romero's murder, saying that "Cuban Communist assassins" killed Romero within days of White's arrival in El Salvador.

White has testified before Congress that the State Department has "compelling if not 100-percent conclusive evidence" that D'Aubuisson ordered the Romero assassination. A State Department official, however, said the D'Aubuisson documents were considered "an internal matter" for El Salvador.

The seized documents contain few explicit references to D'Aubuisson. At one point, he is listed only as "Roberto" with a telephone number. In another document, he is named as "Boby." But investigators say the connections between D'Aubuisson and the activities in the papers are clear.

One of the key documents, for example, is the diary by Capt. Alvaro Rafael Saravia. Saravia is widely considered D'Aubuisson's right-hand man. The diary contains lists of arms purchased that one expert said added up to "a very lethal force." The arsenal ranges from pistols to submachine guns, with such accoutrements as bullet proof vests, telescopic sights and the M10 silencer common to Latin American paramilitary groups based in southern Florida. Daily expenses totaling thousands of dollars are meticulously listed for haircuts, safe house, meals, "muchachas," flights to Guatemala and payments to bodyguards and members of the El Salvador Treasury Police. The expenses include \$280 "to contract 20 men" and \$80,000 "to the Nicaraguan," believed to be a hired killer.

Another paper outlines a coup plan that would have put D'Aubuisson and two associates on the junta in place of Col. Majano, a progressive officer later ousted, and two other civilians. The coup was dropped after US officials refused to support it.

The US embassy in San Salvador, White has said, obtained copies of the D'Aubuisson documents and forwarded them to the State Department in both the original Spanish and English translation in May 1980, with the recommendation that their contents be analyzed and pursued.

At the time of his detention, D'Aubuisson was already a figure of concern to Washington. He had threatened the American charge D'affaires on Salvadoran television and his US visa had been revoked. D'Aubuisson later appeared in Washington illegally and was deported. In March 1981 he claimed

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credit for a shooting attack on the US embassy in San Salvador.

One of the businessmen associated with D'Aubuisson in the papers is Ricardo Sol Meza, one of the businessmen associated with D'Aubuisson in the documents, was later detained in connection with the January 1981 murder of American labor experts Michael Hammer and Mark Pearlman in San Salvador. Sol Meza was subsequently released on a legal technicality. Another suspect, Hans Christ, is free on bail in Miami.

The American Institute for Free Labor Development (AIFLD), chief advising agency to the Salvadoran land reform program and employer of the two Americans, has conducted a private investigation and said it has evidence showing that, in addition to Sol Meza and Christ, "high-ranking officers in the (Salvadoran) security forces" are directly implicated in the murders.

Under US pressure, a National Guard sergeant and five corporals were arrested last month for the murder of four American

churchwomen in El Salvador in December 1981. However, in congressional testimony, White testified that two of the women "appeared on the death list . . . from the military commandant" of Chalatenango Province. The Salvadoran government closed its investigation with the arrest of the six guardsmen.

In its certification last January that an improved human-rights situation in El Salvador justified continued military aid, the Reagan Administration stated that the Salvadoran government was "achieving substantial control over all elements of the armed forces." Assistant Secretary of State for Inter-American Affairs Thomas O. Enders told the House Foreign Affairs Committee that "over 1,000 soldiers" had been transferred or otherwise removed "for abuses of authority to their cooperation with the violent right." The Salvadoran government has supplied lists of 218 national police, 59 national guardsmen, 19 treasury police and 35 army soldiers cashiered from active duty to members of Congress. None

of the names mentioned in conjunction with the paramilitary organization of D'Aubuisson is on those lists.

A Salvadoran military source said that, besides D'Aubuisson and Saravia, who were already cashiered, none of the some 20 officers named in the seized documents is known to have been removed from active duty. Among those associated with the D'Aubuisson network are Col. Manuel Edmundo (Chele) Palacios, currently commander of the Salvadoran 1st Army Brigade. Maj. Denis Moran, whom AIFLD charges was involved in the murder of the two American land reform advisors, currently military attache in Chile; Maj. Roberto Staben, who was detained with D'Aubuisson and who is today a high-ranking cavalry officer, listed in the documents beside several payments; Lt. Rodolfo Lopez Sibrian on active duty in the national guard; and others whose current assignments have not been established.●