HOUSE OF REPRESENTATIVES—*Wednesday, May 12, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O Lord, that wherever we are or whatever our task, Your spirit is there to support us and give us strength. We take comfort that we need not find You, for You have already sought us and given us grace more than ever we could ask or imagine. As Your word reminds, though we be buffeted by struggles within or without, though we wish for light but are confused by darkness, it is even then that Your hand shall lead us and Your right hand shall hold us. For the unspeakable gifts of Your love, O Lord, we offer this our word of thanksgiving. 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.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1131. An act to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2475. An act to modify a withdrawal of certain lands in Mono County, Calif. to facilitate an exchange for certain other lands in Mono County, Calif. and for other purposes;

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes; and

H.R. 5139. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes;

S. 792. An act to promote the development of Native American culture and art;

S. 835. An act for the relief of Jerry L. Crow;

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes;

S. 1501. An act entitled the "Educational Mining Act of 1982";

S. 1519. An act to designate certain national wildlife refuge lands;

S. 1628. An act to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); and

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

The message also announced that the President pro tempore, pursuant to Public Law 94-201, appointed William L. Kenney, Jr., of South Carolina, from private life, to the Board of Trustees of the American Folklife Center, effective March 19, 1982, for a 6-year term.

SOCIAL SECURITY MUST BE PROTECTED

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

Mr. WRIGHT. Mr. Speaker, exactly 1 year ago today the Reagan administration advanced the first of two broad proposals to cut social security. The several sets of reductions embodied in those two proposals would have slashed social security by some $82 billion over the next 5 years.

Both Houses of Congress overwhelmingly rejected those basic cuts and the House also went on later to overturn some cuts that had been inadvertently made in the confusion of the Gramm-Latta reconciliation bill. But some cuts remained. Because of that bill, forced upon us by Presidential insistence, future retirees will not be entitled to the meager $122 monthly minimum benefit—and dependents will no longer be eligible for college benefits.

Today, we have the President again pushing a proposal in the Senate which would call for a $40 billion cut in social security during the next 3 years, under the guise of budgetary balancing. While that proposal is ambivalent as to who would pay, I think it must clearly presume that these cuts—$40 billion of them—will be made in benefits due otherwise to social security beneficiaries.

This is a day then for us to reaffirm in no uncertain terms that we intend two things. First, perpetually to protect the solvency and soundness of the social security trust fund and, second, to protect the benefits that are due and payable to the beneficiaries under that social security trust fund.

I believe this Congress in its wisdom can and will achieve both objectives.

SOCIAL SECURITY WILL NOT BE CUT

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

Mr. PEPPER. Mr. Speaker, this administration induced this House last year to enact legislation which will cost the recipients of social security in the next 5 years $25 billion. When this administration says it can be counted upon to protect and not to cut social security, what can it say of its record of already having cut $25 billion from the recipients of social security for the next 5 years?

Already the Budget Committee of the U.S. Senate has submitted a solemn document to that body respecting the financing of the Government of the United States in which that Budget Committee provided—and it is known to the public that the President has specifically endorsed that budget—that $40 billion shall be cut from social security for the next 3 years—$6 billion in 1983, $17 billion in 1984, $17 billion in 1985.

Now the President says, "I am going to protect social security." Well, I am a little bit afraid it is like the goat protecting the cabbage patch with the record of this administration in cutting social security, with all respect to our Chief Executive.

The only way, therefore, for the people of the United States to know that social security is not going to be cut, that we are going to find a sound solution of its problem precipitated by this Republican recession, that we now have, and we are going to do it without cutting social security.

So the distinguished majority leader and the distinguished assistant whip of the Democratic Party and I introduced legislation (H. Res. 457) this week saying that this House will not include cuts of social security in its budget resolution.

I hope all Members who are supporting and protecting social security will join us in support of that resolution.

□ 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.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

SOCIAL SECURITY

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

Mr. SYNAR. Mr. Speaker, this administration cannot keep its hands off of social security. Every time it faces the realities of the fiscal crisis it has created, it screams about trust fund bankruptcy and tries to railroad excessive and questionable cuts in social security.

We all agree that social security has financial troubles. But we disagree over the magnitude. Last year we agreed to establish a bipartisan national commission, headed by respected Republican economist Alan Greenspan, to study the issue in depth for 1 year and to make recommendations for action.

Now, less than 3 short months after the commission's first meeting, the administration has endorsed $40 billion in specified social security cuts.

I thought we had agreed that the commission would approach the problem with an open mind, try to reach a fair and equitable consensus, and present us with viable options that addressed the real social security problems.

Instead, this administration would prescribe a $40 billion cut, before the commission had barely begun. This is as bad as the enormous and ill-conceived cuts in social security proposed by this administration last May and abandoned in September.

Worse, I am amazed this administration would expect Congress to accept such a massive cut—but wait until after the elections to know the details. It is a "pig-in-a-poke" if I have ever seen one.

Mr. Speaker, I care about social security's integrity. It is wrong to use it as a fiscal football. It is wrong to cut retirement benefits to pay for gigantic tax giveways to the rich. It is wrong to violate a contract with trusting senior citizens to pay for wasteful cost overruns in defense contracts.

We have some difficult decisions to make in the near future regarding social security. But let us do so honestly and with the interest of our senior citizens in mind. Let us not exploit social security for the sake of an economic program that is not working.

MEETING WITH PRESIDENT

(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, I read in the papers this morning that the Republican leadership yesterday met with the President and told him that they could not support cuts in social security this year. The quote was that Republican Members need some running room in an election year.

Mr. Speaker, I hope that the senior citizens and all those in this country know that nothing was said as to whether it was right or wrong to cut social security, only that it would be a political headache this year. I say to those who are concerned about social security benefits, it is not this year you have to worry about, it is 1983, when the opportunity for the Republican Party, if they have it, they will not have to worry about political headaches and then they can move on to the program that has been outlined by the President to cut these social security benefits.

Mr. Speaker, is it any wonder really that the public once in a while questions the integrity of this Congress?

A RESOLUTION TO WIN THE CURRENT STEEL WAR

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

Mr. GAYDOS. Mr. Speaker, today 94 Members of the House of Representatives have joined to introduce a concurrent resolution that recognizes the importance of steel, the Nation's basic industry, and gives formal notice the Congress will not have it stolen job-by-job, plant-by-plant, company-by-company.

This resolution says that the trade laws must be enforced or that we must write trade laws that can be enforced.

And it reflects a growing national concensus around the conclusion put forward recently by a leading business journal.

"For the first time in history," this magazine asserted, "Trade balance is a major cause of a recession."

The 95,000 steelworkers made jobless by apparently dumped and subsidized imports in the last year understand that they are not losing a worker-to-worker competition.

These American workers are being buried by foreign governments that say, better unemployment in the United States than here as they subsidize and cartelize and protect their markets.

This resolution says Congress will not let that happen.

Mr. Speaker, I will expand in special orders later today on this resolution and the growing national realization that we are being badly used by our trading partners.

Meanwhile, additional cosponsors for the resolution will be welcome.

REREFERRAL OF H.R. 6324 TO COMMITTEE ON SCIENCE AND TECHNOLOGY AND COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that H.R. 6324, which was initally referred to the Committee on Science and Technology, be jointly rereferred to the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries.

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

There was no objection.

SMALL BUSINESS COMMEMORATIVE ENVELOPE

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

Mr. SKELTON. Mr. Speaker, last year our colleague, ANDY IRELAND, from the Eighth Congressional District of Florida, introduced House Concurrent Resolution 60, a resolution requesting that the Postmaster General consider issuing a postage stamp in honor of America's small businesses. He received 80 cosponsors to the resolution, 37 of which serve on the Small Business Committee. The Postal Service issues a very limited number of commemorative stamps each year and these stamps are decided upon at least 2 years in advance, sometimes more. There were other options available which Congressman IRELAND decided to explore. After much hard work he was successful in his efforts. In a press conference that was held this morning, Postmaster General William F. Bolger announced that the Postal Service will issue a commemorative envelope honoring small business.

It is significant that the announcement was made at this time because this week is Small Business Week. This is a time we have set aside to recognize our Nation's small business men and women. Small business is the cutting edge of competition; small business is the Nation's job creator; small business is the vanguard of innovation and invention; and small business is the source of the free enterprise leadership. It is the responsibility of all of us in public service to recognize these attributes and today, due to Congressman IRELAND's hard work, I feel we have done just that.

Next year during Small Business Week the envelope design will be unveiled. Then, in 1984 the envelope will actually be released. I think this is a great accomplishment and think Congressman IRELAND should be commended for the hard work and dedication he has shown toward helping our Nation's small businesses.

HOUSE CONCURRENT RESOLUTION 322 SHOULD BE REJECTED

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

Mr. KASTENMEIER. Mr. Speaker, shortly, we will be called on to vote on House Concurrent Resolution 322. Several years ago, a similar resolution was brought up under unanimous consent. It was offered, as I recall, by Mr. Wolff of New York. I objected to the immediate consideration of the resolution and it was withdrawn in that form. It also provided that the United States should withdraw from participation in the United Nations and its constituent parts arising out of General Assembly treatment of Israel. This resolution before us today is strikingly similar. It suggests that the United States, among other things, threaten to withdraw from the General Assembly or constitutent parts of the United Nations and refuse to pay its financial obligations to the United Nations. I do not favor expulsion of Israel or any other state from the United Nations. I believe it is appropriate for the United States to speak and act on behalf of Israel on such a question. But I also think it is totally inappropriate for this country to cut off its nose to spite its face by threatened withdrawal of participation in the United Nations. There are some Americans, indeed some in this Chamber, who have for years wanted the United States out of the United Nations. I could understand their support for this initiative. However, I think we have a larger responsibility to the world community and a very specific obligation to people of the United States to remain a full participant in the United Nations rather than proposing to terminate its activities in that body, a proposal I regard as irresponsible. Mr. Speaker, I would urge the resolution be rejected.

□ 1215

WHAT IS UNEMPLOYMENT?

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

Mr. BONIOR of Michigan. Mr. Speaker, this week another White House spokesman suggested that unemployment may be the inevitable consequence of declining inflation. Well, in my hometown of Mount Clemens, Mich., "inevitability" has cost 25 percent of the workforce their jobs.

The White House tells us that if we would just look at the adjusted figures, the problem would seem a little less severe. Well, the adjusted workers of Washington Township in my district, these people are not convinced, because the unemployment rate there is 26 percent.

During the Great Depression year of 1935, unemployment in Michigan was 19 percent. Today unemployment in the 12th Congressional District of Michigan is 19 percent. The people in my district do not care who caused the problem. They want to know who will solve the problem.

But their real fear, their real fear is from statements suggesting that it is inevitable that we are going to have high unemployment with declining inflation, their real fear is that the White House may still not be persuaded that there is a serious problem at all.

THE HOUSING BILL WILL PRODUCE JOBS

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

Mr. DICKS. Mr. Speaker, yesterday the House voted 349 to 55 for a major new housing initiative. I think that vote indicates concern for the fact that we suffer a 9.4-percent unemployment rate in this country. In my State of Washington, the unemployment rate is 13 percent.

Clearly, jobs are needed and clearly, the housing bill is one way to produce those jobs.

Today we have a chance to provide the funding for that important legislation.

Mr. Speaker, we all recognize the need to reduce deficits. If we can reduce unemployment by 1 percent, we can reduce the deficit by $25 billion and eliminate $5 billion of expenditures.

If we could reduce the unemployment rate from 9.4 percent down to 6 percent, we would reduce the deficit by over $100 billion. Clearly, the one important way to deal with large deficits is to put the American people back to work.

CONGRATULATIONS TO CONGRESSMAN MICHEL

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

Mr. ALEXANDER. Mr. Speaker, the newspapers report today that House Minority Leader BOB MICHEL has joined the ranks of those of us who will not tolerate arbitrary cuts in social security.

I congratulate Mr. MICHEL for taking a stand on this important issue, despite the President's acceptance of the Senate Budget Committee's proposal to cut $40 billion from the social security system.

The rejection of the cuts by the gentleman from Illinois (Mr. MICHEL) underscores the widespread and bipartisan support for the elderly of America, many of whom are barely above the poverty line. They cannot sustain a monthly cut of at least $28 under the proposed cutbacks.

The well-being of older Americans is not a subject of bipartisan fighting. It is an issue that calls for serious consideration and study. As the gentleman from Texas (Mr. PICKLE) said a minute ago, a commission has been appointed and we shall await the findings of that commission before taking action; but what justification can be offered for arbitrary and unspecified slashing at the social security system?

Congress must take action to reduce the enormous deficit we face for fiscal year 1983; but we can do it without taking it out of the hides of the senior citizens of America.

"HOCUS POCUS" BUDGET PLAN OF SENATE BUDGET COMMITTEE

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

Mr. BIAGGI. Mr. Speaker, I wish to express my absolute opposition to the "hocus pocus" budget plan of the Senate Budget Committee which will find $40 billion in savings from social security without saying how.

I ask the architects of this plan—do they not realize the impact on an elderly social security recipient when they read a headline that says—1982 cost-of-living increase in jeopardy—or billions in social security cuts sought—or social security—will it go bankrupt in 1983?

Why do we subject our seniors to this type of torture? Why are we tampering with social security while the President's commission is looking for long-range solutions?

Cutting benefits is the last resort in social security reform.

Today, I am introducing legislation which would impose a 5-year moratorium on the ability of employees and employers to withdraw from the social security system. My bill would also modify existing law by permitting any entity which did withdraw from social security to go back on. The Social Security Administration estimates they have applications pending that will drop some 340,000 workers from social security. These are individuals who are contributing to the system as workers. This drain on the system must be stopped.

PRESIDENT DOES NOTHING ABOUT FOREIGN STEEL DUMPING

(Mr. ERTEL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, today, the American steel industry works at 49.1 percent of capacity. Today, the unemployment rate among the Nation's steelworkers is an unacceptably high 33 percent; 95,248 steelworkers are laid off, another 26,486 are working short workweeks. In just Pennsylvania, there has been a loss of 22,100 metal industries jobs the last year.

President Reagan's response to this crisis has been to do nothing. Despite strong evidence of dumping by foreign steel producers—no fewer than 40 antidumping cases filed with the International Trade Commission since January have been found to have a reasonable indication of injury to domestic producers—the Reagan administration prefers to hide behind "free trade" principles, rather than taking the action necessary to put America's unemployed steelworkers back to work.

President Reagan's May 4 decision to impose sugar import quotas, however, demonstrates once again that political considerations and not lofty principles or the welfare of the American people are what drives administration policymaking. The President willingly abandons his "free trade" principle to bail out a handful of sugar producers to the tune of perhaps $3 billion, but fails to take the necessary action to put the Nation's steel industry back on its feet.

If quotas are an appropriate remedy for the Nation's domestic sugar industry, they are a necessary remedy for the Nation's domestic steel industry. Imports have captured more than 20 percent of the domestic steel market since January. All major steel firms reported losses in their steelmaking operations in the first quarter of this year.

Mr. Speaker, after 16 months, I think it is about time the Reagan administration begins to make its policy decisions on the basis of fact and what is good for the American people. I think it is about time the Reagan administration begins to look out for the livelihood of the Nation's steel industry and its workers. The President can no longer, if indeed he ever properly could, hide behind the principle of free trade. Let us put America's steel industry back to work, now.

NO LIMIT TO CALLOUSNESS OF ADMINISTRATION TOWARD ELDERLY AND DISABLED

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

Mr. WEISS. Mr. Speaker, there appears to be no limit to the callousness that this administration and its allies in the Senate display toward our Nation's elderly and disabled. Once again, they are taking aim at the 36 million who are dependent on social security's protections. Once again, we have witnessed a sickening replay of the President's efforts to shake their confidence in the social security system and to manipulate the American public.

After sanctioning a $40 billion cut in the program last week, the President has made numerous statements about his commitment to protecting social security benefits. Maybe the President is confused about his own budget but the American people are not. They see through this manipulation. They know that the new compromise sacrifices their meager income security for the sake of missiles and tax giveaways for the wealthy.

Mr. Speaker, this cruel disregard for the needs of the elderly and disabled must be soundly rejected. Americans have worked for social security, they have paid for it, and they are entitled to its benefits. There can be no compromise on this vital program.

COMMENDATIONS TO MINORITY LEADER MICHEL

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

Mr. BONKER. Mr. Speaker, I wish to commend the minority leader, BOB MICHEL, for his honest and courageous statement yesterday on the Senate budget.

It is becoming increasingly clear that the real stumbling block in the budget debate concerns the social security trust fund and the recipients of that program.

There is a solution and that solution is that we ought to take the social security trust funds out of the unified budget. Those trust funds should not have been there in the first place. They distort the budget picture. They make it increasingly difficult for us to achieve a compromise.

We ought to consider the trust fund on its own merits and not make it a part of the budget debate.

I think most people can accept reductions or increased contributions if that is the only means to salvage the trust fund; but to make it part of the budget debate and involve necessary trade-offs and concessions that have to be made, I think will be unacceptable to senior citizens.

There is bipartisan cooperation and I think room for consensus on this issue. The chairman of the Aging Committee, the gentleman from Florida (Mr. PEPPER) and myself have both introduced resolutions to take the trust fund out.

The gentleman from Ohio (Mr. GRADISON) has introduced a resolution with 80 cosponsors.

I think there exists here a real opportunity to break this deadlock if we can agree upon efforts to take the trust fund out of the budget and consider its financial problems on their own merit.

JEAN STAPLETON PORTRAYS ELEANOR ROOSEVELT

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

Mrs. SCHROEDER. Mr. Speaker, there is a rare treat tonight on television that I would like everybody to watch and that is "The Life of Eleanor Roosevelt" as portrayed by Jean Stapleton. I hear she has done an excellent job.

You know, she was always one of the foremothers that I always thought was a wonderful example of what America stood for and what it was all about and what it meant.

I do not think I ever realized how powerful she was until about 2 years ago. I was going to a meeting with my small daughter, who was then 8. As we came to that meeting, the Ku Klux Klan was picketing. The police were there from Denver and they said to me, "We can't protect you going in the front door. You must go in the back door."

I said, "I cannot do that, but if you will please stay here with my daughter, I will go through the front door and then when they go away, I will come back and get her."

My daughter said, much to the horror of the police chief, "Mother, Mrs. Roosevelt would roll over in her grave if she knew that you asked me not to walk through that picket line," and she got out of the car and away she went, with the police chief screaming, "Mrs. Schroeder, you have ruined your daughter, too."

Nevertheless, I do not think that is ruining it. I think that is what America is all about.

I was terribly surprised that Mrs. Roosevelt had had such a strong influence on my daughter as she had on me.

I hope everybody watches this great American woman tonight on TV.

□ 1230

IN HONOR OF ROBERTO CLEMENTE

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

Mr. GARCIA. Mr. Speaker, I am pleased to announce today that the U.S. Postal Service will issue a commemorative stamp in honor of Roberto Clemente in 1984. The stamp is a fitting way to remember humanitarian

and baseball great Roberto Clemente. Several weeks ago I met with Postmaster General Bolger concerning this matter. He was most sympathetic and supportive of the idea.

Roberto was a good example for America's youth. He worked hard, he played hard, and he succeeded. He was, in the words of sportswriter Myron Cope, "a product of the morality of the old Spanish families."

He had dignity and pride. Roberto, who was Hispanic and Black, played at a time when both Hispanics and Blacks were new to the game. He spoke little English, and was constantly confronted with prejudice because he was a minority. But he did not let this limit him in any way. In fact, Roberto's heritage was a source of strength for him.

Roberto fought hard to succeed, and his achievements put him in baseball's hall of fame. He won the National League's Most Valuable Player Award for the world's series. He was a star throughout his career.

But it was his work off the field that made Roberto Clemente a real hero. He spent his off-seasons working with the youth of Puerto Rico. His dream of building a sports complex for the island's youth was, unfortunately, not realized until after his death.

Roberto died as he lived, serving the people. In 1973, his plane crashed bringing relief to the victims of Nicaragua's earthquake. He is a fitting hero. He is also a fitting symbol for what is best about America's Puerto Rican and Hispanic communities.

Roberto Clemente is the first Puerto Rican athlete and humanitarian to be honored in this way. As an American of Puerto Rican heritage, I am pleased that I was able to achieve this for such a worthy individual. Too often Puerto Ricans and Hispanics have been forgotten when this country has honored its heroes. I hope that through my efforts Puerto Ricans and all Hispanics will begin to be justly honored and remembered.

AGRICULTURAL RESEARCH NEEDED

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

Mr. HIGHTOWER. Mr. Speaker, on May 6, the Wall Street Journal ran an article written by Jeff Birnbaum criticizing some agricultural research appropriations and calling them "sacred cows." In the article, he mentions the funding for the only guar research done in the United States.

I want to make sure there is no misunderstanding about guar and the research that is conducted. I hope it was not Mr. Birnbaum's intention to paint agricultural research as misspent tax money. There is no better investment in the future of our country than the agricultural research expenditures.

The domestic use of guar has increased tenfold over the past decade. It is a legume that serves as a positive rotation crop and as a soil builder protects our most basic of resources, the land.

A major use of guar today is in the fracturing of old oil wells to increase the flow of petroleum and decrease oil imports. Guar is also used in explosives for mining, textile printing pastes, hydraulic transportation of powdered coal, and the spraying of grass seeds from tank trucks on the sides of hills. Guar is used as a high protein meal for livestock. It is used in ice cream and other foods. In short, it is a very versatile product with new ways to use it being found every day.

Also important is the fact that guar is a good cash crop that has a great deal of potential. We desperately need new cash crops in this depressed farm economy. Guar is being farmed at a profit. Guar research will mean a profit for farmers who seldom hear the word.

With research, on growth, disease, insects, and many other aspects of the crop, we have already seen the investment in research dollars come back to the farmer and the taxpayer in the form of a better standard of living.

It is estimated that agricultural research yields 4 dollars for every dollar spent. That is on general basic agricultural research. I would think our return on this little known crop is far greater.

RIGHT OF CHILDREN WITH BIRTH DEFECTS

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

Mr. STATON of West Virginia. Mr. Speaker, on Thursday, April 15, 1982 a tiny, week-old baby boy died of starvation in Bloomington, Ind. The death would have been tragic enough if it had occurred because of some unavoidable circumstance. However, the tragedy is compounded by the appalling fact that this death occurred by deliberate design.

The baby was born with Down's syndrome, a genetic defect involving varying degrees of mental retardation and sometimes physical effects. One in approximately 700 to 900 infants born have this condition. This baby was condemned to die because he was unfortunate enough to be one in 700. His esophagus was deformed preventing food from passing into his stomach. Although corrective surgery could have remedied this situation, the baby's parents refused to grant permission for the operation or for intravenous feeding. Despite the pleas of persons wishing to adopt the little boy, he starved to death, the act being sanctioned by the very judicial system charged with protection of the dearest of our rights, the right to life.

This was a human being born into the world. And yet with a rationale that has terrifying similarities to the Nazi Reich's brand of eugenics, this tiniest, most defenseless of our kind was deliberately permitted to languish and die. It is too late for this little boy so coldly labeled "Infant Doe." But perhaps it is not too late to shake the sensibilities and compassion of those who might otherwise view such infanticide as wholly acceptable and permit its reoccurrence in the future. It is with this hope that I have introduced a concurrent resolution, expressing the sense of the Congress concerning the right of children with birth defects to life sustaining medical treament and nutrition. This resolution reads as follows:

H. CON. RES.—

Whereas thousands of children are born each year with some birth defect or condition of mental retardation;

Whereas these children are born with the same right to life, liberty, and the pursuit of happiness afforded to all Americans, and

Whereas an individual's right to life is the most fundamental of human rights: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That an infant's basic right to live should not be jeopardized, and that each child has the inalienable right to full and complete medical treatment and food nutrients necessary to sustain its life regardless of handicapping condition.

LET'S FASHION A RESPONSIBLE BUDGET COMPROMISE

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

Mr. PETRI. Mr. Speaker, the once dormant bipartisan budget compromise has been given some new life in recent days.

Last week our colleagues Mr. LEACH and Mr. PANETTA authored a bipartisan compromise approach. Earlier this week the chairman of the House Budget Committee introduced yet another alternative budget plan and yesterday our minority leader outlined the direction in which our leadership hopes to move.

The American people are demanding that we adopt a budget compromise that will reduce the deficit so that interest rates will go down.

The American people are demanding that we set aside partisan bickering and pass a budget in the best economic interest of this country.

While these new plans will not please everyone I congratulate these Members for their constructive contributions to the budget debate. I ap-

plaud their efforts to fashion a responsible budget compromise.

MEMORIAL TO POLICE KILLED IN LINE OF DUTY

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

Mr. BEARD. Mr. Speaker, May 15 is Police Memorial Day. In conjunction with that day, I am joining in the introduction of a bill to establish a memorial here in Washington to all the police officers in this Nation who have been killed in the line of duty.

During the decade of the 1970's 1,100 police officers were killed. In Memphis, in my home State of Tennessee, the year 1981 witnessed two killings of police officers, two shot and wounded, and over 300 physically assaulted. In one of those instances a convicted murderer escaped from prison, killed a police officer in Memphis, and several days later he killed a priest in Jackson, Tenn.

This year Police Officer Larry Childress became the third Memphis police officer killed within a 6-month period. Nashville, Tenn., has witnessed five killings of policemen over the last 6 years.

Mr. Speaker, I intend to introduce a bill to make it a Federal crime to kill a law enforcement officer while he is acting in the line of duty and require the death penalty for such a killing. Police officers' lives are on the line every day for our safety and protection. It is way past time to let the murderers know that if they kill a police officer, punishment will be swift and fatal.

THE TRUTH ABOUT SOCIAL SECURITY

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

Mr. WALKER. Mr. Speaker, let us deal in the truth about social security. In contrast to what we have heard here today, let us look at the recent record of the Democratic Party on this issue.

According to information developed by the Senate Finance Committee, the actions taken by a Democratic administration and Democratic Congress in 1977 are cutting benefits now, will cut them more in the future, and at the same time will raise taxes substantially. For the average beneficiary retiring this year at age 65, the 1977 measure will result in a cut of $130 per month in benefits, or more than $5,000 over the 3-year period. For the maximum beneficiary, the 3-year cuts will total more than $6,000. Republicans did not create those cuts, nor did Republicans vote for those cuts. They are Democratic Party cuts.

Put that together with the Democratic Party proposals in their budget last year to delay the cost-of-living increases for all 36 million social security recipients, and you find out why they are so sensitive about this issue. The Democrats are the villains. Their record is clear. It is the Democrats who are robbing the social security system blind.

DON'T BALANCE THE BUDGET ON THE BACKS OF THE ELDERLY

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I decided to change my 1-minute speech after hearing my colleague speak.

As the Chair of the Task Force on Social Security for the Committee on Aging, I think the record is very, very clear. In the last budget, which was proposed by President Reagan, social security benefits were cut to the tune of $25 billion. And now the President has approved a plan to cut social security benefits by $40 billion.

One of the reasons that the President would like to balance the budget on the backs of the elderly is because social security is the second largest pot of money under the budget. We have to get the trust fund out of the auspices of the budget, as it was when President Roosevelt signed it into law. And I have a bill, H.R. 4157, which would do that. But I think we have to tell the truth about who actually cut social security benefits. This is an unprecedented assault on what is the individual's right to his or her benefit. The people paid for this insurance plan; they deserve their benefit.

FREEZE FEDERAL SPENDING

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

Mr. SMITH of Oregon. Mr. Speaker, for months I have been beating the same drum trying to find supporters for a plan to freeze Federal spending until we balance the budget.

Last week, the freeze supporters gained their greatest ally—President Reagan.

The President has officially announced his full and complete support for the budget freeze proposal. It passed the Senate Budget Committee last week.

I have said it a thousand times and I will say it again:

A budget freeze is the fairest budget compromise there is;

A budget freeze leaves the tax rate cuts in place; and

A budget freeze deserves the immediate attention of every Member in this House.

I am convening a special order later today to talk about the fairness of a budget freeze, and I invite my colleagues on both sides of the aisle to join in.

A budget freeze is politically do-able.

A budget freeze is fair.

And best of all, a budget freeze is best for all Americans to get our country back on the right track.

THE TAX, SPEND, AND ELECT PHILOSOPHY

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

Mr. HILER. Mr. Speaker, occasionally it is necessary to reflect on not only where we are going, but where we have been. If we look at the 4 years of Democrat-controlled leadership of the House of Representatives, the Senate, and the Presidency under President Carter from 1976 to 1980, we see that the prime rate jumped from 6.8 percent in 1976 to 21½ percent on January 1, 1981. We saw inflation go from 4.8 percent in 1976 to back-to-back years of double-digit inflation of 1979 and 1980. We saw productivity move at a negative rate in 1978, 1979, and 1980.

Taxes doubled from 1976 to 1980. The social security system had the largest single tax increase in the history of the Republic.

We cannot tax our way into prosperity, and we cannot spend our way into prosperity. The tax, spend, and elect philosophy of the Democrat Party is what gave us 21½ percent interest rates, double-digit inflation, negative productivity, a doubling of taxes. It was time for a change, a long overdue change.

AMERICANS ARE STARTING TO WAKE UP

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

Mr. HUNTER. You know, Mr. Speaker, Americans are starting to wake up. The man on the street now realizes why the money is not available in lending institutions for that auto loan or home loan. It is because Government is getting most of the available credit and most of the available money.

So the attention of the Nation is on the budget process, Mr. Speaker, and the farmer and the auto mechanic and the small businessman are hoping that this Congress can cut the deficit and leave them, the people, a little money to pursue their aspirations and dreams. The trillion dollar national debt that Democrat benevolence has saddled our people with cannot be expanded further, Mr. Speaker. Let us

cut the deficit and make this recovery strong and enduring.

BALANCE SPENDING AND TAXES

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

Mr. DANNEMEYER. Mr. Speaker, sometime within the next 3 or 4 days the House Rules Committee will meet to decide what we Members will be permitted to vote on on the floor of the House with respect to taxing and spending levels for 1983. It is my hope that the Rules Committee, controlled by the Democrats, will permit a rule to be granted whereby a balanced budget resolution will be considered on the floor of the House.

This Member from California has such a proposal available for consideration by the Members. It will call for balancing spending and taxes at about $690 billion for fiscal year 1983. The way the balanced budget was developed was that a careful estimate of projected income for 1983 from the existing tax structure was calculated, that is, retaining the tax cuts we voted last year, and said amount is projected at about $690 billion. The spending was therefore adjusted to reflect the income available to be expended.

I do not know any other way to develop a balanced budget. I would hope that we will all have a chance to vote on a balanced budget, because I know many Members of the House are just looking for the opportunity of going home and explaining to their constituents that they voted for a balanced budget.

□ 1245

HOW LONG MUST WE WAIT?

(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, how long must we wait for the Judiciary Committee to take action on the export trading companies bill still languishing—now for over a year—in its Subcommittee on Monopolies and Commercial Law?

Last December, when our trade deficit was $900 million, the subcommittee, on which I serve, was advised that markup of an export trading companies bill would be scheduled soon after the Christmas recess. Indeed, the chairman did have the staff prepare a draft dealing with those portions of the bill under the committee's jurisdiction, and scheduled a markup for February 9. In the meantime, the January trade deficit was $4.1 billion.

On February 9, the Democratic majority of the subcommittee, with one exception, failed to attend the markup, and the meeting was canceled by the chairman. Some Democratic members of the subcommittee, he said, needed more time to study the proposal. February's trade deficit was $400 million.

How much time, Mr. Speaker, do they need? Since February 9, the chairman has so far refused to schedule a markup of the export trading companies bill, despite the fact that a clear majority on the subcommittee favors such action. The March trade deficit was $1.7 billion, and April's figures are not yet available.

It is very difficult indeed to understand this intransigence. Are the issues so complex? Both the Banking and Foreign Affairs Committees, which share jurisdictional responsibilities, are well on their way toward discharging those responsibilities. Does the legislation lack support? Over 120 Members, almost evenly divided between both parties, have cosponsored export trading companies measures. Is there not a pressing need for the legislation? Since the other body approved their version of this bill last April, the cumulative trade deficit has been $28.2 billion.

Members looking for bipartisan initiatives to help the economy and create jobs need look no further than this legislation to find a positive beginning. It is past the 11th hour. Our constituents have the right to demand that we take action to increase American exports, and stop exporting American jobs.

I implore my colleagues to join with me in calling on the chairman of the Judiciary Committee to expeditiously mark up the export trading companies bill.

SOCIAL SECURITY MUST NOT BE USED TO BALANCE THE BUDGET

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

Mr. GRADISON. Mr. Speaker, we must not use social security to balance the budget. The social security system has serious financial difficulties which mandate action, but the budget is not the place for that action. Mixing social security with the budget runs the risk of jeopardizing both a budget compromise and responsible reform of the social security.

Social security is financially independent of the rest of the budget, and should be treated that way. Last October, I introduced legislation which would remove social security from the budget. Such a move would insure that changes in social security are made only to insure the system's financial health, and not to balance the budget. The breakdown of budget negotiations, and the furor over the Senate Budget Committee's recent recommendations, make the need for this legislation all the more evident.

If we act quickly, perhaps by including this bill in the reconciliation package, we can depoliticize social security and set the stage for broader reform of the system at the end of the year. If we delay, we may well repeat the events of last year, when politics forced us to ignore the very serious problems that the system faces.

I urge you to consider seriously this legislation. Separation is not a partisan issue. It has the support of both liberal Democrats and conservative Republicans. It deserves the support, I feel, of every Member of this body who wants to pass a budget and who wants a strong social security system.

HOUSE CONCURRENT RESOLUTION 322, REGARDING MEMBERSHIP IN THE U.N. GENERAL ASSEMBLY

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

Mr. MINISH. Mr. Speaker, I would like to rise at this time to express my vigorous support for House Concurrent Resolution 322, a bill being considered by this Chamber today.

I commend my distinguished colleague, the gentleman from Florida (Mr. FASCELL), for introducing House Concurrent Resolution 322. This bill very clearly states what must be the U.S. position in reference to the United Nations. The House of Representatives must unequivocally maintain, as the language of the resolution states, that if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its rights to participate in the General Assembly, the United States should suspend our participation in the General Assembly and withhold our assessed contribution.

I wholeheartedly endorse this language, as I hope the majority of my colleagues will, too.

It seems to me that this Nation, and this body, have a historic commitment to the State of Israel, our ally in the Middle East. Our commitment to Israel's security and development should not be questioned.

Moreover, such an illegal expulsion seems to me contrary to the spirit and intent of the United Nations Charter.

Mr. Speaker, House Concurrent Resolution 322 addresses a serious problem in the United Nations and I urge the expeditious passage of this legislation.

89-059 O-85-35 (Pt. 7)

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TOMORROW, MAY 13, 1982

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit on Thursday, May 13 during the 5-minute rule for the purpose of a hearing on H.R. 1489—a bill to permit the transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels when U.S.-flag service for such transportation is not available.

The ranking minority member of the subcommittee, the gentleman from California (Mr. McCLOSKEY), has been apprised of the hearing time and is in accord with this request.

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

Mr. WALKER. Mr. Speaker, reserving the right to object, did I understand the gentleman correctly, that the gentleman from California (Mr. McCLOSKEY) the ranking minority member, is in accord with the request?

Mr. BIAGGI. Yes; he is.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

COMMUNICATION FROM MS. DEBORAH S. McVICKER

The SPEAKER laid before the House the following communication from Ms. Deborah McVicker:

HOUSE OF REPRESENTATIVES,
Washington D.C., May 6, 1982.

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

DEAR MR. SPEAKER: In compliance with Rule L of the Rules of the House of Representatives, I am informing you that I have been served with a subpoena from the United States District Court for the Eastern District of New York. A copy of the subpoena is enclosed.

The subpoena concerns my activities during the period of my employment in a Congressman's office.

Yours sincerely,

DEBORAH S. McVICKER.

RE UNITED NATIONS AND ISRAEL

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 322.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 322) on which the yeas and nays were ordered on Monday, May 10, 1982.

The vote was taken by electronic device, and there were—yeas 401, nays 3, not voting 28, as follows:

[Roll No. 69]

YEAS—401

Addabbo	Daub	Hamilton
Akaka	Davis	Hammerschmidt
Albosta	de la Garza	Hance
Alexander	Deckard	Hansen (ID)
Anderson	Dellums	Hansen (UT)
Andrews	DeNardis	Harkin
Annunzio	Derwinski	Hartnett
Anthony	Dickinson	Hatcher
Applegate	Dicks	Heckler
Archer	Dingell	Hefner
Aspin	Dixon	Hendon
Atkinson	Donnelly	Hertel
AuCoin	Dorgan	Hightower
Badham	Dornan	Hiler
Bafalis	Dougherty	Hillis
Bailey (MO)	Dowdy	Holland
Bailey (PA)	Downey	Hollenbeck
Barnes	Duncan	Holt
Beard	Dunn	Hopkins
Bedell	Dwyer	Horton
Beilenson	Dyson	Howard
Benjamin	Early	Hoyer
Bennett	Eckart	Hubbard
Bereuter	Edgar	Huckaby
Bethune	Edwards (AL)	Hughes
Bevill	Edwards (CA)	Hunter
Biaggi	Edwards (OK)	Hutto
Bingham	Emerson	Hyde
Blanchard	Emery	Ireland
Bliley	English	Jacobs
Boggs	Erdahl	Jeffries
Boland	Erlenborn	Jenkins
Bolling	Ertel	Johnston
Boner	Evans (DE)	Jones (NC)
Bonior	Evans (GA)	Jones (OK)
Bonker	Evans (IN)	Jones (TN)
Bouquard	Fary	Kazen
Bowen	Fascell	Kemp
Breaux	Fazio	Kennelly
Brinkley	Fenwick	Kildee
Brodhead	Ferraro	Kindness
Brooks	Fiedler	Kogovsek
Broomfield	Fields	Kramer
Brown (CO)	Findley	LaFalce
Broyhill	Fish	Lagomarsino
Burgener	Fithian	Lantos
Burton, Phillip	Florio	Latta
Butler	Foley	Leach
Byron	Ford (MI)	Leath
Campbell	Ford (TN)	LeBoutillier
Carman	Forsythe	Lee
Carney	Fountain	Lehman
Chappell	Fowler	Leland
Chappie	Frenzel	Lent
Cheney	Frost	Levitas
Chisholm	Fuqua	Lewis
Clausen	Garcia	Livingston
Clay	Gaydos	Loeffler
Clinger	Gejdenson	Long (LA)
Coats	Gephardt	Long (MD)
Coelho	Gibbons	Lott
Coleman	Gilman	Lowery (CA)
Collins (TX)	Gingrich	Lowry (WA)
Conable	Glickman	Lujan
Conte	Gonzalez	Luken
Corcoran	Goodling	Lundine
Coughlin	Gore	Lungren
Courter	Gradison	Madigan
Coyne, James	Gramm	Markey
Coyne, William	Gray	Marks
Craig	Green	Marlenee
Crane, Daniel	Gregg	Marriott
Crane, Philip	Guarini	Martin (IL)
Crockett	Gunderson	Martin (NC)
D'Amours	Hagedorn	Martin (NY)
Daniel, Dan	Hall (OH)	Matsui
Daniel, R. W.	Hall, Ralph	Mavroules
Dannemeyer	Hall, Sam	Mazzoli
McClory	Porter	Snyder
McCloskey	Price	Solarz
McCollum	Pritchard	Solomon
McCurdy	Pursell	Spence
McDade	Quillen	St Germain
McDonald	Rahall	Stangeland
McEwen	Railsback	Stark
McGrath	Rangel	Staton
McHugh	Ratchford	Stokes
McKinney	Regula	Stratton
Mica	Reuss	Studds
Michel	Rhodes	Stump
Mikulski	Rinaldo	Swift
Miller (CA)	Ritter	Synar
Miller (OH)	Roberts (KS)	Tauke
Mineta	Roberts (SD)	Tauzin
Minish	Robinson	Taylor
Mitchell (MD)	Rodino	Thomas
Mitchell (NY)	Roe	Traxler
Moakley	Roemer	Trible
Moffett	Rogers	Udall
Molinari	Rose	Vento
Mollohan	Rosenthal	Volkmer
Montgomery	Rostenkowski	Walgren
Moore	Roth	Walker
Moorhead	Roukema	Wampler
Morrison	Rousselot	Washington
Mottl	Roybal	Waxman
Murphy	Rudd	Weaver
Murtha	Russo	Weber (MN)
Myers	Sabo	Weber (OH)
Napier	Sawyer	Weiss
Natcher	Scheuer	White
Neal	Schneider	Whitehurst
Nelligan	Schroeder	Whitley
Nelson	Schulze	Whittaker
Nichols	Schumer	Whitten
Nowak	Seiberling	Williams (MT)
O'Brien	Sensenbrenner	Williams (OH)
Oakar	Shamansky	Wilson
Oberstar	Shannon	Winn
Obey	Sharp	Wirth
Ottinger	Shaw	Wolf
Oxley	Shelby	Wolpe
Panetta	Shumway	Wortley
Parris	Shuster	Wright
Pashayan	Siljander	Wyden
Patman	Simon	Wylie
Patterson	Skeen	Yates
Paul	Skelton	Yatron
Pease	Smith (AL)	Young (AK)
Pepper	Smith (IA)	Young (FL)
Perkins	Smith (NE)	Young (MO)
Petri	Smith (NJ)	Zablocki
Peyser	Smith (OR)	Zeferetti
Pickle	Snowe	

NAYS—3

Conyers	Kastenmeier	Savage

NOT VOTING—28

Barnard	Evans (IA)	Mattox
Benedict	Flippo	Richmond
Brown (CA)	Foglietta	Santini
Brown (OH)	Frank	Smith (PA)
Burton, John	Ginn	Stanton
Collins (IL)	Goldwater	Stenholm
Daschle	Grisham	Vander Jagt
Derrick	Hawkins	Watkins
Dreier	Heftel	
Dymally	Jeffords	

□ 1300

Mr. BONKER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BENEDICT. Mr. Speaker, this afternoon at the time of the vote on House Concurrent Resolution 322, I was necessarily absent. Had I been

here, I would have voted in the affirmative.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 461

Resolved, That during the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, pursuant to the provisions of House Resolution 415 adopted by the House on May 6, 1982, the proviso in the first sentence of House Resolution 415 shall not apply. All points of order for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived against the following provisions in said bill as well as against the provisions specified in the second sentence of House Resolution 415; beginning on page 8, lines 9 through 23; beginning on page 10, lines 1 through 9; beginning on page 11, lines 7 through 12; and beginning on page 11, lines 13 through 16. It shall be in order to consider, section 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the following amendments: (1) an amendment to said bill printed in the Congressional Record of May 11, 1982, by Representative Boland, and if offered by, Representatives Boland, AuCoin, or Patterson; and (2) an amendment to said bill printed in the Congressional Record of May 11, 1982, by, and if offered by, Representative Lowry of Washington, and all points of order against said amendments for failure to comply with the provisions of clause 2 of rule XXI are hereby waived.

The SPEAKER pro tempore (Mr. GORE). The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), and pending that, I yield myself 13 minutes.

Mr. Speaker, I ask unanimous consent to read a statement.

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

There was no objection.

Mr. BOLLING. Mr. Speaker, I am going to read quite a long statement. I caused it to be prepared by my staff. I have reviewed it very carefully. The rule is very detailed and it is complicated, and the only reason I am reading this statement is that I want to be sure that Members have some awareness of the complications we face in pursuing the legislative process this year.

Mr. Speaker, I am aware that there is a significant number of Members, without regard to party, who are not the least bit interested in process, but we are going to operate this year under a very difficult set of circumstances, and this rule is a good illustration of how difficult those circumstances are and probably will be.

Mr. Speaker, House Resolution 461 is an unusual rule. It is complex. It is necessarily complex because it is structured to unravel a very difficult parliamentary situation so that the House may proceed to consider H.R. 5922, an urgent supplemental appropriations bill for fiscal year 1982, in something of an orderly fashion. As my colleagues are aware, House Resolution 415, a rule making in order H.R. 5922, was adopted on Thursday last. That rule was brought up under a special provision of the House rules that allows any member of the Committee on Rules to call up a rule as a matter of privilege after it has been on the calendar for 7 legislative days. That is a perfectly valid rule of the House. Those employing it, however, failed to take into account the changed circumstances with which the House was confronted.

The urgent supplemental bill was reported from the Committee on Appropriations on March 23. The rule was reported on March 30. The House did not take up the bill prior to the district work period because we were told that the other body would not consider the measure until after the recess. During the work period and subsequently both Houses of Congress waited while their representatives attempted to reach a budget compromise with the President. That effort failed.

But in the interim, the clock continued to tick. The need for urgent supplemental appropriations for some programs became critical, others moved from a priority phase to urgent. The administration, too, recognized this shift as attested to by a statement of administration policy issued on April 30 which indicated support for five items in the bill which the administration had not previously supported totaling some $32.5 million, with a request for a higher level of funding for the Bureau of Alcohol, Tobacco, and Firearms than the bill contained and an additional request for some $20.2 million for the CAB for payments to air carriers which the bill did not address at all. On the very day that the rule was called up, and as a matter of fact on my way to the floor to respond to that action, I discovered that the chairman of the Committee on Appropriations was urging by letter that the Rules Committee review House Resolution 415 and grant additional waivers that had not been granted in that rule.

Obviously, circumstances had changed. But again, quite obviously, not everyone was aware of that fact. On Thursday we were confronted with an attempt at to present the House with a fait accompli that would have allowed the House to get only halfway to where it needed to go. It seemed the wiser course to pass House Resolution 415, thus thwarting those who would distort the process further and giving time to assess the situation while, perhaps, cooler heads prevailed. It was apparent, however, that some modification of House Resolution 415 would be necessary.

House Resolution 461 is that necessary modification of the earlier rule. Briefly, let me explain the provisions of the rule. The rule modifies certain provisions of House Resolution 415. For instance, the waiver of section 311 of the Budget Act against initial consideration of H.R. 5922 would stand but the first proviso would not apply. That provision allowed points of order pursuant to section 311 to be made against specified paragraphs of H.R. 5922 and if such points of order were sustained the paragraph would be stricken from the bill. This modification of the rule has the effect of retaining the waiver against the consideration of H.R. 5922 but eliminating the possibility of any point of order on a specific paragraph. In other words, if House Resolution 461 is adopted, no point of order pursuant to section 311 of the Budget Act can be made against the consideration of H.R. 5922 or any portion thereof.

As Members will recall, section 311 of the Budget Act prohibits consideration of any bill, amendment, or conference report providing new budget or spending authority for a fiscal year which exceeds the ceiling set in the most recently agreed to concurrent resolution of the budget.

House Resolution 461 further provides additional waivers of clauses 2 and 6 rule XXI for paragraphs specified by page and line number. These waivers are provided in addition to those already included in House Resolution 415. They are necessary because many of the items now to be protected by the section 311 waiver also need waivers under clauses 2 and 6 of rule XXI, and without the waivers would only be partially protected. Clause 2 prohibits the inclusion of unauthorized appropriations and legislation in an apropriations bill. Clause 6 prohibits the inclusion of reappropriations.

There are only two items in the bill which need waivers and for which no waivers have been granted. They are the International Communications Agency and restrictions on U.N. funding for the PLO and Cuba. Both of these items contain legislation or a reappropriation and thus would be subject to a point of order under clause 2 or 6 of rule XXI. The waivers were not granted because the Committee on Rules received a letter from the chairman of the Committee on Foreign Affairs asking that the waivers not be granted. The Rules Committee simply honored that legislative prerogative.

Additionally, House Resolution 461 makes in order two amendments which are required to be printed in the RECORD of May 11, 1982. The first of

these to be offered by Representative BOLAND or in his absence Representatives AUCOIN or PATTERSON provides some $1 billion for mortgage interest assistance to aid purchasers of single-family homes. The second amendment to be offered by Representative LOWRY provides some $23 million to reimburse States for refugee assistance. Both amendments are granted waivers of section 311 of the Budget Act and of clause 2 of rule XXI.

Briefly, I would like to outline the parliamentary situation for consideration of H.R. 5922 if House Resolution 461 is adopted. The chairman of the Committee on Appropriations would call up the bill for consideration in the Committee of the Whole House and establish the time for general debate. Once general debate is completed, the bill would be considered under the 5-minute rule. Any germane amendment which did not otherwise violate a rule of the House would be in order. Without trying to predict the Chair's ruling in any specific situation, I would offer the following general guidelines on the amendment process. Due to the restrictions of section 311 of the Budget Act, amendments to add additional moneys or to increase outlays would not be in order. It would be in order to reduce those amounts in the bill or to strike them altogether.

Generally, language perfecting legislative language in the bill could be offered but new legislative language might be subject to a point of order. Amendments to reappropriate or to transfer previously appropriated funds would violate clause 6, rule XXI and thus would not be in order. The same would hold true of the amendments made in order by the rule.

Mr. Speaker, this is a complicated rule, as I stated earlier its complexity arises out of necessity. It allows the House to consider the urgent supplemental and the critical program funding involved in as rational and orderly a manner as we on the Rules Committee could devise, I urge my colleagues to support the rule and adopt House Resolution 461 so that we may proceed to the consideration of H.R. 5922.

□ 1315

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

Mr. BOLLING. I yield to the gentleman from Georgia.

Mr. LEVITAS. I have two questions. I thank the gentleman for yielding. Obviously the complexity of this rule is one that required that in-depth explanation which the gentleman was able to provide.

My questions relate to two points. Can the chairman of the Rules Committee inform Members as to what legislation in an appropriation is being waived by dealing with clause 2 and what unauthorized appropriations are being covered by the waiver of rule 6? That was the first question.

The second question is, Does the rule permit offering of zero-appropriation amendments?

Mr. BOLLING. It certainly permits offering cuts, and I assume strikes.

I do not know that the gentleman really wants me to answer his first question. I have a chart here of about four pages that I had developed for me so that I could answer those questions. It would take a very long time to read it.

Mr. LEVITAS. Is that chart available?

Mr. BOLLING. That chart is available on the desk. I will insert it in the RECORD following my remarks.

Mr. LEVITAS. I am just interested. I would like to examine it if I may, and I thank the gentleman.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922

H.R. 5922	Subcommittee or amendment in full committee	Administration, Old, Mar. 24, 1982	Position,[1] New, Apr. 30, 1982	Budget recommendation	Waivers granted by House Resolution 415 as reported[2]	Waivers granted by House Resolution 461 as reported[3]
Department of Labor:						
Employment and Training Administration.	Amendment	Support	Support	Not 311 waiver issue; budget-supported transfer.	Clause 6, rule XXI, reappropriation-transfer	Same.
Employment Standards Administration	do	do	do	do	do	Do.
Bureau of Labor Statistics	do	do	do	do	do	Do.
Department of HHS:						
Work incentive (WIN)	do	No recommendation	No recommendation	No recommendation	Sec. 311, Budget Act	Do.
Inspector General	do	Support	Support	Not 311 waiver issue; budget supported transfer.	Clause 6, rule XXI reappropriation-transfer	Do.
Department of Education:						
Student loans	Subcommittee	Support—$1,300,000	Support—$978,000	Not 311 waiver issue	No waiver necessary	Do.
Pell grants	Amendment	Support—$4,600,000	Support—$6,600,000	Waiver not recommended	Sec. 311, Budget Act	Do.
Howard University	do	No recommendation	Support—$800,000	Waiver unanimously opposed	No waiver granted (sec. 311)	Sec. 311, Budget Act.
Action	do	do	Oppose	Waiver not recommended	do	Do.
HUD:						
Assisted housing	Subcommittee	do	No recommendation	Not 311 waiver issue	Clause 2, rule XXI (legislation) Clause 6, rule XXI (reappropriation)	Same. Do.
Government National Mortgage Association (tandem mortgage financing).	do	do	Support	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation and unauthorized).	Do.
EPA construction grants	do	Support	do	Budget previously voted to support	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Administration provisions (NASA, VA and HUD).	do	No recommendation	No recommendation	Not 311 waiver issue	No waiver granted (clause 2, rule XXI legislation).	Clause 2, rule XXI; (legislation).
Transportation:						
Coast Guard operating expenses	Amendment	do	do	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Same.
Federal Highway Administration	Subcommittee	do	Oppose	Waiver unanimously supported	Sec. 311, Budget Act	Do.
ICC-directed rail service	do	do	Support	Waiver recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Treasury:						
Bureau of Government Financial Operations (social security checks).	do	Support	do	do	Sec. 311, Budget Act	Do.
Bureau of Alcohol, Tobacco and Firearms.	do	Support—$15,740,000	Support—$23,800,000	Wavier not recommended	No waiver granted (sec. 311, clause 2, rule XXI, legislation).	Sec. 311, Budget Act clause 2, rule XXI, (legislation).
U.S. Customs Service	do	Support—$3,433,000	Support—$6,900,000	do	Sec. 311, Budget Act clause 2, rule XXI (unauthorized).	Same.
Merit Systems Protection Board	do	Support—$4,000,000	Support—$6,300,000	Waiver recommended	Sec. 311, Budget Act	Do.
U.S. Tax Court	Amendment	No recommendation	No recommendation	do	do	Do.
Department of Commerce:						
General administration	do	do	Support	Waiver unanimously opposed	No waiver granted (sec. 311, Budget Act).	Sec. 311, Budget Act.
Economic Development Administration	do	do	Oppose	do	No waiver granted (sec. 311, Budget Act; clause 2, rule XXI, unauthorized; clause 6, rule XXI, transfer).	Sec. 311, Budget Act; clause 2, rule XXI, unauthorized; clause 6, rule XXI, transfer.
NOAA	do	do	do	Waiver not recommended	No waiver granted (sec. 311, Budget Act; clause 2, rule XXI, legislation).	Sec. 311, Budget Act; clause 2, rule XXI, legislation.
International Communication Agency	do	do	No recommendation	Not 311 waiver issue	No wavier granted clause 6, rule XXI; reappropriation.	No wavier granted (clause 6, rule XXI, reappropriation).
Restriction on UN funding	do	do	do	do	No waiver granted (clause 2, rule XXI, legislation).	Same.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922—Continued

H.R. 5922	Subcommittee or amendment in full committee	Administration, Old, Mar. 24, 1982	Position,[1] New, Apr. 30, 1982	Budget recommendation	Waivers granted by House Resolution 415 as reported[2]	Waivers granted by House Resolution 461 as reported[3]
OSHA:						
Mine safety inspections	do	do	do	do	Clause 2, rule XXI (legislation)	Do.
No provision	do	do	Supports—$20,200,000 for CAB, payments to air carriers.	Not considered by budget	Needs Sec. 311, Budget Act	Not considered.
Lowry amendment—refugee assistance	do	No recommendation	No recommendation	do	do	Sec. 311, Budget Act clause 2, rule XXI, unauthorized and legislation.
Boland amendment—housing assistance	do	do	do	do	do	Do.

[1] The administration position was obtained from the Stockman letter to Chairman Bolling received Mar. 24, 1982, and the statement of administration policy dated Apr. 30, 1982.
[2] Waivers were granted for both clause 2 and 6 of rule XXI whenever either of the clauses is listed in the table. The table indicates the specific violation. In some instances, language violating clause 6 also violated clause 2.
[3] Section 311 of the Budget Act was waived against initial consideration of the entire bill.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the detailed explanation given by my good friend from Missouri, chairman of the Rules Committee, Mr. BOLLING, certainly does not make it necessary for anyone to talk very much about the rule itself.

The burden of the gentleman from Missouri's text certainly was that this is a very complex rule. It is.

He also said that there will be more rules like this coming along the line. There will be. The legislative situation which confronts the House in the next few weeks and months I think can best be described generally as very complex.

One of the more interesting parts of this resolution, of course, is that it does amend a resolution which has previously been adopted by the House. While that is not unprecedented, it certainly is unusual.

The House did adopt House Resolution 415 on May 6, and under that resolution it would have been in order for the House to resolve itself into the Committee of the Whole House on the State of the Union whenever the Speaker recognized an appropriate Member for that purpose.

This came as a result of a Member on the Republican side exercising his prerogative as a member of the Rules Committee and calling House Resolution 415 up, and that resolution was subsequently adopted.

The Rules Committee then proceeded to bring out House Resolution 461 which has the effect, as the chairman stated, of amending House Resolution 415, and to bring up the appropriation bill, which will be the subject of our debate this afternoon, under a condition which appears to be an open rule.

But I do not think that anyone in the House should be deceived that that is really the situation, because while the rule makes in order two amendments it also does not make in order some valid alternative amendments which are equally deserving of our consideration. Those alternative amendments, if offered, would, under the proposed rule, be subject to a point of order under section 311 of the Budget Act.

So it is very difficult for me to understand or for me to believe that it would really be possible for desirable amendments to be offered to this appropriation bill, which would not be subject to a point of order unless they are those which are authorized under House Resolution 461.

□ 1330

So I have no objection to the rule itself. I would point out the fact, however, that the reason that the action occurred on May 6 was because the Rules Committee did not give a rule which made in order some amendments which would have been offered by the gentleman from Illinois (Mr. CORCORAN) seconded by the gentleman from Delaware (Mr. EVANS). It is my intention later to yield time to these two gentlemen to discuss the amendment which they otherwise would have submitted to the House.

Suffice it to say that the bill which we will be bringing out is an important appropriation bill, and it is one which I think the House should act on expeditiously and adopt as soon as possible.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, first of all, I thank the gentleman from Arizona for yielding. Let me point out that, while we can talk about the complexity of the rule, while we can talk about several of the other components of the urgent supplemental appropriations bill, and in fact, while the subject of some dispute has been a housing stimulus amendment, in my judgment there are really only two issues—and I think the time has come to put those two issues out on the table.

The first issue is that, in my view, in these days of budget crisis, before we embark on any new program we ought to simultaneously cut back on existing programs where there is excess, where there is a need for elimination, or where there is a need for reduction. I believe, it is a mistake for this House, in these days of very difficult budget negotiations, to start, as we will start, I am sure, later on this afternoon a new housing program with a new appropriation, a new authorization, and a new expenditure of taxpayers' money.

To my mind, one of the problems with that approach is that it is "business as usual"; and that approach has put us in the economic mess we are in. It is exactly the kind of thing that Assistant Treasury Secretary Roger W. Mehle, Jr. pointed out last year in testimony before the House Banking, Finance and Urban Affairs Committee, which puts further and further upward pressure on interest rates. If the housing industry is in trouble, it is because of high interest rates, not the inattention of the Congress of the United States.

At this point, Mr. Speaker, I would like to quote Mr. Mehle, Jr.'s, aforesaid testimony of May 7, 1981:

> Most loan guarantee programs are financed directly in the securities markets and most such financings are not controlled by the Treasury. While the myth seems to persist that guaranteed loans are substantially different from direct loans and involve less Government intervention in the traditional borrower-lender relationships, this is not so. Every dollar of Government guaranteed debt financed in the public marketplace is like Treasury borrowing to finance direct loans and has a similar negative impact on private sector rates. * * * [G]reater control and restraint must be applied to all of these off-budget guarantee programs.

Mr. Speaker, Assistant Secretary Mehle noted that federally guaranteed loans outstanding increased $73 billion in fiscal year 1981 compared to a rise of $48 billion in fiscal year 1980, more than a 50-percent acceleration in the growth of federally guaranteed loans. The chart below illustrates this phenomenal growth:

COMPONENTS OF NET FEDERAL CREDIT

[In billions of dollars][1]

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[2]	1981[2]	1982
Loan guarantees	17.0	20.0	17.0	11.0	10.0	11.0	13.0	13.0	23.0	35.0	55.0	57.0
Direct loans—off budget agencies				.5	5.5	6.0	8.0	10.0	12.0	11.0	20.0	19.0
Direct loans—on budget agencies	2.0	3.0	2.0	3.0	6.0	4.5	3.0	7.0	5.0	7.0	3.0	6.0

[1] Net Federal credit is new disbursements for direct loans minus repayments and other offsets plus, for loan guarantees, new loans guaranteed minus guarantees for which the loan has been fully repaid.
[2] Estimated.

According to Mr. Mehle, guaranteed loans in the energy area are a significant factor in this acceleration.

One need only look to the current condition of our housing industry to see the heavy price our economy is paying for massive Federal borrowing. It is not mere coincidence that in the years 1965 to 1969 when the Federal Government used only one-sixth of the available loan capital the prime rate averaged only 6 percent, while now that the Federal Government soaks up nearly half of the loan capital in the country, the prime rate is 16.5 percent.

The explosion of Federal borrowing, including Federal loan guarantees, requires real restraint on our part if we hope to get at the cause of sky-high interest rates rather than merely treat the symptoms of those rates. The synthetic fuels program and the potential $88 billion in Federal credit it represents is a perfect place to start.

The second issue, Mr. Speaker, is simply this: Some of us believe that the Synthetic Fuels Corporation is a white elephant. Others believe that it is a sacred cow. And a major stumbling block in this whole debate for the last 6 weeks has been whether or not the majority leader of the House of Representatives could protect the Synthetic Fuels Corporation. Now, he may be in love with it. He may believe that the battle cry of the 1982 elections is "Save the Synfuels Corporation," but in my judgment, based on the reality of the energy marketplace, based on the realities of what we in the Congress over many, many years have unfortunately done to undermine our currency and the financial integrity of the U.S. economy, we need to do otherwise. And we should start a new precedent by rejecting this ill-advised financing plan for the proposed housing program.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman from Arizona very much for yielding, and I take the time, if I could, to ask the chairman of the Rules Committee a couple of questions about amendments that would be in order.

Do I understand correctly that, under the rule that we are adopting, it would be in order to offer an amendment to decrease an appropriation?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to offer an amendment to strike an appropriation; is that right?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to decrease or strike a transfer of funds; is that correct?

Mr. BOLLING. That is also correct.

Mr. WALKER. Would an amendment be in order if it restricts the use of funds and does not provide any additional legislation?

Mr. BOLLING. I really cannot answer that question. I do not know how the Chair would rule on some of those.

Mr. WALKER. Well, the way I have stated it is probably confusing. I apologize to the gentleman. I am looking for assurance that something that is a legitimate limitation such as are often offered here on the floor, and where the Chair would say that that is legitimately a limitation amendment, that such an amendment would still be in order under this particular rule; is that right?

Mr. BOLLING. That would obviously be subject to the ruling of the chairman.

Mr. WALKER. I thank the gentleman. And, finally, would it be in order under this rule, to increase a rescission?

Mr. BOLLING. I do not believe so, because I think that would be legislation. But there might be a way in which it could be developed, and I simply do not know.

Mr. WALKER. Let me ask the gentleman, there is nothing within the rule itself, though, that would prevent that?

Mr. BOLLING. Not that I know of.

Mr. WALKER. I thank the gentleman very much.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. I thank the gentleman from Arizona for yielding.

Mr. Speaker, one of the greatest addresses I ever heard in my life was an address made by a Democrat, delivered in this Chamber from the podium right behind me. His name was Hubert H. Humphrey. Senator Humphrey spoke to this body November 3, 1977, just a few weeks before he passed on to much greener pastures. In that address he admonished the majority and he admonished the minority, and he gave some very good advice to both sides. One of the things he said, in speaking on behalf of this wonderful constitutional system of ours was, and I paraphrase; We rule by the majority, but the majority cannot rule effectively and the system cannot work effectively unless the rights of the minority are preserved and protected.

That is what our rules are all about. As my colleagues are well aware, the gentleman from Illinois (Mr. CORCORAN) and I have been attempting to use those rules effectively and responsibily. We were trying to do something from a minority position that we hoped would provide some assistance to housing, but would provide that assistance without aggravating the already seriously bloated Federal deficit.

We felt that we needed to give the Members of this House a real choice, a choice between support of the Synfuels Corporation and Multinational Energy Corporations and support for housing. We have been attempting for the last 6 to 7 weeks to give the Members that opportunity. We finally had that opportunity last week, Thursday, May 6, and we called for a vote on the previous question. We lost that vote. We had 158 votes in favor of considering our housing initiative, and the rest of the body voted the other way.

So I feel we may have had our day in court, if you will, and I intend to support this rule because this supplemental appropriation is so urgent. That is why I have been urging its consideration here on the floor of the House for almost 7 weeks, because Coast Guard appropriations that give us the opportunity to interdict drug smuggling in southern Florida, student loan programs, and the like, must not be allowed to run out of funds. It is also critically important to provide assistance to housing. We are going to have that opportunity today, and I intend to support the amendment of the gentleman from Massachusetts, (Mr. BOLAND) which is offered on behalf of the gentleman from California (Mr. PATTERSON) and the gentleman from Oregon (Mr. AUCOIN), even though I feel that the Evans-Corcoran approach is infinitely better. Evans-Corcoran will provide more housing starts, more jobs, and result in more revenue for the Treasury. However, I recognize reality, and this is indeed the only alternative we will have to assist housing and to get this economy of ours moving again. Therefore, I intend to support the amendment.

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

Mr. EVANS of Delaware. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman from Delaware for yielding to me, and I wish to commend him. The gentleman has been a leader in the Banking Committee and the Housing Subcommittee. He has supported the Patterson-AuCoin initiative. He has his own initiative. He has been I think a truly admirable supporter of the housing needs and of stimulating the economy of the United States of America. I want to thank the gentleman very much for his support.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I rise in support of the proposed rule before us today and urge my colleagues to vote for its passage and for passage of H.R. 5922. There are appropriations in H.R. 5922 that are urgently needed to help address major problems facing out Nation today.

We learned this week that we have the highest monthly unemployment rate for the Nation since such monthly rates started being kept.

We already knew that we had more than 10 million people out of work. We have known for some time that we are undergoing the harshest, deepest recession since the economic disaster of the Great Depression.

We know that the construction workers are among those hardest hit by this Reaganomics recession that began last July.

We know that thousands of our young people across the Nation are having their hopes of a college, vocational, or technical school education threatened by the student aid policies of the Reagan administration.

This bill before us will not cure all these problems, but it will be a step in the right direction.

There is one aspect of this rule we are considering that I particularly want to mention. I want to congratulate and thank the Rules Committee and the chairman of the Appropriations Committee for supporting a waiver of the Budget Control and Impoundment Act provisions with regard to the provision in H.R. 5922 which provides for a transfer of $4.5 million from the Economic Development Administration revolving loan fund to its salaries and expense account.

On the face of it, this does not immediately appear urgent. But, in fact, this could well prove to be one of the most important actions taken in H.R. 5922. The reason is simple. It will help insure that EDA continues to do the job it has been doing for the past 17 years with such effectiveness and efficiency, leveraging the generation or maintenance of private sector job opportunities.

The administration, which has not requested these funds, has advised the Committee on Appropriations that without them EDA will be substantially restricted in its ability to perform its job of processing economic development project applications and getting the necessary funding obligated in an orderly manner. EDA has already advised its personnel that they will be required to take payless furlough days throughout the rest of this fiscal year. The $4.5 million in transferred funding will, I have been assured, end the need for the payless furloughs and let the EDA get on with its job. This job, which the administration has been delaying through other administrative measures, is that of helping local communities carry out private sector job opportunity enhancement projects.

To illustrate the worth of EDA, let me advise you of some of the facts about its work nationally and in Arkansas. The $5 billion in seed money EDA invested nationally from 1965 through 1980 leveraged $9 billion in private sector investment, generated or saved 1.4 million private sector jobs and resulted in total biennial Federal tax payments that more than paid off the whole EDA investment every 2 years.

In Arkansas alone, EDA has invested approximately $130 million, generated or saved more than 67,000 private sector jobs with a payroll of more than $500 million per year. The Federal taxes paid by the holders of these jobs more than repaid EDA's total investment in Arkansas every 2 years.

Clearly EDA is a moneymaker for the Federal Government. Surely a program which has been so successful in stimulating private sector job creation and maintenance has never been more needed by the people of our Nation, since the Great Depression.

I urge passage of this rule and of H.R. 5922.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I have one speaker remaining, and I yield 5 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, this is the opportunity which the House has awaited to demonstrate that we can be responsive to emerging needs. Obviously, there are some very serious needs in this country. Almost 9½ percent of the working force is unemployed. That is an increase of 2 percentage points over the level of 1 year ago. 10,300,000 Americans are unable to find work.

If we use the rule of thumb that has been somewhat universally agreed to by liberal and conservative economists alike, and which has been embraced and often repeated by the President of the United States, each percentage point of unemployment results in the addition of approximately $25 billion to the deficit. Therefore, in the past year the additions to unemployment through the rapid decline in the economy have added some $50 billion to the annual deficit figure. Obviously, there is something that needs to be done.

If we are serious about fighting deficits, then quite naturally we must be serious about doing something to reverse this destructive trend in the American economy.

□ 1345

So here is a useful productive opportunity, and I urge all Members to support this rule and to support this bill to demonstrate that the American Congress can come to grips with the problems that are real.

This bill contains $1,300,000,000, to guarantee additional students loans at a time when student graduates have hit a plateau. By 1980 the annual number of graduates had risen to about 150 percent more each year above the 1960 level. In the past 2 years that level has not increased. Unless we act, the number actually enrolled in our colleges next year may even decline.

I think we have the clear responsibility to do those things necessary to revive the great American dream that every American young person shall be given an opportunity and a very real chance to get as much education as he or she wishes and has the capacity to absorb.

Unless this is done, and if the recommendations originally sent to the Congress in February by President Reagan were to be followed, higher education would be made more difficult for money. Through reductions in Pell grant funds, reductions in student loan funds, reductions in eligibility for student loans and for work study programs—it would be made more difficult, if not impossible, for some 2 million American young people either to stay in college or to attend college.

Already we have made it more difficult for several hundred thousand young Americans by the ill-advised action we took last year in the Gramm-Latta reconciliation bill.

In that hastily considered bill, we made it impossible for several hundred thousand young Americans who were depending upon the social security benefits that would have inured to them to attend college, by reason of the death of a parent who was covered by that system.

We dare not compound that injury. And so this bill provides $1,300,000,000 in loans to help students go to school.

I believe it can be demonstrated that the very best single investment this Government ever made, with the possible exception of the Louisiana Pur-

chase, was the GI bill of rights and the educational benefits which allowed an entire generation to achieve better education. It has paid for itself to the Treasury of the United States in identifiable returns at least $20 for every $1 that it cost. And so this kind of thing is bound to pay to the economy, and the Treasury, to help us fight future deficits.

You know of the $1 billion in housing that was made available yesterday in the authorizing bill. This measure today contains funding for that initiative and also an additional $1,400,000,000 for low-rent public housing.

It contains an additional $2,400,000,000 for clean water construction grants to continue the march that this Nation bravely began to the end that we clean up the streams of this Nation and have a pure environment to pass on to future generations.

And so in every particular this bill is ennobling. In every way it is fully consonant and harmonious with the main thrust of the growth and the progress of the American Nation. I hope that it receives the overwhelming and indeed near unanimous vote that it deserves, as a token to the American people that Congress is aware of the distress that faces this economy, and that Congress is determined to do something about it.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the provisions of House Resolutions 415 and 461, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

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

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BADHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 385, nays 12, answered "present" 1, not voting 34, as follows:

[Roll No. 70]

YEAS—385

Addabbo	DeNardis	Hatcher
Akaka	Derrick	Hefner
Albosta	Derwinski	Hendon
Alexander	Dickinson	Hertel
Anderson	Dicks	Hightower
Andrews	Dingell	Hiler
Annunzio	Dixon	Hillis
Anthony	Donnelly	Holland
Aspin	Dorgan	Hollenbeck
Atkinson	Dornan	Hopkins
AuCoin	Dowdy	Horton
Badham	Downey	Howard
Bafalis	Duncan	Hoyer
Bailey (MO)	Dunn	Hubbard
Bailey (PA)	Dwyer	Huckaby
Barnard	Dyson	Hughes
Barnes	Early	Hunter
Beard	Eckart	Hutto
Bedell	Edgar	Hyde
Beilenson	Edwards (AL)	Ireland
Benedict	Edwards (CA)	Jacobs
Benjamin	Edwards (OK)	Jeffords
Bennett	Emerson	Jenkins
Bereuter	Emery	Jones (NC)
Bethune	English	Jones (OK)
Bevill	Erdahl	Jones (TN)
Biaggi	Erlenborn	Kastenmeier
Bingham	Ertel	Kazen
Blanchard	Evans (DE)	Kemp
Bliley	Evans (GA)	Kennelly
Boggs	Evans (IA)	Kildee
Boland	Evans (IN)	Kindness
Bolling	Fary	Kogovsek
Boner	Fascell	Kramer
Bonior	Fazio	LaFalce
Bonker	Fenwick	Lagomarsino
Bouquard	Ferraro	Lantos
Bowen	Fiedler	Latta
Breaux	Fields	Leach
Brinkley	Findley	Leath
Brodhead	Fish	LeBoutillier
Brooks	Fithian	Lee
Broomfield	Flippo	Lehman
Brown (CA)	Florio	Leland
Burgener	Foley	Lent
Burton, Phillip	Ford (MI)	Levitas
Butler	Ford (TN)	Lewis
Byron	Forsythe	Livingston
Campbell	Fountain	Loeffler
Carman	Fowler	Long (LA)
Carney	Frost	Long (MD)
Chappell	Garcia	Lowery (CA)
Chappie	Gaydos	Lowry (WA)
Cheney	Gejdenson	Lujan
Clausen	Gephardt	Luken
Clay	Gilman	Lundine
Clinger	Gingrich	Lungren
Coats	Glickman	Madigan
Coelho	Gonzalez	Markey
Coleman	Goodling	Marlenee
Collins (IL)	Gore	Marriott
Conable	Gradison	Martin (IL)
Conte	Gramm	Martin (NC)
Conyers	Gray	Martin (NY)
Corcoran	Green	Matsui
Coughlin	Gregg	Mavroules
Courter	Guarini	Mazzoli
Coyne, James	Gunderson	McClory
Coyne, William	Hagedorn	McCollum
Craig	Hall (OH)	McDade
Crane, Daniel	Hall, Ralph	McEwen
Crane, Philip	Hall, Sam	McGrath
D'Amours	Hamilton	McHugh
Daniel, R. W.	Hammerschmidt	McKinney
Daschle	Hance	Mica
Daub	Hansen (ID)	Michel
Davis	Hansen (UT)	Mikulski
de la Garza	Harkin	Miller (CA)
Dellums	Hartnett	Miller (OH)
Mineta	Ritter	Stokes
Minish	Roberts (KS)	Stratton
Mitchell (MD)	Roberts (SD)	Studds
Mitchell (NY)	Robinson	Stump
Moakley	Rodino	Swift
Molinari	Roe	Synar
Mollohan	Roemer	Tauke
Montgomery	Rogers	Tauzin
Moore	Rosenthal	Taylor
Moorhead	Rostenkowski	Thomas
Morrison	Roth	Traxler
Mottl	Roukema	Trible
Murphy	Rousselot	Udall
Murtha	Roybal	Vander Jagt
Myers	Rudd	Vento
Napier	Russo	Volkmer
Natcher	Sabo	Walgren
Neal	Savage	Walker
Nelligan	Sawyer	Wampler
Nelson	Scheuer	Washington
Nichols	Schneider	Watkins
Nowak	Schroeder	Waxman
O'Brien	Schulze	Weaver
Oakar	Schumer	Weber (MN)
Oberstar	Seiberling	Weber (OH)
Obey	Sensenbrenner	Weiss
Oxley	Shamansky	White
Panetta	Shannon	Whitehurst
Parris	Sharp	Whitley
Pashayan	Shaw	Whittaker
Patman	Shelby	Whitten
Patterson	Shumway	Williams (OH)
Pease	Shuster	Wilson
Pepper	Siljander	Winn
Perkins	Simon	Wirth
Peyser	Skeen	Wolf
Pickle	Skelton	Wolpe
Porter	Smith (AL)	Wortley
Price	Smith (IA)	Wright
Pritchard	Smith (NE)	Wyden
Pursell	Smith (NJ)	Wylie
Quillen	Smith (OR)	Yates
Rahall	Snowe	Yatron
Railsback	Snyder	Young (AK)
Rangel	Solarz	Young (FL)
Ratchford	Spence	Young (MO)
Regula	St Germain	Zablocki
Reuss	Stangeland	Zeferetti
Rhodes	Stark	
Rinaldo	Staton	

NAYS—12

Brown (CO)	Frenzel	McDonald
Broyhill	Holt	Paul
Collins (TX)	Jeffries	Petri
Dannemeyer	Johnston	Solomon

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—34

Applegate	Frank	McCloskey
Archer	Fuqua	McCurdy
Brown (OH)	Gibbons	Moffett
Burton, John	Ginn	Richmond
Chisholm	Goldwater	Rose
Crockett	Grisham	Santini
Daniel, Dan	Hawkins	Smith (PA)
Deckard	Heckler	Stanton
Dougherty	Heftel	Stenholm
Dreier	Lott	Williams (MT)
Dymally	Marks	
Foglietta	Mattox	

□ 1400

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

The SPEAKER pro tempore. The Chair designates the gentleman from Massachusetts (Mr. STUDDS) as Chairman of the Committee of the Whole and requests the gentleman from Tennessee (Mr. GORE) to assume the chair temporarily.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill

H.R. 5922, with Mr. GORE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall ask later for unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks. Our Committee on Appropriations comes to you with an urgent supplemental. The urgency of this bill has become more and more acute.

We reported this bill out of the Appropriations Committee on March 23. I do not want to take all the time complaining about the fact that the Congress in the last several years has operated by a continuing resolution. It does not come from our choice. It comes from the fact that other committees have not met their deadlines and for one reason or another we have been delayed from March 23 until today to bring up this bill which is urgent.

Since we face a conference with the Senate, it is highly questionable if we will get the bill enacted into law in time to meet deadlines that are fixed by law and needs that are urgent.

In the bill that we bring before you today we have stayed below the allocations to the Appropriations Committee under the Budget Act.

First on the list are funds for the student loan program where the need is acute. Students are in the midst of the school year. Our Committee on Appropriations has felt responsible to carry out the existing law, pending such changes that may be made.

As to the soundness of this program, I point out that perhaps 20 times as many youth in this land are going to college today as went back in the times when many of us were there. This is one of the major items.

Concerning the EPA construction grants program, it is our understanding that currently 34 States are virtually without funds. Nationwide program activity has slowed to a trickle. Further delay may cause some projects to go through the bidding process again, and certain projects in Northern States—with a shorter construction period—may be jeopardized.

In addition to various supplemental requests for administrative items to fund numerous Federal agencies and avoid unnecessary and disruptive furloughs and reductions in force, especially in the Departments of Education, Health and Human Services, and Labor, the committee bill also included $81.6 million for the Bureau of Government Financial Operations in the Treasury Department. This provides the administrative funds for the Bureau that actually writes about 50 million checks a month. Over 50 percent of these checks are for routine entitlement payments to social security recipients and veterans. Treasury officials now estimate funds may run out the last few days of May. This involves checks issued to veterans and social security recipients, Federal employees, State governments or contractors doing business with the Government.

Mr. Chairman, it is imperative that funds be provided soon for these vitally needed programs. I am afraid that any additional delay will be damaging not only to the programs, but to the Congress itself. If the Congress is perceived as unable to act quickly to avoid these program disruptions, its standing with the public will be greatly diminished. The Congress must not allow the perception to grow that it is unable to execute its duties in a timely and responsible manner.

Also provided here are funds for Howard University, domestic programs under ACTION, Bureau of Alcohol, Tobacco and Firearms; Department of Commerce; Economic Development Administration and the NOAA operations research facility.

Mr. Chairman, I wish to call special attention to the section of the report which accompanies this bill under the waste treatment construction grant program of the Environmental Protection Agency. This addresses a widespread problem and especially affects areas such as I represent. The language is as follows:

> Geographical and climatic conditions can affect certain biological treatment facilities. However, many rural communities, especially in warmer climates, appear to be ideally suited for these less expensive treatment techniques. The Committee directs the Agency to provide expeditious guidance to small communities concerning the revised secondary treatment definition which will be beneficial in planning for future facilities. In addition, the Committee is aware that several communities have been saddled with expensive wastewater treatment facilities when an oxidation pond or lagoon might have been equally effective and much cheaper. The Committee further directs the Agency to review these situations and allow communities to take advantage of the new secondary treatment definition where appropriate. Language has been included in the bill in this regard allowing the Administrator to make grants to small communities for biological treatment facilities to repair or replace systems where determined to be necessary.

Two other items that concern Members from throughout the country are provided for in this bill—funding for the Coast Guard and the weather stations. The committee is recommending an additional $17.5 million for the Coast Guard to continue the operations of all search and rescue stations previously proposed for closure and the vessel traffic systems in various cities. In addition, the bill provides an additional amount for the continued operations of 38 weather service stations proposed for closing by the administration for the balance of the year.

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Mr. Chairman, we in the Congress, and we in this Nation, have been faced with certain differences of opinion by the executive department and by some of our committees in the Congress, including the Committee on the Budget.

Several years ago, I pointed out the fact that 58 percent of Federal spending by-passed our Appropriations Committee by entitlements and by binding contracts. Though our Appropriations Committee had held appropriations below the budget for 37 out of 38 years, this year we are running behind.

I was appointed senior cochairman of the study group which recommended the Congressional Budget Act to regain control of spending by providing for setting targets, holding hearings and then reconciling income and out-go. Unfortunately, the budget resolution set aside the provisions of the Budget Act and set firm figures and reconciliation on the first resolution rather than the last. It is this action which has caused the delay and upset the regular operations of the Congress.

As a result of the recommendations which our study committee made, the rules were changed, and the Congressional Budget Act was passed.

In the Rules Committee yesterday, I was asked if we should amend the Budget Act. I answered, not until we try it. If we are going to get back into orderly procedure, and tend to the business of the country, in an orderly manner, we are going to have to see that the provisions of the act are enforced. To do that, the budget resolution should be kept in line with what the Budget Act calls for.

Now, in addition to that, we have had reconciliation on the first resolution. The act calls for this to come at the end, on the second resolution. To attach reconciliation to the first means we tie the hands of the Congress—and make regular procedures impossible.

The result is that we have been here since March 23, trying to get urgent supplemental before you.

Not only is that true, but I would like to point out other things.

This, as we all know, is a Government of three equal and coordinate branches. We have got to pull togeth-

er, and we need to pull together—executive, judicial, and legislative.

But the branch closest to the people, the people's branch, the one they have to look to for protection, is the legislative branch.

Now, as a result, trying to pull together, your Committee on Appropriations last year, on recommendations by the President to rescind $15.1 billion in prior appropriations, we rescinded $14.3 billion. You will recall, my friends, that last year we were asked to go along with the March budget, which provided for about 10 percent further cut, which we did. Then we were asked last November, to make a further reduction, and we went along again. That is when we stayed up two nights in a row, and the Republican Senators on the Senate side, and our friends over here signed it, and then it was vetoed on Monday morning. It did not bother me, because that is the responsibility of the President. But we have tried to cooperate.

The President's package, when it came, returned a big part of the windfall profit tax, then it allowed those corporations making the most money, to purchase tax credits from other companies and avoid taxes. The President, of course, hoped that those people would invest that money in special exploration and expansion of their business, Instead they bought other companies, or purchased Government notes because of the high rate of interest.

At the time I bring this urgent supplemental bill to the Members, we have spent over $24 billion in unemployment compensation. It would have been so much better if this amount had been spent for productive work. Then taxes would have been paid and we would have increased production and not more unemployment. We cannot have people stop work, stop producing and stop exporting agricultural products, and have enough earnings to handle what we already owe.

So I think it is becoming evident now that despite the high hopes that many of us had, that this program is not working.

So I say to my colleagues that we are doing our best to hold down, but it is just as essential to carry on the necessary functions of the Government, to carry on the activity in private enterprise, to make it worthwhile for them to do that. You just cannot cut down on what is essential and hope to handle what you already owe.

So I am proud of our effort here to put people back to work in productive work.

Merely distributing money as we do with unemployment compensation is not going to help us recover. Actually the funds we have saved are not going toward paying our debts. They are going to increase military spending. From our investigation that is quite different from getting more defense. It is also going to increase foreign aid at a time when we have that need for aid right here at home.

Do Members know that if they go back and look at how much waste we may have had in the military and how much we have spent in foreign aid, it probably equals more than the whole outstanding obligations of the Government, whatever their merits, and I am not attacking their merits at this time. But it is whatever we can do. The defense of this country, is dependent upon a sound economy. If it is foreign aid, we had better keep our economy strong first then consider whether we can afford it.

I was told this morning that it would be difficult to keep people from buying cheaper steel in West Germany than here. Well, let us think about that.

If you buy steel from Germany, they have our money and we have the steel. But if you buy steel here at home, we have the steel and the money at the same time.

Everyone seems to quote economists. They can make a guess, and if they need another answer, they can change an assumption. Just a small change in an assumption will bring quite a change. Many economists are like, it is said, architects, they like to be different.

And then we get to interest. Interest is sometime described as rent we pay for the use of money. It follows that the present tight money policy leads to the high interest we have, and a partial remedy would let up a little on the tight money policy.

So I say to you that as we come to you today, we have done our part in holding down to essential programs that are necessary to protect and help restore our economy. Programs we should have acted on some time ago.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. MOTTL. I certainly appreciate the gentleman from Mississippi yielding.

Mr. Chairman, I want to compliment the gentleman for bringing forth this important supplemental appropriation bill, and I urge my colleagues in the House of Representatives to vote affirmatively on behalf of H.R. 5922.

Mr. Chairman, I urge my colleagues today to vote for H.R. 5922, the urgent supplemental appropriation which contains $12.2 million for repairs of bridges and streets in Cleveland, Ohio.

These repairs will allow the city to apply for a UDAG grant to launch its ambitious Tower City project and also provide for the development of a unique "Medical Mart" in the old downtown post office building which is adjacent to the Tower City project.

The Medical Mart concept is borrowed from Chicago's Merchandise Mart and would be the only place in the Nation where medical suppliers could display their wares on a permanent basis in an arcade-like atomosphere. The Cleveland Clinic is the prime backer of the Medical Mart idea.

This bill provides for much-needed improvements in the vicinity of the post office and the Terminal Tower. These funds will launch the Tower City project toward reality. The Medical Mart will make Cleveland a world-class medical center.

The Medical Mart, now undergoing a marketing and financing feasibility study, would employ as many as 1,500 people. In addition, with a hotel planned for the Tower City complex, medical convention business would be attracted—creating even more jobs.

The post office would undergo a $20-million renovation to provide as many as four floors of display space for the Medical Mart. The mart would be open year-round and could showcase everything from medical equipment to hospital-related computer, food service, and laundry products and services.

The Medical Mart would compliment my efforts as chairman of the Hospital and Health Care Subcommittee of the Committee on Veterans' Affairs to strengthen Greater Cleveland's role as a national health center.

Mr. WHITTEN. Mr. Chairman, may I point out one other thing here. I am saying this. I think we have done a reasonably good job on the Appropriations Committee handling the continuing resolutions. And while it may seem that I am complaining because other committees put us in a straitjacket, or various other laws do, we have been front and center on everything.

Two years ago we sent all our appropriations bills to our friends on the other side. They were tied up on treaties, tied up on this, that and the other. We could not get action. So we put them all together in one package in the continuing resolution and sent them over there. I called and told the leadership over there, "Now you can sign it." We went through that again last year and found out they had other reasons for delay.

I am saying to my colleagues that we cannot have the orderly process of Government when the one committee that has held the line, has been below the budget 37 out of 38 years—the 1 year was a war year—and now it will be 37 out of 39 years because of increased military spending—is having its hands tied by committees that cannot meet orderly procedure where they do not meet their deadlines.

So I think, Mr. Chairman, that we are going to have to insist that the Congress change the rules, and if a committee that has some supervision

over operations does not meet a deadline, that it be inoperative for the rest of the Congress during the period they are derelict in meeting their deadlines. This is not said critically. If folks cannot agree, they cannot agree. In my judgment, we should not have a second resolution that is nothing but a repetition of the first one just because they could not agree on the second resolution, this is what has tied our hands.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from New York.

Mr. PEYSER. I want to thank the chairman for yielding.

Mr. Chairman, I want to thank the gentleman particularly for the work on this bill and urgency of it.

I just want to point out to the chairman that this morning I had had calls from two major areas in our country where the student aid question was very much in doubt today, where the banks have been holding back, and the States have been holding back on moving ahead because of what is on the floor this afternoon.

I just want to say that there are millions of students out there waiting for us to act today, and I am convinced that we are going to act in the right way, and we owe a great thanks to the gentleman from Mississippi on this issue.

Mr. WHITTEN. The gentleman can tell them that he and I were on their side all along.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I want to commend the chairman and his committee for his expeditious action. I think that the future of higher education in this country, as well as pure water, safe, sanitary water projects in this country, depend on the adoption of this legislation.

Mr. Chairman, I rise in support of H.R. 5922, the urgent supplemental appropriations for fiscal 1982. Our passage of this legislation sends to the Reagan administration a clear signal that we in Congress reject its most recent proposals to cut funding levels for needed social, environmental and administrative programs.

Especially, I would like to commend my colleagues on the Appropriations Committee for recommending the full funding level of $1.3 billion for the guaranteed student loan program. This action represents a decisive rejection of the administration's desire to eliminate graduate students from the program and increase sharply the cost of borrowing for undergraduates. These shortsighted budget requests would threaten seriously the continuation of many graduate programs and force many deserving undergraduates to attend only lower cost institutions or delay their educations.

Last year, the administration and its supporters in Congress engineered massive cuts in the student loan program as well as in other student aid programs. As a result of the President's budget, loans are now granted to students in families with incomes over $30,000 only if they demonstrate need. Moreover, the cost of borrowing for all students was substantially increased by the implementation of a 5-percent origination fee. In New York State alone, it is estimated that the number of student loans approved for the 1982-83 school year will be cut by 50,000 because of reconciliation changes. Students in my State and across the country cannot afford any additional cuts.

The uncertainty about funding for the GSL program has prevented colleges and banks from the orderly processing of loan applications for this summer and fall. Additional delays will further undermine the purposes of the program.

It is time that this Congress draws the line on the administration's assault on education programs. We owe it to our students, their families, and ultimately, the future of our country.

The merit of this legislation extends well beyond its benefits for education. Key funding for important waste water sewage treatment projects, omitted from the administration's original budget authorization, amounting to $2.4 billion, is also included.

In my district, the North River Sewage Treatment Plant, a project envisioned since the 1940's, has been left in limbo. More than 10 years under construction, the uncompleted, 30-acre plantsite serves as a symbol to all New Yorkers of the Reagan administration's abandonment of the national commitment to cleaning up our water, a commitment that had been in place since the early 1970's.

North River is not only needed now, it must be built. The project has been under Federal court consent decree since 1977. The decree set up a schedule for construction of the plant, which now, in light of the President's short-sighted budget priorities, cannot be met. The latest projection for completion of the important secondary phase of water treatment at the facility is April 1991. Meanwhile, raw sewage continues to flow into the Hudson River at an alarming rate.

To date, only $512 million has been spent on the project, which has an estimated cost of $1.29 billion. The longer it takes to complete, the more obsolete and irrelevant that estimate will become.

The wastewater treatment portion of this supplemental appropriation is urgent not only for New Yorkers, who will benefit from the treatment of 170 million gallons of water per day, but for the Nation as a whole, which needs to resurrect its commitment to clean water in the face of the administration's desire to desert it.

One aspect of H.R. 5922 that I find disappointing is the Appropriations Committee's recommendation to defer $3.8 billion of fiscal year 1982 authority for assisted housing. While I am pleased that committee rejected the administration's rescission proposal, it remains unclear what the deferral, and additional $100 million rescission will mean to the future of the program. Additionally, I find it a glaring deficiency in this bill that the committee has recommended no supplemental appropriation for public housing operating subsidies.

I am hopeful and confident that these deficiencies can be rectified later in the year. Meanwhile, it is important that the House passes this urgent supplemental appropriation now. Maintenance of a strong system of higher education, as well as the development of clean waterways, depend on it.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, I, too, want to applaud the gentleman and the members of the committee for the action they have taken on the total issue, but above all, on student assistance. The fall semester begins in 3½ months. Thousands and thousands of students have waited in anticipation, with great anxiety, because of proposed changes in student assistance, changes that would shut it down to graduate students, those who need guaranteed student loans, changes that would restrict it to middle-income families, changes that would make interest rates and finance charges more expensive.

What the chairman has done, on a bipartisan basis, it to say to the American student, and especially to the middle-income family, "We care enough about you to see to it that in this supplemental appropriation, your future for this coming year is protected."

I thank the gentlemen.

Mr. WHITTEN. I thank the gentleman.

May I say one other thing we need to keep in mind, all of us. This thing about turning everything back to the States, that is a situation we had from 1776 to 1787. When I came up here, drove up from Mississippi and through Virginia they were considering a quarantine against anything from New England because of the gypsy moth. Today we are going to have the same thing between States about the fire ant. We are going to have it about cattle and various other things. We are going right back, headed toward that, and I hope we will stop before it

gets there. But I have believed in equalizing opportunities for various sections of this country. We would have had no interstate highways if we did not pull together as one country.

In our public works projects we have not made a new start in 2 years. Look at our country in connection with wealth. I think a lot of folks have money mixed up with wealth. We need to come out with a balanced budget. We need to have stability between the Government and business. But there is a great difference between money and wealth.

In closing I want my colleagues to know our committee has been working to hold the line on these things. We set up the Budget Committee for the purpose of improving the appropriating process, and stopping backdoor spending. Instead, it has tied us in knots.

We do not mind being front and center. But it is not the way to run a government.

The CHAIRMAN pro tempore. The gentleman has consumed 18 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, it has been 48 days since the Committee on Appropriations reported the urgent supplemental for fiscal year 1982.

For 48 days, the majority leadership has been unable or unwilling to bring this legislation before the House.

For 48 days, we have seen the funding for important programs reduced to the point of exhaustion.

It is important that the House and the American people know the consequences of this deplorable inaction.

Without this supplemental, on May 14, the Department of Health and Human Services will be forced to furlough all of its 930 inspectors—people who fight waste, fraud, and abuse—for 82 working days.

The additional $1.3 billion for the guaranteed student loan program is absolutely essential to meet the needs of more than 3.5 million students who count on the program each year.

The administration had proposed to eliminate graduate and professional students from the program, and they had proposed to double the origination fee from 5 to 10 percent. On top of those two changes they proposed to eliminate the interest subsidy in the program after only 2 years rather than the current law length of the loan which is 10 years. We rejected all of those proposals as destructive of the program. To incorporate them would make it virtually impossible for middle-income students to pursue higher education and a graduate education.

Millions of students and their families are waiting for us to act on these additional funds so that they can be assured the access to a higher education that they seek. We must all remember that the strength of this Nation is based on the wisdom and education of its people—this is a wise and necessary investment in our Nation's strength.

Without this supplemental, 2,700 personnel in the Employment and Training Administration received furlough notices this week.

Without this supplemental, over two-thirds of the States and over 600 projects are virtually without sewage treatment construction funds. EPA officials estimate that each month of delay increases project cost by two-thirds of 1 percent.

Without this supplemental, the Coast Guard may have to close or terminate 31 search and rescue stations around the country, 7 vessels, 9 search and rescue aircraft, 3 air stations, 4 vessel traffic systems—which will cripple the drug interdiction program and reduce search and rescue operations at the height of the boating season.

By delaying action on this supplemental, the majority leadership delays action on the provision which cuts off aid to Cuba through the United Nations.

By delaying action on the supplemental for the Tax Court, a backlog of 47,000 cases continues, and the taxpayers will pay 20-percent interest on tax bills being appealed which are part of that backlog.

Mr. Chairman, the wheels are falling off, one at a time; in order to spare disaster, let us get off dead center and go to work.

CHAPTER I

Allow me to expand on chapter I items, in this bill.

HHS INSPECTOR GENERAL

This Friday, May 14, the Department of Health and Human Services will announce furloughs of all 924 of its inspectors in the Office of the Inspector General. They will be furloughed for a total of 85 days—more than 70 percent of the remainder of the fiscal year. This means that there will be no inspectors on board to fight fraud, waste, and abuse. Is that any way to run a Government?

GUARANTEED STUDENT LOAN PROGRAM

There is a critical situation brewing in the guaranteed student loan program. The program is virtually out of money as we stand here today. More than 1.7 million students will be applying for loans during now and October 1 and there is no money to meet that demand.

The GSL program has no funds to pay its debts. The Department will be paying a 16-percent penalty on all its debts that are outstanding after 30 days. We are perilously close to reaching that point now. That 16-percent penalty is compounded on a daily basis, so you can see we will pay dearly if we do not provide this supplemental.

DEPARTMENT OF LABOR

The Department of Labor has a number of critical needs in its salaries and expenses accounts. The Bureau of Labor Statistics notified all of its employees on April 13 that it must begin furloughs of all employees on May 16. With those furloughs go the accuracy and reliability of vital statistics like the CPI and employment statistics.

Also in Labor, the Employment Standards Administration has notified its staff that all employees will be furloughed for 3 full weeks beginning in early June unless this supplemental transfer is made.

In the Employment and Training Administration all staff will be furloughed for a full 5 weeks beginning early June. Steps are already underway to lay off these individuals.

The numbers are staggering—the Department of Labor already RIF'd over 4,000 employees in December. Now we are talking about more than 6,000 additional furloughs in just the next few weeks.

This urgent supplemental also contains funds for continued operations of the Pell grant program that will grind to a halt unless the additional $4.65 million is provided very soon. Applications for grants for the fall are piled up waiting for processing. We must act, and act swiftly.

WORK INCENTIVES PROGRAM

The supplemental of $76.8 million for the work incentives program is critically needed. The supplemental will have the effect of providing the funding level voted by this House last October in the regular "Labor-HHS appropriations bill for fiscal year 1982."

Without this supplemental it is estimated that as many as 4,500 employees will be laid off out of a total of 12,000—that is more than a 35-percent cut in the program's work force.

This is an effective program that produces $2 of savings for every $1 that is invested in the program.

The urgency is clear. Illinois will lose 300 of its 420 employees; Indiana will be closing more than half of their county offices; Florida will lose 100 of its 141 employees, while Minnesota loses 69 of its 159 employees.

ACTION SUPPLEMENTAL OF $2 MILLION FOR PROGRAM ADMINISTRATION

The $2 million supplemental for ACTION is needed to avoid any additional reductions-in-force or substantial furloughs. The agency has already reduced its personnel by 18 percent through RIF's. Their only other alternative is to reduce program funding to the older Americans programs including the Foster Grandparents program and the retired senior volunteer program.

HUD AND EPA

Chapter II deals with a proposed rescission of $9.4 billion in funds appro-

priated to the Department of Housing and Urban Development for our federally assisted housing programs and also provides for the long awaited $2.4 billion supplemental for EPA's sewage treatment construction grants program.

The committee recommends a $100 million rescission and a deferral of approximately $3.8 billion instead of the proposed $9.4 billion rescission.

Our federally assisted housing programs have already been hit hard by our budget reduction efforts. Just 2 years ago the fiscal year 1980 HUD appropriations bill included $26.7 billion to support approximately 270,000 subsidized units. Our fiscal year 1982 HUD appropriations bill enacted just this past December included only $17.3 billion for these same programs or assistance for about 142,000 units.

The administration's $9.4 billion rescission proposal would have terminated beginning this fiscal year both the public housing construction program and the section 8 program for new construction and substantial rehabilitation. Additionally the administration's proposal encouraged the recapture of as many funds as possible from those projects which have already been granted section 8 reservations but which have not been able to go to construction because of the unusually high interest rates prevailing at this time.

While the committee agrees with the administration that the section 8 program has proven too costly to continue as our primary means of providing housing assistance to the needy of this Nation, the committee also recognizes that the housing needs of the people of this country do not disappear because the programs to provide this housing have proven costly. Consequently while the committee goes along with the administration's proposal to terminate the section 8 new and substantial rehab programs beginning this fiscal year except for the section 202 program, we do not recommend that the funds for the 20,000 units to be built under the public housing construction program also be rescinded. The committee also felt very strongly that we have an obligation to take the steps necessary to bring to construction those section 8 approved projects in the pipeline on which local officials, developers, and community residents have already invested so much time, energy, and money to develop. Therefore, the committee recommends that the administration use some of the money proposed for rescission to further implement mechanisms it already has in place, such as the FAF (financing adjustment factor) and the Ginnie Mae tandem programs, to make affordable financing available so that these already approved projects can be brought to construction.

I should note at this point that on April 23, more than a month after the committee had reported this bill to the Whole House, the administration, responding to our concerns and to public pressure to bring to construction those projects already in the pipeline, submitted a revised rescission proposal that would reduce the amount proposed for rescission by $3 billion in order to make available additional funds for the FAF and for cost amendments.

With respect to EPA, the committee is recommending $2.4-billion, the full amount authorized, for the sewage treatment construction grants program. The reform legislation sought by the administration was passed by the Congress late last year and signed into law on December 29. The administration transmitted the promised $2.4 billion fiscal year 1982 supplemental request for this program with its fiscal year 1983 budget proposals. EPA officials have testified that 34 States have virtually exhausted their sewer grant funds. Approximately 600 projects across the Nation are projected to be funded with this proposed supplemental, and EPA officials have estimated that each month of delay increases project costs by approximately two-thirds of 1 percent. This $2.4-billion supplemental for EPA is regarded as urgent by both the administration and the committee.

TRANSPORTATION

As regards chapter III, Department of Transportation and related agencies, there exists the urgent need for $48,000,000 for the Coast Guard; $12,150,000 for interstate transfer grants—highways; and $8,000,000 for the ICC directed rail service program.

I firmly believe that the Coast Guard—our forgotten branch of the military services—urgently requires this minimal amount of funding for its operating account. As we all know, the Congress continues to burden this already lean branch of the services with additional responsibilities. While doing so, not only have we failed to fund the applicable accounts at an appropriate rate, but, in fact, have reduced these critical levels of funding. Currently, the Coast Guard has a diverse mix of missions. Those missions include search and rescue missions, aids to navigation functions, and icebreaking duties.

In addition to these more historic missions, they are responsible for enforcing the laws and treaties of the sea, which includes drug interdiction.

The Coast Guard is, indeed, a military service. It has a military readiness mission to perform. In time of war, it is part of the Navy and operates directly under the Chief of Naval Operations, In sum, the Guard is a multimission agency which performs its duties with a lean budget.

Mr. Chairman, but for the fact that the authorization ceiling for the Coast Guard only permits this $48,000,000 supplemental appropriation, I would have recommended even more. In fact, the chairman of the Merchant Marine and Fisheries Committee recently testified that the Coast Guard easily could utilize an additional $192,000,000 for fiscal year 1982. The $48,000,000 in this bill for the Guard includes $30,500,000 for legislatively mandated increases in sea pay, fuel costs, and other required operations.

The bill also provides another $17,500,000 to continue the operation of the following facilities:

First, 31 search and rescue stations previously proposed for closure or reduction;

Second, the second district headquarters in St. Louis, Mo., and the 11th district headquarters in Long Beach, Calif.;

Third, vessel traffic systems in Berwick Bay, La.; New Orleans, La.; San Francisco, Calif.; and New York, N.Y.;

Fourth, seven vessels previously announced for decommissioning;

Fifth, air stations at Savannah, Ga.; Puerto Rico; and Los Angeles, Calif.;

Sixth, nine aircraft previously announced for retirement, substitution or reduction;

Seventh, numerous facilities in Puerto Rico; and

Eighth, the Coast Guard Academy at the current rate of operation.

On the matter of the "Interstate Transfer Grants—Highways," the committee believes that there exists an urgent need to fund a highway project in Cleveland, Ohio. The urgency exists because the State's match of approximately $2,000,000 will lapse without this Federal grant of $12,150,000.

On the issue of the "Directed Rail Service" administered by the Interstate Commerce Commission, this bill recommends $8,000,000 to pay liabilities of the Federal Government that continue to accrue. The liabilities are based upon the directed rail service performed by the Kansas City Terminal Railway Co., between September 1979 and March 1980 over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co.

The committee considers this recommendation to be urgent in light of the fact that funds for the accounting operations will be exhausted by the first week in June. The ICC fears that if this operation is temporarily terminated it will permanently lose the skills of 100 of these highly specialized and experienced employees. The ICC has ordered these accounting functions to continue until March 31, 1983.

COMMERCE, JUSTICE, STATE, AND THE JUDICIARY

Chapter V of title I of the bill provides two additional appropriations and one transfer for Department of

Commerce activities and language for the International Communications Agency.

An additional appropriation of $3,171,000 is provided for general administration of the Department of Commerce, the same amount as the budget request. These funds would allow the Secretary of Commerce to retain critical Inspector General and management control positions which are needed to avoid waste, fraud, and abuse in the Department's $1.75 billion annual budget and in the oversight of past loans and grants.

The administration supports early approval of this supplemental. Without the supplemental, Commerce will be forced to furlough all 1,100 employees in the Office of the Secretary for the remainder of fiscal year 1982, beginning approximately June 27. Notice of the furloughs are scheduled to be issued by May 27 if funding is not assured. In addition, the following offices will be affected: Inspector General—severe disruption of ongoing criminal and investigation work potentially affecting prosecutorial work in progress; General Counsel—impairment of ability to analyze pending legislation, provide counsel to Department officials, and participate in active litigation; Budget Office—impairment of ability to formulate the fiscal year 1984 budget and to execute the fiscal year 1982 and fiscal year 1983 budgets.

A transfer of $4.5 million is provided for salaries and expenses of the Economic Development Administration to allow EDA to avoid significant furloughs of personnel responsible for the administration of programs in the field, including the management of its loan portfolio. Testimony before the committee indicated an alarming rate of potential defaults, 40 percent, in EDA lending activities, and the committee is convinced that this investment in the form of a transfer of existing resources is appropriate.

An additional appropriation of $2,000,000 is provided to continue three weather service activities of the National Oceanic and Atmospheric Administration. Of this amount, $927,000 will enable 38 small and part-time weather stations around the country to remain open through September 30, 1982. $209,000 will extend fruit frost forecast services through the same period, and $836,000 will provide a similar extension for 8 weather service forecast offices.

The bill also includes language allowing the International Communication Agency to secure leases of real property for up to 25 years in Africa, Asia, the Caribbean, and Europe. Such leases are authorized subject to specific language hereby included in an appropriations act. The property involved is used for Voice of America transmitting facilities. The administration supports the inclusion of this language.

GENERAL PROVISIONS

FOREIGN OPERATIONS

Section 202 of the bill is a general provision which prohibits the use of funds appropriated for U.S. voluntary contributions to the United Nations to be used for the U.S. proportionate share for any programs for the Palestine Liberation Organization or Cuba.

The language restricting the use of U.S. funds for the PLO is a political exercise only; no voluntary contribution programs of the U.N. funded any programs for the PLO in fiscal year 1981, and none is expected to do so in fiscal year 1982. Assessed contributions, which are appropriated in the Commerce, Justice, State Appropriation Act, not the act cited in this language, are used for the PLO; however, U.S.-assessed contributions are restricted from being used for the PLO by Public Law 96-60 and Public Law 96-68, and similar provisions which are expected to be adopted as part of the State Department authorization bill now in conference, S. 1193.

In regard to Cuba, the effect of the restriction in fiscal year 1982 is unknown; U.N. agencies are still in the process of planning their calendar year 1982 programs. In 1981, Cuba received program assistance from UNICEF, the world food program, nonsafeguard programs from the International Atomic Energy Agency, and the U.N. environment program. Because of a restriction in effect under the fiscal year 1981 continuing resolution, U.S. contributions were withheld for our proportionate share for programs in Cuba and for the Southwest Africa Peoples Organization in the amount of approximately $500,000.

While the dollar impact of this provision in fiscal 1982 is unclear, it will probably require a renegotiation of U.S. pledges to the various U.N. agencies. The administration has no objection to this language.

□ 1430

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, today, as the House finally gets a chance to consider the supplemental appropriations bill, I would urge my colleagues to support those provisions of the bill which contain absolutely essential funds for the guaranteed student loan program for the remainder of the fiscal year.

Last week, in a speech before the House, I noted that I had received an upsurge of complaints from students who are unable to get applications for student loans. Because this supplemental bill has not been passed yet, many States, included New Jersey, are not sending out loan applications to local banks. I also note that the Federal Government will pay an $8 million per day interest penalty fee of 16 percent amounting to $8 million per day if we do not pass this legislation in final form before the program runs out of money.

I commend the chairman of the Subcommittee on Labor, Health and Human Services, and Education, Mr. NATCHER, the ranking minority member, Mr. CONTE, and the members of the committee, for recommending the full $1.3 billion necessary for the GSL program. The committee's actions are responsive to and consistent with the concerns which I and a bipartisan majority of my colleagues on the Education and Labor Committee expressed in our February 26 letter to Chairman NATCHER. The letter urged that the program be fully funded in accordance with the reforms and eligibility requirements enacted in the Omnibus Reconciliation Act. The letter further urged that no substantive changes within the program be enacted in the supplemental appropriations process.

Mr. Chairman, I ask unanimous consent that the text of that letter be included in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1982.

Hon. WILLIAM H. NATCHER,
Chairman, Subcommittee on Labor, Health and Human Services, and Education, Committee on Approriations, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As Members of the Committee on Education and Labor, we are disturbed by the Admninistration's proposal to enact immediate, drastic changes in the Guaranteed Student Loan (GSL) Program through the appropriations process.

As part of its request for an additional $979 million in fiscal year 1982 funding for the GSL Program, the Administration has requested that the appropriation include language instituting certain changes in the program, effective April 1, 1982. These proposed changes include such significant measures as elimination of graduate student participation in the GSL Program, an increase in the loan origination fee from 5 percent to 10 percent, and a requirement that all students applying for loans demonstrate financial need regardless of their family income.

These proposals will require considerable discussion in our Committee and it is possible that they will be either rejected or replaced with alternative cost-saving measures. It is essential that all changes in this program which is so vital to the needs of higher education in America be enacted through the normal authorizing process.

We also object to the proposal to impose an April 1, 1982 effective date on substantial changes in the program. The very existence of the Administration's proposal creates a serious potential for distruption in the financial planning of students for the 1982-83 school year. Furthermore, as we learned last year, many banks will discontinue processing loans until there is certainty as to the effective date of any new provisions.

Therefore, we respectfully request that your Committee reject any proposal to pro-

vide changes in the operation of the GSL Program through the appropriations process. In addition, in order to allay uncertainties within the banking community and among students planning to attend higher education institutions next year, we request that the Committee provide a supplemental appropriation for the program as soon as possible in an amount sufficient to meet the needs of the program through the rest of the fiscal year at current operating levels. We appreciate your attention in this matter.

Sincerely,

Marge Roukema, E. Thomas Coleman, Dennis E. Eckhart, Ted Weiss, Ray Kogovsek, Joseph M. Gaydos, Austin J. Murphy, Arlen Erdahl, James M. Jeffords, Peter A. Peyser, William R. Ratchford, Augustus F. Hawkins, George Miller, Carl D. Perkins, Paul Simon, John N. Erlenborn, Mario Biaggi, Baltasar Corrada, William F. Goodling, Lawrence J. DeNardis, Larry E. Craig, Pat Williams, Dale E. Kildee, and Ike Andrews.

It is essential that we emphasize the fact that enactment of this measure, coupled with the aforementioned letter from the Education and Labor Committee, provides assurance to the banks and the students and their families that they can make their plans this year and make financial plans with reasonable assurance that no major changes will take effect at least until fiscal year 1983, if at all.

I should also add that the situation has been further clarified by the recent issuance of final regulations by the Department of Education, establishing requirements that the needs test be used for the remainder of this year.

I would like to take a moment, Mr. Chairman, to clarify the misunderstanding that surrounds the whole issue of guaranteed student loans.

Often overlooked on this issue is the fact that we already have made substantial reforms in the program for fiscal year 1982. As one who helped on the reforms that eventually became law, I would note that savings are estimated to be up to $3 billion over a 3-year period because of the changes that were enacted. Specifically, these changes include a cutoff point of $30,000 in gross income for automatic eligibility, after which a needs test is applied to the family. This reform was absolutely necessary in order to change the program from a burgeoning "open-ended" entitlements program into one that reserves assistance for those in need. These reforms protected the needs of low- and middle-income families that are experiencing the most severe cash-flow problems resulting from rising college costs. But the loans should no longer be used by families or students that invest them in high-yield funds.

Let me point out as well that the Department of Education has recently further tightened and reformed the regulations for guaranteed student loans with a strict requirement that family assets be considered in determining eligibility for high-income families.

As you know, Mr. Chairman, the administration had proposed a lower figure for the supplemental appropriation for guaranteed student loans; their figure was predicated upon the assumption of additional changes that were to occur on April 1, including the elimination of graduate students from the program. In rejecting that suggestion the Appropriations Committee has insured that the program can indeed continue at current levels through at least September 30, and we should again note that "current levels" refers to a program with substantial meaningful reforms already in place.

The committee's recommendation, if adopted, is most important to students who are currently making their financial plans for next September. To fund the program at a lower figure—and consequently force changes in eligibility—would create havoc for these students as well as the lending institutions that are participating in the program.

Additionally, in my opinion, the proposal to terminate eligibility for graduate students is ill-advised. The administration's proposal would remove 625,000 graduate students nationwide from the program, including 20,000 in New Jersey. This would occur at a time when graduate school tuition is soaring and our national economy requires skilled professionals in all fields. For example, the number of doctorates in chemistry has already declined 31 percent from 10 years ago and there has been a similar 25-percent decline in graduates in math and computer sciences.

In a similar vein, we know that costs for graduate students in the health profession and law schools are already prohibitive and that these loans provide much-needed cash-flow assistance. For example, 83 percent of the students at the College of Medicine and Dentistry in New Jersey finance part of their education through student loans. At Cornell University Medical College, the figure is 75 percent.

Are we ready to say to the American people that only the well-to-do deserve to go to graduate school? Are we prepared to further accelerate the decline of skilled professionals for business, health, law, science, and engineering that are so essential for rebuilding our economy? Clearly, the answer is "No."

In closing, Mr. Chairman, let me reiterate that the supplemental appropriations for guaranteed student loans is one of the most important parts of the bill we are considering today, and that we must provide the funds necessary to keep the program at present levels. In doing so, we will be consistent with the budgetary reform of 1982 and we shall also provide for an investment in the economy and in our young people. Thank you.

Mr. CONTE. I want to thank the gentlewoman from New Jersey for her contribution.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Arizona.

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding. I support this urgent supplemental appropriations, H.R. 5922, but Mr. Chairman, how can we support this necessary bill if the amendment to include funding for H.R. 6294, Single Housing Production Act of 1982 is adopted.

Mr. Chairman, I urge my colleagues to disapprove the expected amendment to fund the program under H.R. 6294 on this urgent supplemental appropriations bill for 1982. This amendment is a product of partisan gamesmanship and is not in the best interest of this Nation.

This amendment would allow an appropriation for the housing bill that was only passed yesterday. That bill has not been passed by the Senate nor signed by the President. It seems that the partisan leadership in this House, in its view of the world, has decided to put the cart before the horse. Furthermore, the bill that was passed yesterday and for which this amendment attempts to appropriate funds today shows to any clear-headed observer that this Congress is not determined to change its ways, 40 years of fiscal irresponsibility and stopgap measures designed to buy votes.

There is no doubt that the housing industry is on the verge of collapse, if not already there.

But what is the cause of that problem? It is the unrelenting growth in the consumption by the Federal Government of credit to finance a trillion dollar debt and a debt service that is now larger than the entire 1963 budget.

Right now, this Government, under laws passed by Congress, is consuming almost half of all the available credit in the market. That is credit that is needed to expand, replace machinery, and put back to work all the carpenters, factory workers, plumbers, and salesmen that are out of work.

The bill that was passed yesterday, H.R. 6294, would have us start a program of interest subsidies for homebuilding. Certainly the sentiment is correct, but the method is not only incorrect, but deadly in terms of its effect on our already crippled economy.

That program, which obligates a billion dollars for an interest buy-down program, must be funded with all the other programs in our $800 billion budget.

Where is the money going to come from? As I see it, there are only three

possibilities: We can raise taxes, print more money, or borrow it. The first alternative, raising taxes, does not seem likely. We have managed to pick the pockets of the taxpayer pretty clean over the past few years. The second alternative, printing money, would put us back into the crippling inflationary spiral which we have only recently learned to control. The last, borrowing, is probably what will happen. That is just the very type of action that has crippled the housing industry.

It is not inflation that is keeping interest rates up. It is the Federal Government's astounding consumption of credit which bids up the price of the remaining credit to all those businesses which need to expand, or even to get off the ground to provide the jobs for our unemployed.

In addition, this program, which would have us embark on more borrowing, would create a new bureaucracy. If there is anything that has been made clear by the American taxpayer over the last few years, it is that they do not want more bureaucracy.

Finally, what will be the benefits of the program? We are told that this program will create 75,000 new housing units. Compared to the demand level now of over 2 million that is a mere drop in the bucket.

If we are to actually help the housing industry, we must do so in a manner which will not add more fuel to the credit fire that is now burning down the housing industry.

I have introduced a bill, H.R. 4833, the national home ownership bonds bill, which does that very thing.

This bill would authorize lending institutions to issue national home ownership bond bills, which would have a face yield of 10 percent. The funds secured by the sale of these bonds would be earmarked for 12 percent mortgages. The investor in the bond would receive a tax incentive which would make the bond equivalent to a 14 percent taxable instrument. This is a tax incentive program for housing. It is not a governmental subsidy. It will not require any outlays from the Treasury, and, indeed, will produce far more in tax revenue than any possible tax forgoence needed to start it up. More importantly, the program outlined in H.R. 4833 will not create any longstanding obligations. It is, in a sense, a self-destructing piece of legislation that will only be triggered on need.

If we are to convince the people in the market and the taxpayer that this Congress is serious about bringing down interest rates: that this Congress is serious about preserving the economic opportunities that have made this Nation great, then it is important that we sever ourselves from the actions of the past. The appropriations for the program outlined in H.R. 6294 will only bring us more of the misery that we have managed to create in the past.

I urge my colleagues to join with me and vote against funding of this amendment and support the national home ownership bond program, H.R. 4833. We need a strong housing industry. But we need a strong industry that is active in a healthy economy, not one that is propped up by congressionally mandated subsidy programs.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Michigan.

Mr. DUNN. Mr. Chairman, I thank the distinguished ranking member for yielding to me, and also wish to add my compliments to the role that he has played in the campus-based programs, particularly the guaranteed student loan. The gentleman is aware of the role I played in putting the 21 freshman Congressmen together and calling our group "CARE."

At this time I would like to discuss a different problem, though. That problem is the supplemental educational opportunity grants. As the gentleman in the well is aware, this is financial aid to the very poorest of our college students.

A student receives an SEOG only if he or she still shows financial need after receiving most other forms of student aid.

At Michigan State University, 400 extremely needy students who are entitled to SEOG's will not get them this year. MSU has lost $156,000 from 1981 to 1982 in SEOG funds.

Of the three campus-based programs, college-work study, national direct student loans, and SEOG's, SEOG received by far the worst cut. This program was cut 25 percent. By comparison, college-work study and national direct loans were cut 4 percent. Pell grants were cut about 6 percent.

The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972 and that each college within the State will receive no less than the level of SEOG funds they received in 1979-80. It would take about $77 million to assure that level of funding for SEOG.

This would bring the loss in this program in line with the 4 percent losses of the other campus-based programs.

Can the chairman and the ranking minority member give me some assurance that such a restoration of funds would receive their favor should it be included in this measure when it returns from the Senate?

If such a restoration is not included in the Senate, I am hopeful that the next appropriations bill includes such a restoration.

Can the distinguished leadership of the Appropriations Committee respond?

Mr. CONTE. Let me yield to my good friend, Mr. NATCHER, for a reply.

Mr. NATCHER. Mr. Chairman, first I would like the members of the committee to know that it is a distinct honor and privilege for me to serve on this subcommittee and on the full committee with my friend, SILVIO CONTE of Massachusetts. Mr. CONTE is one of the able Members of the House.

In answer to the gentleman from Michigan (Mr. DUNN) as the gentleman in the well remembers, in the appropriation bill that passed the House on October 6 of last year, we had the amount of $370 million in the bill for this particular program. My friend, SILVIO CONTE will tell you, we believed on our subcommittee that that was a proper amount. We put it in the bill. We brought it to the House. The House passed it.

On the other side, that amount was reduced to $290 million. The gentleman's inquiry, as I understand, is if on the other side that amount is brought back to about the House figure, whether or not we would carefully consider it. With the persmission of the gentleman in the well, as far as I personally am concerned, I would say to the gentleman that if the figure is brought back to the House level, certainly we would approve it.

Mr. DUNN. I thank the gentleman.

Mr. CONTE. I agree with everything BILL NATCHER just said.

I believe the committee recognizes the SEOG program as an important and vital program for assisting some of our most needy students in achieving a higher education. It is a very important student aid program.

It was regretful that the Senate reduced funding for the program for fiscal 1982 to a level that meant, under the continuing resolution, the program took a substantial reduction.

The committee will be considering a general supplemental in the near future. We will certainly give the program every consideration at that time.

I might add that we also have concerns for the fact that the fiscal 1983 budget proposes to eliminate the program altogether. We will have to take a hard look at that one as well.

Mr. DUNN. I thank the committee chairman and the ranking minority member.

Let me add some background on this matter.

As Members will recall, last October, the Appropriations Committee, under the leadership of its chairman and ranking minority member brought a continuing resolution to the floor of the House, based on the committee's full fiscal year 1983 appropriation bill. Among other appropriations, that legislation provided full funding for the three student aid programs administered by campus financial aid administrators at the fiscal year 1980 levels:

$370 million for supplemental educational opportunity grants, $550 million for college work-study, and $286 million for national direct student loans. We approved that version overwhelmingly and sent it over to the Senate.

As usual, the other body used a different set of priority assumptions to develop its version of the continuing resolution, which was based on the amounts allowed in the Senate Appropriations, Committee bill for fiscal year 1983. Unfortunately, under that bill which never came to the floor of the Senate for correcting amendments, two of the three campus-based student aid programs suffered substantial reductions in the Senate version, with SEOG reduced to $290 million, NDSL reduced to $186 million, and CWS held level at $550 million.

The resolution of the differences came when conferees allowed funding to continue at the lower of the two levels. Instead of a 4- or 6-percent cut, as orginally expected, SEOG funding was cut by 25 percent. Since SEOG funding goes to exceptionally needy students, that will result in substantial reductions in student awards, to the very students who can least afford to make up these cuts from other sources.

During the first week of April, and 1 week after the urgent supplemental was reported by the Appropriations Committee, the Education Department announced tentative allocations to colleges and universities for this fall's awards to students under the campus-based programs, SEOG, CWS, and NDSL. These allocations were based on the fiscal year 1982 continuing resolution level, but caused the following results:

[Dollars in millions]

	Fiscal year—					
	1980 actual appropriations; AY 1980–81	1981 actual appropriation; AY 1981–82	1982 continuing resolution appropriation; AY 1982–83	Tentative allocation levels [1]; AY 1982–83	Expected final allocation levels	Percentage reduction fiscal year 1981 to fiscal year 1982
SEOG	$370	$370	$278	$274	$278	25
CWS	556	549	528	[2] 476	528	4
NDSL	286	186	179	174	179	4

[1] Differs from appropriated levels due to amounts held back for appeal.
[2] Assumed President's rescission request of $44 million, now expired.

The 25-percent reduction in SEOG funding not only is greater than most other program cuts, but also creates havoc with the statutory formulas for distributing the funds among States and institutions. The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972, and that each institution within the State be held harmless at its 1979–80 utilization rate, known as the institutional conditional guarantee.

When the fiscal year 1981 reduction in the NDSL program appeared to cause distribution problems last year, because of the $100 million loss in funding, Senator RUDMAN successfully proposed an amendment to assure that each State receive at least the same percentage of the national appropriation for NDSL funds as it had received the year before. That mechanism worked for the NDSL program last year without much disruption. That does not appear to be the case for SEOG this year.

This year, Senator RUDMAN intended to offer a similar amendment for the SEOG and CWS programs on the continuing resolution, but was prevented from so doing by the leadership decision to enact a simple extension of the CR. Senator RUDMAN will offer such an amendment when this legislation reaches the Senate, and it will cure the problems that arise with respect to the State allocation formula, but causes substantial shifts in SEOG funding among institutions with each State. Institutions which during the current academic year are providing SEOG awards to substantial numbers of needy students will be unable to provide awards this fall to many of those same students. The 25-percent reduction in SEOG funds, the statutory distribution formula, and the fact that the Education Department claims not to have 1980–81 data on which to base the Rudman amendment conspire to cause these disruptions in the student aid system which will, in turn, result in disruptions in the educational aspirations of large numbers of needy students.

Mr. Chairman, the only answer to this dilemma appears to be to restore some of the 25-percent cut in SEOG funds last year. According to current estimates, all institutions could receive their conditional guarantee level of funding if we restore some $77 million of the $92 million reduction in SEOG funding. That would put the loss to this very important program in line with the 4-percent losses in other programs, and avoid most of the disruptions that will occur absent such a restoration.

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Illinois.

Mr. CORCORAN. Mr. Chairman, I thank my friend from Massachusetts for yielding.

I wonder, in view of the discussion, Mr. Chairman, concerning the various student loan programs, whether or not we should not use this time for me to inquire of the gentleman from Kentucky, the chairman of the subcommittee, about the guaranteed student loan program?

Mr. CONTE. I yield to the gentleman from Illinois and then to the gentleman from Kentucky.

Mr. CORCORAN. I thank the gentleman very much. My concern is simply this: While I tend to agree with what has been explained so far by various of our colleagues about the importance of the pending legislation in terms of providing the supplementary financing for the program, at the same time when we examine the experience that we have had with the guaranteed student loan program, it would look as though there is a tremendous cost exposure for the Federal Government. While I am inclined to support this emergency supplemental bill, I do wonder whether or not, in view of the fact that in this legislation we have an increase of $321 million over the President's request for the guaranteed student loan program, and that in addition to that in terms of the increase over the authorization and appropriations for fiscal year 1982 we have a substantial increase in the program; and at the same time, when we look at the experience we find that the default rate is in the range of 12 to 13 percent.

So, while I am inclined at the present time to support their bill, as the chairman of the full committee, the gentleman from Mississippi, pointed out, that is the law and we have to finance the law, and I do not quarrel with that, but I do wonder whether or not anything is being done to restructure this program so that we will not have this tremendous cost experience year after year?

Mr. NATCHER. If the gentleman would yield, I would like to say to the gentleman, as far as the $1,300 million is concerned, that is the figure that the Appropriations Committee had to put in the bill. As the gentleman knows, the changes to this program made by the Reconciliation Act passed last year require the amount of $1,300 million. The administration sent to the committee the figure of $978 million.

As the gentleman in the well, Mr. CONTE, will tell you, if we had accepted the $978 million, we would have to change the law. We do not have the right to change the law. We had to comply with the Reconciliation Act, and in complying with that act the amount required is $1,300 million. That is the reason we have that amount in this bill.

Mr. CORCORAN. I thank the gentleman for his explanation. Let me ask just one further question, if I might, with the indulgence of the gentleman from Massachusetts and the chairman of the committee, who have worked so diligently on this problem. As I look at the problem, I see that we have had a

substantial increase, at least in terms of total dollars, as far as the cost to the Federal Government is concerned. And in particular, when we look at what has happened to the program since the middle-income assistance legislation of a few years back, we find that the exposure, which has been great, is going to be a good deal greater in the years to come because we have got much wider participation, and the amounts of money are a good deal higher in terms of per capita student loan programs.

Therefore, as I look into the future, I see an even further escalation in cost, and so I again would raise the question—I understand the responsibility, I think, of the Appropriations Committee, but at the same time, I am sure there is some kind of communication linkage between the gentleman's committee and the authorizing subcommittee.

□ 1445

Mr. Chairman, may I ask the gentleman, is anything being done to restructure this program so that it does not balloon out of sight as it would if it stays on its current trendline?

Mr. CONTE. Mr. Chairman, that is in the subcommittee of the Committee on Education and Labor. The gentleman from Illinois (Mr. SIMON) is chairman of that subcommittee, and they have been holding hearings all this year on the higher education programs, the Pell grants, the SEOG's, and the guaranteed student loans. So I would suggest that if the gentleman has any ideas about changing the program, that would be the committee to go to.

We are the Appropriations Committee, and any time that we get into the legislative process—I have been on that committee 24 years—we get the legislative committee down here telling us to mind our own business. We are the appropriating committee and, therefore, we should not get involved within their jurisdiction.

That is what we did here. We just abided by the law. The administration told us they wanted us to knock out the graduate students, and we said, "No, you go to the Education and Labor Committee if you want that."

Mr. CORCORAN. Mr. Chairman, I can appreciate that, and I can understand the position in which the gentleman from Massachusetts (Mr. CONTE) finds himself.

I wonder if the gentleman from Kentucky (Mr. NATCHER) would care to respond in terms of whether or not there is any linkage right now between the subcommittee of the Appropriations Committee with responsibility and the subcommittee of the Education and Labor Committee with responsibility for authorizing legislation involving the guaranteed student loan program?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the gentleman that, yes, we are in touch with the authorizing committee. As the gentlewoman from New Jersey (Mrs. ROUKEMA), who stands there on the gentleman's left, will tell you, we follow carefully the matters that go through the authorizing committee. We are in touch with the authorizing committee on a regular basis. I would say to the gentleman that we cooperate with the authorizing committees, especially on this particular matter that means so much to students at this time.

Mr. Chairman, the gentlewoman from New Jersey (Mrs. ROUKEMA) can address that question as well as I can.

Mr. CONTE. Mr. Chairman, I yield to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding.

I cannot speak to the subject of what the subcommittee is doing. However, as a member of the full committee, I can indicate to the gentleman and reiterate to the gentleman that over $3 billion was saved this year over last year due to the reforms that have already been instituted.

I want to reemphasize here that the moneys we are speaking about, as the subcommittee chairman, the gentleman from Kentucky (Mr. NATCHER) has indicated, are moneys that must be authorized under the law. That is the new needs test formula that the administration and the Department of Education have worked out on a formula basis, and this is an absolute must.

Speaking now to the future, I think there are some modest further cuts that can be made and other reforms in terms of loan origination fees and perhaps a rise in interest rates, but that is in the future and is not contained in this supplemental.

I can suggest for myself that I was totally opposed to changing those laws or regulations in midyear and coming so close upon the previous reforms as voted in last year.

Mr. CORCORAN. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for his indulgence. I simply want to say that I would hope we would not stop funding the program, but I certainly hope we would restructure it in view of the experience we have had.

Mr. Chairman, in these times of economic distress, it is vital for this deliberative body to examine Federal entitlement programs in order to cut waste from the system. I am concerned—and I sincerely hope that you are, too—with the Federal debt that has amassed over the decades. I am particularly concerned with the debt the Federal Government has incurred as a result of its participation in the guaranteed student loan program, otherwise known as GSL's, and I am not sure that the way to control this is simply by reducing funds for the program, as suggested in recent proposals.

The GSL program is only one of a number of Federal student financial assistance entitlement programs. Its growth, however, unparallels that of any other student assistance program. In fact, during the 1970's, GSL's surpassed medicaid and food stamps to become the fastest growing entitlement program in the Federal budget. In 1978, the Federal cost of this program was $331 million. Last year it was $2.4 billion. That is a 725 percent increase in 4 years.

Unfortunately, but predictably, this expansion in funds and financial opportunity was accompanied by a rise in the number of student borrower defaults. GSL default rate figures for fiscal year 1980 are staggering. According to the Congressional Research Service, matured GSL's amounted to $11.5 billion, while cumulative default claims were $1.4 billion, with no admustment for collections. The current default rate for GSL's stands at 12.3 percent, and this figure is sure to escalate as large numbers of student loans, approved before last year's new restrictive changes, continue to mature.

In addition to loan defaults, many more abuses run rampant within the GSL program. Some colleges and universities recklessly counsel their students to take out GSL loans despite lack of financial need. Some well-to-do families take out the low-interest GSL's for their children and invest the money in money market funds or other profitable investments, thus ignoring the true purpose of the loan program—dispensing loans to assist students meet educational expenses. Some student borrowers neglect to repay the loans or declare bankruptcy after graduation to avoid repayment.

All of these irresponsible practices and many more have greatly jeopardized the future of the GSL program. These practices, if ignored, may have a negative impact on new students through tighter budget restrictions, as in fact proposed by the President this year. Yet, the Congress, in light of these abuses, has produced no viable proposals to target the weaknesses of this program other than the income restriction provision approved last year. As it stands now, the House Education and Labor Committee has voted to simply authorize additional dollars and add to the myraid confusion which continues to shroud the GSL program. Can we neglect our responsibility as lawmakers to provide just and efficient government? We must address the issue of change in order to reform the GSL program. There is

definitely room for much-needed, logical improvements.

That is why, Mr. Chairman, I am addressing this body today. I have examined the guaranteed student loan program and have formulated strengthening provisions which, if enacted, will eliminate the current abuses found in the system. My changes will amend the current law to correct abuses and reassign responsibilities within the GSL program without reducing the funding levels.

To better understand my proposal, it is essential to understand its philosophy. The philosophical environment for development of student loan programs has always been that of a partnership among the Government, educational institutions, and the private business community. Evaluation of actual operations of the programs points out that in fact these programs have not been a partnership. It might be said that the Federal Government has provided an indirect subsidy for private educational institutions that significantly reduces the tuition differential in comparison with the cost of State-supported institutions subsidized through taxation.

I believe that under the current program, our educational institutions have reaped tremendous benefits while shying away from any responsible role in insuring the program's financial integrity. I believe now is the time to reexamine the partnership among the Government, education, and business community and realine the roles of each within the GSL program.

The first provision, recommended to me by an Illinois college president, requires that a cosigner endorse the GSL application. This cosigner could be any financially responsible individual over 21 years of age for independent student borrowers; however, a dependent student must have the individual who claims the student on his/her Federal income tax statement. Under this provision, the cosigner will be held to the same scrutiny as the borrower currently is.

A second provision directs the Secretary of Education to establish a reporting system to monitor default rates for each educational institution participating in the loan program. Individual State guarantee agencies will collect this information from the lender and disseminate it to the Federal Government.

According to this provision, the Secretary of Education will also be directed to determine a national default rate average. This national average will serve as a goal for educational institutions to fulfill if their default rate exceeds this national rate. If an institution's default rate exceeds this rate, the Department of Education will review the educational institution to ascertain whether or not the college meets the program participation requirements already in current law and new strengthened provisions. If the college fails to meet the requirements, the Education Department will issue a written warning that harsher penalties will be imposed if the requirements are not fulfilled.

This penalty will be enforced in the following fiscal year. This penalty will require that the educational institution reimburse the Federal Government for 25 percent of the dollar amount which accounts for the difference between the school's default rate and the national standard.

I believe it is time for the educational institutions of this country to finally accept their fair share of the loan program burden while reaping the benefits of the Federal Government's payment of the in-school interest subsidy for students. It is not uncommon that, in times of distress, all Americans have banded together to relieve their share of the burden they encountered. In these times of high budget deficits, I believe that we, the Congress, would not be wrong to ask the educational institutions to participate more responsibly in this loan program. The colleges and universities of this Nation must accept full responsibility of the consequences of their counseling. They should no longer prescribe student loan remedies to any student desiring additional funds. By requiring the institutions to accept loan default responsibility, the potential loan applicants will be more closely scrutinized as to their earnestness in pursuing an education and repaying the loan.

A third provision is to assess one interest payment of 9 percent for each new student loan, with such interest payment to be used by the lending institutions as a partial offset for the full Federal interest subsidy. This payment will eliminate the current GSL loan origination fee.

The interest assessment would be divided into quarterly payments. Thus, a first-year college student who borrows $2,500 under the GSL program will be required to pay $225 for the interest subsidy. This quarterly payment of $56.25, which would be feasible as long as the student earns $5 a week throughout the year, does not pose any serious difficulty to the financially strapped student.

To clarify this provision, the interest payment would be assessed only once for each new student loan. So if a student takes only one loan, he/she only pays this in-school payment for 1 year. The lenders will be able to retain the first quarter payment as a prepayment and each interest payment thereafter would be paid 3 months in advance. This prepayment would be an incentive for the lending institutions since the lenders would have additional costs in billing these students for the three remaining interest payments.

While these payments may be small, it will provide some relief to the growing expenses incurred within the GSL program. According to this provision, if applied to this year when student borrowing under the GSL program totaled $7.7 billion, the Federal Government would save about $693 million. I believe that that savings is quite significant in light of our current budget problems.

Perhaps more importantly though, this payment will provide early identification of potential defaulters. It will also provide a tangible indication of the seriousness of the student in the pursuit of his or her education. By equipping the lending institutions with this mechanism to gage potential defaults in the first year, we can safeguard the integrity of this program against chronic abusers who could accumulate 4 or more years of debt, then default.

This provision will also require the lender to notify the State guarantee agency or the Federal Government that the borrower has failed to make this payment. The lender will then receive reimbursement for the interest subsidy and the State guarantee agency or the Federal Government will have the name of the individual who failed in this payment. If this individual wishes to apply for a second loan, the lender would be notified of the outstanding interest payment owed to the Government.

A fourth provision is to require that repayment of the principal begin 3 months upon graduation or withdrawal from school. I believe that there must be a shorter deferral time than the present 6 months to enable more current monitoring of financial responsibility and to accelerate the recycling of loan dollars, making them available for future students and reducing the Federal Government resources required to support the program.

A fifth provision is to direct the Secretary of the Department of Education to make mandatory a current optional provision allowing the educational institutions to deduct educational expenses from the student loan before the student receives the check. It is all too often that loan recipients fail to pay educational expenses even after they receive their loan entitlement. In addition, it would also serve to deter those who deposit loan checks in money market funds accounts.

Finally, there is a provision to make it mandatory that lenders assess a penalty to the borrower for nonpayment of the principal. Current law permits an optional late charge of 5 cents for each $1 of each installement, whichever is less. I believe that this is an equitable assessment and that we

should make this penalty mandatory. We must begin to awaken student loan borrowers to the fact that if they negate their financial and civic responsibilities by defaulting on student loans, then they will be treated as other adults who cannot meet their credit obligations.

It is already a common practice within the commercial and lending communities to impose penalties upon individuals who fail to keep up their mortgages and credit card installments. Why should student loan obligations be treated any differently?

This is my proposal to reform the guaranteed student loan program. I will be introducing legislation soon that, if enacted, would provide these changes to the GSL program. I firmly believe that if these changes are enacted, many of the abuses within the GSL program will be curtailed if not altogether eliminated, and there will be no need to reduce the funding for this program.

Mr. Chairman, in closing, I would like to thank all of the Illinois college and university presidents who either directly or indirectly responded to a letter I wrote concerning my proposal. Their suggestions and criticisms assisted me greatly in refining my points to the reform program I have spoken about today.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. CORCORAN) for his contribution, and I also thank the gentlewoman from New Jersey (Mrs. ROUKEMA).

I apologize to the Committee of the Whole House for sounding like "Gravel Gertie" here today, and I hope that I do not have to get into a heated battle because my larynx is in bad shape. I was an auctioneer last night at the Capitol Hill Club.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, last year when I voted against and strongly opposed the Reagan administration cutbacks in the student loan programs, I feared the impact of the cuts would be disastrous. From discussions in recent weeks with students, faculty, and administrators, I am convinced I was correct.

The effects of the cutbacks are beginning to be felt and hold important impacts for all of us. Please let me note some major points.

First, local schools project that the reduction in their student bodies will almost surely be 10 percent in each of the next few years because of these cutbacks, and could go as high as 20 percent. It is important to note where this cutback will come. It will come from middle-income families. These are the students being squeezed by these cutbacks.

When I came back from the Marine Corps in the early 1950's, I used the GI bill to get my education, and at that time, with unemployment at only 2 percent, I was able to work during the time when I was in school. Today, we are turning our backs on that kind of middle-income student. It is a trend that must stop or we will go back to the 1940's when the lawyer's son and the doctor's son went to school, while the miner's son went into the mines. We have changed that pattern over four decades, and we cannot afford to go backward on it.

Second, this is not simply a student issue. It affects all of us. For one thing, as a nation, the cutbacks in graduate student aid and the loss of undergraduate students begins a trend that could see the United States lose the technological and scientific edge we presently have, and that is so important to us in economic growth and offsetting the Soviet Union.

Also, there is a direct economic impact for our communities. The University of Pittsburgh at Johnstown is the third largest employer in Cambria County. Thus, a cutback in students means a cutback in the work force at UPJ and that adds to our area economic problems.

In fact, looking at the schools in our area—University of Pittsburgh at Johnstown, St. Francis, Mount Aloysius, St. Vincent, Seton Hill, Indiana University of Pennsylvania, and the Westmoreland County Community College—these schools employ 1,683 people. My projections show, that with a 10-percent cutback in students, up to 268 employees would be lost, and with a 20-percent cutback, as many as 500 employees would be lost. That would be in addition to more young people entering the job market instead of going to school, so my projections are that these student aid cutbacks could add as much as 3 to 4 percent to our area unemployment rate. That is at a time when unemployment rates for 16-21-year-olds are 20 percent in Cambria County, 24 percent in Somerset County, and 19 percent in Westmoreland County.

Today, I am repledging my efforts to a strong student aid progam. I have written to members of the Budget Committee urging several actions and pledging my active leadership on the Appropriations Committee to retain full funding. The funds considered today in the supplemental approporiations bill are also vital. Among the points I supported was the fact that we must at least hold the line on funding and programs this year, although I would personally like to see funding go back to where it was before the Reagan administration cuts, and I will work for that goal. I have stressed that there can be no compromise on this issue and on student loan programs because they are all vital to keeping students in school.

The impact on our communities, our students, and our future as a nation is wrapped up in this issue. We must take a long-range view, and we must insure a strong student loan program.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I appreciate the gentleman's yielding me this time.

Chapter II in this particular bill deals with some very important issues. I am delighted to finally get to the floor with this part of the urgent supplemental. It has been over a month since the committee reported this bill, and there are still important and very sensitive issues that need to be dealt with before the spring supplemental appropriation bill arrives on this floor. Included in that category, Mr. Chairman, are the committee's recommendations on the Department of Housing and Urban Development's proposed rescission of assisted housing funds and the Environmental Protection Agency's fiscal year 1982 appropriation request of $2.4 billion for the construction grants program.

There is another important issue that needs to be addressed immediately. Yesterday, by an overwhelming vote of 349 to 55, the House passed H.R. 6294, the Single-Family Housing Production Act of 1982. At the proper time I intend to offer an amendment to provide $1 billion to assist the housing industry and purchasers of new homes.

ASSISTED HOUSING

Mr. Chairman, I know that some of our colleagues here today may be questioning why we have included this rescission action in the urgent supplemental appropriations bill. Let me say that this is not a simple issue. It is quite complex—but it is something that I believe is important to address now, not in a couple of months.

The administration has proposed eliminating all or nearly all of the following subsidized housing programs: New construction section 8; substantially rehabilitated section 8; existing section 8; and new public housing construction.

Before further discussing the proposed rescission—let me take a minute to review what has happened with the subsidized housing budget for fiscal year 1982.

President Carter requested budget authority of $29.6 billion in his 1982 budget for the subsidized housing programs. That budget would have supported 260,000 units including an additional 90,000 new units of section 8 housing. President Reagan's 1982 March budget amendments reduced the $29.6 billion request to $19.7 billion. That level would have supported

175,000 units including 54,750 new section 8 units. In addition, the administration proposed a rescission of $5 billion of 1981 subsidized housing funds.

Now in the spirit of cooperation—and recognizing that we wanted to work with the administration on its 1982 budget proposals—Congress agreed with both the 1982 $10 billion reduction and the 1981 $5 billion rescission. In fact, the 1982 HUD-Independent Agencies Appropriation Act provided only $17.4 billion of new budget authority—or almost $700 million less than authorized in the Omnibus Budget Reconciliation Act.

So I think in terms of subsidized housing this committee and this Congress have, up to now, been supportive of the President's proposals.

But let us be fair about this. The subsidized housing program funds have been cut more than 40 percent from the original 1982 request. I think it is wrong to go out now and cut them further. It is here that I think we should draw the line and say—"No, Mr. President—the subsidized housing programs have already absorbed a disproportionate share of the reductions proposed in domestic spending programs."

This is the place to draw the line—and that is what we have recommended in this urgent supplemental appropriations bill.

Mr. Chairman, I recognize that the administration has modified its position on assisted housing since the urgent supplemental appropriations bill was reported.

In late April the administration reduced its rescission proposal from $9.4 billion to $6 billion.

The financing adjustment factor (FAF) was increased to up to 14 percent.

The policy on amendments to existing contracts was modified.

The June 1 deadline for projects to apply for these adjustments was changed from June 1 to August 1.

Mr. Chairman, I congratulate the administration on these revisions. It brings the administration's proposal and the committee's recommendations closer together. I think our recommendations in March had an impact on the administration's decision to revise its proposals.

It is difficult to say exactly how many more units the committee's recommendations will provide as compared to the administration's revised proposal. I can state that the committee's recommendations will provide more assisted housing units.

For instance, the bill contains $1 billion for the Government National Mortgage Association's section 8 tandem program. The tandem financing is an integral part of the overall recommendation. Without the GNMA funds some 40,000 housing starts will not occur. Let me also state that except for projects having a minimum of 20 percent subsidized units, the committee expects that all projects should be assisted first under the financing adjustment factor approach before Ginnie Mae tandem financing is employed.

The entire pipeline of section 8 new construction projects is currently estimated to be about 160,000 units. The action we have taken will buy out the entire pipeline—and if we do not take this action, it simply cannot be done.

In addition to buying out the pipeline of section 8 projects, we have rejected the administration's proposal to cancel all new public housing projects for 1982 and to cancel nearly all additional section 8 existing and moderate rehabilitation units in 1982.

We have, however, agreed with the administration's proposal to reduce the number of new and substantial rehabilitation section 8 units in fiscal year 1982, excluding section 202 units, from 26,735 to 5,569. That action is consistent with the Banking Committee's early recommendation on the 1983 budget. We all know that the section 8 construction program is expensive. So, on that point we are agreeing with the administration.

While the committee recognizes the administration's revised proposal and the changes in circumstances, it was reluctant to change the recommendations for fear it would slow down the urgent supplemental appropriation bill. I believe the Senate will make some substantial changes when it considers this bill. Issues like the correct FAF interest level and the time period in which projects can apply for it are things that can be worked out in conference with the Senate.

Now the bottom line. If you have talked to developers and builders in your districts who are involved with this program, I think you will find that there is 100-percent support for what we are doing here. I urge that you vote for this recommendation and reject the administration's $6 billion rescission proposal.

In addition, the committee's recommendation would transfer $1,400,000,000 from the annual contributions for assisted housing account to the low-rent public housing—loans and other expenses account. However, the Department is not to enter into commitments to convert public housing notes until such time as the appropriation to liquidate the contracts is provided.

The committee has made provision in its recommendation for the conversion of 60,000 rent supplement units to the section 8 program. Recognizing that the funding of rent supplement amendments is vital to individual welfare and project security, it is anticipated HUD will place a high priority on meeting rent supplement shortfalls. The Department should fund any 1981 shortfalls, and avoid further shortfalls. Care should be taken to develop and carry out a priority system that will assure funding based on need, and equal recognition should be given to seriously jeopardized State noninsured projects as is being given to FHA insured projects.

EPA CONSTRUCTION GRANTS

As I am sure all of you know, the Environmental Protection Agency's construction grant program is perilously low on funds. This is the result of the 1981 rescission and the delay in providing 1982 funding. When the administration withdrew the previous 1982 appropriation request last March, it pledged to request funds after legislative reforms had been enacted.

The legislative reforms were proposed in April. Congressional action on the reforms was completed on December 16—the last day of the first session. On that day, in response to a question asked by the gentleman from Washington (Mr. DICKS), I promised to hold hearings and move quickly to provide funding for the program after the reconvening of the Congress. The committee has tried to honor that commitment.

The bill contains the budget request of $2,400,000,000 for the construction grants program for fiscal year 1982. These funds are drastically needed. Currently, 34 States have virtually exhausted their program balances. In these States, there remain only funds already obligated as set-asides. This means that these States have no funds for new starts. If funds are not available very soon, many grantees will miss the entire 1982 construction season, and, although inflation has eased, delays still result in increased costs.

Several thousand communities have made commitments to construct treatment facilities that are needed to meet the mandates in the Clean Water Act, including long-term, financial commitments in anticipation of future Federal funding. Many local voters have already approved massive capital expenditure programs for water cleanup; 250 major ongoing projects under phased construction funding, and over a thousand other projects awaiting construction are in need of the $2.4 billion appropriation.

Obligations under the program have slowed to a trickle. As indicated in the committee report, first quarter 1982 obligations totaled minus $13 million compared with $293 million in the first quarter of 1981. The funds are needed. The Congress should act quickly.

There was considerable pressure throughout last year on the committee to provide funds for the construction grants program before the passage of the authorization. The committee resisted that pressure—and I

believe wisely so. By waiting until the authorization was enacted, the committee had the opportunity to examine certain provisions of the legislative bill and recommend limitations where considered appropriate. This is exactly what we have done in this bill.

As I stated when the conference report on the authorization bill was discussed in the House on December 16, I do not believe the Congress should get into the business of establishing individual project priorities in this program. The Congress should write the basic framework for the program in the law. The agency writes the regulations which implement the law. The States have and should have the authority to set individual project priorities. If we digress from that practice—we will be making a grave mistake. Let us not make that mistake. Let us keep the emphasis in the construction grants program on cleaning up the Nation's waters. Let us allow the States to set the individual project priorities.

GUARANTEED STUDENT LOANS

Mr. Chairman, the urgent supplemental appropriations bill now under consideration by the House contains badly needed funds for a number of important programs. One of the programs which I believe to be most essential to the future of this Nation, and which is most urgently in need of additional funds, is the guaranteed student loan program.

As my colleagues know, the bill now before us will provide $1.3 billion in supplemental funding for student loan insurance. This amount exceeds President Reagan's supplemental request by $322 million.

On March 3, 1982, Mr. Yates introduced a bill for a supplemental appropriation of $1,287,000,000 for the student loan program. I am a sponsor of that bill. I hope that bill has had something to do with the administration recognizing the need for the $1.3 billion supplemenal appropriation although it has not officially requested the additional $322 million.

The President's request assumed the enactment of legislation which would severely restrict participation in the higher education loan programs. Without the savings generated by these changes, money for the guaranteed student loan program will soon be exhausted.

It appears unlikely to me, Mr. Chairman, that Congress will make further changes in the guaranteed student loan program in the current fiscal year. I certainly could not support additional changes, coming as they would on the heels of the modifications contained in last year's reconciliation bill. Many of the reductions made by that legislation in the Federal student assistance program were in my judgment unwise, and I would hope that at some point in the not too distant future the Congress will reconsider them.

The recognition of the fact that the guaranteed student loan program needs additional funds to operate for the remainder of the fiscal year makes it incumbent upon us to provide those funds. Millions of young Americans look to this program to make possible their obtaining a college education. They are the future of this country and our investment in their education is an investment in that future. Attempts to reduce or eliminate student assistance programs may generate budget savings, but those savings will produce the worst kind of false economy. To successfully compete with other nations in the high technology environment of the next century, the United States will require as high a level of education among its citizens as possible. We only shortchange this country later by attempting to shortchange student aid programs now. I am not prepared to take that course and would hope that a majority of my colleagues are similarly inclined.

Passage of H.R. 5922 will demonstrate the support of this House for the student assistance programs. I urge my colleagues to express that support and give our young people a sign that Congress shares their determination to obtain as much education as their abilities allow.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 5922. In particular, I want to express my strong support for the provisions of the bill appropriating urgently needed supplemental funds for the Coast Guard and the U.S. Customs Service. I am pleased that the rule on this bill incorporated the amendment I offered in the Rules Committee waiving certain points of order against these provisions so that the House can consider these important appropriations.

Both Customs and the Coast Guard play vital roles in our Nation's efforts to curb the massive flow of illicit narcotics into our country. As chairman of the Select Committee on Narcotics Abuse and Control, I am greatly concerned, and our committee is concerned, that our drug enforcement agencies have the resources and tools they need to wage an effective anti-drug campaign. The bill before us includes approximately $3.4 million for expenses of the Customs Service's participation in the intensified drug enforcement program in south Florida being conducted by the Vice President's crime task force. The bill also provides an additional $48 million in fiscal year 1982 to cover a variety of operating expenses for the Coast Guard, another key agency in the Florida effort. This amount will help that hardpressed agency perform the many missions, including drug law enforcement, that Congress has assigned to it.

The critical problems of drug trafficking and drug-related crime in south Florida are well known, and I firmly support the increased commitment of Federal resources to alleviate the terrible situation that exists there. At the same time, I am concerned that the massive concentration of Federal enforcement resources in that area will strip other regions of needed defenses against drug traffickers. In testimony before the Select Committee on Narcotics last week, Coast Guard officials from the Third District, which includes New York, indicated that the south Florida operation will definitely place increased strain on their enforcement operations. It is my hope that the supplemental appropriations contained in H.R. 5922 will help avoid dangerously reducing our ability to meet the drug threat in the rest of the Nation.

Mr. Chairman, notwithstanding the addition of these amounts, more resources are needed. Neither the 1982 budget nor the administration's requests for fiscal year 1983 provide for any real growth in drug law enforcement funds. In fact, under the administration's 1983 budget proposals, both Customs and the Coast Guard face substantial reductions. If we are ever to succeed in combating the drug trade, we must provide our drug enforcement agencies with the resources needed to maintain a balanced enforcement posture in all threatened areas. I strongly urge my colleagues to approve H.R. 5922 today and, in the weeks ahead, to support budgets for our drug enforcement agencies that will permit the implementation of an effective nationwide strategy against drug traffickers.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Chairman, while we are talking about urgent spending priorities, I want to talk about one not included in this bill—RAMP funding.

For the information of the Members, I had an amendment prepared to provide an additional $40 million in this fiscal year for RAMP funding. Without the support of the administration and seeing the narrowness of the rule and after surveying the Members, I have decided I will not offer the amendment at this time, but I will try to get it in in the general provisions of the general supplemental which comes up on June 4, because I think there is widespread support for this and I think it is something that will provide jobs and be very important to my area and many other areas where the RAMP program is so significant.

Mr. Chairman, now, while many of the people in Washington may not consider the use of RAMP funds to be urgent, I want to report that in Pennsylvania's 12th Congressional District, the need is urgent.

These funds are created by a coal tax of 35 cents per ton on strip-mined coal and 15 cents per ton on deep-mined coal. Some 20 percent of the payments are eligible for use in the RAMP program. At the present time, though, those funds are not being spent. In Somerset County coal operators have contributed almost $3.7 million to the fund. Yet, we have $1.5 million worth of projects ready to go, and another $3.5 million are in the planning stage. We cannot go ahead, however, because of a lack of funds.

In Armstrong County, we have $983,379 worth of projects ready to go; Cambria County $269,000; Westmoreland County $874,000. Again, we lack the funds to get it done.

Now, just what are we talking about with these funds. We are talking about reclaiming valuable land that has long been abandoned by coal mine operators. They are eyesores. And very often they are distinct hazards. The Soil Conservation Service has received over 1,800 high priority applications for reclamation assistance. They have had since October 1, 1981, 51 priority 1 projects with the needed reclamation of 100 percent ready for contracting. However, contracting funds have not been available. We would need $18 million to handle these priorities. Furthermore, nationwide we have over 182 projects at a cost of $58 million that are more than 50 percent planned and can be funded if the money is made available through the appropriations process.

It is important to note that we are also talking here about putting people to work on these projects. At a time when unemployment is rising across the Nation, it is ridiculous that we do not spend this available money to create jobs as well as public improvements.

Now, many people may say, what is the difference? Why does it matter if we delay some of these projects? Well, let me answer this:

Ugly, and often dangerous abandoned land remains untouched;

Taxes paid by coal operators remain unused;

Unspent money gathers no interest for the Government; in fact, we have lost about $13.5 million in interest that could have been used;

Inflation reduces the buying power of the funds; 10 to 14 percent less reclamation can be purchased each year for the same amount of money; and

RAMP applicants become discouraged, lose interest, and we may lose the opportunity to reclaim the land.

I plan, Mr. Chairman, to continue my efforts to make sure the importance of this program is realized, and that the funding is made available. It should be a priority for our rural areas. It will help the economy, it will help the community. I plan to continue to explore every possible way to free more of these funds for use in Pennsylvania and the 12th Congressional District. I will be offering amendments during the markup for the general supplemental. This program is being overlooked by Congress. It is important. It is vital for our coal-mining area. I will continue to pursue its full use.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want, first of all, to commend the distinguished chairman and the ranking minority member for their leadership in bringing this important legislation to the floor of the House. I also want to commend my colleagues for their vote in favor of the right to homeownership yesterday in this House.

The vote in favor of H.R. 6249 showed the concern of the Membership of this body for a vitally important sector of our economy, housing. The margin in favor of the legislation, nearly 7 to 1, will send a clear message to the country and to the president that the House of Representatives wants to bottom out the current recession and is willing to take a step which might be considered controversial in order to begin the process of economic recovery.

I particularly want to congratulate my colleagues, the gentleman from California (Mr. PATTERSON), and the gentleman from Oregon (Mr. AUCOIN), for their leadership on this housing bill. The gentleman from Oregon (Mr. AUCOIN) and I both know of the grave problems the Pacific Northwest faces because of the decline in the homebuilding and forest products industries, and to the gentleman from Oregon (Mr. AUCOIN) I want to say that I deeply appreciate on behalf of all of us from the Northwest his leadership in this bill.

Today we are considering the urgent supplemental. Today again we need your support for housing. This legislation can be the vehicle to fund the program we authorized overwhelmingly yesterday. But again we need your vote.

I also want to say a special thanks to the chairman of the Housing Subcommittee, the gentleman from Massachusetts (Mr. BOLAND), for his support not only of the housing legislation and in opposition to the rescissions requested by the administration but also for his support of the very important EPA construction grant program. This country is falling behind in the important area of construction grant work, and this supplemental will correct that problem.

Also the guaranteed student loan program is vitally important to the people of the State of Washington, and I want to commend the chairman of the HEW Subcommittee for his leadership in bringing that important issue to the floor.

The funding appropriated in the urgent supplemental would assist over 74,000 home buyers in purchasing a house. It would create 140,000 new jobs in housing-related industries, and would add $1.2 billion to Federal, State, and local revenues. It is estimated that it would also increase the gross national product by $11 billion. Keep in mind, too, that there is a recapture provision in the authorization bill, so that funding counted as outlays in the current year will be paid back to the Treasury by individual home buyers in the years to come. But none of this can occur if funding is not appropriated. And we cannot afford to wait. The program will not be any help if it is funded after the building season ends. Thank you, Mr. Speaker.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GREEN), the ranking minority member of the HUD Subcommittee.

Mr. GREEN. Mr. Chairman, I thank the distinguished ranking minority member of the full committee for yielding this time to me.

The gentleman from Massachusetts (Mr. BOLAND) has accurately described the contents of chapter II of title I of this bill. I would like only to emphasize that that chapter contains two very important programs: It provides $2.4 billion for the waste water treatment program. Many of the States have been stalled in their efforts to move this program forward because of the delay in providing those funds. Similarly, there are in chapter II major efforts to straighten out the housing programs and reorient the dollars that will flow into them so that we can get the pipeline in federally assisted housing moving again.

I think it is unfortunate that the majority leadership of this House has delayed so long bringing to the floor this important measure with those important shots in the arm for our economy. I think it is also unfortunate that H.R. 6249 and the appropriation of the funds authorized by it that we are almost certainly going to see as an amendment to this bill bid fair to complicate the conference on and perhaps the President's approval of this measure, thus delaying this measure still further.

I do want to stress that there are major inputs already in this bill for the housing industry, and also for the heavy construction industry via the waste water treatment provisions. I urge that we pass the bill today and

try to move it forward as rapidly as we can.

Again, Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for yielding time to me.

Mr. CONTE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in strong support of H.R. 5922, and especially the guaranteed student loan portion thereof.

Mr. Chairman, I strongly support the $1.3 billion in H.R. 5922 for the guaranteed student loan program.

Due to higher than anticipated interest rates, the program's funding is almost exhausted for this fiscal year and will run out entirely within a few days.

Without additional financing, the program—so vital to my congressional district and to all our districts—will come to a halt, wrenching the lives of students in pursuit of higher education.

The figure proposed by the administration—$978.2 million—would prevent the program from grinding down, Mr. Chairman, but unfortunately would permit it to move forward at less than full speed. That is because graduate students would no longer be eligible for the program.

Getting a college education used to be the American dream, but is now the American way. Beginning with the GI bill, when returning World War II servicemen and servicewomen saw education as a road to success, this country has been a college-going society. A college education is a basic credential in our highly industrialized, largely technological Nation.

With rising tuition costs, Federal assistance makes the difference—for many low- and middle-income students—between obtaining a degree and not getting one. For less affluent students at private colleges—particularly the small institutions that depend upon tuition and fees for practically all their income—Federal assistance means equal educational opportunity.

As a Representative from a State in which 33 percent of the work force is involved in the high-technology industry, and as ranking minority member of the Science and Technology Committee's Science, Research, and Technology Subcommittee, I can—in this time of dreadfully high unemployment—point to a shortage of professionals and paraprofessionals in the high-tech field. More than 20,000 engineers alone are needed.

The key to meeting this shortage is science education—in many cases, graduate science education. Eliminating graduate students from the GSL program is, in effect, throwing away the key. And this is just one example of the essentiality of preserving the program.

The Commission on Higher Education and the Economy of New England, in a report of a 2-year study released in March, documents New England's economic reliance on industries that put a premium on knowledge—knowledge gained through higher education. The report of the study is entitled, "A Threat to Excellence." With 260 colleges and 800,000 students, New England is, the report states, "unquestionably the most knowledge-intensive region in the world."

The economy, in New England and throughout the Nation, relies upon education. Education leads to knowledge, which is used in industry, which stimulates research and development, which contributes to economic growth. Education is the key, the base, the foundation.

Due to my strong belief in the value of education, I oppose administration attempts to increase eligibility restrictions on GSL's, to change the income formula for Pell grants, and to limit college work-study. I stated my objections to Office of Management and Budget Director David Stockman in a February 25 letter, with a copy to the President. I ask unanimous consent, Mr. Chairman, to have that letter inserted in the RECORD at the end of my remarks.

There are those who say that student aid programs—particularly GSL's—should be further restricted, due to abuses and defaults. For example, some parents with higher incomes were investing loan proceeds in money market funds, in order to gain interest, and some students—after leaving college—were defaulting on their student loans.

In my view, legislative and regulatory reforms made last year have largely corrected such abuses and defaults, so that new restrictions would only add a paperwork burden and dissuade lending institutions from participating in the program.

Because the administration would like to phase in some of its proposed restrictions beginning this month, I think that the GSL supplemental—and the $4.65 million supplemental for administration of Pell grant applications—offers an opportunity for Congress to send the administration a message: That it should go back to the drawing board on its educational proposals. I have offered my assistance in helping with the drafting.

The administration's GSL proposals comprise "a threat to excellence" not only in their elimination of graduate student eligibility but also in their reduction of undergraduate aid. They threaten middle-income families' ability to provide higher education for their children. The administration's Pell grant proposals, on the other hand, hit hardest at lower income families, those whose children need grants in order to initiate college study.

In my own State of Massachusetts, for instance, University of Massachusetts officials estimate that two out of three students receive some sort of Federal loan, grant, or employment. If the administration proposals are accepted now and for fiscal 1983, several thousand students would have to drop out of the university next fall, the officials predict.

For another example, Northeastern University has 14,000 students now receiving some kind of aid. If the proposals were accepted, 5,000 of these would be cut off, according to university administrators. Moreover, because Northeastern has a college work-study program, it would experience curriculum difficulty, as well as a change in student mix.

Boston College—my own law school alma mater—would lose nearly one-third of its student aid funding. Tufts University would suffer even more, according to its officials: A loss of 42 percent.

In Massachusetts and throughout the Nation, students and parents, administrators and professors, are looking to us, on this day, to indicate that we support full funding for student assistance and oppose eroding of that funding. I, for one, want to be counted as for the funding levels in H.R. 5922 for student assistance. Getting a college education is not the American dream; it is the American way.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I rise in strong support of the urgent supplemental.

Mr. CONTE. Mr. Chairman, I reserve the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I rise in strong support of H.R. 5922. There are many important facets included in this bill including housing, student loans, Coast Guard needs, and work incentive programs of particular importance to northeast Ohio and the people of my district is the recommendation for a $12.15 million allocation for the city of Cleveland in the interstate highway transfer grant portion of the urgent supplemental appropriation for fiscal year 1982. The Department of Transportation appropriations bill had originally allocated $20 million for the city of Cleveland. During the complex budget process of last year, this money was diverted to other needs and the allocation for Cleveland was inadvertently left out of the bill.

The emergency supplemental grant of $12.15 million for Cleveland is ur-

gently needed. Cleveland is one of the older urban centers of our Nation. A great many vital facilities are in urgent need of repair. This is true of the downtown area of Cleveland. A landmark in the city is the Terminal Tower. The foundation of this magnificent building and of the streets directly behind the structure is supported by aging bridge supports that are in dire need of repair. If these repairs are not made soon, the area will be entirely closed off to traffic. One Bridge Street already is. If the repairs are made on schedule, on the other hand, a great many privately funded projects will become feasible. Already, plans and financing have been found for the Tower City project that has begun with the conversion of the old train station complex to a shopping mall. This is potentially to be linked to a hotel-office building complex which includes a unique medical market to be operated in conjunction with Cleveland Clinic.

All of these projects will provide construction jobs and eventually permanent employment for a great many people. They are all contingent, however, on the repair to the half-century old bridge supports in Cleveland's downtown. The city is prepared to assist in the repairs also. Successful passage of the supplemental appropriation for the Department of Transportation will allow those repairs to be made as a first step for further construction and employment in Greater Cleveland.

I want to thank my collegue from Indiana and the chairman for the tremendous cooperation they have given our office. The city of Cleveland and I are deeply grateful.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, the House adoption of H.R. 6294, the Single-Family Housing Production Act of 1982 is a partial victory for the American homebuyer and the unemployed construction worker, and it is a partial victory for the Congressional Black Caucus' economic recovery budget and its proposals for helping to put this country back to work. Many Members have labored long and hard to bring this legislation to the floor and to passage, and my colleagues on the Housing Subcommittee of the Banking, Finance and Urban Affairs Committee deserve credit for preparing a bill that addresses one of the economic problems we are now facing.

We in the Congressional Black Caucus are, however, somewhat disappointed that other aspects of the crisis in the housing industry and in our communities were not addressed by this action. We can only hope that the Congress will move with equal speed to pass the other part of our legislative proposals related to federally assisted housing. This action is desperately needed by poor Americans who deserve decent and safe shelter, and it will have comparable job creation and stimulative effects.

In supporting this appropriation request, I must, however, caution Members that this bill is no substitute for a full-fledged housing program such as that proposed by the Congressional Black Caucus in its budget, and which is now essentially contained in the Housing and Urban-Rural Recovery Act which was passed yesterday by the Committee on Banking, Finance and Urban Affairs.

I would like to point out that it was we in the Congressional Black Caucus who first incorporated a proposal similar to that passed yesterday by the House. Our economic recovery budget proposal, announced on April 26, 1982, included this specific housing assistance proposal as a part of a housing plan that assured support for all segments of our population, but particularly for our low- and moderate-income families. In addition, our budget included other job-creating programs for highways, mass transit, and urban infrastructure rebuilding. Our budget further meets the needs of millions of unemployed Americans by extending and expanding unemployment benefits, restoring food stamps, medicaid, and welfare funding levels, and preserving the real safety net of social, educational, job training, and medical assistance for those who suffer from poverty and unemployment. Yet, our budget does this without enlarging the deficit, and, indeed, shrinks the Federal deficit in fiscal year 1983 and beyond by restructuring and reforming the tax system.

I commend my colleagues for having the good judgment to pass by such an overwhelming margin the emergency housing assistance provided by this bill. I trust that they will show comparable good judgment and sensitivity when Congressman GUS HAWKINS' bill, H.R. 5320, to create new jobs and training for the 10.3 million unemployed Americans comes to the floor. Finally, it should be clear to my colleagues that the members of the Congressional Black Caucus have developed many more viable proposals that will result in a budget for fiscal year 1983 and beyond that is humane, fair, and responsible. I can only hope that these proposals will similarly garner equal action and equal support in the days ahead. I include herewith a summary of the CBC budget:

THE CONGRESSIONAL BLACK CAUCUS BUDGET AND ECONOMIC RECOVERY PROGRAM

Last year, President Reagan offered his economic program to the Nation. Amid a chorus of skepticism and legitimate concern about the premises and potential effects of his program, President Reagan challenged his critics to come up with a better plan for "balancing the budget, reducing and eliminating inflation, stimulating the creation of jobs and reducing the tax burden." The Congressional Black Caucus was glad to answer that challenge with its Constructive Alternative fiscal year 1982 Budget. If it had been enacted, it would not be necessary to discuss how to extricate the Nation from a morass of unemployment and economic stagnation.

This year, the President again challenged his critics to "put up or shut up." And so again—as last year—the Caucus is today presenting its detailed Alternative Budget for fiscal year 1983. We feel compelled to offer this Alternative in the face of real suffering by real citizens. This suffering has been minimized or ignored by the Administration.

Our budget provides realistic and fair proposals that will benefit and cost all citizens equally.

The CBC Budget reduces the deficit substantially. In fact, our fiscal year 1983 budget of $93 billion is less than half the $183 billion in fiscal year 1983 deficit now projected for the Reagan proposal. The leading cause of the current recession, almost all analysts would agree, was high interest rates, both nominally and in relation to inflation. High real interest rates remain as the major obstacle to recovery, and the persistence of high interest rates poses the greatest risk of a slide into depression. Overly tight monetary policy in 1981 contributed to those high interest rates. But even more important has been the large and growing deficits that resulted from adoption last year of this Administration's unbalanced and speculative budget and tax proposals. If we are to avoid a general worsening of economic conditions and lay the foundation for a sustained recovery, it is essential that the deficits now projected under both current policy and the Administration's budget be reduced. The CBC budget meets this challenge, for if it is adopted, the deficit would steadily fall in fiscal year 1983, fiscal year 1984 and fiscal year 1985. Indeed, if interest rates are lower than the Congressional Budget Office now projects, the CBC budget would show a balanced budget in fiscal year 1985.

The CBC Budget stimulates jobs and balanced growth. However beneficial a smaller deficit may be in producing lower interest rates, the CBC recognizes that lower interest rates will not by themselves be enough to stimulate a complete recovery and a restoration of full employment. Traditional fiscal stimulus, especially in the near term, is essential. The CBC Budget provides this stimulus. The Budget increases funding levels for a host of social programs, which will translate into more jobs for those who work in these programs and more income for those who benefit from them. The CBC budget also provides new funding for housing, highways, mass transit and other infrastructure programs, which will lead to more employment throughout the economy and even brighter economic prospects for the future. A centerpiece of the Budget proposal is the creation of a major $6 to $8 billion Federal jobs, vocational education and training package. This initiative is responsive both to the Nation's unemployment rate generally, and to the catastrophic unemployment in the Black community specifically.

The CBC budget increases the eligibility period for unemployment benefits to 52 weeks and restores pre-Reagan eligibility for AFDC and food stamps, which will help maintain the purchasing power of those

who have been laid off. Finally, the CBC budget replaces the Reagan/Kemp/Roth tax cuts for July 1982 with a tax cut of equal magnitude, but distributed to the lower and middle class people whose spending will provide the basis for a sustained recovery. All these necessary actions mean that the deficit under the CBC budget will be about $93 billion in fiscal year 1983—large enough to provide sufficient stimulus to the economy, but smaller than the fiscal year 1982 deficit and smaller by half than the projected Reagan deficit for fiscal year 1983. As the economy moves out of the current recession, fiscal stimulus will become less and less necessary, and the deficit will consequently decline.

The CBC Budget is an anti-inflationary budget. Because it would produce steadily falling deficits, the dangers of renewed inflation from excessively stimulative fiscal policy would be reduced. For the same reason, the pressure on the Federal Reserve to adopt an inflationary monetary policy would also be eased. Of course, inflation is not simply due to these factors. The CBC budget attacks the falling productivity that also contributes to inflation by increasing Federal investments in education, training, research, transportation and communication that help improve productivity. The CBC Budget also improves the business climate for increased business investment in productivity-enhancing plant and equipment by fostering lower interest rates, stimulating consumer demand for what is produced, and retaining some of the tax incentives to new investment. In addition, the Budget attacks the sources of inflation from higher energy and food prices by continuing Federal programs to encourage energy conservation and agricultural production.

The CBC Budget is fair and humane. We return funds to social programs that were lost by enactment of Reagan fiscal year 1982 budget reductions. These programs must remain Federal priorities if we value human potential and care to meet human needs. Because of savings generated by alternative tax and defense policies, several education, health, housing and urban programs can be restored to fiscal year 1981 funding levels, adjusted for inflation. For example, the Budget restores $3.3 billion to Title I; $1.6 billion to Pell Grants for disadvantaged college students; more guaranteed student loan funds; 16,000 more Section 8 housing units; includes a $4 billion urban infrastructure proposal, which will create 50-80,000 jobs and a military/defense industry reconversion proposal; $1.02 billion in Social Services funds, including child welfare programs; and $4.2 billion in mass transit funds. It retains EDA; the Legal Services Corporation, and low-income energy and other conservation programs.

The CBC Budget Results in Comprehensive tax reform. Middle income taxpayers have been misled about the nature of the tax cut proposed by the President.

They do not know, but we are here to tell them, that the tax program conceived by the President and passed by the Congress last year gives 80% of the tax relief to major corporations and $20,000 in tax relief to persons making $200,000 but creates an actual increase in taxes for those making $15,000 a year. For those who earned $200,000 or more annually, a repeal of any of the future 10% tax cuts which were scheduled to go into effect this year and next would mean a loss of only 5% of all their likely tax breaks under the legislation. For everyone else, however, repeal of the third year would represent a loss of 30% to 40% of the tax breaks they have been led to expect under this program.

We, in the Congressional Black Caucus believe that the middle class must also be protected. In the interest of tax equity, the Caucus proposed that any further tax relief given must be more carefully focused on the middle class. After all, they not only pay the lion's share of the federal budget but they also genuinely need tax relief.

In an effort to rectify the imbalances wrought by the first year tax benefits for the wealthy and to provide genuine tax equity for the middle class. The CBC would begin by proposing to substitute an increase in the standard deduction for singles, from $2,300 to $2,700 in July of 1982. A similar increase would be provided for couples, from $3,400 to $4,200 in July 1982.

This change would primarily benefit persons with incomes below $20,000 who do not itemize; it would be a real tax cut for them. We would also propose a 10% tax rate cut in July of 1982 and a similar 10% tax rate cut in July, 1983, which again would primarily benefit persons with incomes between $20,000 and $50,000.

This reduction will be progressive in nature, and will result in a tax reduction for people with incomes below $50,000 that is equal to or greater than what would have been received from the 15% cut under the Reagan plan. In addition, the CBC Budget would increase the Earned Income Tax Credit (EITC) from 10% of the first $5,000 with a phase out between $6,000-$10,000, to 15% of the first $5,000 with a phase out between $8,000-$13,000. Both the changes in the standard deduction and the EITC would remain constant in FY '83 and FY '84.

The CBC package would stimulate the economy by significantly reducing the need for government borrowing, thus curtailing continued upward pressure on interest rates. This will be achieved by closing many of the most flagrant tax loopholes. Some of these were enacted as recently as last year; others have been on the books for years.

The CBC would repeal the following tax shelters enacted last year: reductions in the Windfall Profits Tax; All Savers certificates; the exclusion for utility dividend reinvestment; broadening of the gift tax exclusion; as well as the virtual elimination of taxation of Americans working overseas.

The CBC would also repeal or limit many special interest tax shelters for businesses which have been inserted into the tax code. We also propose to achieve neutrality in terms of incentives for business on their investments in machinery and between large and small corporations by significantly cutting back on last year's depreciation "reforms." Thus, the CBC would repeal "Safe-Harbor" leasing, except for mass transit. In recognition of the growing list of truly distressed industries, the CBC would be willing to entertain new legislation to benefit just those industries. Immediate retention of this favored status for mass transit provides one of the few tax loopholes that has a general benefit for the public. We also would adjust the depreciation basis for new machinery by the amount of the investment tax credit taken and would repeal the acceleration of the depreciation schedules to 200% which begin in 1985. However, we retain the basic 10-5-3 depreciation plan for its limited stimulative value.

Finally, we create a variable investment tax credit which substitutes for the 10% investment tax credit. Our proposal is designed to eliminate current distortion which favors investments in major heavy machinery over light machinery and job creation. It also will result in an effective corporate tax rate of 25%.

The CBC Budget ensures adequate Social Security and other support for the Nation's poor—both elderly and non-elderly. This budget maintains the cost of living adjustments for elderly on fixed income, and restores unemployment compensation benefits and program triggers to the 52 weeks which were available before last year's budget changes. In our view, this restoration of benefits is necessary at a time when we are experiencing levels of unemployment which have not been endured since the Depression. Our Budget also provides increased funding for programs to assist the poor including $3.2 billion more than Reagan for AFDC; $5 billion more for Food Stamps; $7.7 billion more for Medicaid; $2.9 billion more for Medicare; $1.2 billion more for 6 health programs; and $400 million more for Supplemental Social Insurance.

The CBC Budget establishes a saner and safer Nation Defense. As an initial matter, we recognize the need for a strong conventional military. We therefore provide in our alternative for the continued funding of practical conventional weapons, and actually increase pay for military personnel and funds for operations and maintenance. However, in an effort to slow the unacceptable rate of growth in the defense budget, and to ensure that the deficit is reduced, the Congressional Black Caucus generally recommends that the defense spending be held at fiscal year 1982 levels. The defense budget function presented in our package today is preliminary. The final CBC defense budget will be forthcoming once the Ad-Hoc hearings on the Full Implications of the Military Budget, chaired by Congressman Ronald V. Dellums, are completed and analyzed (early to mid-May). Generally we are aiming for a fiscal year 1983 budget of $199.6 billion in outlays and $200.4 billion in budget authority as compared to the President's $222.5 billion in outlays and $263.2 billion in budget authority.

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Congressional Budget Office baseline outlays	805.0	884.4	963.1
Restored and new funding for entitlement programs:			
a. Income security	+12.8	+12.2	+9.9

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY—Continued

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
b. Health	+2.9	+3.3	+3.7
Restored and new funding for social programs:			
a. Commerce and housing credit	+1.2	+1.1	+0.9
b. Transportation	+1.9	+3.3	+3.3
c. Community and regional development	+1.9	+4.0	+4.0
d. Job training and employment	+1.9	+2.8	+3.3
e. Education	+3.9	+4.2	+4.4
f. Social services	+0.6	+0.6	+0.7
g. Other functions	+0.3	+0.3	+0.3
Reductions in national defense spending	−14.8	−35.3	−60.6
Reductions in other programs or increased program receipts:			
a. International affairs	−0.4	−0.4	−0.4
b. Natural resources and environment	−2.6	−2.7	−2.8
c. Veterans' benefits	−1.0	−1.1	−1.2
d. Energy	−0.5	−0.9	−0.9
Changes in allowances and offsetting receipts	−3.0	−6.0	−7.0
Reductions in interest payments because of deficits below CBO baseline	−3.8	−10.2	−14.6
Total outlays with CBC alternative budget	806.2	859.5	906.0
Congressional Budget Office baseline revenues	647	696	758
Changes in the personal income tax cuts to provide equitable tax relief to the middle class and poor (replace 2d- and 3d-year tax cuts and indexing with 10 percent rate reductions in 1982 and 1983 providing more tax relief to the poor and middle class, plus higher standard deduction and earned income tax credit)	+3	+8	+22
Restore effectiveness of corporate profits tax:			
a. Change accelerated cost recovery system	+9	+12	+15
b. Eliminate tax benefits for mergers and unproductive activities	+3	+4	+5
c. Repeal unnecessary and wasteful tax incentives	+14	+16	+18
Reform the personal income tax code to limit tax shelters for the rich:			
a. Limit personal income tax loopholes created by Economic Recovery Tax Act	+2	+3	+3
b. Limit pre-ERTA tax shelters for the rich	+20	+22	+25
Other tax reforms and changes:			
a. Repeal 1981 windfall-profits tax changes	+1	+1	+2
b. Other taxes and general users fees	+8	+8	+8
Improved tax collection	+6	+7	+7
Total revenues with CBC alternative budget	713	777	863
Resulting deficit with CBC alternative budget	−93	−82.5	−43
CBO baseline deficit	−158	−188	−205
Reagan administration budget deficit as reestimated by the Congressional Budget office	−121	−129	−140

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline
National defense	199.3	−14.7	202.7	−35.3	202.7	−60.6
International affairs	11.6	−0.4	12.7	−0.4	13.3	−0.4
Science and technology	7.6	(1)	7.7	(1)	7.6	(1)
Natural resources and environment	9.2	−2.6	8.7	−2.7	8.2	−2.8
Agriculture	10.3	(1)	8.0	(1)	7.5	(1)
Commerce and housing credit	5.0	+1.2	4.6	+1.1	4.3	+0.9
Energy	4.8	−0.5	4.0	−0.9	4.0	−0.9
Transportation	22.1	+1.9	24.3	+3.3	25.5	+3.3
Community and regional development	9.8	+1.9	11.9	+4.0	12.4	+4.0
Job training and employment	7.9	+1.9	9.2	+2.7	10.1	+3.2
Education	19.4	+3.9	20.5	+4.2	21.3	+4.4
Social services	7.0	+0.6	7.3	+0.6	7.8	+0.7
Health	85.5	+2.9	96.9	+3.3	110.9	+3.7
Income security	286.1	+12.8	304.1	+12.2	326.6	+9.9
Veterans benefits	23.0	−1.0	24.3	−1.1	25.9	−1.2
Administration of Justice	4.8	(1)	4.8	(1)	4.9	(1)
General government	5.2	+0.3	5.1	+0.4	5.0	+0.3
General purpose fiscal assistance	6.6	(1)	7.0	(1)	7.5	(1)
Interest	121.7	−3.8	139.9	−10.2	147.1	−14.6
Allowances	0	−2.0	2.4	−2.0	3.8	−3.0
Offsetting receipts	−40.4	−1.0	−46.7	−4.0	−50.4	−4.0
Total	806.2	+1.2	859.5	−24.9	906.0	−57.0

[1] Less than (+ or −) $50 million.

Note.—Since CBO baseline outlays are higher than administration proposals in all cases except national defense, international affairs (fiscal year 1983) and general government, the CBC changes from the administration proposals would be higher in terms of increases, and less in terms of cuts, than indicated here. The major exception is defense, for which the CBC cuts from administration proposals are larger than indicated by the comparison with the CBO baseline.

Detail may not add to total because of rounding.

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
National defense	199.26	−23.59	202.70	−52.08	202.70	−91.34
International affairs	11.58	−.38	12.70	.06	13.30	.30
General science and technology	7.60	−.02	7.70	−.08	7.60	.20
Energy	4.79	.49	4.00	.33	4.00	.64
Natural resources and environment	9.24	−1.28	8.70	−.60	8.20	−.26
Agriculture	10.31	.07	8.00	.18	7.50	.33
Commerce and housing credit	4.98	3.18	4.60	3.09	4.30	4.02
Transportation	22.07	2.79	24.30	5.49	25.50	6.15
Community and regional development	9.80	2.10	11.90	4.50	12.40	4.87
Primary, secondary, and vocational education	9.55	3.97	10.00	5.41	10.40	6.49

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]—Continued

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
Higher education	8.55	1.49	9.30	3.39	9.70	4.70
Education research and aids	1.36	.08	1.20	.19	1.20	.22
Employment and job training	7.31	4.26	8.60	5.21	9.50	6.56
Labor services and other	.57	−.03	.60	−.01	.60	−.01
Social services	6.98	1.96	7.30	2.42	7.80	2.92
General retirement and disability	178.74	2.17	195.35	2.35	212.44	2.57
Federal employee retirement	21.94	.55	24.33	1.42	26.89	2.22
Unemployment compensation	28.87	5.56	24.90	3.28	23.00	1.11
Housing assistance	10.05	1.17	11.80	2.44	12.30	2.35
Food and nutrition assistance	21.47	6.54	23.30	8.68	25.70	10.19
Income assistance	25.01	4.84	24.50	5.38	26.30	5.97
Health care service	85.52	7.50	96.90	11.04	110.90	16.11
Veterans benefits	23.02	−.77	24.30	−.52	25.90	−.57
Administration of Justice	4.80	.14	4.80	.17	4.90	.34
General government	5.16	.01	5.10	.05	5.00	.03
General purpose fiscal assistance	6.55	.07	7.00	.32	7.50	.69
Interest on national debt	121.66	.00	139.90	−.01	147.10	.03
Allowances	.04	1.17	2.40	1.93	3.80	3.45
Offsetting receipts	−40.56	.70	−46.70	1.52	−50.40	2.55
Total	806.21	24.73	859.48	15.56	906.03	−7.19

[1] Outlays as reestimated by the Congressional Budget Office.

□ 1500

Mr. CONTE. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. YATES), a member of the committee.

Mr. YATES. Mr. Chairman, I am pleased to support this supplemental appropriation bill that comes to the floor today. It contains two essential appropriations for which I filed bills several months ago.

The first was a bill that I filed for a supplemental appropriation in the amount of $1,287 million for the guaranteed student loan program. I filed that bill on March 3, 1982. That bill was a rejection of the recommendation by the Reagan administration to cut the guaranteed student loan program to some $978 million, to increase the origination program from 5 to 10 percent, and to impose an onerous means test. It would have killed the program for doctoral students.

Subsequently, my bill was approved by the Appropriations Subcommittee for the Department of Health and Human Services and in its full amount, and I urge the House to approve that appropriation in this bill today.

The second provision which I sponsored and I introduced was the appropriation to keep alive the work incentive program, the WIN program, in the amount of $76,842,000. The WIN program, Mr. Chairman, is cost-effective. It is dedicated to helping those on welfare find employment which will take them off the welfare rolls. It is money saved to the Federal Government.

The WIN program significantly does very constructive work. I urge its passage and passage of the urgent supplemental bill.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Chairman, I rise to support H.R. 5922 and to speak to those provisions appropriating an additional $48 million for operating expenses for the U.S. Coast Guard.

The Coast Guard is in budgetary distress. Earlier this year, the Department of Transportation announced severe cutbacks in Coast Guard operations throughout the Nation. Those cuts included decommissioning of ships, the closing of search and rescue stations, the elimination of about 3,500 uniformed positions, and many other reductions totaling about $46 million in fiscal 1982. Make no mistake, those cuts would jeopardize life and property at sea and make it infinitely harder to enforce our Nation's laws against drug smuggling, improper exploitation of our fisheries by foreign nations, and illegal immigration. When the cuts were announced, a groundswell of opposition from Members of Congress surfaced. I introduced a bill to provide $136 million in supplemental appropriations and soon had over 125 cosponsors for that bill. Subsequently, the Secretary of Transportation, Drew Lewis, announced that he was rescinding some $15 million of the cuts. But let us remember that still over two-thirds of the cuts are scheduled to take place.

In fiscal 1981, the Coast Guard was already strained to meet its responsibilities but the appropriations thus far in fiscal 1982 fall far short of maintaining the Coast Guard at fiscal 1981 operating levels. If we want to hold harmless the Coast Guard in fiscal 1982, I calculate a supplemental of $192 million is required. The Coast Guard Commandant confirmed that calculation in testimony before the Coast Guard and Navigation Subcommittee.

Our supplemental today is a step in the right direction but it provides only $48 million. It provides $30.5 million previously requested by the administration for legislatively mandated increases in sea pay and military allowance, field costs and other required operations. According to my calculations, we really need $50 million for these purposes, if we are to hold the Coast Guard harmless at fiscal 1981 levels. The supplemental also includes some $17.5 million to avoid approximately one-third of the cuts earlier announced by the administration. Of course, two-thirds of the cuts will still take place.

In addition, this supplemental does not address pay increases promised by this Congress when it passed the Nunn-Warner bill last year. I estimate that to fully provide for these promised military and civilian pay increases, an extra $92 million will be required in this fiscal year. It is possible that in just a few weeks, the administration will request another supplemental for the Coast Guard of about $78 million to fund the military pay increases, thus we may be back in a short time discussing yet another supplemental for the Coast Guard. Mr. Chairman, I support this supplemental. It is a step in the right direction but let no one fool themselves, even with this $48 million, the Coast Guard will be hurting and hurting badly. When are we going to realize that the Coast Guard performs a vital military mission, it is a key law enforcement agency, and it is the single greatest protection of life and property at sea in the entire world. When are we going to realize its prime need and provide the money that is necessary?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am happy to yield.

Mr. CONTE. The gentleman has written to me and we have talked about this many times. I did offer this amendment in full committee and we were lucky to get it passed. But I

would suggest that the authorizing committee get busy and raise the authorization ceiling in light of the fact that with the passage of this bill we will have appropriated the full amount authorized by current law.

Mr. JONES of North Carolina. I assure the gentleman that is in the process of being done.

Mr. CONTE. I thank the gentleman.

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5922, the legislation before the House to make urgent supplemental appropriations for the fiscal year ending September 30, 1982.

The bill reported by the Committee on Appropriations is vital to continue the funding and operation of some critical Federal programs and policies. I wish to commend the committee for bringing this urgent funding bill at this time.

Because of the budgetary and appropriations process, the full range of needs required for fiscal year 1982 will not be known for sometime, as the committee report on H.R. 5922 states.

There are several programs which the legislation continues, and I would like to address my remarks, in particular, to those affecting welfare clients seeking productive employment, guaranteed student loans for college students, housing, the environment and Coast Guard operations.

In the area of employment and education, I particularly note the need of national funding for the work incentives, or WIN program. The amount contained in the committee supplemental will help keep individuals on the AFDC, or aid to families with dependent children, in the pipeline for eventual productive employment, enabling them to achieve employment in a gainful and productive work.

As the safety need we hear so much about continues to shred in the current recession and deepening unemployment, I believe it important that we continue to offer individuals who, through no fault of their own are on welfare, a means to work experience, training child care and the other supportive services offered by the WIN program. WIN should be continued and expanded; the urgent supplemental appropriations takes care of that first mentioned task and we will deal with the latter chore later.

As a member of the House Education and Labor Committee, I am pleased that the committee bill recognizes the value of another education program, that of the guaranteed student loan program for which the committee recommends $13 billion in supplemental appropriations.

By exceeding the President's supplemental amount requested in the February budget submission, the House has a chance to continue this program at a level that will help many middle-income students continue their studies. The existing program, in my opinion, is a sound one and until we accept any administration attempts to alter it, we will, by the supplemental, provide the funds to carry on the loan program. It is important to note that these are loans repaid by students. The increase in GSLP funds, due to inflation and inaccurate estimates of how much the program would need to continue at a fiscally sound level, will help the loan program be sustained.

Regarding the Coast Guard, the inclusion of funds in the amount of $48 million represents a modest sum of money in comparison to that needed by the Coast Guard. I note that this bill provides only for immediate needs of the Coast Guard by continuing vital operations.

I do hope that the Congress will, in coming months, realize that the Coast Guard will continue to confront economic difficulties.

In Puerto Rico, the administration threatened to severely curtail Coast Guard operations but reconsidered its decision after strong opposition in Congress. I hope that the Coast Guard, buffeted as it is by inflation and the need to increase the pay of personnel, will be treated a little more kindly in future budgetary proposals.

In the area of housing, H.R. 5922 mades various provisions to insure adequate funding for new section 8 subsidized housing projects currently in the national pipeline. While other administration proposals have cut existing housing programs, particularly those available to low and moderate income families, the need to keep some hope of a decent living environment for many families is provided by the bill.

By failing to approve the full amount of the President's proposed rescission of $9 billion in fiscal year 1982 funds for federally assisted housing, the committee has adopted a reasonable hold the line approach in keeping with the mandate expressed in the adoption of the fiscal year 1982 budget. The bill would assure construction of approximately 50,000 units of new section 8 housing; this action is warranted as housing prices climb and the dream of an adequate apartment or house is a vanishing one for many.

Finally, Mr. Chairman, I note that the $2.4 billion in the appropriations bill for the Environmental Protection Agency wastewater treatment construction grants program allows the changes adopted by the Clean Water Act amendments, now Public Law 97-117 to go into effect.

The EPA programs are sound ones and vitally needed in Puerto Rico to help our island not only provide decent sanitary facilities for our citizens, but help develop the infrastructural capacity so critical to the attraction of new industry through our tax incentive and industrial promotion program.

I urge the adoption of H.R. 5922. It is a sound, time sensitive and responsible approach arriving before us a time of some economic uncertainty for the country.

Now, more than ever, a fiscally responsible and constructive approach to solving some of the problems confronting our Nation is badly needed. This bill is a step in that direction.●

● Mr. McGRATH. Mr. Chairman, I rise in support of H.R. 5922. It is especially important that this measure be passed because it contains the supplemental appropriation for the guaranteed student loan program.

Of all of the cuts proposed in student financial aid, I think those proposed for the GSL program would have the most devastating impact. The guaranteed student loan program has in the past served as the basic form of financial aid for the middle class, and it is absolutely essential that we continue to make this source of assistance available.

In my own district in Nassau County, N.Y., the GSL is a critical financial aid source for many families attending institutions on Long Island. The percentage of undergraduates utilizing this source of assistance is 34 percent. However, utilization rates range from 17 percent at a public institution to 73 percent at a private institution. This source of assistance is particularly important in many financial aid packages at private institutions, and in many cases it represents the only possible way that a student can make up the difference between a high cost institution and a publicly supported institution.

It is also extemely important that graduate students remain eligible for the GSL program. If these students are denied access to those program, the impact on law, medical, and other graduate schools would be devastating. In my district, 41 percent of the graduate students receive assistance from the GSL program. These students are already excluded from the Federal grant programs and with the threat to national direct student loan capital contribution, their options are severely limited. To disenfranchise this significant segment of our student population from this student loan program will cause many students to reconsider graduate study.

I want to remind my colleagues that less student aid simply means fewer graduates in the future, at a time when our Nation will need more skilled persons in order to remain competitive in a technological and complex marketplace. Federal assistance to education is an investment in the future of our Nation. In order to get a reasonable rate of return, we must be willing to make an adequate invest-

ment. I therefore urge my colleagues to support this supplemental appropriation.●

● Mr. FARY. Mr. Chairman, today is a special day for all citizens, communities and States who have struggled to keep alive the goal of a clean environment for our children and grandchildren. The bill we are considering today, the urgent supplemental appropriations bill for fiscal year 1982 has been a long time in coming. In fact, the authorizing legislation dealing with the Environmental Protection Agency's sewer grants, the Federal Water Pollution Control Act Amendments of 1981 which passed the House and the Senate last December, was arrived at after heroic efforts by members of both the House and Senate Public Works Committee. Mr. Speaker, I rise in support of this bill which will continue the Federal commitment to the clean water program and I urge Members to listen to their constituents and to pass this funding bill today.

In 1972, Congress responded to the need to strengthen the Federal and State efforts to control the discharge of pollutants into our waters and established a comprehensive, national approach to water pollution control. The Federal Water Pollution Control Act amendments of that year (Public Law 92-500) were a complete rewrite of existing water pollution control laws and stand as one of the great landmarks of environmental legislation. As Members know, this year the administration sought a severely diminished role in the national clean water scheme. The House Public Works Committee held extensive hearings on the administration's legislative proposals and examined them thoroughly. The committee believed that it would have an extremely disruptive effect on the construction of municipal treatment works which are already receiving Federal grant assistance. Mr. Chairman, if there was one overriding theme which the committee held and pursued in the drafting of its legislation, it was that it was essential to preserve existing grant eligibility provisions for those projects which are already underway. This basic premise of the House was retained by its conferees.

In Chicago, our water quality problems are the same as many large urban areas. Probably, the most significant problem we face is the pollution caused by combined sewer overflows, also known as CSO, are a source of pollution which is expensive to control and difficult to quantify. Combined sewers are those sewers which carry both sanitary sewage and stormwater through the same sewer to the treatment plant. During storm events, the sewer system may become overloaded resulting in overflow of untreated sewage into the streams or back up into basements or streets. CSO's have been recognized as a national problem, however the Midwestern States including Illinois represent a major problem. These States have over 50 percent of their population served by combined sewers.

The city of Chicago in conjunction with the Metropolitan Sanitary District of Greater Chicago, has devised an ambitious and unique plan for treating the city's water quality problems. This plan, the tunnel and reservoir project in Chicago, was developed after 20 years of study. The two-phase plan calls for building 131 miles of tunnels 150 to 300 feet below metropolitan Chicago for pollution and flood control. The tunnels lie under the Chicago waterway so that a man-made river drilled out of solid rock lies beneath the streams at the surface.

The first phase, started in 1975, involves 110 miles of tunnels to protect 180 miles of waterways from sewer overflows. So far, 47 miles of tunnels have been bored out by giant mining machines at a cost of $1.2 billion. Sixty-three miles are left to be drilled, at a cost of $1.3 billion.

The pollution control tunnels are designed to catch the sewer overflows until a storm passes and the pollution can be pumped to the surface and treated. It is estimated that phase one could cut sewage pollution by 85 percent.

Mr. Chairman, passage of this legislation will insure the continued funding eligibility for this worthy project. I am sure that Chicago is not the only city with needed projects already underway. The people of the city of Chicago and across the country certainly deserve a fighting chance for a quality environment. The timely acceptance of this legislation will go a long way toward that goal and I urge my colleagues to support it.●

● Mr. FRENZEL. Mr. Chairman, I oppose this amendment to add $1 billion to the urgent supplemental appropriations bill. It adds to the Federal deficit at a time when everyone agrees the deficit needs to be reduced, and it will not help the housing industry.

This amendment amounts to another Federal bailout at a cost of $1 billion to the taxpayers. Maybe that would not be so bad, if we could expect real relief for a suffering industry. Even with this price tag, it is estimated that only about 50,000 housing units would be subsidized because the subsidy per unit would be considerable.

The administration estimates that 45,000—or 90 percent—of these units would be units built last year which are unsold, or units started this year and completed without subsidy. If those estimates are right, this $1 billion will do almost nothing to stimulate new construction. By adding to the Federal deficit, this bill simply aggravates our Federal budget problem.

The Rules Committee made this amendment in order and waived a Budget Act point of order without even consulting with the Budget Committee. It end runs the orderly budget process.

It is the wrong approach and it surely comes at the wrong time. I urge my colleagues to vote against this billion-dollar increase in the Federal debt.●

● Mr. GEJDENSON. Mr. Chairman, I rise in support of this legislation, H.R. 5922, which will enable some of the most needed Government services to continue through the end of the fiscal year.

This Nation faces hard decisions concerning both the spending and revenue aspects of the Federal budget. It is imperative, however, that we reject the notion that Congress has no choice but to cripple the programs that promote education and employment. It is for this reason that I urge my colleagues' overwhelming support for the supplemental appropriations bill.

Last year in the Omnibus Reconciliation Act, budget authority for student financial assistance programs was reduced by 12 percent for the 1982-83 school year. The House approved a level of funding for the GSL program that was insufficient to cover the program costs for this entire fiscal year. In addition, in February of this year, the administration submitted a request for the remainder of fiscal year 1982 that required major cuts in the program and that proposed a funding level far below what is needed for current services to continue.

As we all know, countless American families have had their plans—and their hopes—unfairly disrupted by the administration's efforts to use this supplemental bill as the vehicle for changing both the GSL and the Pell grant programs. The House Appropriations Committee refused to comply. The funds that have been earmarked in this bill will enable these programs to continue operating and to meet their 1982-83 obligations. What is even more important, however, is that the committee has not allowed any substantive changes to be forced through on an emergency fiscal measure. The $1.3 billion recommended in this legislation will give Congress the opportunity to consider changes in the programs during the course of this year, under the close scrutiny of the authorizing process.

This fiscal year ushered in a number of cuts in the basic nutrition, housing, medical, welfare, and jobs programs for the poor. The social safety net is shrinking, and serious hardships have been imposed on those who are truly in need of assistance. This situation is

exacerbated by what is undeniably the worst result of the Reagan economic plan: Over 10 million Americans are out of work, the highest number since the Great Depression. The people on the lower end of the economic scale are hit twice—they are facing severe reductions in their already meager standard of living, and their lack of work skills and experience leaves them out of a shrinking job market.

The work incentives (WIN) program is targeted to those people who want to rise out of poverty but who lack the job-training that is needed to attain self-sufficiency. The WIN program has proven its effectiveness in helping those at the margin of society to participate as full and responsible members. The $76.8 million appropriation contained in this legislation will bring the WIN program up to the administration's original 1982 funding request, a level that is necessary if the program's success is to continue.

In addition, this bill includes a transfer of $8.7 million into the Employment and Training Administration. This amount involves transferred budget authority; it utilizes leftover CETA funds and will not require an additional outlay. These funds will prevent the debilitating furloughs that program currently faces and, thus, will allow for the continued administration of employment and training services.

Everyone in our society has the right to lead a successful, rewarding life. Employment for those who are able to work, and opportunities for those who seek self-betterment, make this possible. The bill that is before us today shows that we have not abandoned our commitment to providing the needed job and educational opportunities.

I would like to commend the Appropriations Committee on its recommendation for Coast Guard operating expenses. In addition to the amount requested by the administration, the committee has allotted an additional $17.5 million that would enable the Coast Guard to continue its operations at several key facilities, including several vessel traffic systems that have been shown to increase navigational safety. Part of this additional appropriation is designated for the Coast Guard Academy in New London, Conn., thereby allowing the academy to continue at its present operating level.

H.R. 5922 reflects careful, diligent work on the part of the Appropriations Committee, and I urge the strong support of my colleagues.●

● Mr. WIRTH. Mr. Chairman, I rise in support of the amendment appropriating funds for the emergency housing assistance program passed yesterday by the House. I do so reluctantly, but with a sense of the necessity and urgency of this program.

I hesitated before casting my vote in favor of authorizing the emergency housing assistance program yesterday. As a member of the House Budget Committee, I am working to curb the unprecedented growth of the Federal deficit, which has crowded out private sector borrowing and driven up interest rates. Clearly, any long-term policy addressing the problems of the housing industry and of the economy as a whole must concentrate on reducing the deficit.

Now, however, continued high interest rates are dashing our hopes for economic recovery. There is no sign that they will abate until fundamental adjustments are made in the administration's program of huge, untargeted tax cuts, massive increases in defense spending, and resulting high deficits. Meanwhile, unemployment in our country stands at a dismal 9.4 percent, with joblessness in the construction industry at a shocking 19.4 percent.

In the absence of a short-term drop in interest rates, I believe it is our responsibility to enact this emergency program. There is ample evidence to show that a healthy housing industry provides a stimulus to the rest of the economy. I am satisfied that the legislation before us has been drafted to accomplish this goal. Although not without the reservations I have stated, I support its passage.●

● Mrs. SCHNEIDER. Mr. Chairman, I rise today in support of H.R. 5922, the urgent supplemental appropriations bill for fiscal year 1982. H.R. 5922 is truly an urgent appropriations bill. It provides additional funds for the fundamental services that our citizens so urgently need.

Work on the budget has come nearly to a standstill, and it is imperative that we move forward. The bill includes $2.4 billion for the environmental Protection Agency construction grants program, $1.3 billion for the guaranteed student loan program, and $48 million for Coast Guard operating expenses. All of these programs are essential and all are deserving of funding.

I find it of utmost importance to address the current dilemma facing millions of students across the country. The time has come for Congress to recognize the need for an adequate appropriation of funds to sustain those in need of financial assistance. Listen to what my constituents say:

> Please I beg on bended knees, don't cut aid to education. Think about our youth. Things have become so expensive, it is impossible to make ends meet. Without the aid for college, it is impossible for our children to further their education.

Low-income students have been severely hindered by reductions in the Pell grant. As you know, the Pell grants are slated for a 40-percent reduction, the largest dollar reduction of any student aid program. Middle-income families are feeling the squeeze when they find the GSL, college work study, and other viable loan programs no longer available. Clearly cutting back on the student aid programs and university research budgets will only curtail our Nation's direction. We must look to the future by solidly investing in our human power and enhancing our national strength with a firm Federal commitment to education.

The EPA construction grants program has contributed immensely to the restoration of our surface waters and helps pay for the construction of wastewater treatment facilities, stemming the flow of raw sewage into our rivers and bays. However, our needs for the future are enormous. In Rhode Island alone, it will cost $980 million to complete and restore essential sewage systems.

It is essential that Congress appropriate this money as quickly as possible and that the agencies pass the funds along to the States; each day of delay leads to increased construction costs and further degradation of our valuable water resources.

Our Coast Guard is overworked and underfunded. The supplemental appropriation will increase the Coast Guard's operating budget by $48 million. This includes $30.5 million for fuel costs and sea-pay increases. Recently, high fuel costs have placed the Coast Guard in an embarrassing situation: Its sea cutters are stranded in port because the Coast Guard does not have money for fuel. The Coast Guard will also receive an additional $17.5 million to continue law enforcement, search and rescue, and drug interdiction activities.

In regard to the MSHA exclusion, I lend my full support to the Murtha effort. MSHA must insure full worker protection by maintaining adequate standards in surface, stone, sand, and gravel mines.

And finally, instead of allowing the remaining unallocated $14.6 billion to be used entirely to subsidize large synfuels projects, I believe that $1 billion of this money be diverted for use by State and local housing agencies to provide lower mortgage interest rates for low- and moderate-income home buyers. It is essential that we aid the ailing housing industry.●

● Mr. REUSS. Mr. Chairman, I urge prompt passage of this supplemental appropriation because it provides funds vital to the basic governmental statistical programs.

The supplemental will restore funding of about $5.2 million to the Bureau of Labor Statistics (BLS), canceling a 4-percent cut contained in the continuing resolution. BLS has already absorbed a 12-percent cut in its fiscal 1982 budget, which caused the agency to curtail or eliminate 19 of its pro-

grams. A further cut now would force agencywide furloughs and disrupt the gathering and analysis of essential economic data, including the Consumer Price Index (CPI) and monthly unemployment figures. Provision of timely, accurate information to the public would be seriously impaired.

We clearly cannot allow—or afford—such threats to the integrity of our economic data. Indeed, it is unfortunate in these times of economic turmoil to have to forgo improvements in the statistical system. For example, the current "bare-bones" budget has not allowed BLS to update the CPI to reflect changes in consumer buying patterns over the last 10 years. With billions of dollars in cost-of-living adjustments riding on this index, we should not settle for an inferior measure. We could also benefit from greater precison in the data on State and local area unemployment, which are used in allocation of $17 billion of Government funds. But, in the budget crunch at BLS, plans to upgrade the State and local area survey have been shelved.

It was not easy for BLS to implement the 12-percent cut in funding: The 19 programs on the agency's hit list included important data on strike activity, occupational projections, industry wage levels, and labor turnover, among other series. While regretting the need for such steps, I am hopeful we can still contain the damage with the $5.2 million from the supplemental, and urge its passage without delay.●

● Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the urgent supplemental appropriation for the Coast Guard for fiscal year 1982.

When the cutbacks caused by the current funding level were announced, I and other Members were alarmed at their breadth and depth. We began to wonder what would really be left of the Coast Guard and whether needed services would be provided to the American public.

I know that in my own State of Alaska, the Department of Transportation had announced the reduction of the Coast Guard air station at Kodiak. There they intended to eliminate several fixed-wing aircraft and helicopters so essential to the search and rescue and fisheries enforcement functions in our waters. In the authorization bill last year we included a provision for an additional helicopter in Cordova, Alaska.

This is an example that Congress has recognized the need to increase needed Coast Guard services and not decrease them. The administration, however, has not or refuses to recognize these urgent needs. This reflects the view from just one congressional district, the State of Alaska. What we must realize, however, is that the cutbacks proposed were not just local losses—they were regional and national in scope.

Fortunately, the administration came to its senses and restored most of the cutbacks. But that leaves us facing the need for more operating funds this year. The administration recognizes this and we should act to overcome this problem. The Coast Guard and Navigation Subcommittee received testimony from the Commandant of the Coast Guard that an additional $192 million would be needed to continue 1981 levels of Coast Guard functions. This supplemental takes a step in that direction.

Our oversight hearings of last year revealed that the Coast Guard was in need of additional resources, not less. Their personnel need training, their cutters need repair and replacement, and additional facilities for essential services, such as search and rescue and law enforcement, are badly needed. But what we have seen is that the Coast Guard has been asked to do more and more with less and less, such as through the recent Haitian interdiction effort. I do not know how the Coast Guard will continue to be able to provide services in the face of the existing funding level.

Mr. Chairman, I and most of us here know that the services of the Coast Guard are extremely valuable and essential to not only the maritime community but to the entire Nation. I have long been a supporter of fiscal and budgetary restraint and I suppose that an argument can be made that every budget has some fat. But safety of life and property, and the security of our Nation are simply not things you round off to the nearest number or arbitrarily reduce by a certain percent.

The well-being of our country requires that we not stand idly by and let this happen. We are taking minimum steps through this urgent supplemental appropriation bill today. I believe that our full efforts should be behind seeking additional funding for the services provided by the Coast Guard so that search and rescue, law enforcement, military preparedness, drug interdiction, as well as other needed responsibilities are preserved. I urge all of you to support these needed funds for the Coast Guard.●

● Mr. STARK. Mr. Chairman, I would like to commend the committee for their action in transferring almost $14 million to the Office of Inspector General of HHS, so as to prevent a massive furlough within this office, which is the lead agency within the Department for combatting fraud and abuse and for protecting the fiscal integrity of Federal expenditures.

I would like to mention to the chairman my recent surprise over the fact that HHS does not have an 800 toll-free number where people can call to report abuses of such programs as medicaid, medicare, welfare, and social security.

As you know, many agencies do have such a toll-free number and the GAO notes that these numbers are used and have resulted in substantial convictions, cost savings, and so forth.

Yet the staffers at HHS have told my staff that they do not have the funds or personnel to set up and man an 800 number.

People in my congressional district have been writing to me about acquaintances and neighbors who they believe are welfare and medicare cheats. Giving these people an opportunity to vent their frustrations in a constructive manner by calling up an HHS toll-free number would not only be beneficial to the Government, but would also help restore confidence in our system.

It seems that for all the President's talk about waste, fraud, and abuse in Government programs, the administration has overlooked a simple, inexpensive, and effective method of tracking down welfare cheaters. The cost of an 800 number and hiring another person in the HHS hotline office is negligible in comparison to the prospective Government savings from taking people off the welfare roles.

I now understand from the committee that, HHS is presently completing a study on the possibility of installing an 800 number. I hope that the committee will be able to pursue this so that at long last an 800 number will be established. This is a matter of great concern to me, which I have been inquiring about for months.

I would like to include at this point in the RECORD a recent news article which describes how—while the administration likes to claim it is waging a great war against fraud and abuse—it is actually ignoring major areas where savings can be made:

[From the Washington Post, April 29, 1982]

WARRIORS ON MEDICARE WASTE LAMENT LOSS OF TROOPS

(By Howie Kurtz)

The Reagan administration, while trying to trim the cost of the Medicare bureaucracy, is letting millions of dollars in overpayments and questionable benefits slip undetected through a shrinking staff, a top federal official has complained in an internal memorandum.

Tera S. Younger, director of Medicare's Bureau of Program Operations, said administrative cutbacks have caused substantial drops in the number of Medicare claims investigated and denied as well as in the number of medical providers subjected to audits. As a result, she wrote, the federal health care program for the elderly is paying "drastic increases of as much as 37 percent" in benefits to patients and providers.

The Health and Human Services Department official said figures for the last six months of 1981 show budget cuts beginning to have a severe impact on her department's ability to monitor how the program's $47 billion is spent.

"Benefit payments are increasing, claims investigations and denials are decreasing," Younger said in the six-page memo. "Overpayments are up and service to the beneficiaries and providers is down. . . . Fraud and abuse is likely to increase under reduced monitoring . . ."

An HHS spokesman responded that "we're trying to squeeze the budget" by cutting back on other areas to pay for more audits.

Sen. MAX BAUCUS of Montana, ranking Democrat on the Senate Finance health subcommittee, said, "Medicare officials should spend more, not less, on auditing. While the administration may be able to claim short-term budget savings, in the long run they will lead to more fraud, waste, and over-utilization of medial services."

Administrative cutbacks at HHS actually are passed along to the nation's insurance companies, which the government hires to process Medicare claims, decide whether to pay them and mail the checks to patients and providers. Blue Cross and Blue Shield, which handle nearly three-quarters of all Medicare payments, say they have laid off or not replaced about 20 percent of their nationwide auditing staff of 470.

Blue Cross officials say they are now auditing only 37 percent of the Medicare providers, down from 58 percent two years ago. As a result, they say, charges to Medicare from 7,500 hospitals, nursing homes and home health agencies will not be audited this year.

In some cases, Blue Cross reviews of whether Medicare treatment is appropriate have been cut in half. Every $1 spent for these reviews saves as much as $5 by rejecting such claims as those for unnecessary surgery or excessive long hospitalization, Blue Cross officials say.

"We have skilled nursing facilities where we don't even look at the claims any more, we just pay them," said Mary Neil Lehnhard, Blue Cross' Washington representatives. "The hospitals know we're not auditing. They're putting in any cost that's questionable, and we're not catching things we used to routinely throw out."

Most of the increased errors, HHS officials say, are in payments for medical services not rendered and in checks mailed to the wrong recipients—the kind of mistakes that could be reduced through better administration.

"The message we are giving the [insurance companies] is that quality and service are less important than pushing the paper through the system." Younger said in the memo.

Administrative costs amount to only 1½ percent of Medicare's budget. During the Carter administration, Blue Cross officials say, their budget increased by 6 to 7 percent a year. But, they said, they received less than a 1 percent increase this year, to $711 million, and are lagging behind both inflation and a 10 percent rise in the number of claims. For fiscal 1983, HHS is proposing a cutback to $704 million, even though claims are expected to keep rising.

Blue Cross says it is forced to save money by delaying the processing of Medicare claims, cutting back on telephone complaint services and increasing the response time for patient inquiries from 10 to 45 days.●

● Mr. FRENZEL. Mr. Chairman, H.R. 5922, the urgent supplemental appropriations bill, is not the only bill that shatters our budget process. It may not even be the worst one. Nevertheless, it does wreck havoc with our budget system. The rule waived the restrictions of the Budget Act, despite conflicting recommendations of the Budget Committee. In the case of the housing appropriation, the Budget Committee was not even consulted.

The Appropriations Committee is playing its old game. It has taken some of the legitimate requests of the administration, added a few of its own favorite spending schemes, and fashioned a package it thinks Members will have to support.

This rule and this bill both literally thumb their noses at the last budget resolution and the continuing resolution passed by this body. A number of items funded in H.R. 5922 are directly contrary to decisions made in those resolutions. The emergency presumably is that someone's favorite program was about to expire on schedule.

The bill should be defeated. If not, it should be vetoed. It is bad legislation, bad policy, and bad process.●

● Mr. STOKES. Mr. Chairman, I rise in support of H.R. 5922, making urgent supplemental appropriations for fiscal year 1982. This measure contains funding for a limited number of very important items which require additional funding and our immediate attention at this time. In several instances, additional funds are needed to correct severe budget reductions which were indiscriminately imposed under the third continuing resolution for fiscal year 1982, under which seven Federal agencies are currently operating.

I would like to call to the attention of my colleagues my strong support of several especially critical items in this bill. H.R. 5922 includes crucial funding of $12.15 million for the city of Cleveland, Ohio, under the interstate transfer grants-highways program, administered by the Department of Transportation. The city of Cleveland has been working diligently since last year to secure this missing link of Federal funding for the exciting Tower City project in downtown Cleveland. This project will create in Cleveland many badly needed jobs.

I want to thank the distinguished chairman of the Transportation Appropriations Subcommittee, Mr. BENJAMIN, for his tireless work on behalf of Cleveland. Funds initially allocated for Cleveland under the interstate transfer grants-highways program in the House version of the fiscal year 1982 Department of Transportation appropriations bill were subsequently deleted in further congressional action on the bill. Due to the efforts of Mr. BENJAMIN, however, $12.15 million is provided in H.R. 5922 for the purpose of allowing work to begin in repairing several bridges surrounding the Terminal Tower in Cleveland. While these funds will provide for only a portion of Cleveland's entitlement under the interstate transfer grants program, the immediate approval of the $12.15 million for the Tower City Bridge repair work is key to the development of new hotel, retail and commercial space in the Terminal Tower area. This development hinges on the reconstruction of the surrounding streets and bridges. The city of Cleveland has already secured $2.5 million under the UDAG program to provide the local matching funds for the Tower City project. With the remaining $12.15 million in interstate grant funding, revitalization efforts critical to Cleveland and its residents will soon be underway through the Tower City project.

Another critical item in H.R. 5922 is $1.3 billion for the guaranteed student loan program. Mr. chairman, if this supplemental appropriation is not approved, the guaranteed student loan program will soon run out of funds.

Most of these additional funds are needed to pay unanticipated interest costs for guaranteed student loans. Had the President's economic recovery program worked as promised by this administration, interest rates would have been much lower than they are now and a large part of the additional funds needed to keep the guaranteed student loan program operational would not have been needed.

I might add, moreover, that these funds are needed so that graduate and professional students may continue to obtain these loans. The supplemental budget request submitted by the administration omitted funding for these students. Under the administration's plan, some 600,000 medical, law, and other graduate students would be left out in the cold with little means to finance their education. This bill insures that these students will be able to continue their graduate studies in areas important to the national interest.

Another critical item in this bill is an additional $77 million for the work incentive program (WIN). The WIN program has been described by the Department of Health and Human Services as an extremely cost effective program that "is returning more in the way of tax savings and other benefits to society than it is costing." Mr. Chairman, these additional funds are urgently needed to prevent the layoff of several thousand people in State and local unemployment service offices which administer the WIN program at the State and local level. The amount provided in H.R. 5992 would return funding for the WIN program to the level requested in the President's fiscal year 1982 budget. At a time when 9 million Americans are out of work, commonsense tells us that a

cost-effective program, such as WIN, which keeps people off the unemployment and welfare rolls should be maintained.

Additionally, under H.R. 5922, $5.808 million in supplemental funding is provided for Howard University pursuant to the administration's budget request. These funds are urgently needed by Howard University to provide cost-of-living increases to faculty and staff during this academic year which ends in May. Howard faculty and staff have not received any such increase in 2 years. Mr. Chairman, in the interests of equity and in order to maintain a high quality faculty, this additional appropriation of $5.808 million should be approved for this historic university which for over 100 years has provided higher learning opportunities for blacks and disadvantaged students.

Finally, Mr. Chairman, I would like to commend the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee, Mr. BOLAND, for his recommendations concerning the rescission of $9.4 billion in fiscal year 1982 funding for subsidized housing proposed by the Reagan administration. These recommendations, contained in H.R. 5922, are reasonable and responsive to the housing needs of low-income Americans. HUD wished to recapture and to rescind funds which the Congress had previously provided for the construction and rehabilitation of section 8 and public housing units. Under the administration's budget plan to rescind $9.4 billion in assisted housing funds, thousands of much needed housing units for poor and elderly people in this country would have been prematurely canceled. The bill before us today rejects all but $100,000 of the proposed rescission and provides sufficient financing for housing projects currently in the preconstruction pipeline. We cannot ignore the fact that millions of Americans continue to live in substandard housing or continue to pay too much for housing. The recommendations in this bill will allow for many new housing projects to come to fruition as the Congress intended and will in a small way maintain a national commitment to providing safe and decent housing for all Americans.

Mr. Chairman, there are several other supplemental funding items in this bill which I consider to be extremely important and deserving of support by this body. But, in the interest of time, I would simply urge the swift approval of H.R. 5922 so that no delays or disruptions occur regarding the very important items provided for in this measure.●

● Mr. BEDELL. Mr. Chairman, action to remove surface sand, gravel, and stone industries from the Mine Safety and Health Administration is long overdue. However, the Rousselot amendment to the continuing resolution which will prohibit MSHA from using funds for safety inspections and enforcement of MSHA standards while not transfering the statutory responsibility of health and safety to OSHA is, I feel, the wrong approach to this important problem.

The Rousselot amendment would in effect leave surface sand, gravel, and stone workers without any health and safety protection. Without statutory change, MSHA remains responsible for their protection and OSHA would be unable to provide that responsibility.

Of specific concern to me is the restrictive language of the Occupational Safety and Health Act of 1970 which states:

> SEC. 4. (b)(1) Nothing in this act shall apply to working conditions of employees with respect to which other Federal agencies . . . exercise statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

This language along with statements by Secretary of Labor Raymond Donovan regarding the lack of enforcement and possible litigation of OSHA standards under the Rousselot amendment, have alerted me to the fact that the only responsible legislative solution cannot be resolved in an appropriation bill but, must be resolved in a statutory change such as that found in H.R. 1603.

I strongly urge my colleagues to join me today in asking for immediate action on H.R. 1603. I became a cosponsor of this legislation after meeting with a number of owners of sand and gravel businesses that told me of the problems that their industry was experiencing after having been placed under the jurisdiction of MSHA. These owners want a safe and healthy environment for their workers.

I strongly support the removal of the surface sand, gravel, and stone industries from MSHA and placing the responsibility of the health and safety of these workers under OSHA. However, the Rousselot amendment would not accomplish this goal by only prohibiting the use of funds to enforce health and safety regulations without transfering the statutory responsibility to OSHA.

To prohibit the workers of surface sand, gravel, and stone industries from falling between the gaps of protection let us immediately take up H.R. 1603, a responsible and permanent solution to this problem.●

● Ms. FERRARO. Mr. Chairman, the legislation we have before us today is just what it claims to be—an urgent, supplemental appropriations bill. No truth-in-labeling problems here. The programs receiving funding under the bill are important programs which, in many cases, will have to close down without these funds.

I want to commend the Committee on Appropriations for its resolute efforts in bringing this bill to the floor, and I join the committee's leadership in urging the House membership to support it.

What I would like to do, Mr. Chairman, is consider for a moment why this bill, making urgent, supplemental appropriations, is before us today. How did it come to be necessary for us to pass this bill to save these programs?

The answer can be found in the desperate attempt of the Reagan administration to find budget savings during last year's extended debate on budget and appropriations bills, and particularly the continuing resolution.

Time after time, the administration made program cuts they knew were unrealistic and irresponsible so they could claim reduced deficits and to allow the President to go on television and tell the American people he was holding the line on Federal spending.

And what has the result been? We can see part of it in this urgent supplemental.

An urgent $82 million for the Bureau of Government Financial Operations is included. The money is urgently needed because cuts in the agency's budget made last year threatened to close it down by mid-May. That would mean no social security checks, no Veterans checks, no SSI checks, and no tax refund checks.

As chairwoman of the subcommittee with jurisdiction over Federal personnel levels, I wrote to Treasury Secretary Regan on January 20 when information came to my attention that the Bureau might in fact be forced to close down for lack of funding. The response I got confirmed that the agency would be forced to close, and astoundingly, portrayed the President as making every effort to save it. There was no mention of how the crisis had come about.

Another urgently needed supplemental is for student loan insurance. All informed sources are in agreement that without the additional funds, the program could be out of money in the very near future, perhaps this month. Is this a surprise? Hardly. The committee report on this bill states that at the time the administration's request was approved for fiscal year 1982, "the committee was fully aware that the amount was insufficient to cover program costs under current law for the entire year."

Again, this is a case of what OMB Director Stockman has called "political numbers." This administration has established a clear and continuing policy of making up budget numbers when the real numbers do not fit their political needs.

We are also voting on $76 million in this bill for the work incentives (WIN)

program. The WIN program, which offers AFDC recipients job training, work experience, employment, child care, and other support services, was cut by $76 million last year as the administration sought new cuts on top of those made in its original submission. Now, after States have been forced to lay off training employees and close down program offices, we are providing the funds needed to keep this program, which is so important, especially to single, working mothers trying to become self-supporting, from being shut down.

There are other programs funded in the supplemental that are in trouble due to unrealistic budget cuts last year. Three Department of Labor offices—the Employment and Training Administration, the Employment Standards Administration, and the Bureau of Labor Statistics—would be forced to furlough employees without the funds provided in this bill.

In the case of the Bureau of Labor Statistics, the funding is needed for critical statistical surveys, including compiling the Consumer Price Index and the unemployment rate. Of course, the President made clear in his radio address this past Saturday his dissatisfaction with the numbers being compiled by Government statistical offices. Maybe the President thinks the answer to the continuing rise in unemployment caused by his economic program is to shut down the office charged with determining the unemployment rate.

Each of these instances describes a "crisis" created by this administration's insistence on playing political games with estimates of program costs. The anxiety suffered by senior citizens dependent on the prompt arrival of their social security checks, or the welfare mother trying to learn a job skill so she can support her children, or the Federal worker wondering whether she will soon be joining the growing ranks of the unemployed, could have been avoided.

I sincerely hope the administration will, in the future, refrain from creating situations that threaten programs with termination to achieve its public relations needs. The budget problems we face are serious enough without our making up new ones.●

● Mr. ROYBAL. Mr. Chairman, I would like to briefly discuss a matter of importance to the handicapped community in this country.

During deliberations on the continuing resolution last year, Congress raised the funding level for university affiliated facilities under the Developmental Disabilities Act to $7.5 million for fiscal year 1982. These facilities are particularly important to the developmentally disabled because they provide training for health professionals on new treatment methods in the field of mental retardation, provide screening and prevention services to State and local agencies and—most importantly—serve over 67,000 severely handicapped children every year. In fact, a large portion of these children are so severely handicapped that these centers are often the only facilities able to provide adequate care.

Despite our positive action to protect this vital service network for developmentally disabled children, Federal officials are moving in the opposite direction by attempting to defund several of these facilities in fiscal year 1982. If permitted, this move may eventually lead to the elimination of all Federal support for the program in the near future.

I am strongly opposed to this policy shift; it would impose severe hardship on handicapped young people currently being served by the program. Many of them would be sent to State mental institutions which are ill equipped to provide sufficient care and, ironically enough, State governments would be forced to spend large sums of money on services already being provided with far fewer Federal dollars.

It is important that Federal officials in the Office of Human Development Services meet their responsibility and carry out the clear intent of Congress in this matter by maintaining and not dismantling this critical service network.●

● Mr. MICHEL. Mr. Chairman, this urgent supplemental is necessary to the continued operation of several important programs and agencies, and thus we have little choice but to give it approval. However, I would be remiss if I did not express concern over both, some of the contents of the bill and the way it has been handled.

As a former member of the Appropriations Committee, I can understand that committee's concern over the action of both the Budget Committee and the Rules Committee in passing on the bill line item by line item, approving some and disapproving others. It is clear that waivers were granted not on the basis of what is urgent and what is not, but simply on the basis of whether an item was popular with individual members. There was no consistent pattern whatsoever. I do not like the business of providing waivers, period, but if we have to do so, this inconsistent piecemeal approach is certainly not the way to go about it.

Having said that, I also have to be critical of the Appropriations Committee for reporting out a bill that exceeds the budget by $1.3 billion. Everybody around here seems to be critical of high deficits, but when the time comes to do something about it, we see a continuation of the same old high-spending ways of the past.

The housing program is the biggest culprit in this bill. Not only did the committee turn down 99 percent of the proposed rescission, but it voted to spend another billion dollars beyond the original 1982 appropriation.

The section 8 housing program has been a boondoggle from day one.

Fair market rates for section 8 housing have exceeded the rents for comparable units in the private market by 26 percent. A project is being proposed for a small rural community just outside my district where they want to charge rents as high as $642 a month for a two-bedroom apartment. Private sector rents are nowhere near that high, and it simply represents a ripoff of the taxpayers to have the Federal Government subsidize rents of such magnitude.

Average Federal subsidies for rent under this program will be nearly $4,000 per family in 1983, and will range as high as $17,000. Subsidies paid to developers have risen at twice the rate of increase in construction costs.

Total future commitments under this program currently amount to a whopping $250 billion. You wonder why we cannot project a balanced budget down the road. That is one of the primary reasons. We make these large scale commitments now, with the bills coming due later; in essence, locking ourselves in. We simply cannot go on this way.

The bill includes $321 million more than requested for the guaranteed student loan program. I can understand why this additional amount may be necessary, but the committee could also have written into the bill the reforms sought by the administration, thus saving us this additional cost.

The cost of the program has risen about 600 percent in 5 years. The net default rate is running at 10 percent, and we are spending in excess of $300 million a year simply to pay off bad loans. Net default expenditures over the life of the program now amount to over $1.4 billion.

The administration has proposed some tightening up of this program and I think these recommendations have for the most part been getting a bum rap. Requiring that the needs test be applied to all families rather than just those over $30,000 in income makes eminent sense. There is no reason why graduate students should be getting a free ride from the taxpayers. Most of them are preparing themselves for high-paying professions, and they certainly ought to be responsible for paying the interest on their loans. The administration is not proposing that they be denied loans; only that they pay the interest. There is no reason why a factory worker or a janitor should have to pay such interest.

Instead of blanket rejection, we ought to be moving ahead with these proposed reforms, making refinements where necessary. We simply must limit the rapid growth of entitlements, and

there is no reason why we should have to wait for reconciliation before beginning this effort.●

● Mr. COUGHLIN. Mr. Chairman, I rise in strong support for H.R. 5922 which, among other things, will provide an urgent supplemental appropriation of $1.3 billion for the guaranteed student loan program and allocate $2.4 billion for the wastewater treatment construction grants program.

Guaranteed students loans, the largest federally funded student aid program, provide millions of Americans with the opportunity to pursue a higher education in these days of soaring tuition costs. College and graduate students are heavily dependent upon the guaranteed student loan program to help them obtain a quality education and I personally prefer this type of higher education assistance rather than outright grants.

This $1.3 billion fiscal year 1982 supplemental is urgently needed. Recognizing my committee's concerns and support for enabling the guaranteed student loan program to operate smoothly, the committee raised the administration's supplemental request by $322 million. This increase in funding should enable the guaranteed student loan program to proceed through the balance of fiscal year 1982 without having to fear sudden, abrupt changes in eligibility requirements or financial needs.

I would also like to comment on the $2.4 billion supplemental provided in H.R. 5922 for the wastewater treatment construction grants program. As with the guaranteed student loan program, this money is vitally needed and it is imperative that the House pass the legislation today.

According to the Association of State and Interstate Water Pollution Control Administrators, 30 States are completely without construction grants money. Absent an immediate appropriation, at least 10 more States will be without funds by the end of this year.

If the wastewater treatment construction grants program is allowed to go through the balance of fiscal year 1982 without a Federal appropriation, our Nation's efforts to clean up and protect our waters will be seriously eroded. People and businesses possessing valuable expertise in the treatment of our water supplies will, without the appropriation, be lost for many years to come. We cannot afford to let this happen.

The Congress now has the opportunity to reaffirm its historical support for our Nation's waters and for the program it formulated to clean up these waters. I hope this Chamber renews this commitment and adopts the $2.4 billion supplemental for the construction grants program.

● Ms. FIEDLER. Mr. Chairman, I would like to express my strong support for the Coast Guard appropriations that have been contained in the urgent supplemental appropriations bill. The widespread support that this measure received underscores its importance. The members of the Rules Committee recognized this importance in granting a waiver for this funding, an action that I, along with a number of my colleagues, recommended they take. The members of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries have also added the weight of their expertise behind this funding.

The situation is a simple but direct one. Without the funding contained in this bill, the Coast Guard will be forced to severely cut back on its operations. As a Californian, I am especially concerned that these cuts would have had a disproportionately heavy impact on my home State. But this is much more than a local issue. If we fail to fund the Coast Guard, the whole Nation will suffer.

The Coast Guard's financial crisis is the result of it being given more missions to accomplish without any corresponding increase in resources. The Coast Guard is much more than just another part of the Department of Transportation. It has an important national security role as one of our Armed Forces, becoming part of the Navy in time of war. Its law-enforcement duties have come to greater notice in recent years with the interdiction campaigns mounted against drugs and illegal aliens. The Coast Guard's most important role, however, remains what it always has been—the preservation of life and property at sea. I would like to state in the strongest possible terms that unless the funding contained in the urgent supplemental appropriations for the Coast Guard is passed, it will not be able to carry out these missions properly. This means that lives will be lost, property will be destroyed, smugglers will flourish, seas will go unpatrolled where otherwise they might not be—and this I think would be the falsest of false economies.

I would like to add my voice to those of my many colleagues who have stressed the importance of this measure. The Coast Guard is as important to the Nation as it is to my own southern California. It would be the height of irresponsibility to not pass this funding. The Coast Guard has rescued many Americans. It is now time for us to rescue the Coast Guard.●

● Mr. DE LUGO. Mr. Speaker, this body has before its consideration a measure of the highest priority to our Nation's well-being. H.R. 5922, the Urgent Supplemental Appropriations Act of 1982, will provide the funds necessary to continue such programs as the guaranteed student loans program, the operations of the Coast Guard, and the activities of the U.S. Customs Service. These governmantal functions and other provided for under this bill must not be allowed to lapse due to our inaction.

The guaranteed student loan program, which is the primary source of financial assistance for most college students, wil soon run out of money without a supplemental appropriation of $1.3 billion for the remainder of this fiscal year. This shortfall is the result of the continued high interest rates that all our citizens are suffering from.

The Coast Guard, whose search and rescue efforts are so central to the protection of life and property at sea, is provided with an additional $48 million for its operations. Earlier this year, the chairman of the House Merchant Marine and Fisheries Committee, WALTER JONES, and I introduced H.R. 5348, a bill to provide $136 million in supplemental appropriations for the Coast Guard. While the bill before us today only represents a small portion of the amount we believe to be necessry, it is a step in the right direction.

Finally, the Customs Service which is locked in a life and death strugle with organized crime over the importation of drugs, will receive $3.4 million for their efforts. This too, is far less than the sum requested by the administration to aid customs agents in this program, but the Appropriations Committee has expressed its willingness to consider makeing more moneys available.

I urge my colleagues to adopt this bill with all deliberate speed.●

Mr. WHITTEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Pursuant to House Resolution 461, it shall be in order to consider the following amendments: First, an amendment printed in the CONGRESSIONAL RECORD of May 11, 1982, by Representative BOLAND, if offered by Representatives BOLAND, AUCOIN, or PATTERSON; and second, an amendment printed in the CONGRESSIONAL RECORD of May 11, 1982, by and if offered by Representative LOWRY of Washington.

The Clerk will read.

The Clerk read as follows:

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General,

Department of Health and Human Services, for necessary expenses, $13,941,000.

AMENDMENT OFFERED BY MR. LOWRY OF WASHINGTON

Mr. LOWRY of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWRY of Washington: Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

The CHAIRMAN pro tempore. Is the Chair correct in assuming this is the amendment made in order by the rule?

Mr. LOWRY of Washington. That is correct, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. LOWRY of Washington. Mr. Chairman, the amendment is really straightforward, if the Members had a chance to listen to it.

On March 12 the Office of Refugee Resettlement published regulations that said as of the 1st of April refugee assistance and Cuban-Haitian entrance assistance would be cut from 36 months normal time that is in the Refugee Act and had been the normal time for cash and medical assistance to 18 months.

There were approximately 19 States which, because of their own State laws or regulations of notification requirements, could not stop that aid as of the 1st of April. The $23 million in this amendment is for reimbursement to those States who due to court order following their own State laws or their own State regulations went ahead with the refugee or entrance assistance.

I believe we have talked about this for quite some period of time. It is a vital amendment to carry forward on the Government policy of this country.

Mr. NATCHER. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. LOWRY of Washington. I am pleased to yield to the chairman of the subcommittee.

Mr. NATCHER. As I understand the gentleman's amendment, which provides a total of $23,340,000 for refugee cash and medical assistance, approximately $5 million of that money would go to the State of California and approximately $10.1 million would go to the State of Florida. The balance of the money would go to the 19 other States involved; is that correct?

Mr. LOWRY of Washington. The distinguished chairman is correct.

Mr. NATCHER. Let me ask the gentleman further, is it the gentleman's intention that these additional funds be made available only to those States which made a good-faith effort to implement the new regulations on time, but were unable to comply by April 1 because of court order, State law, or State regulation?

Mr. LOWRY of Washington. That is the intended effect of this amendment, Mr. Chairman.

Mr. NATCHER. I further would like to inquire of the gentleman, if his amendment is accepted, will States continue to be required to implement the new regulations as rapidly as the courts and States laws permit?

Mr. LOWRY of Washington. The chairman is correct. This amendment does not alter that status.

Mr. NATCHER. I would further like to inquire of the gentleman, under his amendment is it his intention that the amount of funds available for grants to States which are not authorized by the March 12 regulation be limited to the $23,340,000 in the gentleman's amendment?

Mr. LOWRY of Washington. That is the intention of this amendment, Mr. Chairman.

Mr. NATCHER. If the gentleman on my right, the ranking minority member of the full Committee on Appropriations, and the ranking minority member on the subcommittee, Mr. CONTE, has no objection to this amendment, we have no objection on this side.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am honored to yield.

Mr. CONTE. I thank the gentleman from Kentucky.

As I understand it, the gentleman's amendment would provide the following:

The amendment would add $23 million to refugee cash and medical assistance for fiscal 1982.

This amount is within the authorization level.

The funds would go to compensate 21 States for cash and medical benefits paid to refugees after April 1, 1982, when there was a change in the HHS regulations reducing the compensation period for certain benefits from 36 months to 18 months.

Courts in 21 States required the States to provide these certain benefits even though the HHS regulations phased them out.

These funds will cover essentially a 2-month period until the 21 States can change their systems to reflect the new regulations and cover their State court concerns.

The two States affected the most are California ($5 million) and Florida ($10 million).

Even given these circumstances it should be noted that refugees, while losing some "special benefits," will still be eligible for all benefits in cash, medical services, and welfare assistance that any citizen of the United States would be eligible.

We accept the amendment.

Mr. LOWRY of Washington. I thank the ranking minority member.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I want to warmly thank both gentlemen for offering this amendment, and especially to thank the chairman of the subcommittee, the gentleman from Kentucky (Mr. NATCHER), for his sensitive understanding and concern about these problems, and the ranking minority member (Mr. CONTE), also for his involvement and his awareness of the difficulties we have had in some of our States in regards to this refugee problem.

Again, I want to thank the gentleman from Washington for offering this amendment.

Mr. Chairman, I rise in strong support of this amendment. It is essential that we help the 19 States which were constrained by their own laws or administrative procedures or by court orders from implementing changes in refugee and entrant assistance programs on April 1, as mandated in the Federal regulations.

These constraints have meant that the States have had to continue to provide assistance for an additional 1 to 3 months. Unless we agree to this amendment and provide these funds, those 19 States will have to bear the full cost.

I need hardly remind the House the refugees and entrants are a Federal responsibility. Federal law provides for up to 3 years of federally funded assistance to refugees and entrants, to ease their transition into our society and permit them to develop the skills not only to survive, but to contribute and be productive. Despite this commitment, the administration decided to end benefits after 18 months, but only in those States such as Florida which do not have general assistance programs; the Federal Government will continue to provide funds for assistance to those refugees and entrants eligible for and receiving general assistance in those States which have such programs.

Florida already has absorbed over $150 million in documented, but unreimbursed costs of the Mariel boatlift, but Florida, and the other affected States, are trying to comply with the Federal revisions and to provide some support for refugees and entrants now left with no resources at all. One thing

they do not need is to present their taxpayers with the bill for benefits they must continue to provide, even though Federal reimbursement is no longer available.

In Florida, the State Administrative Procedures Act requires that revisions of programs such as the refugee and entrant benefits be published in the State's equivalent of the Federal Register for 41 days before they can be implemented. Even though the revisions were published at the earliest opportunity after the Federal regulations were finalized, the 41-day notice period did not expire until after benefit payments for April and May had been made. This will cost Florida taxpayers $10 million unless we pass this amendment. And my colleagues should remember that 18 other States are in similar situations.

Mr. Chairman, this is a terribly important and urgent amendment. I urge my colleagues to join me in supporting it.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida, who has been immensely helpful on this issue.

Mr. PEPPER. Mr. Chairman, I rise in support of this amendment which provides $23,340,000 to reimburse States which were unable to implement regulations published on March 12, 1982, by the Department of Health and Human Services.

I want to thank my distinguished colleague from Washington for offering this amendment and for all of his excellent work to bring this matter to the floor. I am also pleased that Chairman NATCHER of the Labor, Health, Education, and Welfare Appropriation's Subcommittee supports this amendment.

I want to thank in the warmest way the distinguished gentleman from Kentucky (Mr. NATCHER) and the distinguished gentleman from Massachusetts (Mr. CONTE) and especially the distinguished gentleman from Washington for offering this amendment.

On March 12, the Department of Health and Human Services published regulations which reduced the amount of time a refugee or entrant is eligible for cash and medical assistance from 36 to 18 months. This change was effective on April 1, 1982. Nineteen States were unable to implement the change due to court orders, State administrative requirements or other administrative problems. Published on March 12—effective on April 1. That is a total of 19 days to implement a far-reaching change in regulations.

In the State of Florida, a State administrative procedure provision required the State to give refugees and entrants 45 days notice of the cutoff of assistance. The State, in order to be in compliance with its own law, was forced to continue payments for these people until June 1, 1982 at a cost of approximately $5 million per month. Florida requests reimbursement from the Department of Health and Human Services and was told that there was no money available for that purpose.

Mr. Chairman, that is $5 million per month that the taxpayers of Florida were required to absorb.

The situation is similar in other States. Because of court orders or administrative constraints, 19 States—through no fault of their own—were unable to implement these changes. The Department of Health and Human Services, in effect, has told these States that they must shoulder the burden and pay the costs.

We should not penalize States for adhering to State administrative guidelines and requirements. We should not penalize States because court orders prevent them from implementing the changed regulations. We should recognize the extenuating circumstances surrounding these States' inability to implement the regulations and we should reimburse these States the costs of an acknowledged Federal responsibility.

Again, I want to express my sincere appreciation to my good colleague from Washington, Mr. LOWRY, for offering this amendment and for his perseverance in this matter. We all recognize his deep concern for refugees and entrants and I look forward to working with him again.

Mr. LOWRY of Washington. The gentleman from Florida, Mr. PEPPER, was extremely helpful in the Rules Committee and has been a great aid in bringing this matter to this point.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am pleased to yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I want to commend the gentleman in the well. He has done yeoman service and, of course, I understand the response today from the gentleman from Kentucky, Mr. NATCHER, has been positive, for which I am very grateful.

□ 1510

Indeed, in past colloquies on this issue on the floor, he and other members of the Appropriation Committee have given us assurances that when the need arose, they would be ready to in fact appropriate and to actively support fulfillment of the needs to the extent the authorization with regard to refugee assistance provided.

The CHAIRMAN. The time of the gentleman from Washington (Mr. LOWRY) has expired.

(On request of Mr. VENTO and by unanimous consent, Mr. LOWRY was allowed to proceed for 5 additional minutes.)

Mr. VENTO. If the gentleman will yield further, I think that the specter of what we saw occurring across this Nation, in terms of the desperation by the States, especially in the present economic circumstance, gives rise to a great deal of concern on the part of a variety of States, some of whom have different and varying welfare and assistance programs. The quick action, fortunately, by my good friend and colleague, the gentleman from Washington, and the response, the positive response by the Appropriations Committee, of course, will make it possible to avoid that. We only hope that the administration and the Senate will be as positive in terms of their response to these much needed dollars. There are 25,000 refugees in Minnesota. Obviously, I know Florida's problems are severe, but we do not want to compound those in Minnesota by virtue of the Florida problem. So we hope that we can meet this need in a rational way. I think the gentleman offers us that solution today, for which we are all very appreciative. Mr. Chairman, in the past, the Federal Government has recognized the national scope and the Federal commitment to our refugee aid programs.

The historical responsibility for assisting in the resettlement of these refugees has not been solely a State or local issue. The Federal Government has been forthcoming with the needed financial aid to allow for the resettlement of our former allies of Southeast Asia who have been forced out of their homelands. This policy has been fair. The Federal aid has met many of the real needs of the refugees without penalizing local communities by making them assume the full costs. Unfortunately, under the redirection in Federal spending by the current administration, the Federal commitment to our refugees has come under question. Rather than responding to the needs of those victims of repressive governments who have sought shelter in our country, the administration has attempted to wash its hands of all responsibility for their plight. This change in policy is unfair. It is unfair to the refugees. It is unfair to State and local governments. And it is most unfair to the local property taxpayers who, after opening their hearts and homes to these refugees, are now expected to assume the full burden of the costs.

Currently there are over 25,000 refugees living in Minnesota. Of that total, nearly 12,000 refugees live in Ramsey County. Mr. Chairman, the people of Minnesota did not determine the criteria which allowed the refugees to enter our country but we did recognize that we had a responsibility to our friends and were willing to do our fair share. We felt that refugee resettlement was a national issue and that we

all had a responsibility to insure that our new citizens would be able to meet the physical and mental demands of acclimating themselves to a new society. The Federal-State-local partnership has been working. The new citizens of Ramsey County and Minnesota have been hard working citizens. But they still face serious difficulties stemming both from physical and adjustment problems. Yet at this critical time, the administration has sought to shift the full burden of refugee resettlement to the local community and local taxpayer. The reduction in the eligibility period for refugees from 36 to 18 months does not recognize the transitional problems which refugees face. What this policy change does do, however, is to virtually half the Federal commitment and to shift this cost to local taxpayers.

Mr. Chairman, the Federal Government cannot lose sight of the national scope of our refugee program. We, as a nation, must resolve this problem together.

It is unfair to dump this issue onto the States as the President proposes. The consequences of such a policy are already being felt. The State of Florida, rightly or wrongly, is advising many of its refugees to move to States such as Minnesota, New York, and Wyoming, because their programs are better. This reverse bidding war, in which a State seeks to encourage refugees to move to better welfare States, is counterproductive. It does not best serve the refugee nor the local community. The only way to address the refugee issue is through a return to the Federal commitment to aiding our refugees. The Lowry amendment properly responds to this problem in a national context. The increase in funding is a response to urgent needs and basic fairness. It does not dump a national issue onto local taxpayers and does provide essential transition services for our refugees. I urge my colleagues to support this measure.

Mr. LOWRY of Washington. I thank the gentleman from Minnesota for his continuing work.

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

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding, and I want to commend him for his foresight. We have discussed this amendment on several occasions, and the gentleman had, I think, the right amendment in the right place at the right time. His persistence in pressing for this basic human need, when not many refugees really vote—at least, that I know of—I think, frankly, that the gentleman ought to be commended for pursuing an urgency, and all of us are proud of the gentleman for having offered the amendment.

Mr. LOWRY of Washington. I thank the gentleman from California for his concern.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I also want to echo what the gentleman from California has said. I know of the gentleman's hard work on this issue. It is an issue that really does not affect the gentleman particularly in his district, but some of us have had occasion to see some of the refugee camps, like the Haitian camp that the gentleman from New York (Mr. GARCIA) and I saw in Puerto Rico. While this does not directly affect those circumstances, it does affect the area of our country's dealing with what is a very complex problem, and it shows that we are not going to discriminate in terms of who we care about either because of their race or color. So I think what it does, really, is show that we still have a heart when it comes to this area. After all, we are indeed a nation of refugees in terms of our own background. I want to commend the gentleman.

Mr. LOWRY of Washington. I thank the gentlewoman for her comments.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I wish to commend the gentleman in the well for bringing this amendment to the floor. It is definitely true that both the State of Florida and the State of California are in need of this money. But we must also not forget the fact that there are 17 other States that are involved. This is going to help the entire program, and it is primarily for that reason that I commend the gentleman for making this opportunity available to us to include in this legislation this most vital amendment that he has presented this afternoon.

Mr. LOWRY of Washington. I thank the gentleman for his continuing work.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to commend my colleague, the gentleman from Washington, for his leadership on this issue. I know for a fact that he left here yesterday after the housing bill and had to fly to the State and flew back on the "Red Eye Special" to be here to offer his amendment. That shows a certain level of commitment that he and I both understand. Our State desperately needs this assistance.

My colleague has proposed this amendment. It is a good amendment. I have had a chance not only to visit those refugee camps, but to meet with many of the refugees who will be affected in our State, and I must say that I am deeply concerned by the Reagan policy of reducing from 36 months to 18 months the assistance for those people. It is going to mean that certain States will be providing 18 months of assistance and other States will be providing 36 months of assistance, and this is going to cause chaos in our country.

The gentleman from Washington has done a good job. I urge our colleagues to support him.

I want to thank the chairman of the HEW Subcommittee, the gentleman from Kentucky (Mr. NATCHER), and the gentleman from Massachusetts (Mr. CONTE), for their cooperation on this subject. But the gentleman from Washington (Mr. LOWRY) has really provided the leadership, and he deserves to be commended.

Mr. LOWRY of Washington. I thank the gentleman for his continuing concern.

Mr. Chairman, I would again like to thank the chairman of the subcommittee and the ranking minority member of the subcommittee who has again stepped forward with compassion on a very important issue for the people of this country.

I ask approval of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. LOWRY).

The amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $1,000,000,000, notwithstanding section 333(a)(1) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 7, after line 18, insert the following:

HOUSING PRODUCTION ASSISTANCE PAYMENTS

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of

credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligaged to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of subparagraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of subparagraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted under this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under subparagraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this subparagraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN pro tempore. The Chair will inquire of the gentleman if this is the amendment made in order by the rule.

Mr. BOLAND. It is, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. BOLAND. Mr. Chairman, yesterday the House passed by an overwhelming majority vote of 349 to 55 an authorization to provide $1 billion for a new housing program. Today this amendment that is being offered provides the appropriations to support yesterday's House action.

In offering this amendment I want to first pay special tribute to the chairman of the Banking, Finance and Urban Affairs Committee, FERNAND ST GERMAIN of Rhode Island, to HENRY GONZALEZ on that committee, and to CHALMERS WYLIE, and STEWART MCKINNEY who have distinguished positions on the minority on that particular committee. May I also add my congratulations and praise to LES AUCOIN, JERRY PATTERSON, TOM CORCORAN and TOM EVANS for the manner in which they have led the fight to provide for this money which is so important to revitalize the housing industry. Without their efforts it is clear we could not have brought this program to fruition.

Mr. Chairman, much was said yesterday about the need for this program. I do not want to repeat it, but I think it is important that we recognize how vital the housing industry is to this country. It is a very basic industry. It employs hundreds of thousands of people directly and literally millions of people indirectly in associated appliance, lumber, plastics, concrete, and a myriad of other industries.

Mr. Chairman, this industry, this basic American industry, is in as bad shape as we have seen in decades. This is not a bailout bill. It is not a lousy bill, as some here have described it. This bill is a modest effort that will create 140,000 new jobs in housing and related industries and will increase Federal, State, and local tax revenues by $1.2 billion.

This program is an example, a prime example, of the Congress responding to what I think everyone here would agree is an emergency. We are going to provide, through this $1 billion, mortgage assistance for purchases of new single family homes, manufactured homes, condominiums, or cooperative units. Up to 74,000 homebuyers will be assisted.

I know that anyone here can stand up and point to some shortcomings in this bill. It is not a perfect bill. But in my 29 years here, rarely have I seen a perfect bill.

□ 1520

What I think we have done here is to come up with a relatively modest stimulus that could help get an industry—which is vital to the economy of this country—rolling again. We could have thought of other ways of doing it—we could have used different variations of different proposals that have been proposed both in this body and in the other body. But the point is that when you look at all these individual attempts to get something done now for the housing industry, there is not that much difference in them. Basically, they are all interest-subsidy programs to stimulate housing construction.

H.R. 6294, in my view, is as good as any of the other proposals I have seen. I think that fact was very clearly displayed in the vote yesterday on the authorization for this bill.

Mr. Chairman, it is very rare that we have an opportunity to provide the appropriation for a program in as timely a fashion as we can in this case. We are acting here today on the urgent supplemental appropriation bill. The nature of this amendment and the nature of this program are clearly urgent. If you do not believe that, go back this weekend to your districts and look at the unsold houses, talk to the homebuilders in your towns, and I am sure you will come back with the very clear impression that we have to do something to stimulate the housing industry in this country.

If we pass this amendment this program can be underway within 6 to 8 weeks. Let us get on with what we know needs to be done. I urge adoption of the amendment.

Mr. AUCOIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment before us and I want to say at the outset of my remarks how much I appreciate the cooperation and the assistance of the gentleman who offered this amendment, the gentleman from Massachusetts (Mr. BOLAND).

I also join in the praise of the chairman of the House Banking Committee, the gentleman from Rhode Island (Mr. ST GERMAIN); the gentleman from Texas (Mr. GONZALEZ), the Housing Subcommittee chairman; the chairman of the full Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN), on whose shoulders have rested a great many problems in bringing this bill to the floor.

I want to also say that the understanding and the sensitivity of the chairman of the Rules Committee the gentleman from Missouri (Mr. BOLLING) is noticed and appreciated by all who care about housing because of the opportunity he has afforded us to bring this matter to the floor. Finally, I want to say to my colleagues how much I appreciate the diligence, the hard work and the competence of the gentleman from California (Mr. PATTERSON), my colleague of 6 years on the Housing Subcommittee, with whom I worked on this proposal.

Most of the issues were debated yesterday when the membership voted by an overwhelming margin to provide assistance to the housing industry.

We are witnessing the virtual collapse of the housing industry and related industries. We are watching the virtual extermination of jobs in that industry through no fault of men and women who have worked their lifetimes in building businesses that create homes and through no fault of workers who now find themselves in the unemployment lines.

American families have never asserted many basic economic claims. I can think of basically three. One of those claims is for a decent education for their children.

Second, they claim as their right a secure retirement. Third, they assert a right and a claim to homeownership. They want a chance to own their own home.

And around each of these claims have developed jobs, opportunities for profits.

That justified aspiration to homeownership has created an industry which has stimulated this country out of every recession since World War II.

That is why we are here today. To try to provide assistance to keep at least a faint heartbeat alive within the housing industry. So that when general economic recovery occurs there will be an infrastructure within that industry to respond to the legitimate homeownership aspirations of the American people.

The crisis we face in homeownership in housing is threefold. First, it is jobs. The unemployment rate in the construction industry is nearly 20 percent. In the Great Depression unemployment reached approximately 24 percent. I do not have to draw a picture for any of my colleagues to explain we are dealing with a depression here.

Shelter is another crisis in America. 9 out of 10 potential home buyers in America cannot afford homeowner-

ship with interest rates at levels they have been at over the last several years.

Third, there is a crisis that seldom is discussed when we discuss homeownership. I refer to a personal economic crisis for average people.

Housing's collapse is a widespread financial crisis because housing is, and has been since World War II, the leverage that has created unparalleled wealth for middle American families and lower middle American families.

The wealth that middle American familes have built in the last four decades has not been achieved with passbook savings accounts. It has not been achieved in the stock market.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. And Mr. Chairman, the financial assets of average families have not been increased from investments in steel mills and such. Rather, it has been homeownership. Homeownership has made capitalists out of the American middle class. And if we dare let homeownership die, we will be playing with fire.

Someone has said that this proposal is "business as usual." I want to say that it is not business as usual. The crisis in homeownership and in the housing industry is unusual—the greatest crisis since the time of the Great Depression. This is damage control. Damage control designed to keep some semblance of this industry alive.

This bill pays for itself by the revenue generated by the jobs that this bill creates and, more than that, the subsidy involved is recaptured when the home that is constructed by virtue of this program is sold.

No matter how you look at it, this program is a winner. A winner for the Treasury, a winner for the country, a winner for the economy, and a winner for those people today who are without jobs, who are without hope because they are seeing their businesses that they have built over a lifetime being destroyed.

I urge my colleagues to support the Boland amendment.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from California, who has made such an enormous contribution.

Mr. PATTERSON. I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has again expired.

(At the request of Mr. Patterson and by unanimous consent, Mr. AuCoin was allowed to proceed for 5 additional minutes.)

Mr. PATTERSON. Mr. Chairman, it has been truly a pleasure to work with the gentleman from Oregon, a member of the Appropriations Committee, in regard to putting together a housing stimulus bill that means jobs, that means business will be working, that means that the American economy can get moving again.

It has also been a pleasure to work with the leadership on making this a reality.

It was just 57 days ago that this bill was introduced by myself and the gentleman in the well. Yesterday, the authorizing legislation was enacted by a 7 to 1 vote, and today we will appropriate by adoption of this amendment to the urgent supplemental appropriation the funds for a $1 billion housing stimulus bill.

I rise obviously in support of the Boland-AuCoin-Patterson amendment.

□ 1530

This amendment will allow the Federal Government to make one of the most sound investments possible—an investment in its own people, in its families who want to own a piece of the American dream, in its industrial structure of homebuilders and home suppliers, in its housing construction labor force, and it is an investment to revitalize our Nation's sagging economy.

Mr. Chairman, today for the first time in nearly 2 years we have before us an amendment which addresses a number of problems that have been eating away at our Nation for quite some time now: First, the unaffordability of homeownership; second, the depression in the housing industry, including high rates of bankruptcies of the businesses; third, unacceptably high rates of unemployment in the construction industry labor force; and fourth, the dismal state of our Nation's economy.

First, the question of unaffordability. The demographics of the postwar baby boom indicate that demand for housing should be very strong, but unfortunately that demand cannot and will not be met until interest rates come down. Until interest rates come down to a more affordable level, most of our citizens will continue to find the dream of homeownership beyond their financial reach. We cannot let this fundamental American dream continue to deteriorate into the nightmare it has become, for this dream of homeownership is too vital of a thread in the fabric of our American way of life to let the current trends continue. The Congress must take action now.

In making homes affordable, we also attack the second and third problems I have mentioned: The depression in the housing industry. As we have all been made plainly aware, the housing industry is in its worst recession since World War II. Now in its 40th month of recession, the construction industry has been plagued by a more than 50-percent increase in business failures. The unemployment rate within the building trades is nearly 20 percent. This downward trend has a ripple effect throughout our economy, affecting not only builders, construction workers, realtors, but also affecting the suppliers of the more than 3,000 goods and services that go into the creation of every new home. This industrial framework is essential to the health of our Nation's economy; it is a framework too vital to let the current trend of deterioration continue.

This brings us to the fourth problem that the amendment addresses: The economy. The housing industry is uniquely able to affect the course of our overall economy. By reviving, or at least preventing further deterioration of the housing industry we can put the economy back on its feet and onto the path toward recovery. It is estimated that the program provided for in this amendment will return to the Federal Treasury an estimated $950 million in tax revenues because of the multiplicity of economic activity generated by the stimulus program—not a bad return on our investment.

I want to make clear also, that in addition to this tax revenue return on our investment, the full amount of the assistance—up to a limit of 50 percent of net appreciation—is repaid to the Treasury when each home under this program is sold or in the event that the home is rented for a period in excess of 12 months. This recapture provision further adds to the sound quality of this investment.

Mr. Chairman, I urge my colleagues to vote yes on the Boland-AuCoin-Patterson amendment to allow us to make this investment now, as is necessary, in order to provide this much needed emergency program in time for this summer's building season.

As I said yesterday, this program has the endorsement of industry: The National Association of Homebuilders, the National Association of Brick Distributors, the Hardwood Plywood Manufacturers Association, the National Forest Products Association, the National Concrete Masonry Association, the National Home Furnishing Association, and many, many more.

In addition, it has the support of labor. Specifically, the Building and Construction Trades Department of the AFL-CIO supports the program and the necessary appropriation.

In eight recessions since World War II, the first industry that started recovery in each and every instance has been the housing industry, followed by the auto industry, followed by agriculture and other areas.

The housing industry cannot recover unless interest rates come down. If we cannot bring interest rates down, the subsidy will meet that need and by

doing so will get the economy moving again.

I thank the gentleman from Oregon very much for yielding to me and for giving me the opportunity to address this very, very vital and important amendment that we have worked together on for the past several months. The amendment represents a sound investment in our Nation's people, it is industries, and our national economy. I urge a "yes" vote on the Boland-AuCoin-Patterson amendment.

Mr. AUCOIN. Well, I appreciate the gentleman's contribution.

I want to tell my colleagues that this amendment, the Boland amendment, means 75,000 new housing starts in this construction season, starts that would not be constructed otherwise. It means 140,000 new jobs and it means about 1 billion board feet of lumber, jobs across the board.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I want to commend my colleagues, the gentleman from Oregon (Mr. AUCOIN), the gentleman from California, (Mr. PATTERSON), and the gentleman from Massachusetts (Mr. BOLAND), and the leadership on the Appropriations Committee and the gentleman from Rhode Island (Mr. ST GERMAIN) for all the leadership that has been provided on this important housing bill.

Yesterday's vote, I think, speaks for itself. By a margin of nearly 7 to 1, the House of Representatives voted for a housing stimulus bill as a way to hopefully bottom out this recession and start the economic recovery that we all hope for.

For some of my colleagues, I know there was concern about whether this was a spending bill. Well, what better way to spend the taxpayers' money but on creating jobs and economic opportunities for our people.

I just want to remind my colleagues of the old rule. Every time unemployment is reduced by 1 percent, the Federal Treasury picks up $25 billion in revenues and we save $5 billion in expenditures. If we could just get the unemployment rate from 9.4 percent down to 6 percent, which is still too high, we would reduce the Federal deficit by over $100 billion. So part of the attack on our big deficits is putting the American people back to work.

I might also say that this housing bill comes in the context of a revised budget. Both the House Budget Committee and the Budget Committee in the other body recognize that deficits must be reduced, that we cannot accept a $182 billion deficit as proposed in the President's budget, that we must have a much lower deficit in order for interest rates to come down, and to avoid the so-called crowding out effect; part of that result is going to come from reducing tax breaks and making spending cuts. It is going to come from employment and economic opportunity.

I was particularly pleased that Chairman WHITTEN today in his remarks pointed out the importance of an ongoing strong economy. This is the best way to keep the Federal budget under control.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. WALKER. Would the gentleman agree with me then that the closer that we can begin to move this whole process toward a balanced budget, the more likely we are to have an impact on interest rates and, therefore, getting the economy straightened out will really be in the long-term interest of the housing industry. Would the gentleman agree with that?

Mr. DICKS. Well, I would absolutely agree with that, but I want to point out to the gentleman that a do-nothing economic policy, that does not realize or deal with the problem of unemployment, that does not put people back to work so they can start paying taxes, that does not save the homebuilder so he can start paying taxes, that kind of an economic policy will make the deficit worse. The Congress is trying to deal with the budgetary problems, by reducing the deficit, but in the context of that reduced deficit, I think we can afford to invest something in homebuilding as a countercyclical device to stimulate the economy.

This is good old-fashioned economics that has worked in the past. We have been down this road before. We have used these kinds of approaches before. This is not a new economic religion that was created mysterially out in southern California.

Mr. WALKER. Well, if the gentleman will yield further, I just want to make clear, though, the gentleman does agree that one of the best things we can do for the housing industry in order to get interest rates down is to begin to reduce these huge deficits and get as close to a balanced budget as possible.

Mr. DICKS. Yes; I think there is a bipartisan consensus in Congress that there are two things we need to do for housing. One is to bring down interest rates and the other is to pass this stimulus bill.

I think it is a dual track approach that will produce the kind of result we need.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the distinguished gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

As a cosponsor of the original legislation, I commend the gentleman from Massachusetts for accepting this amendment and bringing it forth today in such an expeditious manner.

New York has experienced not 9-percent unemployment, but as much as 34- and 35-percent unemployment in minority areas and the building trades is one of the most important trades in the State of New York and this stimulus, I believe, will make many of those who are now tax users, taxpayers and a great aid to those who are seeking their own homes as we also help the construction industry.

Mr. DICKS. Well, the gentleman from New York, of course, is absolutely correct. The building trades I am sure will be delighted with this legislation.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in warm support of this amendment. I hope it is going to be the forerunner of many amendments of a similar positive character.

I think the time has come for the Congress to begin to do something to meet the challenges of the declining economy that we confront in this country today.

The administration, I regret to say, has offered us only two things, tax cuts and social program cuts.

□ 1540

The Budget Office of this Congress has advised us and the public that the effect of the tax cuts was that 85 percent went to people making over $20,000 a year in income. But two-thirds of the cuts fell upon people making less than $20,000 a year.

Now, with all respect, we have waited now a year and a half almost for that program to bring this country out of the slough of recession, threatened even with a depression, and to get back on the high road to economic recovery, and the situation is steadily getting worse.

The last figures on unemployment were that we had over 10,300,000 people unemployed in this country. What is that costing this country—not to speak of the spiritual cost?

The distinguished chairman of the Appropriations Committee, the gentleman from Mississippi, Mr. WHITTEN, this morning told this House that in the last year we have spent $24 billion on unemployment compensation. Is there a building anywhere to show for it? Is there a waterway anywhere to show for it? Is there a highway? Is there any public improvement? Is there any public contribution reflected in that expenditure of $24 billion? I do not know of any.

And here by this amendment we are going to get some housing for a billion dollars. We are going to help some young couples have a home. That is

meaningful, not only materially but spiritually, to this country.

I hope we are going to start providing more affirmative relief of that character to meet the challenge of this problem.

I thought it was an illusion that we were following in the first place to depend upon tax cuts as they were given to give such buoyancy to this economy that prosperity would spring like Minerva from the brow of Jove for the Nation.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I think the gentleman makes a very strong point about unemployment in this country, and I certainly want to congratulate him for speaking out as strongly as he did against unemployment.

Is the gentleman aware, however, that the effective income of poverty-level families has risen by $2,600 since 1980? Does the gentleman regard that as something which he would not be in favor of?

Mr. PEPPER. The main thing I am concerned about is the degree to which unemployment has risen and the degree to which housing is stagnating and the degree to which bankruptcy has increased and the degree to which mortgage foreclosures have increased. Those are the things that really matter.

If the gentleman will excuse me, I have such little time left.

Mr. Chairman, may I just conclude that, again, I want to commend an affirmative approach to the economic problems that we have, without waiting supinely to be helped by something that has already proven to be a groundless hope.

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just wanted to say I began by agreeing with the gentleman that the unemployment situation in this country is absolutely horrendous; it is abominable. There is no doubt that we have to do what we can to begin bringing down unemployment.

But the point I was making was, the gentleman seemed to indicate that he thought there had been a number of failures, and I just wanted to find out whether or not the gentleman was aware that the effective income of proverty-level families has risen by $2,600 and that the effective income of the average working family has risen by $3,300 since 1980, which is something I would think that the gentleman would want to acknowledge as being a positive direction in the economy as well.

Mr. PEPPER. I do not know what the authority is that the gentleman suggests, but I cannot understand, with increasing unemployment, how you can say there has been any real income increase on the part of the people of this country, when everything has grown worse, not better.●

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On request of Mr. WALKER and by unanimous consent, Mr. PEPPER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. And of course, Mr. Chairman, we understand, and I think the gentleman would acknowledge, that three out of four of those people who are in the unemployment lines today were there as a result of the policies of his administration and his Congress; that indeed there has been some increase in the unemployment, but three out of four of the people were there when this administration took over.

Mr. PEPPER. This administration has twisted the facts and the figures, sometimes to distort the facts. But the fact is that since last summer—and by the way, it was your program that started the recession last summer—at least they were contemporaneous in occurrence.

Mr. WALKER. If the gentleman would yield——

Mr. PEPPER. No. Just a moment. What I am saying is that 2.2 percent of unemployment has occurred since last summer, and the gentleman's administration has been in power all that time.

Mr. WALKER. If the gentleman would yield further, I am a little confused by his logic there. The program that began last summer did not go into effect until October. Now, I do not understand. The gentleman admitted the recession began last summer. How is it that if it did not take place until October that it can be blamed for that period beginning in the summer?

Mr. PEPPER. I will tell you why. The business community of this country had sense enough to see that if $750 billion was going to be given away in the next 5 years in tax reduction to the well-to-do and defense expenditures were to be increased to a trillion and a third dollars, in 5 years there had to be big deficits and, therefore, they lost confidence in our situation.

Mr. WALKER. If the gentleman would yield further, I think the gentleman has not understood the point that this gentleman was making, and that is, there has been a rapid decline in inflation as a result of this administration's policies.

Mr. PEPPER. Yes, and what did this administration's Secretary of the Treasury within a week say was the cause of that decline in inflation? He said it was the recession, not your program.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Massachusetts (Mr. BOLAND).

I am also very pleased that the urgent supplemental appropriations bill for 1982 has reached the floor of the House. I am especially pleased that the urgent supplemental appropriations bill includes an opportunity to assist an industry, a segment of our country that needs assistance very badly.

The housing industry has led us out of recession seven times since the Second World War, and it can do it again, but it needs some assistance.

My colleagues, this is the only opportunity that I can see that any of us will have to assist the housing industry, and that means assisting homebuilders and home buyers who want to achieve the American dream, and realtors and tens of thousands of craftsmen who want to go back to work. It is an opportunity to bring about economic recovery.

I think we should vote for this initiative today. I really believe that it is time to stop blaming one another for the problems that we have. They are American problems. And I think that we need to address this problem, not just because Republicans or Democrats need it, but because the American people deserve it.

□ 1550

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I appreciate the gentleman yielding.

I think all the Members of the House on the floor ought to recognize the contribution the gentleman in the well has made to getting us to the point where we are today. I want to say, as a Member who served with the gentleman for 6 years on the Housing Subcommittee, that I applaud the statesmanship he has shown in the last 24 hours.

Each of us, when we back proposals, get intensely involved in them, and we care very much about them. It is awfully easy as we get embroiled in these things, human beings that we are, to begin to forget, as I think each of us has seen, forget what the objective is as we pursue our own method of achieving that objective.

This gentleman in the well is not guilty of that. He wants to do something for housing. He had an alternative bill. He supports this alternative, and I think that is statesmanship. I think he has made a contribution, and

I want to take this time to tell him so, and to tell his colleagues so.

Mr. EVANS of Delaware. I appreciate very much the gentleman's comments. I also appreciate his leadership, his support, and his friendship very much.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding. I also want to congratulate the gentleman for his leadership in beginning to get this House moving in the housing area.

I would also want to say, with the gentleman's indulgence, that I am always sorry when we get engaged in a debate, when the debate gets a little bit hot, some people pick up and leave during the course of the debate, because the point I wanted to make to the gentleman from Florida was very clear. It was the policies of the Carter administration and the Democratic Congress that brought on 75 percent of the unemployment problem we have today, and that problem was rising when this administration took over. The problem of spending and deficits was rising substantially when this administration took over, and it has caused huge deficits, and those same deficits have led the business community to have a lack of confidence in what this Congress does.

Anytime we add to that spending, the business community is going to react in a way that assures interest rates are going to continue to be a problem. The gentleman certainly recognizes this, he has spoken out many times, and I thank him for yielding.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. Certainly, I yield.

Mr. DICKS. Mr. Chairman, I certainly want to join my colleague from Oregon in commending the gentleman in the well, the gentleman from Delaware, for his activity in this important area. This is a housing stimulus bill. The gentleman had a proposal, and it was a stimulus bill in another way. I think it stimulated a lot of interest in the entire House on the subject of housing.

Mr. EVANS of Delaware. We focused a bit of attention on the problem.

Mr. DICKS. Yes, the gentleman did, and I think a major reason why we are here today is because of the work of the gentleman in the well, and I am glad it has produced a result that will help our country, I commend him for his work and for his leadership.

Mr. EVANS of Delaware. I thank my friend from Washington for those very kind words.

Mr. NELLIGAN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Chairman, I, too, would like to compliment the gentleman in the well for his efforts to revitalize the housing industry, and would like to associate myself with the remarks of the gentleman in the well in support of this amendment.

Mr. Chairman, I rise to salute those Members who joined with me on May 11 to help pass the Single-Family Housing Production Act of 1982. As we all know, the housing industry has fallen on hard times, with unemployment in some of the trades as high as 20 percent. While the legislation is not a panacea for all the problems confronting the housing industry, it will provide some temporary relief for homebuilders across our great country, including those in northeastern Pennsylvania, whom I am privileged to represent.

As you know, provisions of the bill, H.R. 6294, would authorize $1 billion in new Federal aid for a mortgage subsidy program which would enable qualified middle-income home buyers to obtain mortgages up to 6 percent lower than prevailing rates. Once enacted, this program could lead to construction of up to 75,000 new single-family housing units in 1982. Construction of these units could generate up to 140,000 new jobs in the troubled housing construction industry, and generate up to $1.2 billion in additional Federal, State, and local tax revenues.

The bill contains safeguards against abuse of the mortgage subsidy program by speculators. It would require participants to reimburse the Federal Treasury for the cost of subsidies in the event they sell or rent their homes.

Mr. Chairman, the housing industry is uniquely able to affect our national economy because of its multiplier effect on scores of other industries. That is why the mortgage subsidy program contained in H.R. 6294 is an important part of the economic recovery program which we are working to implement. The legislation is also important in another sense. It will help restore housing as a national priority, and it will revitalize the dream of homeownership for thousands of families who have been priced out of the market by high interest rates.

H.R. 6294 is, in its essential concept, similar to legislation introduced in the Senate by Senator LUGAR. That bill, S. 2226, has already been reported by the Senate Banking Committee. It is my sincere hope that differences between the House and Senate legislation can be worked out expeditiously, so that a final version can be enacted in time to aid construction during the peak summer season. I pledge my efforts to support such a course of action, and I urge my colleagues in the House to join with me.

Mr. EVANS of Delaware. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hate to jump in on what appears to be a legislative love feast here about why this program absolutely has to go forward, but I think I must. I seem to hear that we are somehow going to deal with our budget problems by getting rid of the bad programs, that is, those programs we consciously created on the floor with bad intentions.

I suggest we have never created a program that has added to the deficit because of bad intentions, but in fact because of good intentions. Every time we have created a program, and authorized and appropriated its dollars, we have done it because we thought we were doing something good for our constituents and for America. Unfortunately, when we take the total together, we realize that we have promised more than we can pay.

A minute ago the gentleman from Florida said we had $24 billion that we are spending because of unemployment costs. That it does not help one student go to school or does not help pay to treat one medical problem for one of our constituents, is absolutely true. But, how about the effects of $118 billion, which is approximately what we are paying this year on interest on the national debt? The answer is, of course, obvious. Yet, what are we about to do here? We are about to embark on a program that is going to cost a billion dollars. I have yet to find, in fact, I have looked in vain for the companion bill that shows us the tax that is going to pay for this. I would like to see the Members get up and show us the specific tax they are going to levy on their constituents to pay for the program so that we can subsidize them to make purchases on housing back home.

I believe the gentleman from Delaware and the gentleman from Illinois were doing us a service when they said, if we are going to take a billion dollars to help stimulate the housing industry, let us take it out of a program that is not doing very well.

I, along with others in this body, have been accused of voting for the oil interests. Here I would love to vote against the oil interests. The Synthetic Fuels Corporation is subsidizing some corporations that have some of the greatest profits of any corporation we have in America. Yet we are afraid to deal with that here. Somehow, we say we better protect these special interests so that they may get subsidized loans and subsidized projects of synthetic fuels that may or may not be

purchased by the consumer. In fact the reason we find we need to subsidize these interests is that the consumers have made a judgment that they do not want to purchase those products at present market levels. Evidently, we would rather do that and protect those so-called special interests than protect the interests of our constituents, the taxpayers back home.

I think sometime we had better deal with this basic problem here. We promised and promised; we have overpromised and overpromised. That is why we are in the difficulty we have today. How, by adding to the deficit we are going to improve market conditions for the housing industry, I do not know. I would like to get someone to tell me how.

We heard criticism a moment ago of the administration's program that, "all they have given us is cuts—cuts in spending, cuts in taxes."

Will someone cite me an economist who suggests what we need is a tax increase in the midst of a recession to improve our national economic position? I challenge you, someone come up here and show me an economist who suggests that what we have to do is increase taxes in a recession in order to help us as a country. I challenge you to show me someone who says that adding to the deficit is going to help us in our short- and long-term economic problems and especially our long-term problems with the housing industry.

Who are we fooling? We are fooling ourselves when we go home and say that we have given a shot to the housing industry when in fact all we have done is add to the deficit and add to the taxes to our people back home. How many of us are going home today and saying, "Yes, I consciously voted for an increase in taxes or I consciously voted for an increase in the deficit because that is the way to help you, particularly as we find ourselves in a recession?"

Someone asked a minute ago, what are we going to do about jobs? The best thing we could do about jobs is accelerate the tax cut that we voted into partial effect some time ago. Most economists suggest that if we had not waited to impose the tax cut we voted last year, the recession would not be as deep or as long as it is now. Yet here we are going in exactly the opposite direction.

This amendment is a symptom of the disease we have had in this Congress for far too long. With all good intentions, and I grant that, to the author of the amendment, and those who have spoken on behalf of it, we have presented another program that is going to cost either more in taxation or more in the deficit. How that is going to help long-term interest rates, I do not know.

Unfortunately, it is a shell game. We do not deal with the fundamental economic difficulties here. We say, "yes, there are fundamental problems, but we are going to merely shift the problems from one area of the economy to the other." With this amendment, we are going to help those people who want to buy new homes. But we are not going to help the other taxpayers, including those who own or wish to own homes that are not new.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to my colleague from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding, and I know that his speech has been delivered on the floor before, but I think that had he been listening——

Mr. LUNGREN. There is some wisdom in consistency, I suggest.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

(At the request of Mr. PATTERSON and by unanimous consent, Mr. LUNGREN was allowed to proceed for 1 additional minute.)

Mr. PATTERSON. I would point out to the gentleman that this is a program that returns to the U.S. Treasury more than it costs the Treasury. That is verifiable. I would point out to the gentleman that it will stimulate the housing industry, and it is better to stimulate than to watch them go bankrupt, as 50 percent of the homebuilders are, and with 20 percent unemployment in the building trades.

Mr. LUNGREN. I would suggest to the gentleman that we have heard comments on the floor time and time again, program after program, that the return to the Government is going to be far greater. If that were true, that is not how you build up a trillion-dollar deficit.

Mr. PATTERSON. I suppose there are certain arguments that just go on and on, but I think the gentleman should be aware of the fact that the recovery of the housing industry will be the stimulus that is needed by this country, whether you are a Republican, whether you are a Democrat, and whatever your belief, conservative or liberal. I would suggest to the gentleman that this is not a liberal spending program, that this is an investment in the American dream, and it is different than those types of payments that are directly out of the Treasury, that return nothing back to the Treasury. I thank the gentleman for yielding to me.

□ 1600

The CHAIRMAN. The time of the gentleman from California (Mr. LUNGREN) has expired.

(By unanimous consent, Mr. LUNGREN was allowed to proceed for 1 additional minute.)

Mr. LUNGREN. Mr. Chairman, with the gentleman's expressed sentiments, I wonder why the gentleman was reluctant to support the Corcoran-Evans program. Are we making a commitment to the destiny of America and the dreams of American citizens to subsidize major oil companies so that they may be investing in synthetic fuel investigation programs that they are not willing to invest their own dollars in?

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I think that any major oil company would look at my voting record and have quite a difficult time finding any support by me of the major oil companies.

Mr. LUNGREN. That is not the question.

Mr. PATTERSON. As a matter of fact, I filed a suit against the so-called Seven Sisters at a time when they were price fixing.

Mr. LUNGREN. I appreciate that. I just wish that the gentleman were consistent in his approach to the present issue.

Mr. PATTERSON. The approach to which the gentleman refers is really not germane to the amendment on the floor. But to the extent that the gentleman wants to get $1 billion out of the synthetic fuels trust fund, the fact is that is budget authority, not budget outlay. You cannot build homes with authority; you have to have outlay.

Mr. WILLIAMS of Montana. Mr. Chairman, this amendment is needed. It is needed to help get the housing industry off its knees; it is needed to put our construction and timber workers back on the job; it is needed to assist first-time home buyers; and it is needed as a relief, however artificial, to these high interest rates.

Mr. Chairman, not every Member of this House agrees about the severity of the recession. A Republican Member has just informed us that the depth of the recession is overstated. Most of us do not agree.

Not every Member of the House agrees about how the Nation got into the current economic quicksand. Many of us believe that the administration's supply-side experiment has allowed America's workers to trickle down into the quicksand of joblessness.

Regardless of how we got here, we need to get out. My fellow Montanans—employer and employee—have suffered enough. One of the major counties in the western district, Lincoln County, has an unemployment rate of more than 35 percent. Many other timber related counties which depend on a vital housing industry need help—and they need it right now.

I encourage my colleagues to pass this amendment.

● Mr. ROYBAL. Mr. Chairman, I rise in support of the Boland, Patterson, and AuCoin amendment to H.R. 5922, to provide $1 billion for the Single Family Housing Production Act of 1982 which I cosponsored and was passed yesterday by this House. This legislation could not be more needed than now. Today many young and old persons are being devastated by the near catastrophic housing crisis being experienced by this country. Young families cannot afford to own a home because of the high interest rates even when both parents are working. Senior citizens, generally elderly widows, are forced to live in progressively deteriorating homes because they cannot sell their homes and cannot afford to maintain them.

During the past decade housing has emerged as one of our most critical public policy concerns. Since 1974, the cost of new housing has jumped by a rate of over 85 percent, and the increase in average family income has gone up by 48 percent over the same period.

Furthermore, the housing industry has been hit with rising fluctuations in interest rates. The uncertainty of such fluctuations has made planning virtually impossible, and the construction of new housing extremely risky. Consequently, few new units have been built by the private housing industry.

The $1 billion we are appropriating today will provide up to 74,000 first time homebuyers with the needed assistance to acquire a home in which to raise their families. This assistance also keeps this Congress from reneging on the goal set in 1949 to provide a decent home and suitable living environment for every American family.

It also addresses a very serious situation that has been developing where only the wealthy are able to own homes and are the only ones able to achieve this "American dream."

The funds we are providing in this amendment not only assist the housing industry which is on the verge of collapse and the thousands of men and women who are unemployed, but also many young families wishing to purchase a home and plan for their future.

I want to commend the authors of this amendment, the able chairman of the Housing Committee, Mr. BOLAND, and my colleagues Mr. PATTERSON and Mr. AUCOIN for their sensitivity to the housing needs of Americans and for having the courage to act on alleviating these needs.

I urge all my colleagues to join me in voting for this amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 343, noes 67, not voting 22, as follows:

[Roll No. 71]

AYES—343

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Burgener
Burton, Phillip
Byron
Carman
Carney
Chappell
Chisholm
Clausen
Clay
Coats
Coelho
Coleman
Collins (IL)
Conte
Conyers
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dunn
Dwyer
Dyson
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fazio
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gilman
Gingrich
Glickman
Gonzalez
Gore
Gray
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Harkin
Hatcher
Heckler
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Lantos
Leach
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Markey
Marks
Marlenee
Marriott
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Nelligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts (SD)
Robinson
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Russo
Sabo
Santini
Savage
Sawyer
Scheuer
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shelby
Shuster
Siljander
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Solarz
Solomon
Spence
St Germain
Stangeland
Stark
Staton
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Thomas
Traxler
Trible
Udall
Vander Jagt
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NOES—67

Badham
Beilenson
Bethune
Brown (CO)
Broyhill
Butler
Chappie
Cheney
Clinger
Collins (TX)
Conable
Corcoran
Crane, Daniel
Crane, Philip
Dannemeyer
Donnelly
Dornan
Early
Erlenborn
Fascell
Frenzel
Gephardt
Gibbons
Goodling
Gradison
Gramm
Green
Gregg
Hagedorn
Hance
Hansen (ID)
Hartnett
Holt
Hunter
Jeffries
Johnston
Kemp
Kramer
Latta
Leath
Long (MD)
Lungren
Martin (IL)
McDonald
Michel
Miller (OH)
Moorhead
Nichols
Paul
Petri
Rhodes
Roberts (KS)
Roemer
Roukema
Rousselot
Rudd
Shaw
Shumway
Skeen
Snyder
Stenholm
Stump
Taylor
Walker
Weber (MN)
Whittaker
Young (AK)

NOT VOTING—22

Brown (OH)
Burton, John
Campbell
Dreier
Dymally
Fenwick
Foglietta
Ford (TN)
Ginn
Goldwater
Grisham
Hansen (UT)
Hawkins
Heftel
Livingston
Mattox
McCloskey
Mikulski
Neal
Schneider
Smith (PA)
Stanton

□ 1620

Mr. ERTEL and Mr. OXLEY changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 7, after line 18, insert the following:

No funds appropriated under title I, chapter II of this act shall be expended in violation of section 7 of Public Law 95-435.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WALKER. Mr. Chairman, the amendment I am offering is a strict limitation of funds. It applies directly to the chapter of the bill where we are right now. It relates directly to the following point. Let me quote the language from Public Law 95-435 that is mentioned in my amendment. Public Law 95-435, in section 7, states the following:

Beginning with the fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

In other words, Mr. Chairman, in Public Law 95-435 we said very clearly in 1978 that this Government should operate under a balanced budget.

What we are saying in this amendment is that we should not be expending money which does not meet the mandates of the law. We are required by law to operate under a balanced budget. This amendment says that we must live up to what we determined to be in the best national interest back in 1978.

We have been ignoring our obligations to the law. The law is clear. We have been negligent. Negligence was somewhat supportable during a period of time when what we were doing in this House was moving toward reducing Government growth. We seemed to be going in the right direction. We were trying, as best we could, to begin to bring Government spending under control.

But this bill, particularly in the section to which my amendment refers, has provisions which show clearly that this House is abandoning those efforts and is going back to trying to solve our problems with more and more spending.

However, let us remember that spending is the problem. When we talk about the housing industry, as we have for the last half hour or so on this floor, they are the victims of spending. They are the victims of seeing huge deficits rise as we have spent too much money. And as those deficits have gone up. so have interest rates. As the Federal Government has competed for the money, interest rates have soared. Therefore, the very best policy is the one that we said should be the national policy when we first enacted this law back in 1978, and that is a law which says clearly that we must balance our budget.

We hear it said all the time on this floor that deficits are bad, that deficits cannot be defended. OK. Now is the time to see whether or not we are really going to stand up for what we have been saying. If deficits are bad, if deficits are unacceptable. if deficits have done great harm to this country, then what we should be doing is saying that it is time to adhere to the law and balance our budget. And here the choice is going to be very clear for every Member of this House. We can either vote to support the law, vote to support balanced budgets, vote to support the balanced budget concept, or abandon that and say clearly to the American people that we do not think a balanced budget is in the best national interest, that we do not think that the housing industry would benefit from a balanced budget, that we do not think that the deficits do create problems for interest rates. You are going to be asked in this vote to say one way or the other: Are you for a balanced budget, or are you against a balanced budget? Because what you will be saying, if you vote against this amendment, you will be saying clearly that we are abandoning all efforts to achieve a balanced budget that is mandated under law today.

I would hope, Mr. Chairman, that this amendment would be approved. Nothing would do more to help the housing industry. Nothing would be more welcome by the American people. Nothing would bring down interest rates faster, and nothing would send a clearer signal that we mean what we say, that the law of the land says that we must have a balanced budget and we mean to uphold that law.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. WHITTEN) wish to be heard on his point of order?

Mr. WHITTEN. Mr. Chairman, I withdraw the point of order, and I rise in opposition to the amendment.

Mr. Chairman, I have always advocated working toward a balanced budget. We need a balanced budget, but we must recognize that this country is going to have ups and downs. We should end up with a general balanced budget and not prohibit ourselves from meeting problems which will arise.

Many people urge a constitutional amendment. Many forget that a constitutional amendment would probably be debated in the various States for 4 or 5 years.

Too, we must have government income to meet essential needs and interest on the existing debts. To do that, we must have productive work instead of paying another $24 billion in unemployment compensation. The point is we must balance the budget at a high level—we cannot afford to balance at a low level and meet present obligations.

I recall some years ago someone said Ethiopia was a country which had a balanced budget. It did not owe a dollar—nor have one either.

I point out to my colleagues that the gentlemen's amendment would undo what you just did and prevent you from spending a dollar to set the housing industry on the road to recovery. It has the effect of striking out the housing provision. It has the effect of striking out the EPA provision for waste water treatment. You would just undo what you did and we would be helpless to begin to get domestic industries back to work. To strike these two provisions as the amendment would do—would leave the budget more unbalanced within a few months.

□ 1630

That just shows us what we can do where it sounds good. I ask my colleagues to vote against this amendment. I repeat again we need to strive toward a balanced budget to restore stability in business so that trade can recover, but we better had level it off where we can handle the debt we already owe.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I wonder if the gentleman is saying that the vote that he cast on this provision of law was the wrong vote back in 1978?

The gentleman voted in favor of instructing conferees to produce this balanced budget law back in 1978. The gentleman seems to be saying now that was not——

Mr. WHITTEN. Back in 1978 it was far different from today and it could be that vote was justified at the time. The budget situation now is much worse because the windfall profit tax forgiveness and tax credit purchases did not work out as the administration hoped. But even if we did it then it certainly is out of line now and I would vote to repeal it if I had the chance now in order to save the programs funded in this chapter. Whatever mistakes were made back then, if any, I am ready to correct them today under present conditions.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I would like to inquire. As I understand the amendment, it only applies to a small part, one title of the bill, is that not correct?

Mr. WHITTEN. Yes, it applies only to title I, chapter 2.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to point out that the effect of the amendment that is on the floor would be to prevent moving forward with the waste water treatment program, because the $2.4 billion for that program is in the chapter that is covered by this amendment.

Over 30 States are already facing a situation where they have run out of funds to keep this program moving

forward. It is a very important environmental program. Obviously at a time of high unemployment the construction activity would be a very desirable shot in the arm for the economy, and, while I commend my colleague from Pennsylvania for his concern for a balanced budget, I must say that to single out this particular chapter from all of the spending that this Congress does and to grind this waste water treatment program to a halt would, in my mind, be a terrible mistake. I therefore urge that the amendment be defeated.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Is the gentleman saying that the waste water treatment is under the HUD provisions that are in this bill?

Mr. GREEN. Yes, sir, waste water treatment is part of the HUD and independent agencies provisions in the bill.

Mr. WALKER. I would have to agree with the gentleman that would indeed be covered by this, although I would point out to people that some of the abuses that have taken place under the section 8 program of HUD would also be covered by this language and, therefore, some Members may want to evaluate that.

I would ask the gentleman further if this amendment were to cover the whole bill would the gentleman be more in favor of it at that point?

Mr. GREEN. No; and I suspect the gentleman would garner a few more opponents of the amendment if the gentleman were to do that.

If I may conclude. I would simply like to point out that the $2.4 billion appropriation was requested by the Reagan administration and that, therefore, the effect of the gentleman's amendment would be to defeat a spending program that the administration wants.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

I want to echo what the gentleman from New York has indicated. This amendment, of course, would affect the EPA waste water treatment construction grants program, the $2.4 billion. But it would not affect the section 8 housing program. That money has been provided for in another act. It would affect the billion dollars that is provided for the Government National Mortgage Association. It would also affect the amendment for $1 billion for housing production assistance that was adopted just a moment ago by a 5 to 1 vote.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

And I do so, first, to make certain inquiries of the gentleman from Pennsylvania.

The first is, if the gentleman supports the amendment with respect to this provision of this bill, why should it apply not only to this section of this bill but to every other appropriations bill that we consider?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I think that maybe we may want to do that from now on in. We may want to look at this amendment as being a potential to put on a number of appropriations bills just to assure that there are some teeth in the law that we passed back in 1978, and all we would be doing is saying sure, the spending can go forward but it should go forward under the concept of a balanced budget. I would say to the gentleman that that is something that we may well want to consider.

I think that the reasons for putting it in this bill at this point is simply because many of the homebuilders I talk to, most of the people in the real estate and housing industry I talk to, tell me flatly that the best thing for them would be to have a balanced Federal budget.

Mr. LEVITAS. Let me reclaim my time so I can pursue this a little further.

If we were to offer it on the other appropriations bills, and maybe that is a splendid way we can cut short all of the other discussions in the Budget Committee or on the constitutional amendment for a balanced budget, which I support—but President Reagan has submitted a budget to the Congress that has about a $130 billion deficit in it, which would mean that the gentleman could not support the President's budget because it is $130 billion out of balance for next year and over $100 billion red ink this year, according to his own proposal.

I wonder how the gentleman would deal with the President's budget.

Mr. WALKER. I must say that this gentleman is appalled by those high deficits in the President's budget. I have said so often on this floor. So what I am saying is that maybe what we ought to be considering is instead of considering various people's budget deficits in the $100 billion range, we ought to be considering a balanced budget, which is what I have brought to the floor today. Here is a chance, we either vote for a balanced budget or we vote against a balanced budget starting right now.

Mr. LEVITAS. I would like to conclude, Mr. Chairman, by making two observations.

I think that this may be one of the most expeditious ways of shortening the session of this Congress if it were adopted, assuming it had some effect.

What troubles me is that I am not sure it will, Mr. Chairman, have any effect, and that is I wonder if the gentleman could address that.

Any legislation which is passed subsequent to the bill that was enacted in 1978, by being a subsequent enactment, repeals to that extent the legislation that was passed in 1978. So if Congress were to give lip service to the 1978 legislation and then passed this bill on final passage, it could have the effect of giving or taking with one hand and giving back with the other and the only way really to accomplish the purpose would be to defeat every spending measure that goes over a balanced budget.

Mr. WALKER. I think the gentleman is absolutely right. You see all we said in 1978—and we said this with the concurrence of a large number of people on the gentleman's side of the aisle. All we said was beginning in fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts. We made that flat statement and we have not put any teeth into it since 1981.

This is the first opportunity this House has had to put some teeth in what we said back then and what I am saying is we will find out now whether or not this House is willing to stand up for what we said was in the best national interest when we enacted this law in 1978.

Mr. LEVITAS. My last question is this. Does the gentleman know whether President Reagan, Secretary Regan, and OMB Director David Stockman support this, in light of the fact that they have submitted a $130 billion deficit?

Mr. WALKER. If the gentleman will continue to yield, I have no idea whether or not they support it. I assume that they would have many problems with this.

Mr. LEVITAS. I would think so.

Mr. WALKER. But this gentleman thinks that it is high time they be sent a message that this House wants a balanced budget.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I ask the gentleman to yield for the purpose of clarification.

Do I understand that the gentleman wants to cut $138 billion from expenditures this year? Is that what the gentleman is proposing? Because that is what it would take to balance the budget.

Mr. WALKER. If the gentleman will yield, this amendment makes no pre-

tense of that whatever. That is the gentleman from Georgia.

□ 1640

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment.

Mr. Chairman, section 7 was added to an amendment to the Bretton Woods Agreement Act to authorize the United States to participate in supplementing the financing facility of the International Monetary Fund. Section 7 of the amendment to the Bretton Woods Agreement Act says that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Section 7 applies to total outlays and the total receipts, and does not and could not apply in any way to the outlays of one or several agencies of the Federal Government.

The amendment of the gentleman from Pennsylvania is imaginative. It is amusing, but it is totally inoperative. What it does point out is the goofy things that this Congress can do. I imagine after today there are going to be people bringing suits against the Federal Government for violating the law. The gentleman has done a good service to the country. I wish the gentleman would withdraw the amendment, because section 7 does not apply to several agencies. It applies to the total Government.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Surely.

Mr. WALKER. Well, we can handle this if we were willing to stand up and repeal this law. I wonder if the leadership of this House is willing to come forward and try to repeal the law which requires a balanced budget. If they are, why do they not bring that kind of a bill out on the floor, because I doubt that they would be willing to do so. We could handle the gentleman's problems with it by taking that kind of step; but as long as it is the law of the land, I think it is high time that we begin adhering to the law of the land and that is what I am trying to do.

Mr. CONTE. This amendment applies only to this chapter. We could not know when we have one chapter whether we have violated the outlays for the fiscal year for the Federal Government.

The way to do it, and I hate to give the gentleman all these ideas, is to bring suit against the Federal Government that the Government has violated section 7 of Public Law 95-435. And the gentleman is going to be a hero. He will be elected for life.

I hope the amendment is defeated.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

First of all, I, too, along with my colleague, the gentleman from Massachusetts, am very intrigued with this amendment, because all our colleague is trying to do is abide by the law that we passed in this House and an awful lot of Members in this House voted for section 7 of this bill.

Now, the gentleman brings up the point that it was attached to some other foreign aid giveaway and I remember it very well. Some of us had a hard time with that, because it was attached to that bill; but I can think of no more appropriate place than now. This is a supplemental bill, which means extra spending above and beyond what we talked about before in our appropriations bill.

I know that the gentleman from Massachusetts and the gentleman from Mississippi have tried awfully hard to get this Congress to live within its means. They have just tried over and over again.

I think this is a wonderful opportunity in this one chapter. We are just taking a little bitty bit of the Federal Government to try to slow it down in overspending.

Now, do I understand my colleague to tell me that the gentleman is only trying to get us to obey the law as it relates to this one chapter? The gentleman is not trying to gut the housing program?

Mr. WALKER. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that what we are trying to do is make certain that this one chapter of this bill complies with the balanced budget and insofar as it affects the spending of the programs identified in that chapter, yes, indeed, it would probably keep them from spending that money because my guess is at the present time that this Government is not in compliance with a balanced budget; so, therefore, we are going to have problems spending any money under that chapter if this amendment is passed; but I would say to my colleague as well, what we have to remember is that within this chapter we have added a big new spending program here today.

Mr. ROUSSELOT. Oh, I remember that.

Mr. WALKER. We have added a billion-dollar spending program here today and it would also prevent us from spending money for that big new spending program as well, in violation of a balanced budget.

Mr. ROUSSELOT. So it does slow down that extra billion dollars that was just stuffed in here a minute ago?

Mr. WALKER. I do not think there is any doubt about that, I would say to the gentleman.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my other colleague, the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I should just like to say, and it is perhaps at this moment not exactly safe to say, but as the author of section 3 of the Bretton Woods Act Amendments of 1980 (Public Law 96-389), which reaffirms section 7, I thank the gentleman very much for his kind words. I appreciate the efforts of the gentleman from Pennsylvania.

Actually, it is the law that this Government balance the budget. I should not be surprised if some organization might bring a lawsuit, which would be interesting.

Mr. CONTE. Mr. Chairman, would the gentleman yield to me?

Mr. ROUSSELOT. The gentleman from Massachusetts wants me to yield to him?

Mr. CONTE. Well, I say to my good friend, yes.

Mr. ROUSSELOT. I would be delighted to yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. Beautiful, beautiful.

Mr. ROUSSELOT. I know the gentleman has worked hard to keep these extra deficits down and here is a chance to help out.

Mr. CONTE. The gentleman from California was here yesterday, was he not?

Mr. ROUSSELOT. Yes, I was.

Mr. CONTE. The gentleman voted to stuff that billion dollars in here?

Mr. ROUSSELOT. No. I voted today not to stuff it.

Mr. CONTE. But yesterday.

Mr. ROUSSELOT. I made a mistake.

Mr. CONTE. How did the gentleman vote yesterday?

Mr. ROUSSELOT. I want to remind my colleague, the gentleman taught me a long time ago that the place the real money is spent is in an appropriation bill and that is where we really catch it is here, right now. I learned that from the gentleman from Massachusetts.

Mr. CONTE. That is right.

Mr. ROUSSELOT. Now I yield to my colleague, the gentleman from Massachusetts (Mr. WALKER).

Mr. WALKER. Well, I thank the gentleman for yielding, because I think the point needs to be made here that there are a lot of people who may have voted yesterday for the bill and even voted today for the bill, who may want to vote for this amendment, because it is a question of choices. Which choice do you choose in terms of helping the housing industry? Do you choose a billion-dollar bailout bill or do you choose to balance the budget, and by balancing the budget bringing down interest and bringing down deficits?

I think that most of the real estate people and most of the housing people will tell us flatly they prefer the latter course. That is what this particular amendment does. I think it is clearly

the choice. Given that kind of choice, I think a lot of people will decide that a balanced budget is better than a big new spending program.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will in just a minute.

My colleague, the gentleman from Pennsylvania, has stated it very correctly. The builders of this country, the real estate people and others have said and have come in here to say to us, "Please balance the budget," because every time we add to the deficit substantially, we take away in the marketplace money that could go for housing and for other things, and so all my colleague is trying to do is take one little part of this extra supplemental bill and try to get us to comply with the law.

Now I will yield to my colleague, the gentleman from Maryland, because I know the gentleman is a strong supporter of a balanced budget, at least the gentleman always tells me that.

Mr. MITCHELL of Maryland. I thank my colleague for yielding. The gentleman knows he has my undying loyalty and support.

I really was curious about the health and well-being of the maker of the amendment. He was just hit in the head with a microphone.

Mr. ROUSSELOT. He is OK.

Mr. MITCHELL of Maryland. Was he injured in any way?

Mr. ROUSSELOT. No. I hit him very softly.

Mr. MITCHELL of Maryland. Will the gentleman continue to yield to me?

Mr. ROUSSELOT. Surely.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Now I yield to my distinguished colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. I certainly would not want to pursue this. I hope the amendment is voted down. I do not believe that we ought to bring these amendments on the floor without consulting with the President, Mr. Meese, David Stockman, and others, who are the architects of the economic policy of this Nation and if for no other reason than out of respect for the administration, I would urge defeat of the amendment.

Mr. ROUSSELOT. Well, the President, I will tell my colleague, supports a balanced budget as soon as we can get there. We are just trying to help him out.

Mr. MITCHELL of Maryland. Well, will you send a signal to him?

Mr. ROUSSELOT. He favors a constitutional amendment for a balanced budget. Does the gentleman want to join us in that?

Mr. MITCHELL of Maryland. I want to clear up David Stockman, too, and the whole group.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague, the gentleman from Illinois.

Mr. PHILIP M. CRANE. I thank my colleague for yielding.

I just would like to clarify a point. There was some misunderstanding, it seems to me, to refer to the administration as being the architect of spending. All money bills originate in this body. That means all taxing, all spending, all public policy, and all arrangements of priorities must originate in this body, not in the Senate and certainly not in the White House. We are the ones to make the decisions. The President's function is to execute them faithfully. If he fails to live up to that mandate, he is subject to impeachment by this body, too.

So I think there is a little bit of confusion in the discussion of spending. We are the ones that have sole responsibility for spending in this country.

Mr. ROUSSELOT. And we learned that from our colleague, the gentleman from Massachusetts, who has always said that.

Now I yield to my colleague, the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I voted for the $1 billion program. I think if we are going to have a budget deficit, that housing is an area that we ought to spend money on.

At the same time I am going to vote for this amendment, because I have no doubt that every builder and every realtor in this country, if given a choice between this Congress balancing the budget and bringing down interest rates or this Congress spending wildly, would choose to bring down the interest rates and to balance the budget. I would cheerfully be willing to see any of my colleagues to the left who would like to go to the realtors and ask them about that.

□ 1650

Mr. PATTERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not use my 5 minutes.

Mr. Chairman, if this amendment is adopted, it wipes out everything in housing in the supplemental appropriations bill, including the amendment just adopted by my colleagues by an overwhelming vote. It wipes out that vote. It wipes out yesterday's vote. It eliminates other necessary things for housing. As a matter of fact, it comes about $160 billion short of balancing the budget, and, as a matter of fact, it lays all the problems, all the responsibility to balance the budget, on one industry, the industry hardest hit by the recession and the one that is going to get us out of this mess, and that is the housing industry.

I urge strongly a no vote on this very bad amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 276, not voting 24, as follows:

[Roll No. 72]

AYES—132

Archer	Gramm	Natcher
Atkinson	Gregg	Oxley
Badham	Gunderson	Parris
Bafalis	Hammerschmidt	Pashayan
Bailey (MO)	Hance	Paul
Barnard	Hansen (ID)	Petri
Benedict	Hartnett	Pickle
Benjamin	Hendon	Pursell
Bliley	Hiler	Rhodes
Broomfield	Hillis	Ritter
Brown (CO)	Holt	Roberts (KS)
Broyhill	Hopkins	Roberts (SD)
Burgener	Hunter	Robinson
Butler	Ireland	Rousselot
Carman	Jacobs	Rudd
Chappie	Jeffries	Russo
Cheney	Jenkins	Schulze
Clinger	Johnston	Sensenbrenner
Coats	Kramer	Shaw
Coleman	Lagomarsino	Shumway
Collins (TX)	Latta	Shuster
Corcoran	LeBoutillier	Siljander
Coyne, James	Lee	Skeen
Craig	Lent	Smith (NE)
Crane, Daniel	Levitas	Smith (OR)
Crane, Philip	Lewis	Snyder
Daniel, Dan	Loeffler	Solomon
Daniel, R. W.	Lott	Spence
Dannemeyer	Lowery (CA)	Staton
Daub	Lujan	Stenholm
Derwinski	Lungren	Stump
Dornan	Madigan	Taylor
Dunn	Martin (IL)	Thomas
Edwards (OK)	Martin (NC)	Vander Jagt
Emerson	Martin (NY)	Walker
English	McClory	Wampler
Erlenborn	McCollum	Weber (MN)
Fiedler	McCurdy	Whitehurst
Fields	McDonald	Whittaker
Fowler	McEwen	Winn
Frenzel	Michel	Wolf
Gingrich	Miller (OH)	Wortley
Goodling	Moorhead	Wylie
Gradison	Myers	Young (FL)

NOES—276

Addabbo	Boland	Courter
Akaka	Bolling	Coyne, William
Albosta	Boner	Crockett
Alexander	Bonior	D'Amours
Anderson	Bonker	Daschle
Andrews	Bouquard	Davis
Annunzio	Bowen	de la Garza
Anthony	Brinkley	Deckard
Applegate	Brodhead	Dellums
Aspin	Brooks	DeNardis
AuCoin	Brown (CA)	Derrick
Bailey (PA)	Burton, Phillip	Dickinson
Barnes	Byron	Dicks
Beard	Carney	Dingell
Bedell	Chappell	Dixon
Beilenson	Chisholm	Donnelly
Bennett	Clausen	Dorgan
Bereuter	Clay	Dougherty
Bethune	Coelho	Dowdy
Bevill	Collins (IL)	Downey
Biaggi	Conable	Duncan
Bingham	Conte	Dwyer
Blanchard	Conyers	Dyson
Boggs	Coughlin	Early

Eckart	Kildee	Rinaldo
Edgar	Kindness	Rodino
Edwards (AL)	Kogovsek	Roe
Edwards (CA)	Lantos	Roemer
Emery	Leach	Rogers
Erdahl	Leath	Rose
Ertel	Lehman	Rosenthal
Evans (DE)	Leland	Rostenkowski
Evans (GA)	Long (LA)	Roth
Evans (IA)	Long (MD)	Roukema
Evans (IN)	Lowry (WA)	Roybal
Fary	Luken	Sabo
Fascell	Lundine	Santini
Fazio	Markey	Savage
Ferraro	Marks	Sawyer
Findley	Marlenee	Scheuer
Fish	Marriott	Schroeder
Fithian	Matsui	Schumer
Flippo	Mavroules	Seiberling
Florio	Mazzoli	Shamansky
Foley	McDade	Shannon
Ford (MI)	McGrath	Sharp
Ford (TN)	McHugh	Shelby
Forsythe	McKinney	Simon
Fountain	Mica	Skelton
Frank	Miller (CA)	Smith (AL)
Frost	Mineta	Smith (IA)
Fuqua	Minish	Smith (NJ)
Garcia	Mitchell (MD)	Snowe
Gaydos	Mitchell (NY)	Solarz
Gejdenson	Moakley	St Germain
Gephardt	Moffett	Stangeland
Gibbons	Molinari	Stark
Gilman	Mollohan	Stokes
Glickman	Montgomery	Stratton
Gonzalez	Moore	Studds
Gore	Morrison	Swift
Green	Mottl	Synar
Guarini	Murphy	Tauke
Hagedorn	Murtha	Tauzin
Hall (OH)	Napier	Traxler
Hall, Ralph	Nelligan	Trible
Hall, Sam	Nelson	Udall
Hamilton	Nichols	Vento
Harkin	Nowak	Volkmer
Hatcher	O'Brien	Walgren
Heckler	Oakar	Washington
Hefner	Oberstar	Watkins
Hertel	Obey	Waxman
Hightower	Ottinger	Weaver
Holland	Panetta	Weber (OH)
Hollenbeck	Patman	Weiss
Horton	Patterson	White
Howard	Pease	Whitley
Hoyer	Pepper	Whitten
Hubbard	Perkins	Williams (MT)
Huckaby	Peyser	Williams (OH)
Hughes	Porter	Wilson
Hutto	Price	Wirth
Hyde	Pritchard	Wolpe
Jeffords	Quillen	Wright
Jones (NC)	Rahall	Wyden
Jones (OK)	Railsback	Yates
Jones (TN)	Rangel	Yatron
Kastenmeier	Ratchford	Young (AK)
Kazen	Regula	Young (MO)
Kemp	Reuss	Zablocki
Kennelly	Richmond	Zeferetti

NOT VOTING—24

Breaux	Ginn	Livingston
Brown (OH)	Goldwater	Mattox
Burton, John	Gray	McCloskey
Campbell	Grisham	Mikulski
Dreier	Hansen (UT)	Neal
Dymally	Hawkins	Schneider
Fenwick	Heftel	Smith (PA)
Foglietta	LaFalce	Stanton

□ 1700

Messrs. PORTER, ERDAHL, BETHUNE, NAPIER, BONER of Tennessee, and D'AMOURS changed their votes from "aye" to "no."

Messrs. COLEMAN, DUNN, CLINGER, HILLIS, FRENZEL, and BUTLER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1710

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INDEPENDENT AGENCY

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems where determined to be necessary, to remain available until expended: *Provided*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act.

AMENDMENT OFFERED BY MR. WINN

Mr. WINN. Mr Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WINN: Page 8, line 2, after "expended:" insert the following: *"Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas and after the word *"Provided"* insert *"further"*."

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I just want to take 30 seconds. I understand earlier on the floor someone said on the student loan program we now have a 13-percent default rate. The guaranteed student loan program has a 5-percent default rate. Some of the student programs of the campus-based programs have a higher default rate, but not the national guaranteed student loan program.

I thank my colleague for yielding.

Mr. WINN. I would just like to explain briefly this amendment. A mistake was made. Last year in the rescission on EPA construction grant funds, OMB left out approximately $4 million, approved for the State of Kansas. When we discovered their mistake and pointed it out to the OMB, they wrote a letter to all of the Kansas delegation, explaining their error. They told us by mail, "Yes, they had made a mistake," they had left out the funds that Kansas was entitled to. But since reconciliation has already set a ceiling they could not do anything about it until the authorization bill came around.

When the authorization bill came around it was pointed out that this mistake was made just a few minutes before they voted out the bill. The committee, I think you will find, is very friendly to this correction amendment, they want to try to correct the mistake the first chance they get, and this is the first chance they get.

Mr. BOLAND. Will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. The gentleman from Kansas states the matter precisely. We accept it on this side.

Mr. WINN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. CONTE. The minority, myself, and the ranking Republican, the gentleman from New York (Mr. GREEN) accept this amendment.

Mr. WINN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. WINN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

GENERAL PROVISIONS

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADDABBO: Page 12, after line 2 insert the following new section and renumber succeeding sections accordingly:

SEC. 201. Any institution of higher education specifically cited in the conference report on the Education Amendments of 1980 (Report No. 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

Mr. ADDABBO. Mr. Chairman, I offer this amendment on behalf of myself and Mr. GREEN of New York.

Let me first make clear that my amendment adds no funding to this or any other bill. It seeks only to secure that the eligibility to apply for funds under title III of the Higher Education Act shall be in conformance with the expressed intent of the Congress as expressed in the conference report No. 96-1337.

The conferees specifically addressed unique institutions such as the College for Human Services and others which serve the poorest of our student community. Through some misinterpretation of the intent expressed by the conferees, the College for Human Services which was found eligible to apply under title III for the past 2 years, has now been told it is not eligible this year. I repeat we are addressing only eligibility to apply.

My amendment would connect an inequity and carry out the intent of Congress.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. GREEN. I thank my colleague for yielding.

I want to express my appreciation to him and express what a privilege it has been for me to work with him in resolving this problem, and express my appreciation to the chairman of the Appropriations Subcommittee and the ranking minority member of the committee for their consideration of this problem.

Mr. Chairman, I was disappointed to learn that the College for Human Services in New York was ruled ineligible to apply for funds under title III of the Higher Education Act this year because of a quirk in the law. At the time that the education amendments were passed, the college was cited as a unique institution which the conference committee felt should be funded with title III moneys for developing institutions. All of its students have incomes at or below the poverty level; in 1979, over 70 percent were CETA workers and were not charged tuition. Many are former welfare recipients and were heads of their households. This college grants students a bachelor's degree through a combined experiential and academic program, preparing them for careers in community service employment.

Despite the citation by the conference committee on the Education Amendments of 1980 of the program's uniqueness and value, the college has been prohibited from applying for funds this year. The criteria for determining eligibility for application this year are based on the number of Pell grants, tuition assistance for low-income students, received by the institution during 1979. However, during that year the college was not collecting tuition or fees, and thus received no Pell money for distribution. It is precisely because this institution attempted to serve a low-income population and charged no fees that it is being penalized. This amendment corrects that situation. I urge my colleagues to support this amendment.

Mr. ADDABBO. I thank the gentleman.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the members of the committee that the amendment offered by the gentleman from New York (Mr. ADDABBO) and supported by my friend from New York (Mr. GREEN) has been discussed with me and I know of no objection to it.

Mr. Chairman, further, I would like to say that I know of the deep interest of both of these gentlemen in all matters concerning education, and especially higher education. On our subcommittee we appreciate their support.

Mr. ADDABBO. I thank the gentleman from Kentucky.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Massachusetts.

Mr. CONTE. We have studied the amendment on this side very thoroughly and we have no objection.

I want to commend the gentleman from New York, my good friend, Mr. ADDABBO, and Mr. GREEN, for offering this amendment.

Mr. ADDABBO. I thank the gentleman from Massachusetts and yield back the balance of my time.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

□ 1720

Mr. Chairman, I take the floor at this time only to answer the question that was asked earlier when a Member of the House raised a question on the guaranteed student loans and stated on the floor here that it was obvious that these loans had a terrible default rate and that the program itself was not a good program. I think it would be a shame, Mr. Chairman, if we left that issue that way in the record. I think it is important to note that the default rate on guaranteed student loans in the last year was 8.3 percent.

Mr. Chairman, it was only 5 years ago that the default rate was 18 percent, and the Congress and the committee involved, the Post-Secondary Committee, took an action that started this reduction; and this reduction in default will come down every year now, as it should. None of us really think that it is right to have any default.

For the record, most of us know the Director of OMB at one point was 2 years in default on his student loan. He has since paid it up, and I think that is excellent. But I think we want to make the point that this program is not a give-away program, it is not a program aimed at helping the wealthy. It is a program that is helping every middle income and low income student in this country who is deserving of a higher education.

I just want the record to be clear. The action of the Congress is to correct what few defaults are remaining. This program has every reason to go ahead with all of our support. The young people of our country are counting on us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 203. No funds appropriated or otherwise made available for fiscal year 1982 shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. Notwithstanding section 101(a)(3) of Public Law 97-92 or any similar or comparable provision of any other law, during fiscal year 1982 the Mine Safety and Health Administration shall have the same enforcement authorities vested in such administration on September 30, 1981.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 12, strike lines 12 through 21.

Mr. ROUSSELOT. Mr. Chairman, all this amendment does is to see that we comply with present law. We passed in October an amendment to clarify a dual jurisdiction problem that existed between MSHA and OSHA. Now, I am sure it is difficult for some of you to believe that I feel very strongly that OSHA, which has been in existence for much longer than MSHA, has done and is doing a better job in providing safety in the workplaces for the overwhelming proportion of responsibilities which it has had.

Mr. Chairman, the amendment I am offering here on the floor of the House today is a simple strike motion. This amendment will delete the language presently contained in the urgent supplemental appropriations bill, H.R. 5922, on page 12, lines 12-21. It is imperative that this action be taken to maintain the continuity of present public law—the transfer of jurisdiction of the regulations of surface stone, sand, gravel and construction activity from the Mine Safety and Health Administration (MSHA) to the Occupational Safety and Health Administration (OSHA).

Members on the floor today are familiar with the long history of this issue. But, I would like to take a moment, Mr. Chairman, to briefly cite the legislative history of this matter—which I believe strengthens the need for passage of the strike motion I have offered today.

Regulatory relief is needed. It has been needed by a variety of small businesses regulated by the Mine Safety and Health Administration ever since the passage of the 1977 Mine Safety and Health Administration Act. This relief was provided on December 15, 1981, when the President signed into law the continuing resolution for fiscal year 1982. House Resolution 409 has extended this regulatory relief until September 30, 1982—it, too, contains the language that will assist these in-

dustries by placing health and safety enforcement under the jurisdiction of OSHA, not MSHA.

Unfortunately, the urgent supplemental appropriations measure being considered this afternoon contains language which would void the language presently contained in public law and would place the surface sand, gravel, stone, clay and surface construction industries once again under the police tactics of the Mine Safety and Health Administration.

The amendment in the continuing resolution voted on last October during consideration of the Labor-HEW appropriations bill accomplished the objectives of a bill currently cosponsored by 162 Members of this body, H.R. 1603. H.R. 1603 and other similar bills have languished in the Health and Safety Subcommittee of the Education and Labor Committee in the 96th Congress, and now in the 97th Congress, despite the great support this legislation has had from many, many Members of Congress. Congressmen MARLENEE and BARNARD, the principal sponsors of H.R. 1603, joined me in urging your support for my amendment which was necessitated because of the inaction by the committee having jurisdiction over H.R. 1603. Mr. Chairman, the committee has held 23 days of hearings on this measure—but not one day of action. I repeat, 23 days of cosmetic hearings on a measure that has the support of well over 160 Members of this body.

Two years ago the Appropriations Committee included language to deny MSHA funds to enforce complicated and, in many instances, irrelevant training requirements against these same industries. I am pleased to note that prohibition has been continued in the present law. While our action on the training requirements has helped these industries, there is still a desperate need for further congressional action to make permanent the regulatory jurisdiction. My amendment, contained in the current continuing resolution public law, makes it clear that we intend for OSHA to exercise jurisdiction over not only training of employees working in these industries, but have total responsibility for assuring a safe and healthful workplace.

The industries I sought to have transferred from MSHA to OSHA were made subject to the Mine Safety and Health Act by the amendments that the Congress enacted in 1977. Few of us recognized at that time that we were imposing sophisticated regulations designed for large and highly technical operations on small businesses which are located in virtually every community in our country. The sand, gravel, and crushed stone industries, the two largest industries affected by the amendment, have an average number of employees per operation of 7 and 11, respectively.

The 1977 act has created continuous confrontations between these small businesses and the Federal Government. This adversary relationship is to no one's benefit. The transfer contained in the current public law restores a cooperative relationship between the Federal safety and health experts and the industries for the benefit of the workers. The industries transferred are not hazardous industries, as our opposition would like us to believe. Their current safety records demonstrate a record of improving safety, and the current public law does not provide any less safety and health protection to their employees—it does provide less regulation and unnecessary harassment by the Federal Government.

Some of my colleagues have suggested that the relief sought by these industries can be administratively accomplished by reform of the Mine Safety and Health Administration. The 1977 Mine Safety Amendments Act leaves the Secretary of Labor with very little flexibility in providing such relief.

It is regrettable that this serious regulatory problem must be addressed by means of an appropriations rider. I agree with my honored colleagues, that the place for the consideration of this issue is through the proper legislative channels. Too bad it hasn't occurred to date. Hopefully continuation of the Rousselot amendment on the continuing appropriations bill will now force the full House to consider H.R. 1603 in the near future to make permanent the changes my amendment has made for fiscal year 1982.

What is the actual effect of the current law? The Rousselot amendment to the continuing resolution simply provides that the regulation of persons engaged in the surface mining of stone, clay, colloidal phosphate, sand or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine, for safety purposes, is transferred from MSHA to OSHA. One question often asked about this amendment is, "Does the MSHA amendment create a void in Federal enforcement of safety and health standards over the surface mining of sand, gravel, stone, clay, colloidal phosphate as well as surface construction?"

No; OSHA, under the Occupational Safety and Health Act, has jurisdiction over these mines. OSHA, by its terms, applies to all employers engaged in a business affecting commerce, 29 U.S.C., section 652(5). Thus, OSHA legally covers mines which are also covered under the Mine Safety and Health Act of 1977. Further, the Congressional Research Service, at the request of Senator BUMPERS, in September 1980, stated that "because of this unusual regulatory scheme (Sec. 4(b)(1) of the OSHA Act) * * * it would permit the extension of OSHA jurisdiction to those mines * * *."

Additionally, the drafters of OSHA realized that there was the potential problem of dual regulation. Thus, they included in the act a deferral provision, 29 U.S.C. Sec. 653(b)(1). It provides that where another Federal agency exercises its own statutory authority to prescribe or enforce occupational safety or health standards, then OSHA will not apply. The legislative history of OSHA shows that the key factor triggering deferral is the exercise of another agency's statutory authority over them.

In three separate court cases, three courts of appeals in our country, which incidently are the courts next in authority to the U.S. Supreme Court, held that OSHA has jurisdiction when any other agency (for example Federal Railroad Administration, MSHA, and so forth) is deprived of their jurisdiction.

The effect of this nonexercise under section 4(b)(1) of OSHA (29 U.S.C. 653 (b)(1)) thus triggers, by operation of existing law, the responsibility of OSHA to assume enforcement activity over the described surface mines.

The appropriations limitation has the effect of not providing funding for fiscal year 1982 for the exercise of MSHA's statutory authority over the surface mines described in the pending amendment. Thus, there will be no exercise of statutory authority by MSHA. You see, Mr. Chairman, my amendment is not just a denial of funds—it does provide for the transfer of authority from MSHA to OSHA for surface stone, sand, gravel, and construction activities at mine sites.

Furthermore, in a letter to me from the Secretary of Labor, Ray Donovan, March 24, 1982, the Secretary stated, "* * * upon enactment of the continuing resolution OSHA instructed its field offices to assume enforcement authority at mining operations affected by the rider." Further, he states, "OSHA is * * * responding to reports of imminent danger, fatalities, catastrophes and employee complaints * * *" From day one after the enactment of the continuing resolution on December 15, OSHA had the responsibility and assumed legal jurisdiction. It is true, Mr. Chairman, that the Department of Labor has been reluctant to assume the jurisdiction until they saw this amendment enacted after March 31, but, Mr. Chairman, that is not to state that they do not have the responsibility. They do and they will.

The Rousselot amendment reflects the will of both the House and the Senate and that it is the intent of the Congress to continue this provision which is now public law under the continuing resolution signed into law by the President last night.

The majority of members of this body voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1981 appropriations bill, but the provision was dropped during the conference debate. The majority of members of this body again voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1982 appropriations bill. This time it was approved by a recorded vote. The vote taken on October 6, 1981, was 254 yeas to 165 nays—an 89-vote margin.

Inasmuch as the Senate Labor-HEW appropriations bill was never brought to the floor of the Senate for consideration, these agencies were made part of the continuing appropriations resolution. During the congressional debate on the continuing resolution, the Senate took a roll call vote on an amendment offered by Mr. SPECTER of Pennsylvania on November 19 which was to eliminate the Rousselot language. This was defeated by a vote of 35-63. Then, on December 11, an amendment by Mr. BYRD of West Virginia which would have deleted the Rousselot language was resoundingly defeated by a vote of 38-54.

The Rousselot amendment was approved by the Senate on two separate and distinct votes. It became part of the public law signed by the President on December 15 (Public Law 97-72). And, again, it was signed into public law on March 31, 1981, when House Joint Resolution 409 was enacted.

Mr. Chairman, the 97th Congress has a great support for this amendment, despite the accusations of my colleague. I am pleased to have this opportunity today to have a vote on the Murtha amendment attached in the final moments of the Appropriations markup of the urgent supplemental appropriations bill and approved by a simple voice vote.

It is fair, Mr. Chairman, to the majority of the Members of this body that we have the opportunity to indicate our support on the previous Rousselot amendment. It would not be fair to drop it due to a simple committee voice vote.

It is fair, Mr. Chairman, that a measure which is now public law—and which has made an effective transfer (as indicated by Ford B. Ford, Assistant Secretary for Mine Safety and Health, before the Appropriations Subcommittee during the fiscal year 1983 budget request hearings) not be changed as a result of a 5-minute voice vote.

MSHA has not turned over a new leaf, as some of my colleagues would have us believe here today. I applaud that discussions are being held to debate the reform of MSHA law. But until action is taken on these discussions, we need the Rousselot amendment to maintain the regulatory relief needed by these small businesses.

The issue has kicked around long enough, Mr. Chairman. The intent of the Congress in the continuing appropriations measure repairs the damage done by the 1977 Mine Safety and Health Administration Act and places the affected industries under proper Federal jurisdiction—OSHA. The Senate has voted in support of this measure; the House has voted in support of this measure; the President has signed this measure into law.

I urge that the Members of this body support my amendment today. I urge that they strike the language contained in the urgent supplemental appropriations bill which denies the effective transfer of jurisdictional responsibility from MSHA to OSHA.

Let MSHA be directly and principally concerned with deep underground mines—not these surface operations, which can be and should be addressed by OSHA. Assigning jurisdiction over these industries to MSHA ill serves the objective of employee safety and health, imposes unnecessary burdens upon the separate industries and dilutes government enforcement resources.

It has never been the intent on our part, those of us who support the Marlenee bill, and others, to say that MSHA shall not have jurisdiction in deep coal mines, et cetera, because we think it should. The problem has been that up until the time that we amended the law or clarified the law in late 1981, there was a dual jurisdiction problem, wherein some cases, sand, gravel, et cetera, were also supposedly under the jurisdiction of MSHA. That was never intended in the MSHA law.

So I would like to state very clearly that I believe this House acted correctly in October 1981, when it voted 254 to 165 to clarify that problem of dual jurisdiction. So I hope that the House will now move to strike this language from this appropriation bill, because my good colleague, the gentleman from Pennsylvania (Mr. MURTHA), who represents clearly many coal mines—and, I understand, also he is being pushed very hard by certain other groups—was concerned that safety in the workplace was not being provided adequately by OSHA.

Well, let me comment on that point, because I believe that is the main crux of the argument that is being made to go back to the old law. From January of this year to April 30, 4 months, nine fatalities have occurred. Some of these are still under investigation. Three of these were from independent contractors. But in several cases of these nine that occurred, they occurred off the job that had nothing to do with safety in the workplace supposedly being invoked by MSHA. One of the accidents involved a murder. so I do not think it is very fair to charge that OSHA was not doing its job as it relates to that incident. Three of the nine accidents, collapsing of rock bin, clothing drawn into the shaft, and falling off scaffolding, would not have been protected any better by MSHA. These accidents, tragic though they are, are not unique to the mining industry and should not be used as evidence of OSHA's lack of expertise.

There are a great number of unions that do in fact look out for their workers, the building trades, and others, some of the engineers who operate the gravel and sand operations in the West and the South, who would prefer to remain under OSHA jurisdiction and feel that that job is being appropriately done.

Again, by voting for this motion to strike this language, we are in no way taking away power of MSHA to do its job in underground coal mines. All we are doing here is clarifying the law to make sure that we do not have duplication in these two Federal agencies.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield at that point?

Mr. ROUSSELOT. Of course I yield to my colleague, the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman keeps talking about clarifying the confusion or the duplication between these two jurisdictions. I just wonder if the gentleman might tell me how that arose.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Clearly the Mine Safety and Health Act gave to MSHA jurisdiction over these mines. That was the intent of the act when the act was passed in Congress. I do not understand what the confusion was.

Mr. ROUSSELOT. The confusion is that in some cases MSHA has jurisdiction of rock, sand, gravel, other areas, that many of us believe the law never intended for them to have and that OSHA should and must have the basic jurisdiction of providing safety in the workplace, which I believe they have done.

Mr. MILLER of California. But as I understand it, if the gentleman will yield further, MSHA took jurisdiction over rock, sand and gravel where those particular elements happened to be mined.

Mr. ROUSSELOT. I will say to my colleague they assumed jurisdiction——

Mr. MILLER of California. They were given jurisdiction by the Congress of the United States.

Mr. ROUSSELOT. They assumed jurisdiction, many of us feel, contrary to the purpose and intent of what many

Members thought would be part of the MSHA law.

Mr. MILLER of California. Where has that been stated?

Mr. ROUSSELOT. MSHA, as the gentleman will remember——

Mr. MILLER of California. What is the evidence of that, other than perhaps some people who do not like being inspected by MSHA saying that they do not believe they were ever intended to be covered. Where is the evidence of that legislative intent in terms of a record or legislative history that the Congress intended that would be the case?

□ 1730

Mr. ROUSSELOT. I will be glad to attempt to get that information for the gentleman.

Mr. MILLER of California. I think that is where we ought to start this discussion.

Mr. ROUSSELOT. The 1977 amendments, which repealed the 1966 metal/nonmetal mining law which covered stone, sand, and gravel operations, was an extension of the 1969 Coal Mine Safety and Health Act to stone, sand, and gravel operations thrusting those operations under a statute originally enacted to protect miners exposed to hazards unique to mining; such as methane gas explosions, roof falls, coal dust, and so forth. Stone, sand, and gravel employees are exposed to hazards such as pinch point hazards and conveyor belts without appropriate guarding devices—not hazards unique to the mining industry and certainly not the types of hazards MSHA was enacted to protect miners against.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(At the request of Mr. MARLENEE and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Montana (Mr. MARLENEE) who is an author of legislation that is lodged in our colleague from Pennsylvania's subcommittee which we have been unable to move along. It has been lodged there for several years. If we just move that legislation we would not be here today.

Mr. MARLENEE. I thank the gentleman for yielding.

Quite simply the issue is, as I understand it, that MSHA, the Mining Safety and Health Act protects underground miners.

Mr. ROUSSELOT. That is correct; that is my understanding of the intent of the law.

Was the gentleman from California (Mr. MILLER) listening on that? The gentleman is answering the question of the gentleman from California.

Mr. MARLENEE. Does OSHA also protect workers in the workplace?

Mr. ROUSSELOT. It certainly does. In all workplaces not covered by MSHA.

Mr. MARLENEE. Not covered by MSHA? So OSHA would also cover these people who are working on the surface, sand, and gravel industry?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. In other words, if we have got a burr pit along the road or a sand and gravel pit that some county has out here. OSHA protects these workers in these places; is that not correct?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. That is simply what the gentleman's amendment would do?

Mr. ROUSSELOT. My amendment merely strikes the Murtha language which was put in this bill, admittedly at the last minute, and repealed what we did last October.

Mr. MARLENEE. They are trying to do it by a back door——

Mr. ROUSSELOT. They are trying to go back to an old wornout position that just did not work.

Mr. MARLENEE. I thank my colleague

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. TAUKE. I want to commend the gentleman from California for raising this issue.

I think we have gone through this discussion several times before on the floor of the House.

Mr. ROUSSELOT. Yes; we have.

Mr. TAUKE. And I think it is important that we review again just what the situation is.

As the gentleman pointed out, we took a position that he is advocating today last year, last October, in response to problems that have been felt all across the country.

In my own congressional district we have no underground mines but we do have a lot of sand and gravel pits. The workers as well as those who are involved in the management of those operations tell me that many of the regulations with which they are required to comply really do not seem to make much sense when it comes to the kind of sand and gravel operation that they have.

In fact, as a result they have excessive costs, safety is not as good as it should be, and that they have had a much more satisfactory arrangement since last October when the language was changed along the lines that the gentleman is pursuing again today.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(At the request of Mr. TAUKE and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. TAUKE. If the gentleman will continue to yield, so it occurs to me that for those areas of the country and those operations in the country that really were never intended to fall under the MSHA Act, that it is important that we again restate and clarify that position.

I commend my colleague for taking what is a most reasonable stance on this issue.

Mr. ROUSSELOT. I appreciate my colleague and his comments.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

I would like to point out that many of us who represent farmers throughout America are concerned with the high interest rates that are driving the small farmers out of business, and for those of my colleagues who may not recall, the farmers are the ones who have the gravel pits on their land and sell to the local municipalities to provide gravel for roads, and this is the way that the farmers are surviving today with the high interest rates because they do not have to go into these strict inspection procedures, and if you believe in the small farmer and protecting the farming industry in America, my colleagues will support the Rousselot amendment like they did last year.

Mr. ROUSSELOT. I appreciate my colleague's comments, and I did not realize we were helping the farmers that much.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, what has occurred and what I thought would occur has occurred, and that is that now we are legislating on an appropriation bill again, and I warned my colleagues 2 years ago, 3 years ago, and as late as last year, that this was what was going to happen.

If we allow these changes in substantive law to occur, through this limiting language—and everybody admits this—we are going to get ourselves into a gigantic problem, and here we are.

Let me make an attempt at this time to correct certain misconceptions.

It is not true—and I repeat—it is not true that the 1977 amendments did something that has been attributed to that act.

At that time, in 1977, this House in handling that bill agreed that we were going to make the miner, who worked in the metal and nonmetal mines in this country as safe as a miner who worked in the coal mine, whether they

worked below the ground or above the ground.

There were two acts. Remember, this House had passed, after a series of coal mine disasters, back in 1969, the Coal Mine Safety Act. What we did then in the 1977 amendment was to take the Coal Mine Safety Act and the Metal and Nonmetal Act, and merge them into one act, and we said all miners—I repeat—all miners are going to receive the protection of what was given only and solely to the coal miners.

Everybody remembers at that time the Quie amendment. It said if you had coal mine standards, they were vertical, they applied to coal mines.

If you had standards that applied to metal and nonmetal stone, sand, gravel, colonial clay, phosphate, they would have separate standards.

So the old argument that they are all mixed up, we got it all confused, there is not scintilla of believability or fact that backs that up.

Let me get down to some of the misconceptions and hopefully clarify to my colleagues so that they can once and for all cast an intelligent vote on this matter.

First, it has been alleged that when you talk about stone, clay, phosphates, sand, and gravel, that they are not dangerous operations. I did not say it, other people said it. But all mining is dangerous. That is why we have a distinction. We have a Mine Safety Act that pertains to all kinds of mines as distinguished from OSHA that takes care of 60 million people in 5 million workplaces.

Under MSHA we have roughly 30,000 mines. Do you know what we are talking about in this amendment here? How many miners are involved and how many mine sites? We are talking about 162,000 miners who have been taken out of MSHA by legislative language on the appropriation bill.

What is OSHA's jurisdiction? Sixty million people, 5 million workplaces in OSHA. Who is going to get a fair shake?

Let me just show my colleagues what happened as a matter of fact when we had this very mischievous language put into the appropriations bill last year. Here is exactly what happened.

My colleagues can be the judge and my colleagues may draw their own conclusions.

As of April 30 of this year, OSHA made 26 inspections in surface stone, sand, gravel, colonial phosphate and clay mines. There are 162,000 miners employed in those various mining industries.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 5 additional minutes.)

Mr. GAYDOS. I think I have to make the point. They made 26 inspections of surface, stone, sand, gravel, clay, and colonial phosphate mines; 14 of those 26 were made pursuant to employee complaints. Nine to investigate fatalities, two to investigate injuries, and one because of an imminent danger condition. What would have happened if we had not adopted that legislation on the appropriations bill last year?

On an annual basis, those 26 inspections turn out to be 78 inspections that OSHA would make over surface stone, sand, gravel, clay, and phosphate mining operation.

What would happen if we left it in MSHA? Here is what would happen. You would have 25,870 inspections. You would have two mandatory annual inspections. There is a reason why you have mandatory inspections under MSHA.

All mining is dangerous. The statistics prove it.

There are so many misstatements floating around, so much disinformation, not misinformation, but disinformation floating around. Here is some of it.

I want to address myself to it, because I think I have to; so here is what happened. We have MSHA inspectors. They were given the jurisdiction originally under language to inspect these mines. What happened? As soon as the so-called transfer of jurisdictions, if you want to call it that, because that is questionable, as soon as that happened, exactly 259 of them were furloughed.

In conjunction with that, MSHA started closing 32 operations.

Look at the distinction: 5 million workplaces under OSHA; 50 or 60 million workers and looking at MSHA with workplaces of around 30,000 mines roughly, which inspectors, how many?

MSHA has 1,200 inspectors and for all practical purposes OSHA has 1,200 inspectors. Who gets inspected? Where is safety?

I hear my colleagues on the floor say, forget about this stuff, OSHA is good, but I remember how OSHA was hated.

The reason why these mine operators put so much pressure on our colleagues to transfer this jurisdiction from MSHA over to OSHA is because they do not want to have two annual inspections. They say, "We only have 10 people or 7 or 8. Why should we be subject to inspections? We have a small operation."

But the statistics show again unequivocally that your fatalities occur in the small Mom and Pop operations.

Let me close by saying this, and I will then yield to my friend, the gentleman from Montana. I will close by saying, that Secretary of Labor Raymond J. Donovan; Assistant Secretary of Labor for MSHA Ford B. Ford, and Assistant Secretary of Labor for OSHA, Thorn G. Auchter, all officially opposed to transferring from MSHA to OSHA jurisdiction over surface stone, sand and gravel, phosphates, and clay mines. They think it should be where it was placed originally, in MSHA. That is the administration speaking.

At this time I will yield to my colleague, because I did ask for 5 additional minutes.

Mr. MARLENEE. Well, if the chairman would yield, and I appreciate the gentleman for yielding, I think the gentleman has done a good job of bouncing MSHA and OSHA and OSHA and MSHA back and forth until some of us may have some questions; but when the gentleman talked about the regulation and the development of regulation, I would like to ask where those regulations are? Where are the separate regulations that MSHA was to develop for sand and gravel?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. MARLENEE. Mr. Chairman, if the gentleman will yield further, this is what has happened. This is why we object, because they are applying the same rules, the same rules to underground mining, those rules that govern underground mining, to surface sand and gravel. That is what they are doing. That is what this is all about.

The gentleman said here on the floor that they would develop separate rules and regulations. Where are they?

Mr. GAYDOS. With all due deference and respect to my colleague, I do not think the gentleman understands what I meant when I did make that statement. I said this: "The then-existing standards and regulations that pertain to the coal mine industry remained exclusively and pointedly only applicable to the coal mine industry, and the regulations and standards that pertained to metal and nonmetal mines, under the metal and nonmetal act of 1966, would only pertain, to metal and nonmetal mines." I want to emphasize, it is absolutely not true that the standards that relate and pertain to the coal mine industry are enforced on the metal and nonmetal industry. It just does not happen.

Mr. MARLENEE. Well, I think the chairman had better talk to some of the people that develop these regulations and that have been harassing our surface sand and gravel people.

Mr. GAYDOS. As a matter of law, the act specifically states clearly that that cannot happen.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. Yes, I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Let me just rise to commend the gentleman from Pennsylvania in his statement about this very difficult situation. I think everybody admits the amendment created great difficulties.

Mr. Chairman, I rise in opposition to the amendment (motion).

First, please let me say that I have respect for Mr. ROUSSELOT, and I know he believes profoundly and strongly in the amendment he has authored. I want to report to the House that in recent days I have worked with the Labor Department, contractors, and others to try to seek some agreeable resolution of this issue. For the time being that effort has failed, but I hope to pursue it further.

Second, I want the issue we are talking about today to be very clear—quite simply we are talking about worker safety. And quite simply, the issue is whether mining activities of stone, clay, phosphates, and gravel can be better protected by the Mine Health and Safety Administration or the Occupational Safety and Health Administration.

It is my very strong belief that it can be best done by MSHA. That is the way this supplemental stands right now. I think it should stay that way.

The switch to OSHA, which Congress approved last year, has created great difficulties. By the Department of Labor's own estimates, 280 highly trained and skilled inspectors will be separated from work, along with 50-75 support personnel; 76 MSHA offices will be closed, curtailed, or shut down. Secretary Donovan has said this will result in "a general disruption of all its operations."

And I submit that the end result has been much less protection for our workers. In fact, it has not even worked well for industry. The National Limestone Institute supports my position, and China Clay has sought reinstatement under MSHA.

After several months of experience, I submit that workers are not being protected. There are not continuous inspections, which were promised. Skilled workers have been lost. So I submit we need a change. My language as contained in the bill will restore MSHA's authority and will give this Congress an opportunity to restore our firm commitment to worker safety.

The CHAIRMAN. The time of the gentleman from Pennsylvania has once again expired.

(At the request of Mr. MURTHA, and by unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. MURTHA. Mr. Chairman, if the gentleman will yield further, it created some real difficulties.

Now, we have been trying to work this thing out with industry and with labor and we hope that if we can leave the amendment that I inserted in the Appropriations Committee in the bill, that it will be enough pressure on both sides to work something out by the time it gets to conference.

We thought we had something worked out in the last week or so. We have not been able to do it; but this has really created some real serious difficulties. There is no question, it is a safety problem.

I think the statement the gentleman from Pennsylvania has made is certainly commendable and I hope we can continue to leave this thing in the amendment we put in and put enough pressure on industry and labor to come up with an adequate compromise that we will be able to live with.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. GAYDOS) may be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor for just a couple minutes to clarify the issue so that I can understand it.

I direct my first question to the gentleman from California. If I understand what the gentleman is trying to do here today, he is trying to return the language in this bill to that language which he inserted in the bill last year on October 6?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. In the 1982 appropriations bill; is that correct?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. I thank the gentleman.

Now, may I ask the gentleman from Pennsylvania if the sole intent of his amendment is to in effect strike out the Rousselot language of October 6 in the 1982 fiscal year bill?

□ 1750

Mr. MURTHA. That is correct.

Mr. EDWARDS of Alabama. So the language which you use, which simply says that you take the law back to the way it was on September 30, 1981, is simply to go back a day beyond, or a day ahead of the fiscal 1982 bill. Is that the purpose of your language?

Mr. MURTHA. Exactly.

Mr. EDWARDS of Alabama. I thank both the gentlemen.

Mr. BENJAMIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment offered by Mr. ROUSSELOT and rise to support section 204 of the general provisions of H.R. 5922 to reinstate the enforcement authority of the Federal Mine Safety and Health Administration over nongovernmental sand, gravel, stone, clay, and colloidal phosphate mining activities. In effect, section 204 will nullify the original Rousselot amendment incorporated into continuing resolution, House Joint Resolution 370 which became effective, December 15, 1981, and continued by House Joint Resolution 409, which states:

> None of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 with respect to any person engaged in the surface mining of stone, clay, colloidal phosphate, sand, or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine.

The Rousselot amendment has produced utter chaos in the Mine Safety and Health Administration, OSHA and the affected industries.

The proponents of that amendment argued that it would effect a complete transfer of authority to OSHA. This is clearly not the case. By the language of the Rousselot amendment, per se, it is only a prohibition on the use of funds by MSHA.

The Rousselot amendment did not create, or even mention, any transfer of legal authority from MSHA to OSHA. Since it does not amend or repeal the Federal Mine Safety and Health Act of 1977 or any MSHA standards or regulations, the legal obligations of mine operators continues notwithstanding the fact that MSHA is precluded from enforcing the requirements. Consequently, the MSHA requirements may be enforced in court by private parties.

On the other hand, OSHA, despite its resource constraints and limited expertise in surface mining, could have some general jurisdiction. However, this jurisdiction is questioned by its prohibition on assuming statutory authority where other Federal agencies have exercised authority. The Rousselot amendment did not remove the MSHA authority or open the way for OSHA jurisdiction.

Needless to say, the present situation is confusing, uncertain and exposes mine operators to two potentially conflicting sets of legal requirements.

If you assume that OSHA does supersede MSHA as our colleague from California claims and has the resources and expertise to assure the safety of surface mine workers, you must also realize that the OSHA exemption or workplaces employing 10 employees or less from regularly scheduled safety inspections would exclude 86 percent of the sand and gravel mines and 66 percent of the surface stone mines from OSHA inspections. In other words, these mines would be almost totally exempt from Federal safety and health inspections although the MSHA law requires two annually because fatalities in this industry accounted for one-half of those in mining until the implementation of the 1977 act, after which the fatalities dropped from 86 percent in 1966 to 30 percent in 1981 or 50 to 28 percent in the mining industry.

The Rousselot amendment has effectively canceled the following MSHA operations:

First, discrimination complaint inspection/investigations;

Second, compliance assistance visits which save costs for beginning mine operations;

Third, program in accident reduction which reduced fatalities by 46 percent in participating mines compared to a 5.5-percent increase in nonparticipating mines and reduced lost-time injuries by 22 percent in participating mines compared to a 14.5-percent increase in nonparticipating mines;

Fourth, approval of operator-submitted safety and health procedures for mines;

Fifth, technical assistance at mine operators' request;

Sixth, responses to safety and health complaints, including requests for inspection from miner's representatives and mines;

Seventh, administration and enforcement of reporting and recordkeeping; and

Eighth, assessment of civil penalties.

The legal confusion, liability exposure, and administrative morass have led the major mining associations including the National Limestone Institute, the National Coal Association, and the Bituminous Coal Operators Association to oppose the Rousselot amendment. It has also lead another industry, china clay, whose substance was exempted under Rousselot, to seek reinstatement under MSHA.

This state of uncertainty and confusion cannot be allowed to continue. Legislating major substantive changes by 6-month riders to appropriations bills is not a rational solution to a set of complex problems, especially where such riders have compounded the problem. A permanent legislative solution is needed. Section 204 of this bill provides the basis for such a solution.

The confusion that we are attempting to unravel is a horrendous example of the hazards involved in attempting to amend complex substantive legislation with a simple word change or restatement of coverage within the limitations of the appropriations process.

Because of the appropriation rider previously enacted, incomplete by its nature, we have turmoil in two governmental agencies, MSHA and OSHA; we have confusion and uncertainty in vital industries, and we have workers abandoned without the most basic health and safety protections.

Section 204 will end this confusion and uncertainty and restore the Federal Mine Safety and Health Act to its prior statutory authority. It is only a restoration provision with none of the problems inherent in other legislative riders. More importantly, however, it will give the legislative committee of jurisdiction the opportunity to consider a permanent solution.

The Department of Labor has announced that it will be forced to terminate 280 highly trained employees who were specifically budgeted for these affected areas. In addition, 50 to 75 support employees will have to be furloughed or separated with all attendant severance costs. To further complicate this situation, the Department has also announced that it will be forced to close or severely curtail about 80 MSHA offices across the country. Once this structure and specialized skill are lost, it will be gone forever even with substantive restoration at sometime in the future.

We must act when to fail to do so would be wasteful and intolerable.

I therefore, urge my colleagues to join me in opposition to the amendment offered by Mr. ROUSSELOT.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rousselot amendment.

Mr. Chairman, the gentleman from Pennsylvania, the chairman of the subcommittee, has stated that by mischievous amendment we are tampering with substantive law. The chairman of the subcommittee well knows that there are many, many Members in this body who would like to see that substantive law changed. However, we have been unable to get a markup of any bill that would change the substantive law, and that is the reason that we are standing here today arguing over whether we will have funds or whether we will not have funds.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I will yield when I am finished.

I can refer to a bill I had in the last Congress that had well over 200 cosponsors that would change that substantive law, that would place surface sand and gravel under the jurisdiction of OSHA.

We also had a rollcall vote on October 6 last in this House where we had 254 Members of this body, by rollcall, express a similar sentiment. Still we have no change in substantive law.

OSHA can and OSHA will develop a group of regulations that deal with the safety and standards of surface, sand, gravel, and stone workers. No one is quibbling with that. No one is quibbling about mine safety. We all agree that an underground mine needs to have separate regulations, needs to have separate standards applied to it, as is applied to surface sand and gravel.

We are not quibbling about mines. We are talking about abuses and coercion and harassment by MSHA, by the Mine Safety and Health Administration. We are not talking about safety. We are talking about increased costs of construction at a time when this Nation can ill afford to have those increased costs of construction. We are not talking about safety. We are talking about nitpicking regulations that do not apply to an industry, an industry that should not be under mine safety and health.

Mr. GAYDOS. If my colleague will yield, I want to assure my colleague and every Member of this House, every Member, that I have held hearings on every bill.

Since the gentleman brings up the number of bills pertaining to this subject matter, I have the record here in front of me.

We have four bills in right now excluding any stone or sand. We have another bill excluding sand. We do have the bill with 160 cosponsors as of this date which would exclude sand and gravel, surface stone, clay and what have you. Last year we had 215.

I admit they are substantial numbers. I have had the hearings. But I have on record placed my position and the committee's position in this respect.

We said we were not going to support exclusions. We would be amendable to anything reasonable, work something out. But the position is still there. We cannot in good conscience support exclusions.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding and congratulate him for his efforts. I join him in supporting the Rousselot amendment.

Mr. Chairman, as we know, the urgent supplemental appropriations bill. H.R. 5922, includes language offered by Congressman MURTHA, reinstating the enforcement authority of the Mine Safety and Health Adminis-

tration (MSHA) over most sand, gravel, stone, clay, and colloidal phosphate mines. This provision would totally reverse the intent of Congress as approved by the House of Representatives only last year to provide much-needed regulatory relief to a variety of industries.

Last session, Congress was alerted to certain inequities under Public Law 95-164, the Federal Mine Safety and Health Amendments of 1977. Although I was one of the 88 Members who, for many reasons, opposed this act when it came before the House in the 95th Congress; I must admit that I did not foresee the utter chaos this act would engender for the aggregates industry.

For several Congresses, I have sponsored measures to deny funds to MSHA to enforce its inflexible rules and regulations against the sand, gravel, crushed stone, clay, and colloidal phosphate industries and to effect their transfer to the regulatory jurisdiction of OSHA. Striking the Murtha amendment from this bill will prevent a senseless cost from being imposed on the aggregates industry which will ultimately be borne by the consumer. In the past, the regulations promulgated by MSHA have placed an undue hardship on small stone, sand, and gravel operations. In essence, MSHA simply pigeonholed them as miners.

We all know that the sand, gravel, and stone industries are not miners. They have historically been classified with the construction industry and to group them with coal and silver mining workers is ludicrous. MSHA regulations may be justified for limited, risky, underground mining, however, my argument is based upon the fact that a gravel pit is not a mine, and therefore, employees of a gravel operator should not be overregulated as miners. Under the Rousselot amendment, these enumerated industries are not excluded from safety regulation. Sand, gravel, and stone surface operations are transferred under OSHA, who we all know can be a rather "conscientious" agency to deal with—or the "lesser evil" in this instance.

In reviewing the history of the MSHA regulation, it is obvious that MSHA knows very well that their regulations are a great strain and will being about financial ruin for many small operators of sand, stone, and gravel stone pits since it is common knowledge that over half of them have less than 10 employees.

Since 1977, as the representative of the Third Congressional District in Arkansas, I have received numerous complaints regarding the jurisdiction of MSHA over these industries. My constituents have continued to express confusion, anger and fear as to what MSHA will do to their businesses and how much its regulations will ultimately cost. Now, I ask you to allow me to read a brief sampling of some of the comments received on this subject to date which detail the severity of MSHA's oversight of the aggregates industries.

Our small sand and gravel business has been operated by our family for 40 years. Never have we considered ourselves miners or mine operators.

We are violently opposed to being placed under MSHA rules as coal miners. The sand, gravel and stone plants are not parallel businesses. You will please note that we maintain an accident rate of 1.1 as compared with the Bureau of Mines average for quarries of 4.41. This record indicates clearly our concern for safety. Is it any wonder that literally millions of our citizens are up in arms about excessive costs brought on by government agencies.

The intent of the Rousselot amendment to strike the Murtha language from H.R. 5922, is not to intervene in the regulatory process or to threaten the safety of bona fide miners. However, I have long felt that this category of so-called miners under the jurisdiction of MSHA has suffered needlessly and without any proven benefit to employee safety. I urge my colleagues to once again support the Rousselot amendment since I feel extended regulation by MSHA will force many operators to close their doors and increase costs for the remaining operators and consumers.

During the 95th Congress this legislative flaw under MSHA was able to slip through without the proper scrutiny that it rightfully deserved. At a time when Members of Congress have pledged to curb unnecessary and wasteful regulation, I feel the passage of the Rousselot amendment today would be an important step in the right direction for the second time.

□ 1800

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I think we had better understand what is going on here. This is not a question of confusion in the law; of a few people that own sand and gravel pits, or limestone mines, or stone mines or phosphate mines somehow getting trapped incidentally within the coverage of the MSHA Act. It was by design. It was by the design of this Congress, because the 1977 Mine Safety Act transferred the definition of "mine" from the old 1966 Mine Safety Act to MSHA, and Congress specifically intended to include these operations. They were covered by the 1966 act. We knew what we were doing.

And, despite what the gentleman has said, MSHA has separate regulations for surface activities and for underground activities; for coal and noncoal mines. It was very clear, what the intent is.

What we really have here is some people who are regulated and do not like the manner in which they are regulated. It is not that there is confusion in the Congress, but rather, that these people have decided that it is in their financial interests to operate in a different manner. Do not be fooled that they embrace OSHA. What they are holding out for is to embrace OSHA at this particular point because OSHA has some exclusions in it, mainly 10 or less employees, so a lot of these people figure they will never be inspected.

There are mandatory inspections under MSHA, not under OSHA. A lot of these people figure they will escape because OSHA does not have the resources to inspect all of the workplaces already within its jurisdiction. Those of you who would be concerned about the farmers over there have seen the grain elevators blow up, and should know what the problem is.

There are other differences. OSHA may not provide for the fine on the first violation; MSHA requires one. So, what we really have here is a calculation by these individuals that this is a way they can avoid health and safety requirements and enforcement. That is what is going on here.

Do not be misled for a moment that these gentlemen over here embrace OSHA inspections for their constituents who are currently required to be mandatorily inspected by MSHA. We are not returning them to OSHA because OSHA never had jurisdiction over these mines. There was jurisdiction under the 1966 Mine Safety Act. There was jurisdiction now under MSHA.

What the Rousselot amendment does, in fact, is take the people in the surface mining operations and provide them no jurisdiction of health and safety because, under the OSHA law, OSHA will not gain jurisdiction over these mines.

The gentlemen said they would be included in the law. We can argue this point, too. Under 4(b)(1) of OSHA Act, the agency is prevented from entering an area where another agency has exercised jurisdiction. And the court cases that counsel is about to whisper in the gentleman's ear are distinguishable on the facts because in those cases the Department of Transportation did not exercise full jurisdiction. But here we have a case where MSHA has fully exercised its jurisdiction, and you would temporarily prohibit MSHA from doing so. OSHA is precluded from going in in that situation.

The legislative history is clear. The gentleman from Illinois (Mr. ERLENBORN) and Mr. DANIEL discussed exactly that point, and it is clear that the intention was that OSHA would not be allowed to enter into areas where another Federal agency has asserted jurisdiction.

So, we can talk about that as an abstract matter; this is harassment, this is somebody's view of harassment, these are nitpicking regulations. In fact, these regulations were set up with this specific industry in mind, because it is dangerous, because it has always been dangerous, and it continues to be dangerous. So you can think in abstracts, but in real terms, you deny these workers coverage because that is what the Rousselot amendment does.

You are led to believe that when you voted on this matter last year that there would be a simple transfer of jurisdiction, right? That is what they told you. That has not happened because in fact the jurisdiction of OSHA is being challenged by some of the mineowners who in fact did not even want to be regulated by OSHA, either, and now have the best of all worlds. They are precluded by the Rousselot amendment from being regulated by MSHA, and precluded by the law from being regulated by OSHA.

So, you ought to go back and tell your workers—make sure you talk to the workers as well as the owners—that they will now be completely without health and safety regulation. And if you think it is all abstract, I would be delighted to share with you the names of workers who have been killed in accidents in these mines since we have done this, and there are no OSHA regulations with respect to the type of accidents that these workers suffered, but there were appropriate regulations under MSHA.

I opposed that restriction on the MSHA appropriation last year, and I think the Committee on Appropriations has shown real leadership and courage in striking that unsound restriction in this supplemental appropriation bill.

First of all, these stone mines and sand and gravel mines, and clay mines and phosphate mines are just that—mines.

They have been regulated under the Federal Mine Safety and Health Act since 1977.

Prior to that, they were regulated under the Federal Metal and Nonmetallic Mine Safety Act of 1966.

They have never been considered, under Federal law, as anything but mines.

They were never regulated under OSHA.

And, in fact, until the enactment of the 1977 law, with its tough standards and aggressive enforcement, they never wanted to be regulated as anything but mines.

There is no reason in history or tradition why these operations should be regulated under any law but a mine safety law.

And, it is not as if these operations are unworthy of regulation. Not only are they mines, but they are extremely hazardous mines.

In 1980, more miners were killed in sand and gravel and stone mines than in all the other nonmetal mines and metal mines and coal mines combined.

The question, Mr. Chairman, then becomes, can we afford to let these mines go unregulated?

We were told, when the MSHA rider was previously considered by the House, that we would not have to confront that question, because the effect of the rider would be that OSHA would enforce safety and health standards at these mines.

That advice, however, flies in the face of the express language of section 4(b)(1) of the Occupational Safety and Health Act.

That section says that nothing in the OSHA Act shall apply to working conditions of employees with respect to which other Federal agencies exercise statutory authority to prescribe or enforce safety and health standards.

Well, the Mine Safety and Health Act clearly gives MSHA the authority to prescribe and enforce safety and health standards in stone and sand and gravel and clay and phosphate mines; and from 1977 to the time of the rider, MSHA exercised that authority.

The rider does not take away that authority.

The rider merely precludes the use of MSHA's appropriation in enforcing the law at those mines.

It does not eliminate MSHA's authority to prescribe standards.

And because of this, section 4(b)(1) of the Occupational Safety and Heath Act precludes OSHA's authority to take up the slack.

In point of fact, Mr. Chairman, since the rider was adopted, OSHA simply has not taken up the slack. As I understand it, except for a very few miner complaints, and a few investigations of fatal accidents in these mines, OSHA has engaged in no enforcement activities.

The current situation is not as we were told it would be, but as we fear it would be.

MSHA cannot inspect these mines for safety and health hazards.

OSHA has not inspected these mines for safety and health hazards.

I wish I could say that the hazards themselves have gone away, but they have not. Only the Government inspectors have gone away.

The hazards persist, and the deaths of miners, tragically, persist.

The only difference is that no Government agency is looking after the safety and health of the miners.

What happened last year was a shell game.

The stone and the sand and gravel industry came to us and said "We want out from under MSHA, and if you do this little thing for us, we will come under OSHA."

In point of fact, the pea was under neither shell—and we were taken—and the miners in this hazardous industry are now paying the price.

Mr. Chairman, the House and the Senate made a mistake in adopting this rider last year, and the committee has presented us with a way of undoing that mistake.

We should seize the opportunity, and restore MSHA's ability to regulate and enforce the law at these very dangerous mines.

The gentleman from California (Mr. ROUSSELOT) asks us to make the same mistake again.

We cannot do so.

The lives and the safety of 77,000 surface miners depends on our not doing so.

I urge my colleagues to support the provision of the committee bill, and to reject the amendment.

Mr. NELLIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Rousselot amendment.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield for 1 minute on a point brought up by the previous speaker?

Mr. NELLIGAN. Surely.

Mr. MARLENEE. I thank the gentleman.

The Congressional Research Service did a study on whether or not OSHA and the Department of Labor could assume jurisdiction. They stated several court cases which have interpreted section 4(b)(1) of the OSHA Act, which establishes the relationship between OSHA and other Federal and State safety laws, as definitely allowing OSHA to assume jurisdiction. This seems to be totally contradictory to what the previous speaker stated.

Mr. NELLIGAN. Mr. Chairman, last year 254 Members of the House voted for an amendment to the continuing resolution which effectively excluded safety inspections by Federal officials at stone, sand, clay, gravel, and colloidal phosphate mines and related milling operations. I was one of those Members.

I believe that some of us who supported the amendment last year may have been misled. I was led to believe that, by restricting the use of Federal Mine Safety and Health Administration funds for inspections, we were simply transferring responsibility to an equally capable Federal agency. I was told that affected operations were already safer than retail stores. I was given to understand that displaced MSHA inspectors would be put to work providing better inspections in coal mines. For these reasons, I came to the conclusion that OSHA, rather than MSHA, was the appropriate Federal agency for inspecting sand, stone,

and gravel operations. And, I was under the impression that the transfer could be easily accomplished by the amendment.

In the months that have passed since the vote on the amendment, a great deal of additional evidence has come to my attention. That evidence has served to convince me that the amendment's provision is not in the best interest of affected workers, industries, or the American people. I would like to take this opportunity to review some of this evidence for the benefit of past supporters of the amendment who may also have been misinformed.

First, I do not believe that stone, sand, gravel, clay, and colloidal phosphate mines are as safe as supporters of the amendment have claimed. I have no quarrel with their statistics. But we all know that statistics can be misleading. What their statistics fail to show is that the number of deaths caused by accidents in affected mines totaled 134 between 1978 and 1980—compared to 42 deaths in all other metal and nonmetal surface mines, and 53 deaths in surface coal mines. Clearly, these are dangerous industries, which present unique threats to the safety of workers. Clearly, despite statistics and semantics, these industries are much more nearly akin to mining than to construction operations. I believe it follows that the efforts of the most highly competent Federal mining inspectors are required to minimize risk to workers in affected operations. This expertise is exemplified in MSHA's highly trained personnel.

Second, I do not believe that adequate inspection is possible under OSHA. Under MSHA, each of the more than 10,000 sand and gravel pits and stone quarries nationwide was inspected frequently. According to a report in the March 8 edition of the Pittsburgh Press, OSHA officials admit that their agency conducted a total of only 13 inspections at the same 10,000 facilities during the first 3 months of their jurisdiction. During a similar period of time under MSHA, there would have been over 1,300 inspections. A large part of this difference results from the fact that the amendment has eliminated all safety inspections at operations with 10 or fewer employees—operations which constitute about 85 percent of those previously inspected by MSHA.

Third, I believe the amendment has created unintended legal and administrative problems. Supporters claim that these are mere wrinkles that can be worked out in the future, and that no adverse effects on worker safety will result in the meantime. I am highly skeptical of these claims. I point out to you that the amendment has not ultimately solved the legal issue of who has final responsibility for inspections at affected sites; that it has provided no additional funds for OSHA to help meet its increased inspection responsibilities; and that it will require the furloughing of 220 highly trained and technically competent MSHA mine inspectors as of the end of next month. These are not, to my way of thinking, mere wrinkles. Rather, they are problems which threaten the viability of the entire mine inspection effort.

Fourth, I no longer buy the argument that the amendment will serve to lessen the burden of Federal regulations in a cost-effective manner. Press reports have indicated that some affected operations have already experienced a marked increase in insurance premiums because of reductions in inspections. Because of cost factors like these, as well as concerns about worker safety and blurred lines of authority for inspections, even some of the affected industry associations do not support the amendment. The National Limestone Institute, while recognizing the need for modifications in the current law, opposes what it aptly terms "the simplistic, undefined transfer proposal" contained in the amendment.

Finally, despite what you may have heard or read, the Department of Labor does not support the amendment. Last year, Secretary Raymond Donovan informed appropriate subcommittee chairmen in both the House and Senate of his Department's reservations. Supporters are now claiming that Mr. Donovan has been won over to their side. This is simply not the case. All that Mr. Donovan has done is to recognize that, if the amendment remains in effect, changes will have to be made to provide for some form of inspection at affected facilities within the framework of OSHA. He has not endorsed the policy. This is clear from testimony presented during the week of April 19 by Assistant Labor Secretary Ford B. Ford at Senate hearings. In that testimony, Mr. Ford reiterated Labor's request that MSHA's authority for inspections at stone, sand, gravel, clay, and colloidal phosphate mines be restored.

Mr. Chairman, I believe the case against the so-called Rousselot amendment is a clear and persuasive one. The affected operations are not safe; current inspections under OSHA are inadequate and they are likely to remain so; MSHA's expertise is necessary to restore worker safety in these operations. The amendment has failed to gain the support of a single labor union, sizable segments of the affected industries, or the Reagan administration.

For all of these reasons, I can no longer support the amendment. Members who share my view have a unique opportunity to undo the damage caused by passage of the amendment last year. H.R. 5922, the urgent supplemental appropriations bill, has been amended to restore MSHA's responsibility for inspecting stone, sand, gravel, clay, and colloidal phosphate mines. I intend to support this provision, and to resist any efforts on the floor to amend it. I urge my colleagues, who may have unwittingly supported the amendment last year, to join me in this course of action—which is vital to the safety of thousands of American Miners.

□ 1810

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. NELLIGAN) has expired.

(By unanimous consent Mr. NELLIGAN was allowed to proceed for 3 additional minutes.)

Mr. NELLIGAN. Mr. Chairman, I believe the case is sure. I believe the case against the Rousselot amendment is clear. I do not believe we are talking about regulations. I do not think we are talking about dual responsibility. I think we are talking about the lives of miners in this country, and I urge my colleagues to oppose the Rousselot amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I am glad to yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend yielding.

I wanted to congratulate him on his statement. I think it is balanced and one with which I strongly agree.

I think it would be costly and complex and time consuming to make this change at this time and I think the gentleman's statement is right on target.

Mr. Chairman, when the Rousselot amendment was offered last October, I voted for it. So did 253 of my colleagues. Since that time, I have done more homework on the issue. I have concluded that I cannot support this amendment to the urgent supplemental appropriation.

I have always believed that the free enterprise system cannot survive if it is entangled in excessive regulation; but it also cannot survive if it fails to meet its responsibility to protect the safety and health of workers. And that is the fundamental issue here: How can we best protect the workers in surface stone, sand, and gravel mining?

The argument for this amendment is that, with MSHA barred from using its funds to inspect and regulate certain surface mines, OSHA will automatically have the authority to step in and fill the breach. I know that my colleague from California (Mr. ROUSSELOT) can cite an impressive number of cases to try to show that this is so. But I must point out that there are many doubts about this argument. It

has been suggested that, under the Rousselot language, OSHA does not have the authority to take over from MSHA. I do not pretend to have a definitive contribution to make in this debate but, given the disagreements between honest men and women of good will, I am certain of one thing: The lawyers will have their hands full.

The losers will be the workers, whose safety may be jeopardized so long as the matter is disputed. As Labor Secretary Donovan has written:

> Resolution of this litigation may take some time. * * * While this or any other issue is being litigated, the contesting operator need not comply with an OSHA abatement order.

Some of my colleagues have pointed out, "If the legal problems are so complex, how come all that litigation hasn't surfaced yet?" The answer is that OSHA has not yet gone full speed ahead into mine inspection. OSHA is only now attempting to take MSHA's place and we are feeling the calm before the storm. When OSHA starts to inspect in earnest, industry and labor alike will be consulting their lawyers more often.

I recognize that a completely different scenario is possible—there may be little or no litigation. This could come about if OSHA is unable to take MSHA's place. This would leave mines uninspected and workers unprotected. When MSHA was inspecting surface mines, there were over 1,800 inspections between January 1 and April 1, 1981. In the same time period this year, OSHA has performed only 17 inspections.

All of OSHA's were in response to complaints or fatalities. There were no routine general inspections.

I know that Secretary Donovan has assured my colleagues that he will do his best to equip OSHA for the task of surface mine inspection. My fear is that, realistically, he may not be able to achieve that goal. The proposed Rousselot amendment transfers many of MSHA's responsibilities to OSHA, but none of its funding. Last December, Secretary Donovan pointed out that this would be costly, complex and time consuming—inspectors would have to be trained, new rules and regulations would have to be promulgated and inspections would have to be scheduled and made—all within OSHA's present resources. Last December, these obstacles were so worrisome that Secretary Donovan said he did not think OSHA should take over MSHA's surface mining responsibilities.

The possible outcomes then, are not very appealing—we face legal problems over OSHA's authority to regulate surface mines and administrative problems involving OSHA's ability to enforce that authority if indeed it exists. I am afraid that despite good intentions all around, the safety of workers may be at risk if this amendment is adopted. And where human lives are at stake, I do not think we can afford to take chances. I urge my colleagues not to adopt this language.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I will be glad to yield.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I do not want to take credit for something I did not do in my amendment. The Byron amendment established that groups of employees of less than 10 would be excluded from OSHA. So the gentleman has given me credit for that. I had nothing to do with it and the gentleman knows that. So does my colleague from Pennsylvania, so you cannot lay that on me.

Mr. NELLIGAN. Effectively what I am saying is if we have only 13 inspections where there should be 13,000, they are the ones that are going to slip through the safety net.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute and 30 seconds each.

The Chair recognizes the gentleman from Colorado (Mr. KRAMER).

(By unanimous consent Mr. ROUSSELOT yielded his time to Mr. KRAMER.)

PARLIAMENTARY INQUIRY

Mr. KRAMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KRAMER. Mr. Chairman, do I understand the Chair is saying that each one of those colleagues named has 1½ minutes apiece?

The CHAIRMAN. The gentleman is correct.

Mr. KRAMER. Mr. Chairman, let me just briefly say that what is being overlooked here is the real issue and that is, as the gentleman from California I think aptly pointed out, people are trapped by design into a bill that is intended to apply to the unique conditions that are present in coal mines. What we have now done is apply a coal mine law across the board to every type of mining regardless of the minerals mined, regardless of the particular conditions within that mine and regardless of how that mine is operated by size and scope.

What is really needed here is a reaffirmation of the Mine Safety Health Act, a bill that we will introduce within the next several weeks to provide an atmosphere that is no longer one of confrontation but one of cooperation, that provides flexibility and targeting so that what we can really get at is the unsafe mines rather than treating every single mine alike, regardless of safety record.

It is a bill that will impose not the will of the Government, but will seek compliance assistance whereby mines will have an opportunity to find out what they are really doing wrong and then correct it without the fear of being cited for every violation regardless of how picyune and regardless of how unimportant.

What is really at stake here is, in fact, the basic question: Why would a group of individuals ask to be regulated by OSHA?

What is needed here is legislation that will target unsafe mines. Right now, for example, we are concerned about the disasters in coal mines. But did my colleagues know that the penalty for smoking in a coal mine, which has been the reason for so many deaths, is $250?

I ask when we spend an hour and a half debating a sand and gravel operation, which is much more peculiar to construction work, are we really targeting in on the real issue in mine safety? And I suggest no, we are not doing that.

What is needed is an educational program for miners that is tailored to the unique mining conditions. Not every mine is like a coal mine. A sand and gravel operation that is above surface has nothing in common with a coal mine.

Most mining accidents occur from one of two conditions, roof cave-in or explosion created by methane gas. Neither condition is present in a sand and gravel operation on the surface, so what is needed is a recognition that each type of mine is unique and ought to be handled differently, that MSHA ought not to be sent out to every single mining operation, treating all alike, and that each ought to be treated according to its safety record, that each ought to be treated according to its inherent potential for danger.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY of Pennsylvania. Mr. Chairman, as someone who has served on the original authorizing committee, and someone who had questioned numerous witnesses on the issue of jurisdiction, I would only say that I would hope the body would not vote in support of the Rousselot amendment. It will cause a great deal of hardship, it will cause a great deal of pain.

OSHA does not have the ability to, does not even have the authority to extend its jurisdiction. The nitpicking problem, incidentally, with MSHA is something that the administration can solve via regulation and administrative emphasis.

I yield the balance of my time to the gentleman from Pennsylvania (Mr. GAYDOS).

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. BAILEY) has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. I want to thank my colleague for yielding.

Let me say I think it is important, I mean decidedly important that you remember and take into account and listen to Secretary Donovan. He has had a chance to analyze the situation. He and Assistant Secretary Auchter and Assistant Secretary Ford are looking at this matter, they are examining closely those involved. The inspectors, do they have the expertise? How about these standards? Are these standards time tested; are they in place under MSHA?

Why when lives are at stake, and I cannot help but emphasize this, when lives are at stake, why would you not give and respond, and give due credence to all of these facts that indicate: First, the expertise is there in NSHA; second, there is an experienced record in MSHA; and third, you have qualified inspectors in MSHA, who know mine safety and health.

So why put the lives of those miners under OSHA jurisdiction? First, OSHA cannot make the proper inspections; second, they do not have inspectors that are qualified; and third, they have no mining standards.

I ask my colleagues to please defeat this amendment.

□ 1820

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, the issue in this debate is not regulation or overregulation or paperwork. The issue is safety. The issue is lives—lives of people working at surface mines.

Balance in your minds and your hearts on the one hand a handful of papers and regulations and, on the other hand, an unsafe workplace and the prospect of sudden death.

From 1978 until 1980, 134 workers in stone, sand, and gravel pits were killed. They did not die. They did not expire. They were killed in accidents.

Last year there were 17 inspections under OSHA. The year before, there were 1,800 inspections by MSHA.

I grew up in mining country. I remember the day my father came home, ashen, from the underground mine, when a cave-in stopped right here at his neck. I made it my goal when I came to this Congress to work for mine safety. We have got a good law. Let us keep it. Let us not water it down. Let us not put people's lives in jeopardy. Let us reject the Rousselot amendment.

Mr. Chairman, Congress made a terrible mistake in approving a provision of the continuing resolution which excludes all surface sand and gravel mines from the provisions of the Mine Safety and Health Act.

The inclusion of sand and gravel mines under the provisions of the Mine Safety and Health Act was the result of extensive consideration by the House and Senate authorizing committees. It was not done inadvertently, inappropriately, or incorrectly.

The protection offered to sand and gravel miners should not be stripped away by an ill-considered rider to a continuing appropriations resolution.

H.R. 5922, legislation making urgent supplemental appropriations, would undo the mischief done by the continuing resolution which excluded workers in sand and gravel pits from the protection of the Mine Safety and Health Administration.

To reject the sensible provision included in the supplemental appropriations bill by the Appropriations Committee would be unconscionable. It would mean excluding from the safety provisions of MSHA the very workers who are at greatest risk. In the years 1978 to 1980, 134 workers in stone, sand, and gravel pits were killed. Fatal accident rates in surface mines are higher for sand, gravel, and stone mines than they are for metal, nonmetal, and coal surface mines.

Supporters of the exclusion provision in the continuing resolution claim that the 1977 law should not be applied to surface mining. They are wrong.

The primary purpose of the 1977 act was to provide noncoal miners with the same protection that had been denied them under the 1966 Metal and Nonmetallic Mine Safety Act. There is tougher enforcement under MSHA than OSHA. In the last year, there were only 17 OSHA inspections of sand and gravel pits, compared to 1,800 inspections by MSHA of the same operations in the previous year. The 1977 act accomplished a major reform by transferring enforcement from the Department of the Interior, whose primary focus is development of the Nation's natural resources, to the Department of Labor, whose focus is protection of the American worker and the workplace.

The Mine Safety and Health Act clearly provides for different standards for each type of mining operation. Standards governing coal mines are not applied to noncoal mines. Surface stone, sand and gravel, and open-pit mines are governed by their own set of safety and health standards, which were largely developed under the 1966 act with the participation and the approval of the industry itself.

In view of the carefully drawn provisions relating to sand and gravel and the separate consideration given such operations in the 1977 act, there is no justification whatever for removing them from MSHA protection.

Supporters of the exclusion may argue that sand and gravel mines should be regulated by the same enforcement agency as construction work. There is no merit in that argument, for construction work and sand and gravel operations are two totally different kinds of work; no reasonable person could be persuaded that they should be covered by the same set of safety laws and rules. Furthermore, apart from the merits, we should have grave reservations about using an appropriations rider to accomplish the substantive change of removing enforcement responsibilities from MSHA.

There is also a very significant question of whether the rider actually accomplishes a transfer from MSHA to OSHA or whether it simply excludes sand and gravel mines from MSHA, without providing for coverage under OSHA.

I think it should also be pointed out here that, historically, sand and gravel operations have been considered part of the mining industry, not the construction industry. Until Congress passed the 1977 act, greatly strengthening the protection given surface stone, sand and gravel mine workers, the mine operators were satisfied to be governed by the Metal and Nonmetallic Mine Safety Act of 1966. The 1966 Mine Act was far weaker than the 1970 act which created OSHA. In the period 1970 to 1977, mine operators did not argue that they were not misers; they were not clamoring for coverage under OSHA then, why should they want to change now—unless they are trying to escape the somewhat stiffer provisions of the MSHA law. And if they are, then all the more reason to give workers in more operations the better protection they deserve.

The Appropriations Committee has given us a vehicle for undoing a tremendous wrong which has been done to the men and women who work in the Nation's sand, gravel, and colloidal phosphate mines. If we reject the amendment included by the Appropriations Committee, we return these miners to a legal limbo in which the continuing appropriations bill has left them. Those who argue for exclusion of these miners from MSHA cannot in good conscience argue that they have transferred authority for surface stone, sand, and gravel mines to OSHA. The exclusion in the continuing resolution is simply an exclusion, a prohibition of the use of funds. It does not provide OSHA with legislative authority to assume the responsibilities which it gave MSHA in 1977.

The issue is not a partisan one. I was very pleased to see the excellent dear colleague initiated by the gentleman

from Pennsylvania (Mr. NELLIGAN) and signed by our colleagues from the other side of the aisle, the gentlemen from New York (Mr. KEMP) and Pennsylvania (Mr. RITTER).

Secretary of Labor Donovan in letters to Chairman NATCHER and Senators SPECTER and SCHMITT has made quite clear the Department of Labor's concern over the implications of the exclusion provision: The uncertainty over OSHA's authority to assume MSHA functions with respect to surface mines, the loss of trained MSHA personnel, and the strain on OSHA's already restricted personnel resources.

As an original sponsor of the 1977 act, I know the care with which Congress passed the act. I find it absolutely appalling that with a rider to the continuing resolution, Congress deprived the Nation's sand and gravel miners of the protection Congress intended for them.

If the House rejects the efforts of the Appropriations Committee to restore MSHA'a authority, then it should bear the responsibility for the deaths of those miners who will lose their lives in the next year because of a senseless, ill-considered, mindless attempt to strike out at worker safety laws.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I find this issue somewhat confusing, and I suppose most Members do. There seems to be a difference of opinion as to what the facts are. But I think, as in most debates, issues, that come before this Congress, there are certain interests that are being represented. On the one hand are those who own the small sand and gravel pits, often farmers, as has been stated by one of the Members in the debate, who feel that the MSHA coverage is onerous, its manadatory inspections, mandatory fines, are onerous, and that had been reflected by a majority of the Members of this Congress signing on as cosponsors of a bill to change the jurisdiction for these sand and gravel mines.

On the other hand, you have some labor unions that represent not the employees in the sand and gravel mines that we are arguing about, but other employees, but for reasons of their own, want to keep the jurisdiction in MSHA.

Now, we have had 23 days of hearings in the subcommittee headed up by the chairman, the gentleman from Pennsylvania (Mr. GAYDOS). We have had no action. We have had no bill reported. It seems to me quite clear that if we just put this back to the position it was before, that is exactly what is going to happen. Even though a majority of the Members of this House want action taken to respond to the complaints of their constituents, nothing is going to happen. You know we are probably not going to have a discharge petition signed.

Now, at the moment there seems to be some unhappiness in the way the situation is under the Rousselot amendment. My suggestion is, support the Rousselot amendment and then maybe we will get a bill out of that subcommittee.

(By unanimous consent, Mr. MOFFETT yielded his time to Mr. RAHALL.)

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. I thank my colleague, the gentleman from Connecticut, for yielding me his time.

Mr. Chairman, today we are being given the chance to atone for a gross violation of the right of this Nation's sand, gravel, clay, and phosphate surface mine labor force to a safe and health workplace which was committed with the acceptance of an amendment to the continuing appropriations for fiscal year 1982 prohibiting the Mine Safety and Health Administration from inspecting these mines.

Today, we are being given a second chance to undue a great wrong, to consider once again with the benefit of retrospect the insidious consequences of poor, indeed, nonexistent, mine inspection and enforcement.

Today, because of the efforts of our colleagues on the Appropriations Committee, we have before us an urgent supplemental appropriation for fiscal year 1982 which seeks to reverse the MSHA exemption by giving this agency the same jurisidicton it had over mine safety on September 30, 1981.

I commend my colleagues on the committee for their tireless efforts on behalf of the miners of this Nation. I applaud their keen foresight in trying to reverse the damage done by the continuing resolution before this damage became irreversible.

Mr. Chairman, sand and gravel mines are no less dangerous than coal mines. However, since enactment of the continuing resolution, some 77,000 surface miners and 45,500 stone milling workers have been without any effective health and safety protection. Meanwhile, MSHA has been plagued with, and its activities undermined by, low morale and RIF procedures. In an agency of fewer than 3,000 employees, we have created a formula for disaster by causing job insecurity within the ranks of MSHA inspectors.

Surely, many of my colleagues never anticipated these ramifications when voting for the MSHA exemption amendment. Surely, they did not vote to exempt mine workers from safety and health protection.

Let us now recommit ourselves to a sound workplace. I urge my colleagues to oppose any weakening amendments to H.R. 5922 and to support the committee's efforts to restore health and safety inspections.

● Mrs. SCHNEIDER. Mr. Chairman, I rise in opposition to the Rousselot amendment. I believe that it is essential that we look realistically at the number of workers that would be excluded from any effective safety and health protection.

Surface stone, sand and gravel mines are not safe. They are the most dangerous of all types of surfacing mining. In the last 3 years, 134 surface stone, sand and gravel miners will be killed as compared to 42 deaths in metal/nonmetal surface mines and 53 deaths in surface coal mines. Overall, if this exclusion amendment is enacted 77,000 surface miners and attendent mill workers will be excluded from effective safety and health protection.

A Library of Congress study reports "to send surface miners from MSHA to OSHA would probably be condemning increasing numbers of miners to injury or death." In addition, the Department of Labor has openly opposed the exclusion. The Department basis its opposition on confusion over the jurisdictional authority between OSHA and MSHA and the fact that OSHA lacks experienced inspectors.

Finally, the safety of workers must remain our top priority. Therefore I urge my colleagues to oppose this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 220, answered "present" 1, not voting 25, as follows:

[Roll No. 73]

AYES—186

Alexander	Coleman	Fountain
Andrews	Collins (TX)	Frenzel
Anthony	Conable	Fuqua
Archer	Corcoran	Gibbons
Badham	Craig	Gingrich
Bailey (MO)	Crane, Daniel	Goodling
Barnard	Crane, Philip	Gradison
Beard	Daniel, Dan	Gramm
Bennett	Daniel, R. W.	Gregg
Bereuter	Dannemeyer	Gunderson
Bethune	Daub	Hagedorn
Bliley	de la Garza	Hall, Ralph
Boggs	Deckard	Hall, Sam
Bouquard	Dickinson	Hammerschmidt
Breaux	Dornan	Hansen (ID)
Brinkley	Dunn	Harkin
Broomfield	Edwards (AL)	Hartnett
Brown (CO)	Edwards (OK)	Hefner
Broyhill	Emery	Hendon
Burgener	English	Hightower
Butler	Erdahl	Hiler
Carman	Erlenborn	Hillis
Carney	Evans (IA)	Holt
Chappell	Fiedler	Horton
Chappie	Fields	Hubbard
Cheney	Fish	Huckaby
Clausen	Flippo	Hunter
Clinger	Forsythe	Hutto

Ireland
Jeffords
Jeffries
Johnston
Jones (TN)
Kazen
Kindness
Kramer
Lagomarsino
Leach
Leath
LeBoutillier
Lee
Lewis
Loeffler
Long (LA)
Lott
Lowery (CA)
Lujan
Lungren
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McClory
McCollum
McCurdy
McDonald
Mica
Michel
Miller (OH)
Mitchell (NY)
Molinari
Montgomery
Moore
Moorhead
Morrison
Myers
Napier
Nelson
Nichols
Oxley
Panetta
Parris
Pashayan
Patman
Paul
Pickle
Porter
Pritchard
Pursell
Quillen
Railsback
Rhodes
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Roth
Rousselot
Rudd
Santini
Sawyer
Schulze
Sensenbrenner
Shaw
Shelby
Shumway
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Tauke
Tauzin
Taylor
Thomas
Udall
Vander Jagt
Watkins
Weber (MN)
White
Whitehurst
Whitley
Whittaker
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)
Young (MO)

NOES—220

Addabbo
Akaka
Albosta
Anderson
Annunzio
Applegate
Aspin
Atkinson
AuCoin
Bailey (PA)
Barnes
Bedell
Beilenson
Benedict
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brodhead
Brooks
Burton, Phillip
Byron
Chisholm
Clay
Coats
Coelho
Collins (IL)
Conte
Conyers
Coughlin
Coyne, James
Coyne, William
Crockett
D'Amours
Daschle
Davis
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Duncan
Dwyer
Dyson
Early
Eckart
Edgar
Edwards (CA)
Emerson
Ertel
Evans (DE)
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Florio
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Gore
Green
Guarini
Hall (OH)
Hamilton
Hance
Hatcher
Heckler
Hertel
Holland
Hollenbeck
Hopkins
Howard
Hoyer
Hughes
Hyde
Jacobs
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kemp
Kennelly
Kildee
Kogovsek
Lantos
Latta
Lehman
Leland
Lent
Levitas
Long (MD)
Lowry (WA)
Luken
Lundine
Madigan
Markey
Marks
Matsui
Mavroules
Mazzoli
McDade
McEwen
McGrath
McHugh
McKinney
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Mottl
Murphy
Murtha
Natcher
Nelligan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Price
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Rodino
Roe
Rogers
Rose
Rosenthal
Rostenkowski
Roukema
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shuster
Siljander
Simon
Smith (NJ)
Solarz
St Germain
Stark
Staton
Stokes
Studds
Swift
Synar
Traxler
Trible
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Waxman
Weaver
Weber (OH)
Weiss
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—25

Brown (CA)
Brown (OH)
Burton, John
Campbell
Courter
Dreier
Dymally
Fenwick
Foglietta
Ginn
Goldwater
Gray
Grisham
Hansen (UT)
Hawkins
Heftel
LaFalce
Livingston
Mattox
McCloskey
Mikulski
Neal
Schneider
Smith (PA)
Stanton

□ 1840

Messrs. RICHMOND, BEVILL, LENT, and FINDLEY changed their votes from "aye" to "no."

Messrs. HUTTO, DORNAN, and SKELTON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the urgent supplemental, which will provide vitally needed funds for several programs of interest to the Public Works and Transportation Committee, and to my State of Minnesota.

Mr. Chairman, if ever an appropriation deserved the adjective "urgent," it is the $2.4 billion for EPA's construction grants program. Minnesota is virtually out of money, has been for months, while pollution continues which should be cleaned up, and will be cleaned up once this bill becomes law. The great majority of States are in the same situation.

My primary concern, however, is with various interpretations of my amendment of last year to the Federal Water Pollution Control Act, section 205(j), which sets aside funds for water quality management planning.

Mr. Chairman, I want to state very clearly, once again, that these funds are intended to be used at the local level, by designated or undesignated public comprehensive planning organizations.

As chairman of the Public Works Subcommittee on Economic Development, I have worked long and hard this year on H.R. 6100, the National Develpment Investment Act, which our full committee reported out yesterday. An extremely important aspect of that bill was the planning process, and the establishment of balances between State and local planning responsibilities. Although we acknowledged the increased capacity of States and provided funds to them for overall State planning, that bill retains the planning for local areas at the local level.

My intent in writing section 205(j) was the same. I believe, and our authorizing committee believes, that planning for a local area must be done at the local level; and that, where areawide agencies exist, they are the most appropriate bodies to conduct this planning.

It is possible that not all such agencies are performing as well as they should; in that case, they should be upgraded; and where undesignated agencies exist with the capability to take on water quality management planning, they should be permitted to do so.

But the legislative intent of section 205(j), Federal Water Pollution Control Act, is clear: Local water quality management planning is to be done at the local level.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment, and I ask unanimous consent to dispense with the reading of the amendment and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection

The amendment is as follows:

Amendment offered by Mr. CONTE: On page 12, after line 21, insert:

SEC. 205. Section 7 of Public Law 95-435 is hereby repealed.

Mr. CONTE. Mr. Chairman, I have discussed this with the majority, and I hope we can get the amendment agreed to.

The CHAIRMAN. Is there further discussion of the amendment? If not, the question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the

amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5922, just passed, and that I may include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi,

There was no objection.

SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT OF 1981

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the House amendments to the Senate amendment, as follows:

(1) In section 2, paragraph (7), section 3, paragraph (d), and section 4, paragraph (a), change " 'December 12, 1980' " to " 'December 11, 1980'."

(2) In section 4, change paragraph "(e)" to "(e)(1)"; change subparagraphs designated in the amendment as "(1)" and "(2)" to "(A)" and "(B)" respectively; and insert the following paragraph (2):

"(2) There is hereby authorized to be appropriated by this Act, in addition to other sums authorized to be appropriated by this Act, a sum equal to that portion of the total costs of phase B of the Tucson Aqueduct of the Central Arizona Project which the Secretary determines to be properly allocable to construction of facilities for the delivery of water to Indian Lands as described in subparagraphs (a) and (B) of paragraph (1). Sums allocable to the construction of such facilities shall be reimbursable as provided by the Act of July 1, 1932 (P.L. 72-240; 25 U.S.C. 386(a)), as long as such water is used for irrigation of Indian Lands.".

(3) In section 11, change "Notwithstanding" to "Except as otherwise provided in section 7 of this Act, notwithstanding".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendment be considered as read and printed in the RECORD.

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

There was no objection.

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

Mr. BEREUTER. Mr. Speaker, reserving the right to object, I would like to ask the distinguished gentleman from Arizona, the chairman of the Committee on Interior and Insular Affairs, if he would explain the changes in the Senate amendment to H.R. 5118, what those changes are, and what the gentleman's amendments would do.

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

Mr. BEREUTER. I yield to the distinguished gentleman.

Mr. UDALL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the Senate amendment to H.R. 5118 makes the following changes:

□ 1850

The first amendment eliminates the option of delivering reclaimed water to the Papago Tribe by means of a single-purpose, direct pipeline from the treatment site to the reservations, thus reducing the estimated cost of the settlement bill considerably;

The period of time allowed the city of Tucson, the Papago Tribe and the Secretary to arrive at an agreement regarding reclaimed water delivery is changed from December 31, 1982 to a date 1 year from date of enactment, to allow more time for the negotiations;

The statute of limitations for actions relating to water rights is extended for a period of 2 years to permit the other Papago reservation districts to explore resolution of those claims without resort to litigation;

A new section provides that in the event a Federal entity is established to undertake arid land renewable resource projects, the Papago Tribe is given a priority to participate in such venture;

The measure of damages in the event the water to which the tribe is entitled under the settlement agreement is not delivered is clarified; and

A study to examine possible solar energy alternatives is included.

These changes do not, in my opinion, make any serious substantive changes in the House-passed bill and, in fact, many of them clear the bill up a little.

I am proposing three additional amendments, two of which are technical and clarifying:

First, a mistaken date reference is corrected;

Second, it is made clear that the extension of the statute of limitations in section 11 is not intended to permit rejuvenation of the suits which will be dismissed by the Papago Tribes as part of the settlement agreement.

Third, the third amendment puts back in the provision of the House-passed bill that says that those costs of construction of phase B of the Tucson Aqueduct allocable to delivery of water to Indian lands are authorized under this legislation.

Mr. BEREUTER. Mr. Speaker, further reserving the right to object, I would say to the gentleman that I understand that the last amendment as typically referred to here has been know as the Rhodes amendment offered by the gentleman from Arizona (Mr. RHODES). These amendments have been reviewed by the minority. We have no objection and support them.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

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

There was no objection.

YOUR PENSION OR YOUR VOTE

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

Mr. PICKLE. Mr. Speaker, the President and the Speaker say there will be no cuts in social security. Members of the Senate say there will be no cuts in social security. Members of the House Budget Committee say there will be no cuts in social security. It is an easy political bell to pull. It rings well.

Let me caution my colleagues that every bell we hear is not the Liberty Bell.

We are all getting very busy saying what we will not do regarding social security, and absolutely no one is saying what we will do to meet the real problems this program faces.

All we are doing is heating this up politically like a post oak stove. When it comes to social security, I do not think the people care so much what the Republican or Democratic position is. I think they care about social security. They know we have problems. I think they would rather see those problems fixed than see us continue to run and duck for another year. People

are losing confidence in social security by this delay.

A final thought—we will need about $10 billion a year for the next 4 years just to keep enough money in the retirement fund to enable us to go home on an occasional recess knowing the funds can hold out until we get back. We had better start thinking very hard about where we are going to get that kind of money for this program. And we better start thinking very hard about the long-range changes that we need to restore overall confidence in social security and do it now.

All the promises of today will mean nothing if we do not act soon.

I am attacking an editorial from the New York Times which I think is timely:

[From the New York Times, May 12, 1982]

YOUR PENSION OR YOUR VOTE

Sensing Republican vulnerability, the Democrats are out for blood. Republicans would "raid and loot the Social Security system," says Senator Riegle. President Reagan is "mortgaging the economic future of the elderly," says Senator Byrd. The party that created Social Security will not hear of a Republican plan to find savings of $40 billion in the next three years. House Democrats have already prepared a budget counterproposal that leaves the sacred cow untouched.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats notwithstanding, there are ways to reduce the systems' cost without trampling on the poor or stealing benefits from middle-income retirees.

Congress' beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on thin political ice. But the longer Congress delays, the larger the eventual cuts will have to be. If savings were found now, no beneficiary need suffer very much. Consider this package of reforms, which together would make the system solvent:

Tax the benefits. Suppose Social Security were, for tax purposes, treated like private pensions. Payroll contributions would be returned as tax-free benefits. But the rest of the pension would be taxed as ordinary income.

A couple scraping by on an $800 monthly check would pay little if any additional tax. But those with much larger incomes—the majority of Social Security recipients—would pay a fair share in taxes. If their payments were put in the Social Security trust fund, its short-term problems would be solved.

Eliminate double-dippers. Federal employees do not pay Social Security taxes. But they often become eligible for benefits by moonlighting in private jobs or working for a few years after retirement. And because the benefit formulas are so generous to low-income workers, they reap a windfall. The remedy: change the benefit formulas to distinguish Government retirees from the working poor. Or simpler yet: collect Social Security taxes from all Government employees.

Raise the retirement age. Age 65 was a reasonable retirement age in the 1930's; but 65-year-olds today expect to live to 82. By gradually raising the pension age to, say, 68, the system could reduce its liabilities by trillions of dollars and hold the payroll tax rate at current levels.

Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

ADMINISTRATON DEMONSTRATES DISREGARD FOR PRINCIPLE OF TRUTH

(Mr. MILLER 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. MILLER of California. Mr. Speaker, a few weeks ago we were all treated to the administration's curious interpretation of the concept of fairness. Although most Americans believe that the administration's policies are grossly unfair to the elderly, the poor and the unemployed, the President's advisers declared that they wanted him to appear to be fair.

Now, the Republicans are redefining "truth."

According to the candidates' guidebook of the National Republican Congressional Committee, "truth is what the people believe—it has nothing to do with fact."

What a cynical view of the American people. What contempt for the intelligence of the voter.

The administration may say they care about the elderly, but the President and the Senate Republicans have endorsed a $40 billion reduction in social security benefits.

That is the fact, and that is the truth.

When the Reagan administration came to office, one of its spokesmen recommended that Americans "watch what we do, not what we say".

By its actions, the administration demonstrates not only a disregard not only for human needs but for the principle of truth by candidates and elected officials. If that is truly a "blueprint for the majority," as the Republican congressional committee has decided, the American people have good reason to fear the kind of political system that party envisions.

The article follows:

FASCINATING GOP GUIDE TO WINNING IN POLITICS

(By Steven A. Capps)

SACRAMENTO.—A national Republican Party handbook advising congressional candidates that "greed is the only consistent human characteristic" has been quietly expurgated by embarrassed GOP officials. The Examiner has learned.

Other nuggets of advice in the hastily deleted section of the National Republican Congressional Committee's guidebook told GOP candidates:

"Truth is what the people believe—it has nothing to do with fact."

"There are three kinds of people who are susceptible to flattery: men, women and children."

These "basic laws" of campaign contributions were included in copies of the handbook distributed to candidates and campaign managers at a special workshop held last year in San Francisco, but were excised from editions passed out in later workshops in St. Louis, Atlanta and Kansas City.

"Somebody—I can't remember who—went through the ceiling when they saw it. It never went anyplace beyond San Francisco," said Rich Galen, NRCC press secretary.

The handbook from the NRCC, which is directing overall strategy for GOP congressional candidates, offers fascinating detail—the kind politicians would rather not see in print—on the party's plan for this year's campaign to win a majority in the House of Representatives.

The unexpurgated sections of the book tell Republican candidates they must develop at least "a modicum of social consciousness" to overcome a perception that President Reagan's budget cuts reflect a party policy uncaring of the poor.

They also advise the would-be representatives to attack their opponents, saying, "Negative campaigning has a bad name, but so do a lot of things that work."

The now deleted section of the 400-page handbook listed "three basic laws" of campaign communications:

"Truth is what the people believe, it has very little to do with fact. So base your communications strategy in the firm footing of attitudes within your district. You can but you cannot, at least in the context of a campaign, change what they stand for."

Nobody gets something for nothing, in the final sense. The payback may not always be physical or monetary, it can be spiritual, ethical or biological. But somehow, if you are going to get someone to vote for you, you have to offer him something in return.

"And, given that most people do not care nearly as much about politics as those of us who work in it full time, the more specific that something can be, the more related to his own personal needs, goals and aspirations, the more likely it is to serve as a motivation for him to do what you want—vote for you."

"There are three kinds of people who are susceptible to flattery: men, women and children. We Republicans are very good at the technical aspects of campaigning, probably better overall than our opponents. But we are often miserable at the people aspects. Volunteers must be thanked, not just after the campaign, but during it, too."

The "three basic laws" section was written by Ed Blakely, director of audiovisual services for the NRCC in Washington. Over the years he has helped organize dozens of campaigns for Republican members of Congress,

specializing in "media strategies" and campaign commercials.

That section "came out" of the handbook after the four day "Blueprint for the Majority Workship," attended by 12 congressional candidates and scores of campaign workers in San Francisco last year, Galen said.

(Candidates attending that conference included Dennis McQuaid of Novato, Tom Spinoza of San Francisco, Ed Zschau of Los Altos and Gary Prince of Concord.)

Galen said it was the tone, not the content, of the now-deleted section that caused the stir.

"The truth of the matter is that it's crudely put but probably correct," he said, "I think that with a little reworking, those are the three basic laws of campaign communications. They're probably not bad guideposts, if more elegantly put."

The book provides other insights into the inner workings of this year's Republican campaign effort.

The NRCC believes Republicans can learn from their successes in the 1980 elections and so provided a detailed analysis of those elections, written after a nationwide survey was taken asking voters how and why they voted for Republicans or Democrats.

Another part told candidates how to tap political action committees representing special interests for large campaign contributions.

"Once you've done your research, target and rank the PACs you'll be approaching," it advised.

"Be professional and businesslike. Be on time for appointments, be presentable, be responsive. Be well-versed on the issues, your opponent and your district."

"Assume the PAC will be reluctant to give to you and convince it otherwise," it said.

"Obtain some early money from a few large or otherwise 'key' PACs as well as a substantial aggregate amount from individual donors within the district. This will help impress other PACs you solicit later—tell them which PACs have already committed support to your campaign."

The section also advises candidates on things they should not do when dealing with PACs.

"Don't ever suggest to a PAC that it is 'buying' your vote should you get elected.

"Don't lie, exaggerate or obfuscate. PAC people talk with one another and have a very effective communications network. Pull a fast one with one PAC and the word will get around to others in no time at all."

Included in Blakely's section on campaign communications is the discussion of how to level a successful attack against an opponent.

"In most campaigns, especially challenger campaigns, it is going to be necessary to attack the opponent in order to win. Negative campaigning has a bad name, but so do a lot of things that work.

"The key to a successful attack, however, is this: Once it is made, you cannot back down. To do so is an admission of having made an unfair attack, and that is a very bad position in which to be put."

Of course, the section continued, the attacker may also find himself being attacked. "The best response is no response," it said. "If his attack is hurting, however, you may have to respond in some way."

The section even offered a few samples of such responses.

"In general there are four types of defenses; in descending order of likelihood of success, they are:

" 'I didn't do it.'

" 'I did it but it's not like you think.'

" 'I did it, but I promise not to do it again.'

" 'The person who says I did it is a scoundrel.' "

The book said Republicans may be vulnerable to charges that they are uncaring, especially in light of Reagan budget-cutting.

"While our party is viewed as being fiscally responsible and innovative, we are still perceived in a bad light as not caring for people.

"The party, particularly its incumbent officeholders and those challengers seeking election in 1982, must, at the very least, develop a modicum of social consciousness.

"Candidates should be thinking of how they can develop a compassionate, caring image," it said, "particularly in the face of extreme budget cuts that have yet to become painfully evident."

WE SHOULD OPPOSE ARBITRARY AND UNSPECIFIED REDUCTIONS IN SOCIAL SECURITY

(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, I am pleased to join with the distinguished chairman of the House Select Committee on Aging (Mr. PEPPER) and the distinguished House majority leader (Mr. WRIGHT) in sponsoring House Resolution 457, which expresses the sense of the House of Representatives in opposition to arbitrary and unspecified reductions in social security benefits as part of the fiscal year 1983 budget resolution.

The protections provided under the social security program constitute a irrevocable commitment between the Federal Government and the American people. The proposal of the Senate Budget Committee to make $40 billion in unspecified reductions in social security benefits over the next 3 years is not only arbitrary and excessive, it constitutes a breech in the most basic compact between the American people and their Government. It would impose significant hardships on millions of elderly Americans and add additional strain to the already weak fabric of American family life.

I opposed the reductions in social security benefits proposed last year by President Reagan, and continue to believe that Congress made a major mistake in agreeing to eliminate minimum social security benefits for future retirees. The action merely exposes the poorest element among our senior citizens to additional hardship.

Although I have opposed reductions in social security benefits, I do believe that major reforms have to be made in the current program if we are to meet the serious short- and long-term financing problems confronting the social security system. While the program will remain solvent throughout this decade, it does face immediate financing shortfalls which do require changes in current policy. Similarly, the serious financing problems projected after 2100 will have to be addressed by a major restructuring of current program benefits and financing.

I strongly believe that both the short- and long-term problems of social security can be addressed without the arbitrary and excessive actions proposed by President Reagan and the Senate Budget Committee. One measure I have advocated is the removal of funding for Medicare benefits from the social security program, not only to provide additional revenue to meet current programs shortfalls, but to more closely tie the social security program to employment and retirement.

Whatever measures are taken, however, they should be clearly specified and openly debated by Congress and the general public. Moreover, any long-range restructuring of current program funding and benefits should be based on recommendations of the National Commission on Social Security Reform, which is charged with submitting detailed recommendations to Congress by the end of this year.

Unspecified changes in social security made as part of a broad budget resolution, or any long-term changes made without the benefit of the National Commission's study would not only be irresponsible, but would constitute an affront to senior citizens who depend on the program and who have trusted Congress to preserve this most basic guarantee for a decent retirement.

We must recognize that the major cause for these current financial difficulties are not the nature of social security, but the weakness of our economy. Persistent inflation and rising unemployment have significantly increased program costs and have robbed the program of much needed revenue. These are the problems Congress must address immediately. To attack social security is merely to attack a symptom rather than the cause of the problem, as well as attack the basic security of millions of elderly Americans.

I urge my colleagues to support this resolution and to oppose measures that seek to make arbitrary or unspecified reductions in the social security program.

CONGRESSIONAL MEDDLING IN HOUSING SLUMP

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

Mr. SHUMWAY. Mr. Speaker, yesterday I voted against the emergency housing legislation approved by the

House. As I explained at the time, my opposition in no way reflects a lack of concern with the condition of the housing industry, but rather the belief that the expenditure of $1 billion this year for mortgage interest rate subsidies can only contribute further to our fundamental economic problems.

It is excessive Federal spending, unacceptable Federal deficits, and high interest rates that are responsible for the housing recession. Only if we reduce spending will the deficit and interest rates decline. The action of the House moves us in exactly the wrong direction.

In this regard, I would like to bring to my colleagues' attention an editorial that recently appeared in my hometown newspaper, the Stockton Record. I commend the Record for its perception and commonsense:

[From the Stockton Record, Wed., Apr. 21, 1982]

CONGRESSIONAL MEDDLING IN HOUSING SLUMP CAN'T HELP BUT HURT

San Joaquin County's housing slump drags on, typical of the rest of the country, which is affected by the worst depression in housing since World War II. Housing starts for 1981 nationally were the lowest since 1946. Unemployment in construction trades was 17.9 percent in March. Bankruptcies jumped 35 percent for construction firms and 70 percent for subcontractors in the first five months of 1981 compared to a year before.

Congress is predictably restive about this, but is translating its concern into a stampede of stupidity. A myriad of bills address the symptoms but not the cause, and promise further federal interference in a marketplace that needs just the opposite. The real culprit is the interest rate level, to which the answer must be deeper budget cuts in 1983 defense spending and social programs to reduce the deficit.

Sen. Richard Lugar, R-Indiana, has sponsored a $5 billion mortgage subsidy plan designed to create 700,000 new jobs. It would make families with incomes of up to $30,000 eligible for reduced rate mortgages. A Democratic alternative would expand the bill to include families who earn 140 percent of area median income, so areas of high living costs could be served. An omnibus housing bill in the House would provide $22.9 billion in 1983 for a mixture of housing subsidies.

The factions in the housing lobby—lenders, builders and realtors—all agree the industry needs help. But the parties can't agree on a formula. Tax credits for new home buyers, aid to thrift institutions and new mortgage bond bills are all being contemplated, without enough support from all sides to get them through.

There's no question that housing can help lead the country out of the current recession, as it has in the past. But piecemeal attacks from special interests will only burden the budget and add to the deficit. The combined forces in the housing industry should throw their collective weight behind defense and entitlement program cuts, and wait for the interest rate levels to respond. With mortgage money available below 12 percent, the construction trades and idle real estate salespeople would soon be back at work.

THOMAS ZANETOS NAMED OHIO'S SMALL BUSINESSMAN OF THE YEAR

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

Mr. WYLIE. Mr. Speaker, I take this time to mention that Mr. Thomas Zanetos, the cofounder and president of Anthony-Thomas Candies, Inc., has been named "Ohio's Small Businessman of the Year."

Thomas Zanetos is richly deserving of the recognition being given him by the Small Business Administration. The success of the Zanetos family is a story of hard work, determination, and business savvy that could easily have been scripted by Horatio Alger.

The story really begins in 1907, when Tom's father, Anthony, immigrated to the United States from Greece. Almost immediately, he took his first job in a candy shop. Six years later, he pooled his assets and, with an investment of $75, started his own business, the Union Station Candy Kitchen.

Tom Zanetos joined forces with his father in 1947, after completing his Army service and 2 years of studies at Ohio State University. Together, Tom and his father founded the Crystal Fountain Restaurant in Columbus. In the slow periods between the breakfast, lunch, and dinner rush hours, Tom and his father would make candy, often experimenting with new flavors and combinations.

Their concoctions were popular at the restaurant, and eventually they decided to offer to supply candy to other businessmen in the Columbus area. After tasting the homemade candy, the businessmen jumped at the opportunity and placed orders for their own establishments.

As the candy business grew and became more time consuming, father and son decided to close the restaurant and devote their considerable energy to the Anthony-Thomas Candy Co. They started with four employees in a one-room confectionery. Thirteen years later they opened their first retail outlet.

Today the Anthony-Thomas Co. is a very important part of the Columbus business community. The company prepares, packages, and sells more than $3.5 million of candy each year, including their famous butter creams and melt-a-way mints, which Anthony and Tom developed themselves. Anthony-Thomas candy features all-natural ingredients, includes no preservatives, and is a tasty delight, I can assure you.

The company now has 13 retail stores in the Columbus area and a payroll of 115 employees, including three of Tom's four sons, who evidently intend to follow in the footsteps of their father and grandfather. A major new plant expansion is planned, and the company expects to hire another 45 employees by 1985.

In addition to business success, the Anthony-Thomas Co. also has a well-deserved reputation as a fine community citizen. Through a program which allows students to sell candy in order to finance school projects, the company has helped countless youngsters undertake activities which otherwise might not be economically feasible.

How proud Anthony Zanetos would be if he could be here today, to witness his son's remarkable achievements.

Mr. Speaker, the success of Tom Zanetos, the Zanetos family, and Anthony-Thomas Candies, Inc., is the product of years of innovation, initiative, service, family pride and civic responsibility—all attributes which have made small businesses an increasingly important part of our economy. I am proud to represent the Anthony-Thomas Co., which exhibits the growth, caring and involvement that make small businesses a welcome addition to any community.

I congratulate Mr. Zanetos and his family on receiving this outstanding award.

PRODUCTIVITY PAY

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

Mr. SEIBERLING. Mr. Speaker, the May 3 issue of Newsweek has an excellent article entitled "Productivity Pay" by MIT economist Lester Thurow. Arguing that we ought to move away from a flat-wage compensation system, Dr. Thurow points out that "Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth." After analyzing several possibilities, he settles on the value which workers add to the firm's products as a measure which would give workers a direct incentive to help raise productivity.

Mr. Speaker, these are precisely the points I have been making for the past several weeks when discussing H.R. 5682, my Productivity Incentive Act. This bill encourages employers, with the consent of their workers, to adopt a flexible compensation system in which a portion of the worker's pay is based on profits or some mutually agreed on measure of productivity growth. A similar pay system is used in Japan, and as Dr. Thurow notes:

The higher productivity growth rates of the Japanese may . . . be due to their bonus system that encourages labor to take a direct interest in raising productivity.

Mr. Speaker, we have to improve our productivity growth rate if we are to remain a strong competitor in world markets. The Productivity Incentive

Act will not achieve that by itself, but it is certainly one of the actions we must take to cure our economic ills.

The full text of Dr. Thurow's article follows these remarks:

[From the Newsweek, May 3, 1982]

PRODUCTIVITY PAY

(By Lester C. Thurow)

In their current wage negotiations the players of the National Football League are asking for something that at first glance seems strange, if not revolutionary. Instead of demanding a specific dollar wage increase, the players are asking for up to 55 percent of the gross revenue of the National Football League. Individual salaries would then be negotiated within that total. Conventional workers are supposed to ask for wages, perhaps profit sharing, but certainly not a percentage of the gross. In fact, the demands of the NFL players could serve as a model for all of American labor if they were suitably modified.

Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth.

With fixed wages it is difficult to cope with external inflationary shocks such as an OPEC oil-price hike. If Americans have to pay foreigners more for oil, there is less of the GNP left to be divided among Americans and the American standard of living must fall. There are two ways to deliver the bad news. Inflation can rise so that prices are rising faster than wages—thereby lowering real wages. Or wages can fall explicitly. In either case real wages fall, but in the second case inflation is avoided. Many observers think that Japan's better inflation performance is due to the flexibility of its bonus system where wages can fall in response to external shocks.

With fixed wages individual workers also have little incentive to cooperate with management or to take the initiative in suggesting new ideas for raising productivity. At the level of the individual worker, higher productivity has no immediate payoff—wages are fixed for the length of the contract. The immediate effect of higher productivity is, in fact, negative. Less labor is needed, and the probability of layoffs rises.

Bonus: In the long run higher productivity permits higher wages, but this long-run effect is often discounted by the individual worker. He may have left the company before the higher wages are paid or the extra productivity may be used to pay someone else. The higher productivity growth rates of the Japanese may also be due to their bonus system that encourages labor to take a direct interest in raising productivity.

The problem is to design a sensible system of flexible wages. Profit sharing is one answer, but it suffers from some drawbacks. Profits depend upon so many items that are outside of the control of labor—interest rates, foreign competition, national economic policies—that labor sees little connection between its efforts to raise productivity and the bonuses received. As a result the American experience with profit sharing has not generally been favorable.

Profits are also a slippery concept where management has a lot of freedom to maneuver with its bookkeeping. The new accelerated depreciation charges just enacted by the Reagan Administration could, for example, be used to reduce reported profits. A clever bookkeeper can make profits appear in this subsidiary and disappear in that subsidiary. To a worker, profits are too much under the control of management.

Value Added: The solution is to find some measure of firm performance that more directly relates to productivity and is less subject to bookkeeping conventions. The answer is to set wages based on a firm's "value added." Value added differs from gross revenue in that the costs of materials are subtracted from the gross revenue to yield the value added. Since it is easy to calculate material costs management cannot fiddle the numbers. Since value added directly depends upon productivity—the more output per hour of work, the higher the value added of each worker—labor has a direct incentive to help raise productivity.

Inflationary problems are also avoided if wages are tied to value added rather than gross revenue. Wages do not automatically go up as they would with gross revenue when the costs of materials, such as oil, go up. Tying wages to gross revenue would lead every material price increase to be doubly inflationary since it would raise wages as well as material costs.

In 1981 the employee compensation—a measure that includes fringe benefits such as pensions and health insurance as well as cash wages—accounted for 61 percent of the nation's value added. If labor had negotiated an agreement where it got 61 percent of the nation's value added, then 61 percent of any increase in productivity would have gone to labor and 39 percent to capital.

If this had been done, productivity might now be rising rather than falling.

THE PRESIDENT'S ECONOMIC RECOVERY PROGRAM

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

Mr. SMITH of Oregon. Mr. Speaker, I rise today to talk about the President's economic recovery program and to try to explain through some charts some things that I think are extremely important not only to small businessmen that our colleague, the gentleman from Maryland (Mr. MITCHELL) would talk about, but to every American who pays taxes and who lives in this country.

We do not need to raise new taxes, and I would show my colleagues with some charts here the fact that the revenues, even with the tax rate cuts that we put into place with last year's tax cuts, are going to continue to rise over the next 3 fiscal years. In fact, the tax rate cuts that a lot of people are talking about trying to do away with are going to provide us this year with an estimated $624 billion; in 1983, $645 billion, rising in 1984 to $702 billion on up to $780 billion.

□ 1900

I stress the fact that these are rate cuts, and the fact that we do not need to do away with these tax rate cuts. There has been some kind of misconception that there was a tax cut, and that we were out of control because we had given too much of a tax cut to the American taxpaying public. We have only cut the rates, and we will bring back the rates over the next few years or few months until July 1983, to the level of somewhere around 1975-77.

On the other hand, as we look at the projected growth in Federal spending over the next few fiscal years, and I need to stress that this is the Federal spending that is projected without any kind of compromise, just what has been laid into place, we are going to spend somewhere around $743 billion under current figures and that is going to rise by 1985 with nothing done to try and straighten it out.

Over the next 3 fiscal years, the Federal spending is going to grow by 25 percent, from the present level of $743 billion to over a trillion dollars. It is going to equal our national debt at this time. I think that this kind of growth in Federal spending is absolutely unconscionable.

How could we do this when we were sent here to provide some kind of new leadership, some kind of new direction in this country, with the growth in the programs only, which was part of the lack of control over the spending side that this Congress has allowed to come about because of entitlement programs and transfer programs over the last few fiscal years?

Now, let us put the next two charts (charts not reproducible in RECORD) together here and show, if we were to freeze the outlays at the present level of approximately $740 billion, in somewhere around 2 to 5 years—and I think these estimates are actually a little lengthy—we would have the balanced budget we have talked so much about. We see the dotted blue line which shows the projected revenue growth. That is, our tax rate cuts are going to continue to provide a countinued growth in Federal tax revenues to the Federal Government, on not only the personal taxes that have been talked so much about, but in every area of tax, we are going to receive a windfall, if you will, in the form of increased revenues.

At the same time, without some kind of control over Federal spending, we are going to continue to see the projected outlays go to the trillion dollar level by 1985, something that is absolutely unconscionable in my mind, and from what I came from Oregon to try to straighten out. Because of this, the deficit spending being what it is, the Federal Government is going to sop up more and more of the credit pool that all of us compete for in this free market for the dollars and the borrowing dollars that are going to be needed to build new homes, buy new automobiles, make businesses more productive. In fact, it is going to stall the economic recovery that I voted for last year, and I think this Congress voted for, and I think the American people so wisely chose to try and have a different direction, and so deservedly need to have.

My proposal is simply that we freeze Federal spending in the present 1982 level. Virtually, we are operating at that level since we are operating mostly on a continuing resolution. It is a poor policy, but I think it may be the best way to get this mess straightened out. The balanced budget in 1985 would be achieved under our numbers and under CBO's numbers and under OMB numbers; that is, we would get to the level where the tax revenues of this country would balance out to the amount of spending that the Federal Government has authorized over these years.

The second point, and I think it is extremely important, is that we would retain the promised tax rate cuts. There is no reason to take back these tax rate cuts. We have not starved this monster called the Federal Government for a lack of revenues, and I cannot think of anything more politically doable, whether one is a conservative, as I like to consider myself, or whether one is a liberal who would like to give all the dollars away, take the tax revenues and pass them out to everyone in this country—this is politically doable, it is something we could all vote for, something we voted for last year. We have already approved this level of spending. I cannot think of anything that is more fair. This would treat every section of the budget equally. That is, if you get a dollar this year, you get a dollar next year.

It would restore the solvency to the social security system, and over the next 3 years we would have a growth in the trust funds, the so-called trust funds, of some $80 billion. I think that is important. We would start to put the social security system back onto the right track. I think this would send a stong signal to the money markets and the money managers, the Henry Kaufman's of Wall Street, that we intend to honor our commitment to the American public to provide a balanced budget and to get this Federal spending, which is clearly the side that is out of control, bring it under control, under some kind of wraps.

There would be no nickel-dime horse trading, no ability for the Appropriations or Budget Committees really to work their ways, but I think that is an appropriate situation here too, because we would not have the old political game where the lobby interests of this country and special interests have changed the budgetary process and the budgetary priorities.

Let me talk about a couple of other areas. Defense: This would provide for an increased level of defense spending. Over the past 2 years, we have provided some $400 billion in budget authority. We still have in the defense pipeline some $124 billion of unspent budget authority. I consider myself to be a hawk. I spent 10 years in the military, in the National Guard, and had a year's combat tour in Vietnam. I would like to see a very strong national defense. I came here to do that, and I continue to support that, but I also think we need a very, very strong economy to pay for the kind of defense we would all like to have.

I think it is important to put our priorities straight, and I think first, we have to have a strong economy to support a strong national defense that I know the President supports, and I know all Americans really support.

I think we need to concentrate our dollars on research and development, so that we will be technologically better off. We are going to have to make some priority decisions on weaponry, and that is going to be tough. I know we cannot stretch out every program. We are going to have to cancel some and we are going to have to live with the same kind of defense budget we agreed to this last year if we are going to truly straighten out this mess.

The last area, and one I think is probably the toughest from the standpoint of the politically doable area, is the cost of living adjustments. Over the past 6 months we have seen inflation brought under control. It is down to 3.2 percent, not as low as I would like to have it. I am sure we have got many things we could do that are better, but by trying to put a lid on the cost of living adjustments; that is, if we have an inflation rate of 3.2 percent, there is no reason to provide a cost of living adjustment to people who are not having to deal in the kind of economy we have from 50 years of out of control Federal spending.

□ 1910

This 3.2 percent means we do not need to provide the Americans that are living on a cost-of-living adjustment and some kind of entitlement or transfer program with any cost-of-living adjustment. They can get by as the rest of us are having to get by who are cutting down on the number of hours we are working, the number of people in the job force.

I would just say that by freezing the cost-of-living adjustments in July of 1982 we would save some $19.3 billion. In 1984 we would save $35.7 billion. And in 1985 some $54 billion. These are all of the cost-of-living adjustments. But these are people who have paid into a system that has provided cost-of-living adjustments for the most part since 1975. Before that, most programs had no COLA, had no cost-of-living adjustment.

I think it is time we put some kind of control over that spending.

I would commend to my colleagues one other situation that I think is extremely important. That is that we take these cost-of-living adjustments and freeze them. I think that for the social security program that is provided to almost every family. I cannot think of a family who does not receive some kind of cost-of-living adjustment. My father-in-law has social security. My mother has social security. I have three orphans who live in my household who receive death benefits, social security, because they are orphans.

I think we ought to take the social security system out of the unified budget so we can again try and set up the trust funds that are going to be so key to this operation, an operation of a long-term answer to social security.

I would disagree with President Reagan who sent a letter to us the other day, and I would read that letter and then be happy to yield to my colleagues. This was written on May 8. It says:

> In the past few days several facts about social security have been distorted by political rhetoric. As you talk with senior citizens, social security beneficiaries, I hope you will give them my personal assurance that they will receive their full 7.4 percent cost-of-living increase in July. I promise you and them: Those benefits will not be cut.
>
> Please also assure your constituents that I am determined to protect the current benefits of all Social Security recipients.

I would like to underline that last part of the President's sentence. "I am determined to protect the current benefits of all social security recipients."

Then the President goes on:

> Members of both parties have acknowledged honestly and forthrightly that the Congress will have to take action to protect the solvency of the Social Security Trust Fund. We all agree that unless responsible action is taken, the system will run short of money. We must not let that happen.
>
> That is why Democratic and Republican leaders agreed to establish the Bipartisan Commission on Social Security. I am hopeful that, based on the recommendations to be provided later this year by the Commission, the Congress will address adequately and fairly the financial needs of the Social Security System.
>
> Our senior citizens deserve responsible action. It is important that we work together to allay their unwarranted fears:
>
> We will preserve their current benefits. And we will be able to protect the Social Security Trust Fund's solvency. I assure you of my commitment to work with you to those ends.
>
> Sincerely,
>
> RONALD REAGAN.

I would just disagree with the President that the quickest way to get to the balanced budget, the quickest way to straighten out this mess is just to freeze all across the board this budget.

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

Mr. SMITH of Oregon. I would be happy to yield to my colleague and appreciate the opportunity.

Mr. FIELDS. I would like to thank the gentleman for yielding.

I would like to commend my distinguished colleague from Oregon for taking the initiative on this special

order for the fiscal year 1983 budget. Congressman SMITH's exemplary leadership in this complex budget process has been an inspiration to all Members of this body and it is clear we must put aside partisan rhetoric and get on with the business at hand.

The projected fiscal year 1983 deficit is the largest in U.S. history and one that we and the American people will not tolerate. Congressman SMITH's meritorious proposals to freeze Federal spending at fiscal year 1982 levels deserves the serious consideration and attention of each Member of this House.

This is not a radical proposal. Clearly we cannot begin to reduce the projected deficits until Members of this body stop trying to spend exorbitant amounts of Federal dollars at the expense of the taxpayers of this country.

Mr. Speaker, I have been a consistent supporter of the President's economic recovery program. I firmly believe we need to take a much closer look as waste, fraud, and abuse in all Federal agencies, including the Department of Defense.

Further, I believe we need to make fundamental reforms in entitlement programs in an effort to insure that the truly needy are protected and that those abusing and misusing the system are taken off the Federal payrolls.

At a time of serious fiscal restraint we must scrutinize foreign aid expenditures to insure the taxpayers of this country their dollars are going to nations friendly to the United States and not to countries undeserving of aid. Let us not be deceived. There is still plenty of room left in the Federal budget for reductions in discretionary spending. It is the responsibility and the obligation of each Member here assembled to follow the mandate of the American people and to cut Federal spending and to bring down the deficit.

Congressman SMITH's proposal to freeze spending at the fiscal 1982 level provides the House with the unique opportunity to follow the mandate of the American people and give the President's economic recovery program a chance to succeed.

I want to reiterate what I said just a moment ago. This is not a radical proposal. The people in this country cannot understand why we do not demand at this point in our country's history a balanced budget. To even consider a proposal such as freezing spending is one that is long overdue, and it is something that I certainly applaud the efforts of my colleague from Oregon. I certainly hope that through his efforts this proposal will come before all of us in the House.

Mr. SMITH of Oregon. I thank my colleague.

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

Mr. SMITH of Oregon. I am happy to yield.

Mr. DAUB. I want to join in indicating on behalf of myself personally, and I am sure many of our colleagues, the gentleman from Oregon has clearly and sincerely offered thoughtful dialog and clearly much research for this body to be able to come to grips with this very serious problem we have of the deficits that have faced us for a long time and pose an even more serious threat to the opportunity to provide stable currency in our country.

So I want to commend the gentleman.

I would like to ask this question. Is any of the proposal the gentleman is offering, and the way in which he so articulately stated it, a part of what, for example, was proposed by a Member of the other body, Senator HOLLINGS, with respect to the concept of freezing the lines of revenue and expenditures within the 1983 budget?

Mr. SMITH of Oregon. I would say to my colleague I do not know the specifics of the other body's plan. As the gentleman knows, the chairman of the Budget Committee in the other body has proposed that certain areas of the budget be frozen, and I think that while it is a slightly different version, the President did agree to support that level, not touching the defense completely as a freeze, and also cost-of-living adjustment for the senior citizens.

I just think if we are going to truly get this budget balanced and try and get this economy back on the right track, then we have to go ahead and share equally and fairly across the board.

It is similar, but I think that if we have a 3.2-percent rate of inflation that it is important that we all, having conquered inflation, or come awfully close to it, the next step is to bring that massive amount of spending under control. And in this body where we had the opportunity this afternoon to vote on a balanced budget and failed in that effort, it just shows the resolve that we have here not to really bite the bullet.

□ 1920

I have a constituent who gave me a bullet a year ago to bite, and I have been biting on it pretty hard, and I have got a hole in my tooth because of it. But I think, seriously, if we want to get to the solution, and the quicker we want to get to the solution, some type of freeze, the concept of freezing, that is, if you get a dollar this year, you will get a dollar next year, but no extra dollars, is going to have to be done throughout the budgetary process. It is what you do with your own household. It is what you do with your business. And it just makes good commonsense.

Mr. DAUB. Well, I thank the gentleman for that commentary.

I wanted to add a thought, since the gentleman reminded all of us in this special order of the debate earlier in the House today, where, in fact we did attempt to deal with the issue of balancing the Federal budget, and we were reminded about a law that was written into the 1978 deliberations and passed by this body that you may not realize by voice vote was repealed, was repealed. Did the gentleman happen to see that procedure occur or did the gentleman know that that very rule we were talking about was repealed by a voice vote, that one of the cornerstones of the legislative process in this body is now no longer there for reference, that the House is no longer on record in favor of a balanced budget?

Mr. SMITH of Oregon. It is amazing the ways of the House and how they are able to be warped, at times, to suit the control of the body.

I just think that the American people, who sent the gentleman and the rest of our colleagues here to try and straighten this out, deserve better and should be given better, and that is less tax rates, a lesser amount of spending; and I think this is the quickest way to get there.

Mr. DAUB. Well, I certainly want to thank the gentleman for a very meaningful contribution. I think that the approach on the spending side deserves merit and very careful consideration in the debate in the next month.

Mr. SMITH of Oregon. I thank my colleague for his comments.

Mr. WEBER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from Ohio.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman also for the effort he has made, an extremely interesting presentation of the effects of the massive increases in Federal spending and what would happen if we froze spending and cut the tax cuts that we have, that we voted this last time.

I was particularly interested in the commentary that the gentleman made about taking the Social Security budget out of the unified budget. For a long time, being a freshman, as the gentleman is a freshman in this Congress, I wonder myself why we ever put the two systems, the social security system, which was intended to be funded and is funded simply from its own social security taxes, why we ever in the first place put the social security system into the other budget items of the country.

Does the gentleman know the origin of that move, by chance? Because I frankly do not know. The logic of that escapes me. I think it is something that would be a move forward if we took out the social security system and

split it up so that we no longer have the baggage of the social security problems, which are very, very real, at the same time we are trying to discuss what we do with the general revenues of our Nation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me to answer the question of the gentleman from Ohio?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. STRATTON. The reason they put the social security fund into the general budget was that at that time there was a lot of surplus in the fund and it would make the deficit look smaller.

Mr. SMITH of Oregon. If the gentleman will accept a little colloquy, it is interesting that almost every town meeting I ever hold, people always come up to me and say, "You know, they took that social security fund and used it to fight World War II with." I do not know what they used it for, but it is gone, and I think that is one of the things that needs to be explained to the American people. Those who have been around this body a while do recognize that, whether it is in the unified budget or outside the unified budget, it still has funding problems and it is something that needs to be looked at very seriously.

Mr. STRATTON. It was not used for anything. If there were funds in it at the time we were accumulating a lot and not putting out much, they were invested in the most secure securities that you could have, namely, U.S. Government bonds. The reason that the social security system is in trouble now is that people are living longer, we have an inflation, and there are fewer people being born into the labor force to pay the taxes that are needed to keep it going. It is an in-and-out affair, pay-as-you-go. It is not really an insurance program.

Mr. SMITH of Oregon. I thank the gentleman. I concur. I think that it has been called by some a Ponzi scheme, that is, you put in less than you get out in the end. It is something that needs to be discussed by a bipartisan commission. I personally think the cost-of-living adjustment could be accepted by the American people who are drawing social security benefits, because almost every family does have that.

It does need to be explained that there are not enough dollars that have been put in there. I do not care what we do, it seems to be coming a political football. I remember during the last campaign I was pummeled with it quite heavily because my opponent said that I was going to do away with it. And that is not true at all. I always pointed out that he and his colleagues who had served with him had done away with the trust funds in a period of time. But that is political rhetoric. What is important is to understand that it is an in-and-out system, and it is working just barely because we have not funded it properly in the past.

Mr. WEBER of Ohio. If the gentleman will yield further, I want to thank the gentleman from New York for his explanation as to the origins of mixing the social security system into the regular unified budget. It seems to me as though it was done in order to have some window dressing, to make the Federal budget look a little better back in those days, whenever it was, 1969, or whatever , and I wonder if the gentleman from New York would agree with me that, for the good of the country, it would be better now to quit playing games with the figures, to split off the social security budget, so that we can address and focus our attention on the real problems of both the social security system and what we are going to do with the general tax revenues of the Nation, and address both problems as separate from each other.

Mr. STRATTON. If the gentleman will yield further, I am not enough of an expert to be able to answer the gentleman's question. Obviously, the money that goes into the social security fund in taxes and the money that comes out in payments has a major impact on the economy of the country. So I do not think you can really operate a total budget without recognizing the impact of social security transfer payments.

But the reason why it was incorporated was—and I have forgotten which administration it was—it made the deficit look a little bit smaller because we were putting in all of those social security revenues that had never been put into the total budget before.

Mr. WEBER of Ohio. I thank the gentleman.

Mr. SMITH of Oregon. I thank the gentleman from New York for his comments.

Mr. ROUSSELOT. Mr. Speaker, will my colleague yield?

Mr. SMITH of Oregon. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. First of all, I wish to join my other colleagues in complimenting the gentleman from Oregon in bringing these facts and figures to the House, to make it clear how these entitlement programs have in fact gotten out of hand, and that the fairest way to deal with this issue, as the gentleman has suggested, is to handle all entitlements in the same way, with the idea of maybe freezing everything. That does not mean cutting them way back, as the gentleman has stated. It merely means holding down the increases for a short time, and that that in and of itself would produce a great result on the spending side of our budget. It would treat every single element of our society that benefits by those entitlements the same way, and it would be the most positive and constructive way of dealing with this problem of trying to bring Federal spending under control.

I had an opportunity last weekend, while in my district, to discuss this issue with some of our Federal retirees, some of those who have retired from the military, some of those presently serving in the military and some on various kinds of social security benefits. Though no one is happy with the thought of freezing or putting a freeze on spending increases, especially in the many entitlement programs, the overwhelming majority of those people to whom I spoke and discussed this issue said that they thought that that fairest way to handle this problem was to have it equal across the board. I think they made it clear that, though they probably would not be happy with it, that was the best way to deal with the problem, if everybody was required to sacrifice an increase under automatic escalation clauses that presently exist in law.

□ 1930

And so I again wish to join with my other colleagues in saying to the gentleman from Oregon, thank you for bringing these facts and figures to the attention of the House, to making it clear how we could achieve a balanced budget, far more quickly if we were willing to establish some type of a fair freeze across the board on all entitlement programs and all basic programs in our Federal budget in the various categorical areas of our Federal budget.

Mr. SMITH of Oregon. The gentleman has been the author of a number of balanced budget attempts in the past and this leads right into the balanced budget. It is the quickest way there, as the gentleman points out, and it is fair and I think that the fairness of it—Americans are very fair people and I think they are willing to be told the truth and I think that is one of the things that all of us who share the burden of leadership in this Congress and in this administration need to be willing to do.

The thing that bothers me about where we are in the recovery program now with the inflation at 3.2 percent is the fact that there are a number of colleagues and a number of people in the political business who are trying to say we overdid on the tax cut, we are going to have to give some back to the Government. Nothing could be further from the truth. That really bothers me.

Mr. ROUSSELOT. The gentleman is correct on that very point on tax reductions that were put in place last year. If Congress had done nothing, revenues would have gone up in the Federal Government about $110 bil-

lion. What we put in place merely cut those increases in tax revenues in half.

So revenues only went up $50 billion instead of $110 billion.

So the argument that somehow these tax reductions gutted the Federal program just is not true. It merely slowed down increases in the tax burden that we placed on so many of our fine citizens.

Mr. SMITH of Oregon. It is pretty hard to understand how the recession we are in that began, say, last summer and the deficit that is going to be in next year's budget, if we do not come to some kind of compromise like this freeze, is the cause of next year's deficit.

The fact that we gave too much in tax cuts is not responsible for that and I think that the spending line clearly shows that.

Mr. ROUSSELOT. Well, I thank my colleague again for taking this time to discuss this very important issue and for bringing so many positive idea here so that we can kind of chew over them.

Mr. SMITH of Oregon. I thank my colleague.

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

Mr. SMITH of Oregon. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I had not intended to speak in terms of the discussion that was entered into in the colloquy of the gentleman from Oregon and the gentleman from California. I want to reinforce the fact that in going into my district and talking to a number of people in the district who receive social security and also I believe I have the fourth largest district in terms of military retirees, and the number of people who are in both those retirement systems and the social security system, the almost universal reaction was a feeling that if they could work out an equitable provision, a fair provision, they would be more willing to forgo what they consider windfall increases in social security because of the inflation rate and that the time that we were locked into a cost-of-living increase for the social security system we are looking at a 5- to 7-percent inflation rate.

The actuarial tables indicated that we would have sufficient funds at that kind of an inflation rate.

In the last administration we got into double-digit inflation and when you examine what happens with a 5-percent inflation rate increase, no one anticipated that rate, and one of the problems is we were paying in at a rate that had been anticipated paying out at a rate that was not anticipated. That is one of the reasons we have achieved the shortfall, the unanticipated shortfalls we are in.

In discussion with those people who are receiving those benefits, they are more than willing—in fact, one gentleman indicated to me if we would devise a program across the board that would establish increases at 40-percent above the poverty level, he would accept that, if that money would be applied to the deficit problem.

So what we have gotten ourselves into is an economy that was overheated with an inflation rate that no one anticipated but somehow we think that we are obligated to make those payments when in fact the people receiving the payments are more than willing to adjust what they consider to be an appropriate amount coming in if that amount that they were not going to receive was to be applied to the deficit.

I think the cleanest way, the cleanest way, would be to simply freeze those outlays.

Mr. SMITH of Oregon. Not only that, we did not have a cost-of-living adjustment on the social security system until 1975 and since that period of time we have had an extreme growth because of the inflation rate. I think one year it was 13.1, 11.3, a number of years in double digit, which have just absolutely devastated the funds.

So it is important that this be fair. We do not want to cut anybody's benefits and nobody is talking about that, yet when the media picks up on this and talks about what is going to be done, the elderly people in this country hear nothing but social security cuts. That is not true. That is not what a freeze would do.

What a freeze would do would mean you would get the same dollars until we got this budget straightened around. I think that is extremely important.

Mr. THOMAS. I totally agree with the gentleman because when the gentleman talks about potential earnings and adjustment in potential earnings as being a cut, there are the vast majority of folks out there who feel that what they are getting is not necessarily what they thought they were going to get because of the inflation rate and that a freeze, keeping them where they are, or a slight increase, is more than acceptable because they have received a bonus because of the inflation rate.

I think the politicians in this country who are very sensitive to social security, and should be because of those folks who laid the foundation for what we have today, ought to get reasonable compensation, think that they have to maintain a system even if it will devour us, and the point is that the folks receiving those benefits do not think the same way.

They understand the problem. They are more than willing to adjust. We are talking about actual dollar reductions in the benefits that they receive and they understand that. Holding the line is an appropriate approach.

I thank the gentleman for his efforts to indicate that this is a reasonable and appropriate approach.

Mr. SMITH of Oregon. I thank my colleague.

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

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I just want to thank the gentleman and I will try to be brief because I know it is late, but I happened to be sitting at my desk watching these proceedings and I heard the colloquy on social security and it was ironic that at the same time I happened to be reading some of my mail, and I picked up a letter from a gentleman who is in his eighties, and that gentleman said to me, "Jerry, who stole the money out of the social security system?"

And you know that hit me. And so I have been writing for the last 15 or 20 minutes trying to answer that gentleman on who stole the money from the social security system.

Let me tell my colleagues what actually did happen. It was stolen. It was legal thievery, but the Congress stole the money.

I am 51 years old. I paid into that social security system all my life, since I was 16 years old, and there are millions of Americans just like me. That is a trust fund. Where is the money that I paid in? That is what the American people are asking.

Well, let me tell my colleagues what happened to that money. Let us digress for a minute. When the social security retirement system was first put in place back in the early thirties, it was a supplemental retirement system and that is all it was.

Now Congress in its infinite wisdom over the years has seen fit to add all kinds of programs to it, whether it is medicare, whether it is social security disability, whether it is children's benefits or students' benefits, and I do not argue on whether or not those are good programs.

But the truth of the matter is they have absolutely nothing to do with social security retirement. And Congress in placing them into the social security system did so because they did not have to fund them in that particular fiscal year.

So instead of putting them in the general fund, if medicare is a good program, and it is, and coming up with the money in that particular year to pay whatever the costs are, they did not do that. They put it in the social security system and consequently all of those funds, my money and yours, and all of the American citizens, have had their money drained out of that system over the last 15 or 20 years so that the system is broke today. And the Congress ought to be ashamed of itself for what it did. And if we want

to solve the problem, if we want to solve that problem, we simply can do this: We can take all of those benefits that exist in the social security system today, except the retirement, and we can take it out of there and put it in the general fund, and if those programs are good, medicare, social security disability, children's benefits, students' benefits, if they are good, keep them and pay for them every day, every year, in the regular general fund budget, spread over a wide-based tax, and let us just leave in the retirement system the retirement checks that the American people want to get.

There is not an American worker today, you, me or anyone else who is not willing to pay through a payroll tax whatever the cost to see that every single senior citizen gets their check at the first of each month.

If we do it that way will stop this political badgering back and forth, everybody blaming the other person. The American people are scared to death today and here we sit in this Congress playing games, trying to blame somebody.

Let us blame ourselves and let us get the system straightened out.

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Mr. SMITH of Oregon. I thank my colleague. I could not agree more.

We can solve these problems, but only until we work together to try to solve them, until the Congress accepts the burden of leadership that the American people have given to them.

I just think that it is important that we understand that we did not give too much in tax cuts, that we are clearly not out of control on the taxing side, and that if we could freeze the spending levels at this year's levels, we would have a balanced budget by 1985. I think it is a goal that we all can share and one that we need to get on with.

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

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

There was no objection.

SMALL BUSINESS

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

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

Mr. MITCHELL of Maryland. Mr. Speaker, May 9-15, 1982, has been designated as National Small Business Week. As chairman of the House Small Business Committee, I have taken this time to pay tribute to the nearly 14 million small business owners of this Nation. I am pleased that the ranking minority member of the committee, JOSEPH MCDADE, has joined me in this tribute. I am also pleased that a large number of my colleagues have graciously agreed to honor the excellent contributions of the small business community to this Nation's economy.

The small business sector remains the most dynamic, competitive, and productive sector of today's economy in spite of serious threats and obstacles to its well-being. Their contribution to society is far greater than their numbers or size would indicate.

An astonishing 87.7 percent of all new jobs in the private sector, according to a recent study, were created by small firms during the period studied.

Small firms are 2½ times as innovative per employee as large firms and produce from 4 to 24 times more innovations per R. & D. dollar. They have produced one-half of the most significant new industrial products and processes since World War II. Notwithstanding these facts, the Federal Government's research and development procurement system does not recognize the contributions of small businesses to this Nation's economy. As stated in this morning's Washington Post, Japan is quickly closing the gap on American innovation. "The Japanese are graduating more engineers; they are doing more nationally coordinated and funded engineering, and they are also upgrading their well-known ability to implement the designs of others with a quality accent." Yes, Japan and other foreign countries are taking American small business inventions and returning them to this Nation's marketplace. Indeed, the time is now for this Nation to stop this loss of resources. A Federal research and development procurement system that recognizes the small business community's massive contributions in the field of innovation is one way to halt this senseless drain on our economy.

The inventive genius resident within small business provides "the seedbed for growth." The increased competition, which results from proliferation of small enterprise, exerts a downward pressure on inflation.

Small business contribution to the economy in new jobs, new products for export, and tax revenues are substantially greater than in larger corporations. The reasons are simple. Small firms are more adventurous and willing to expend great energy and time in the struggle for recognition and potential rewards.

Small companies are closely associated with the regions in which they are located and contribute to the pulse and morale of the local community. Areas dominated by small firms tend to be healthier, more stable, and enjoy a higher quality of living.

And yet the climate for new entrants into the marketplace is far from healthy. Small businesses are facing their most difficult challenges since the Great Depression.

The Gross National Product, adjusted for inflation, stands at about the same level today as in the last quarter of 1979. No growth in the economy means tough times for thousands of small businesses.

Today, small businesses are paying interest rates 12 to 14 percentage points above the rate of inflation—three to four times higher than the historical average of 3 to 5 points above inflation.

The current number of business failures is running at the highest level since 1932 according to Dun & Bradstreet. The high rate of failures is a direct result of high-interest rates and the resulting stagnant economy.

Financial market participants tell us that the prospect of $150 to $250 billion deficits for the next 6 to 7 years is keeping interest rates high.

Small businesses are deserving of all the praise they have received, but they now need action. The best thing this Congress can do for small businesses is to provide them with the support they need to do the things they do best: job creation and innovation.

Mr. Speaker, in conclusion, as we take this week to say thank you to the nearly 14 million small businesses in the Nation, I am extremely proud to pay a special tribute to a minority entrepreneur and a constituent of mine. This week, Will Jackson of Jackson Oil Co. will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

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

Mr. MITCHELL of Maryland. I yield briefly to the gentleman.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, last year people were confident about the future of the economy. Today they are confused.

Last year President Reagan said during his budget message to Congress on March 10 of 1981:

Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the nation, where even a slight improvement can produce dramatic results. . . .

Again, on March 23, the President's Secretary of the Treasury, Mr. Donald Regan said:

The President's program will begin to bear fruit even before it is enacted. . . .

Today, Mr. Speaker, we have record deficits that are the result of the President's economic policies. Last week we saw the Senate Budget Committee vote unanimously to disapprove the President's economic policy by a vote of 20 to 0. There was no consensus, because both Republicans and Democrats rejected that policy. This week we are seeing action in the House to bring about a change, a midcourse correction in the President's economic policy which will give some hope to small business that the interest rates which are plaguing them will go down. There is hope within this Congress that the Congress can produce a bipartisan alternative which will reduce the record deficits that are produced by this economic policy.

One more thing, and I appreciate the gentleman yielding. In 1980 when the President was a candidate, he traveled around the country and promised that he would balance the Federal budget by 1984. The President presented his economic policy and his tax policy in 1981. Everything was enacted and instead of the balanced budget in 1984 that the President projected, we have a projected deficit of some $216 billion based upon the President's economic policy. This is causing interest rates to persist at a record high level. There is no relief in sight and the small business people of this country are paying the price.

The President's high interest rate policies and economic recession are grinding America's small businesses to bankruptcy. And, the Reagan tax cut that was supposed to revitalize the Nation's economy did little more than shift the business tax burden from Wall Street on to the banks of Main Street, U.S.A., small businesses and industrial operators.

It is an established fact of our national economy that small businesses generate the majority of the jobs, particularly new jobs, for our people. Although corporate giants of the Nation get the limelight of public news media attention focused on them constantly, the small businesses of the Nation are the backbone and heart of our private business sector.

Small businesses compose 98.2 percent of all the business of the Nation. Although they account for less than 40 percent of the gross national product, small businesses generate virtually all of the new private sector employment. And, they originate at least 50 percent of all major innovations.

All business is wounded by the impact of high interest rates and the damage multiplies with sustained high interest rates.

But, small businesses, which of necessity, must operate on narrow profit margins in highly competitive fields are far less able to survive the punishment of high interest rates because their capital resources are not great.

By the same token, the unique characteristics of small business make it highly unlikely that they will be able to benefit substantially from tax reduction measures which are conceived and primarily tailored to respond to the tax reduction desires of the business and industrial giants of the Nation. The Reagan business tax cuts were drafted especially with the interest of major business and industrial organizations of the Nation in mind. They simply did not give sufficient thought and concern to the special problems of small business.

Small businesses rely primarily on labor, on people, rather than on capital to provide their goods and services. The Reagan business tax depreciation allowances for capital investments mean that you must invest capital and have income before you can benefit from these reductions in your tax liability. Since small businesses make far greater use of people than of things in their operations, this added to the fact that in the early years many do not show a profit, makes the Reagan tax cut of very limited use to their operations while giving mammoth benefits to major corporations and industries.

Small businesses, which are labor intensive, are particularly hard hit by social security taxes because of their liability for each of their employees, each of the people, they provide jobs. So, the Reagan tax cut again operates to the disadvantage of small business by using up tax revenues which might otherwise be used to finance tax cuts helpful to small business.

The Reagan big corporate tax cut that is contributing to the skyrocketing Reagan budget deficits, is putting a hammerlock on the lifeline of small businesses—borrowed money. The budget deficits are considered to be a major, if not the major cause of the exceptionally long and sustained high interest rates on short-term and midterm borrowed capital.

Small businesses, by their nature, must have capital of these two kinds to operate. The high interest rates encouraged by President Reagan, combined with the fact that small businesses are generally considered high risk borrowers, are putting small businesses, the ones which have survived the economic recession thus far in another high risk category—high risk for bankruptcy before the economic recession the Nation is suffering ends and recovery and expansion resumes.

In reporting a survey of small business credit conditions, in 1981, the National Federation of Independent Businesses, said:

The problems created by high interest rates have become more intense for small firms who must borrow regularly. Firms operating on small profit margins which must borrow regularly are forced to reduce other operating costs (E.G., by reducing employment) or they must go out of business. In addition, the combination of a lethargic economy, constantly rising costs . . . and inflation-induced tax increases, has diminished many firm's cash flows to the point where they are engaging in "survival borrowing" that is, borrowing to finance daily operations rather than productivity enhancing capital expenditures. The high rates charged on loans to these firms further reduce earnings.

So, in essence, what I am saying here, what many of us are saying today, is that the President's economic policy has helped Wall Street at the expense of Main Street. It has helped big business at the jeopardy and the prejudice and the discrimination of small business.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, as we take this week to say thank you to nearly 14 million small businesses in this Nation, I am extremely proud to pay a special tribute to a minority entrepreneur who is a constituent of mine. This week Will Jackson of the Jackson Oil Co., which is located in Baltimore, will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

Mr. Speaker, I yield now to the gentleman from Ohio (Mr. WEBER), the ranking member.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman in the well for holding this special order in celebration of National Small Business Week.

Mr. Speaker, today I am pleased to join in saluting the small businesses of America, as we celebrate National Small Business Week.

According to studies, made by Dr. David L. Birch of MIT, in recent times 66 percent of all new jobs in the Nation are created by firms with fewer than 20 employees; 77 percent of all new jobs are created by firms with 50 or fewer employees.

The National Science Foundation reports that small businesses are 4 to 24 times more innovative than medium- or large-sized companies per dollar spent on research and development. Per employee, small businesses are two to three times as innovative as the larger companies.

Having a smaller market share and therefore lacking in market power,

small businesses generally show slower price increases than larger companies. Small business thus moderates inflation, providing more goods and services at lower costs.

One way in which each Member of Congress can assist small businesses in their communities, is by helping to bridge the information gap that exists between Government and small business. The individual entrepreneur, the person whose business is small, who operates on a small scale and a narrow margin—this person cannot afford the trips to the big cities to attend seminars and workshops to learn the intricacies of working with the various rules and regulations that impact on his or her business. Even if this person could afford the financial cost, he or she could not afford to take the time away from managing the business.

Therefore it is with great enthusiasm that I encourage my colleagues to do what I have seen other Members do and that is to hold a "small business roundtable" at some convenient location in their home districts. I have one such roundtable scheduled in my hometown of Toledo, Ohio, on Thursday, May 27. On that day I have secured the cooperation of many representatives of governmental agencies who will travel to Toledo to participate in panel discussions on topics of interest to small business. The purpose is to inform the small business community about how to work with Federal agencies and Federal law. It will be an opportunity for local people to interface with Government at the grassroots.

I am assisted in this conference by the Toledo Area Small Business Association and the National Federation of Independent Businesses. We pooled our ideas in deciding upon the topics that the conference would address. As a result we have chosen to discuss the everyday problems of a business involving international trade and economic development; urban enterprise zones; housing; taxation and financing of businesses; bankruptcy laws and equal economic opportunity; labor relations, including Davis-Bacon and Hobbs Act issues; transportation and shipping; interest rates and monetary policy; and Government contracts and regulation.

From this roundtable we expect to get new ideas for improving the services and operations of Government at the same time that businesses are assisted to function in today's environment of Government regulation. If small business is the economic engine of our country, roundtables such as I have described can be the oil that keeps the economic engine running smoothly.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Speaker, American small business has long been the keystone of our economy. Individual members of the business community, committed to our system of free enterprise, have combined energy and initiative in the development and maintenance of our Nation's economic base.

Today over one-half of all American jobs are provided by small businesses. It is the small business community that over the years has been the leader in technological innovation and the spark behind our productive expansion.

Indeed, it is the small business person whose hallmark has been creativity, imagination, and hard work, and that offers us one of our best hopes for new economic prosperity and a revitalization of the American workplace.

Mr. Speaker, I am particularly pleased to participate in today's special order because one of my constituents has been recognized as Michigan's Small Businessman of the Year. Mr. John Vander Ploeg, president of Ship-Pac, Inc., of Kalamazoo, Mich., has demonstrated for our State and the Nation how a good idea—properly nurtured and managed—can result in new business activity, in new jobs for the community, and in the provision of an important service for our economy.

Simply put, Mr. Vander Ploeg recognized in the midsixties that in order to send shipments from one location to another, businesses frequently had to utilize as many as 15 different suppliers to properly prepare and deliver a package. By offering businesses a one-stop option where all the worries of making a shipment would be handled, his business grew from sales of $100,000 the first year to nearly $6 million in 1981.

Mr. Vander Ploeg's commitment to efficiency, sound business practices, and hard work is not left at Ship-Pac when the 5 o'clock hour arrives. He has utilized the same principles in his community service—both in his volunteer activities and as the vice-mayor of the city of Kalamazoo.

Mr. Speaker, the citizens of Michigan's Third Congressional District join me in this recognition of John Vander Ploeg's achievements, and look to him for continuing leadership both at work and in the community.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

I yield to the gentleman from Ohio (Mr. WILLIAMS).

Mr. WILLIAMS of Ohio. Mr. Speaker, I appreciate the gentleman's yielding and compliment him on taking this special order.

Mr. Speaker, it is a pleasure for me to participate today in this special order. As we all know, this week has been designated Small Business Week, and I think it is fitting that yesterday the House Small Business Committee passed H.R. 6086 as amended.

I would like to particularly take note of sections 10 and 11 of the bill. These sections are that part of the bill known as the distressed area loan program. This program was included in the bill and passed by the committee primarily through the efforts and hard work of our ranking Republican member, the Honorable JOSEPH McDADE. The gentleman from Pennsylvania was able to take this great idea and develop bipartisan support to assist small businesses, particularly those in labor surplus areas.

The distressed areas loan program will not only bring a good deal of financial assistance to hard-hit small businesses, but will also help create jobs in those areas of this country which need it most—places like Youngstown, Ohio. So I want to take this opportunity to publicly commend my colleague from Pennsylvania for his hard work and dedication and also thank him for the privilege of working with him to help insure the program's passage.

Mr. Speaker, I would also like to thank the gentleman from Maryland, our chairman, for providing the Members of the House with this opportunity today and to commend him for the leadership he has shown in this Congress when it comes to dealing with the problems of small business.

● Mr. McDADE. Mr. Speaker, I am pleased to join the President and my distinguished colleague from Maryland in a salute to small business. In truth, every workday is small business day, but small business men and women certainly merit official recognition.

These people drive the American economy. According to the 1980 White House Conference on Small Business definition of small business as any firm employing 500 workers or less, there are now 15 million small businesses. They make up fully 99 percent of the total number of businesses in the United States, produce almost half of the GNP, and employ over half of the American work force. Furthermore, these businesses create the overwhelming majority of new jobs in our economy. An MIT study found that between 1969 and 1976 these small businesses created more than 86 percent of new jobs in the United States. More significant, smaller firms with less than 20 employees generate 66 percent of new American jobs. Can anyone doubt that it is in small businesses scattered across this land where American capitalism renews itself—daily?

Small Business' job-creating wonders would be reason enough to recognize small business' importance in this special week. But small business makes a contribution to American life in so

many other ways. We talk often in this Chamber about the need for innovation and the loss of the inventive genius in American life. Small businesses have not lost that genius and will meet that need. Indeed, a National Science Foundation study found that small businesses prioneer more innovation per research development dollar than medium or large firms. Locally, small business people provide the leadership that animates a vibrant community—a fact we should all keep in mind when considering programs to revive distressed areas. Nationally small businesses keep competition in our economy, and we all know that competition keeps down costs. No wonder the President calls small business the cornerstone of our free enterprise system.

These entrepreneurs ask for nothing more than the opportunity to build profitable businesses. But small businesses have special needs. They exist in a world of giants—big business, big government, and big labor. Consequently, our institutions and regulations must be sensitive to the problems of the small business. I am glad to say that in recent years the Congress has helped along this line. The Regulatory Flexibility Act has institutionalized the evaluation of a regulation's impact on small business. The Equal Access to Justice Act guarantees that small businessmen can fight the Federal Government in court without bearing the high cost of litigation, if the Government is in error. Patent reform has served to get innovations off the shelf of the Patent Office and on to the production line.

Last year, the President's Economic Recovery Tax Act contained many features that benefit small businessmen. Tax rate reductions and the indexing of tax brackets will definitely pay off for the many small businesses that are partnerships, proprietorships, and subchapter S corporations. Small businesses will also profit from the new accelerated cost recovery system, direct expensing, and an increase in the minimum investment tax credit for used property. Some features of the new tax law specifically apply to small businesses. Corporate tax rates have been cut for corporations earning less than $50,000. ERTA has also simplified inventory accounting methods and increases the number of permissible subchapter S shareholders.

And the Congress did not end its work last year. Soon, President Reagan will sign legislation designed to correct a problem of crucial importance to small businessmen who do business with the Federal Government. The Prompt Payments Act will impose financial penalties on Government agencies that fail to pay their bills on time. The upcoming Small Business Innovation Development Act attempts to get a fair share of the Federal research and development dollar to a sector of the economy with a proven record of innovative excellence—small businesses.

Sure, the small businessman has his troubles today. Just ask any one of them what it is like to borrow money to expand—or even to survive—at the present interest rates. All of us must grapple with this reality. But the interest rate problem should not divert our attention altogether from the headway we have made in the last few years. I believe that these reforms will help make for a sustained growth and prosperity that are on the other side of our present economic difficulties. Small business men and women will be there. I salute them in this National Small Business Week.●

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

Mr. MITCHELL of Maryland. I yield to the gentleman from Iowa.

Might I indicate before the gentleman speaks that our colleague, BERKLEY BEDELL, in 1964 was the first national award winner of the Small Business Administration's program to honor small business. I think that ought to be a part of the official record.

I now yield to the gentleman.

Mr. BEDELL. I thank the committee chairman.

Mr. Speaker, I first of all would like to comment on what a privilege it is to serve under the gentleman from Maryland (Mr. MITCHELL), the chairman of our Committee on Small Business, with the leadership that he furnishes us.

Mr. Speaker, with very great pleasure, I note that a constituent of mine has been selected as the Iowa Small Business Person of the Year by the U.S. Small Business Administration. This is fitting recognition of the splendid accomplishments of Joe Joyce, owner of Joyce's Foodland in Emmetsburg, Iowa.

Last night, Mr. Speaker, I had the privilege of welcoming Mr. Joyce and the other SBA award winners to Washington. They are here in town as part of the Small Business Week activities. Those people should be an inspiration to us all, and it is in this context that I am so pleased to tell you about my constituent.

Mr. Joyce purchased a small supermarket in 1970, using $25,000 he had saved from a dairy route and a hog raising operation. With no prior experience in retail food marketing, he opened up a 4,500-square-foot store and hired nine employees. Since then, he has expanded his business to a 22,000-square-foot facility and he employs 55 people.

Along the way, Joe Joyce has become a local leader in providing employment opportunities for handicapped citizens. His investments have helped restore economic life to a formerly distressed part of town. And he has expanded into several new lines of business, opening additional stores.

Mr. Joyce took a chance, risking his family's life savings when he went into this business. He is an innovator, bringing new ideas and new marketing techniques to northwest Iowa. He has provided opportunities for workers and the community to better their lot as his business has grown.

And Joe Joyce has not been a stranger to community affairs. Even while his business was growing, he was involved in community activities. He has served on the Emmetsburg Planning and Zoning Commission, is the past president of the local chamber of commerce, is involved in the Knights of Columbus and the Lions Club, and serves on the board of Willing Workers, a local center for the handicapped.

Mr. Speaker, Joe Joyce and the other SBA award winners who are in town this week help to demonstrate why I believe small business is the key to the success of our economy. The Fortune 500 companies may dominate the economic news, but it is the entrepreneurs among us—men and women like Joe Joyce—who lead our communities, who take the necessary risks, and who provide the new ideas and the new jobs our economy needs. These are the people who make America great and I am very proud of them.

I am pleased to be here as we celebrate this Small Business Week, serving on the Small Business Committee. It is very clear to me that small business is that sector of our economy which holds the opportunity for this great land of ours. It is small business which provides 80 percent of all new jobs that are created in our economy. Fifty percent of our new inventions and technology come from small business. And this is contrasted to less than 3½ percent of the Federal research and development funding that they get.

The National Science Foundation says that small business provides 25 times the amount of innovation per research dollar to that provided by similar investments in large businesses.

Shortly after he took office last year, Assistant Attorney General for Antitrust, William Baxter, was interviewed by Dun's Review. I would like to quote his remarks. They are as follows:

> There is nothing written in the sky that says that the world would not be a perfectly satisfactory place if there were only 100 companies.

Mr. Speaker, I do not want to live in a world where there are only 200 companies. I do not want to live in that world partly because I want my children to have the opportunities to start their own business and take advantage of their own capabilities in this socie-

ty. But I certainly do not want to live in that type of a world, because I think we need the innovation and the job creation that comes from our small businesses.

So I am here at this time to thank the chairman for calling this special order, and I am pleased to be a part of this effort to recognize the tremendous part that small business plays in this great land of ours.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

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

Mr. MITCHELL of Maryland. I yield to the gentleman from Nebraska.

Mr. DAUB. I appreciate the gentleman yielding, and I want to accomplish three things in my brief remarks:

First, to thank the chairman of our Committee on Small Business and, of course, our ranking member who joined you in arranging for this special order to point out the importance of small businesses to the economy and the well-being of America.

The second thing that I want to do is to note that the responsibility to provide all Americans the opportunity to join the economic mainstream cannot rest solely with the Government. Without the commitment of individuals in the private sector, our efforts cannot meet with success.

One individual who has shown this commitment is Jack MacAllister, president of the Northwestern Bell Telephone Co. in Omaha, Nebr., and his outstanding work will be recognized tomorrow when he receives the National Small Business Minority Advocate of the Year Award from the President. This prestigious honor is well deserved.

Jack's contributions to the minority small business community include the formation of a minority small business corporation capitalized at $500,000 in Omaha, fundraising efforts for the Wesley House, assistance to the Omaha Economic Development Corp. in obtaining corporate support and involvement, and efforts to organize and promote an urban business development center in Omaha.

Jack has also worked closely with the Minority Purchasing Council of the Omaha Chamber of Commerce and has successfully initiated efforts to obtain new accounts in the Community Bank, the only minority-owned bank in Omaha.

Woodrow Wilson once said that every great man of business has got some touch of the idealist in him. Jack MacAllister has put that idealism into action, and the entire community has benefited.

I take this opportunity to commend Jack MacAllister and to thank him for setting a standard of achievement and responsibility that we can all take pride in and that we should all emulate.

Now, if I might, the third mission I have in participating in this Small Business Week special order that has been brought so well to our attention by the distinguished chairman of the committee is to note that small business should be recognized all year round.

Mr. Speaker, as this is National Small Business Week our attention is rightfully diverted to the contributions that the small business community makes to our society.

It would be unfortunate if we allowed ourselves to treat small business as we do so many other institutions. To give it a day or a week so that attention may be drawn to its importance is fine for many different things but it reflects a sorry and dangerous thinking in our land if we think that that is enough for small business.

We should recognize that it is the small business community that is the engine of this country's economic machine. It is small business that employs our citizens, creates wealth, provides revenue for the Government coffers and provides the goods and services that have allowed our Nation to prosper.

But, as I have said before on this floor, we tend to too little appreciate the impact of small business because its interests are so diverse and not easily translated into a "program" or a bill that can be said to be helpful to small business and thus fulfill our obligation.

In my district we enjoy the presence of a number of large employers that represent some of the largest and well-known companies in America. But, as I travel the second district of Nebraska, I find that most of the people I meet are employed by small businesses. That the new jobs come from small business. That new development for the most part is a result of small business men and women taking risks and seeking opportunities. It often occurs to me, that if, we in this Congress possessed the imagination and the daring that I see evidenced every time I return to Omaha, Nebr., most, if not all, of the problems that we face today could he handled readily.

During these difficult economic times the agenda for small business is little different than at other times. Only the emphasis is different.

What is this agenda that determines so much of our economic future. That will determine whether or not we will have the increase in jobs necessary to provide opportunity for all Americans. Very simply it is to leave small business alone. Let the men and women of this country fulfill their imaginative schemes to become a part of the business community. Do not bog them down in expensive redtape that not only adds a cost to their enterprise but absorbs a large amount of the talent and energy of the entrepreneur.

I am sure that we do not intend this particular special order to point out some of the disagreements that may exist over what direction our economic agenda should take, and I, for one, did not come to participate in this special order to criticize, because that is too easy. I came to offer that hope that small business of America can lead us out to economic recovery if, in fact, we tend to the special needs of small business.

Mr. Speaker, last year I wrote to 11,000 businesses in my district and asked them to let me know personally of regulations that were in their mind unnecessary, counterproductive, or unduly burdensome. Once I received these responses I forwarded them to the Vice President's Regulatory Reform Task Force so that they might be incorporated into their effort. I, as did the Vice President, felt that this kind of grassroots information would provide a valuable addition to their study.

What struck me most often amid this myraid of complaints was a sense of frustration. A sense that the efforts that they expended on behalf of Government exceeded at times those that were available to their enterprise. Instead of devoting themselves to their business they were diverted into a continuing servitude to the Federal Government that created not a single job, provided not a sole good or service, and acted as a drain on the Treasury while thwarting efforts that would have contributed to it.

The agenda of small business of which I spoke is a simple one. There are, of course, bills that they would like to see passed but most often these affect in some way the behavior of the Federal Government toward them. But the basic agenda today is simply that the Federal Government undertake a fiscal policy that will reduce interest rates. Just let them do business. Allow them to save, invest, create, manage, and innovate without the weight of today's interest rates upon their shoulders.

Those of you who believe that unemployment is the largest domestic problem we face today, and I am among you, must also recognize that we will not see real improvement until such time as America's small business community can afford to hire. And to believe that we can accomplish this by means other than by reducing spending and the attendant share of Federal borrowing is a charade.

It sometimes appears that unless Congress says something is important it does not exist. And unless a problem can be solved by a Government spending program enacted by Congress it is unsolvable. But with or without National Small Business Week small busi-

ness is what America is about. And surely we can draft no legislation that could hope to solve small businesses problems. What we need to do in this body is to stop thinking in terms of special interests and see that this American economy is a complicated machine whose components are beyond the tinkering of Congress. That the actions of this body that have created the current high interest rates have acted like a monkey wrench thrown into the machinery and it is up to us to remove it before it does further damage.

Let us use this time this week to take a really hard look at what makes this country go. And then let us take another look at what has caused it to slow down. I do not believe we will have to look very long to see that what makes this country go is its people, joined together in enterprise that helps both themselves and others. And what has made this country slow down is apparent enough: The interference of Government in the activities of our people. Excessive spending that has made the cost of money debilitating for most businesses, regulations that sap its energy and imagination all have made the lot of the small business person difficult, formidable and in some cases impossible.

Mr. Speaker, National Small Business Week can be an occasion that will mark a turning point in the attitude of this Congress. If we are willing to make the hard decisions and to face up to where we are and how we got here it will mark a week of real success for small business, and for our country.

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Mr. Speaker, Small Business Week can be the occasion that would mark a turning point in the attitudes of this Congress, if we are willing to make the hard decisions and face up to our responsibilities to not ignore that entity within the economic engine that provides and can provide the stable 60 percent of our work force with their opportunity to share in this great country's economic prosperity.

I ask that my colleagues join with us in supporting decisions that affect small business. That is how we got here. This is the week to celebrate their real success and for their future and for our country, let us do what we can to help small business.

I thank the gentleman very much for bringing this special order to the floor this evening.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Speaker, I thank the gentleman for yielding, and I would like to associate myself with his remarks and also to congratulate the gentleman in the well for his tremendous effort on the part of small business, as well as the gentleman from Pennsylvania (Mr. MCDADE), the ranking minority member on the Small Business Subcommittee. I clearly have enjoyed my service on the Small Business Committee the last two terms in Congress.

Mr. Speaker, I think it appropriate at the outset of this Small Business Week to stop a moment and reflect on the vital importance of the small business sector of our American economy.

The small business sector unquestionably represents the vast majority of the total number of business establishments nationwide. When new jobs are created, you are more likely than not going to find that growth springing from small business. The small business community originates a full 50 percent of all major innovations in this country. I might add that that figure could be significantly increased if H.R. 4326, the Small Business Innovation and Development Act is agreed to by this House. Furthermore, approximately 40 percent of the entire U.S. gross national product is gleaned from small business. Additionally, the small business sector provides opportunity for women, minorities, and disadvantaged to fulfill their desires to become totally self-reliant.

Our job, which we must not lose sight of, is to facilitate this much needed growth through coherent, steady business policy. However, one ingredient for growth in the small business sector that no government can provide is an individual's initiative. While we as legislators may help provide favorable tax laws and a beneficial business climate in which to work, unless an individual possesses the initiative to pursue his or her dream, there is virtually nothing that we as lawmakers can do. During this small business week, I would like to point to the Maine small businessman of the year as an example of someone who saw opportunity and invested himself fully to attain his goals. Mal Sibulkin, from Avon, Maine, took a concept that his mother and father devised and built a thriving business, manufacturing motivational teaching aids for the handicapped. Lauri, Inc., as the company is known, started with a few hundred dollars, an idea, and has burgeoned into a multimillion dollar corporation which now exports to 25 countries. The point is, that there are potentially millions of Mal Sibulkins in America who have the desire to contribute and the will to succeed. It is our duty to be the catalyst, to lend the helping hand that the small business men and women of this Nation need. By building a solid small business foundation for America, we insure a prosperous future. Thank you, Mr. Speaker.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank both of my colleagues for their remarks. I yield to the distinguished gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY of Pennsylvania. Mr. Speaker, I thank the gentleman from Maryland (Mr. MITCHELL). I will be very brief. I serve on the Ways and Means Committee, and I want the gentleman to know that part of the work that we had tried to do to supplement and add to the efforts that the gentleman has so nobly advanced were to write tax legislation which in fact would assist in the reinvestment incentives and those types of things that the gentleman has worked so hard on.

I suppose I really cannot add much to what has been said here today except to compliment the gentleman. I know the work that he has extended. I know particularly the concerns that he has had for minority small business. One of the problems with our country has been providing equal opportunities and opportunities to move into middle-class businesses and small businesses essentially of that type, which is something that I know the gentleman has worked very hard on. I would like to bring that to the attention of the country.

I think the gentleman should be complimented for his efforts in that regard particularly; black citizens and minority citizens of all genre in our country really owe the gentleman a debt of gratitude.

Mr. MITCHELL of Maryland. I thank the gentleman for his kind remarks.

I think it important at this point in the RECORD to indicate that there are the names of some 50 Members of Congress who do not serve on the Small Business Committee, who have submitted for the RECORD tributes just tonight, tributes to the small business community of America. Last night, a large number of the members of the committee and those Members of Congress not on the committee, also submitted tributes to Small Business Week.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Speaker, I want to thank my colleague and others for their remarks. I would like the record to show that I am in full accord with the position the gentleman has taken so adequately and eloquently in this matter, and join in his remarks.

Mr. MITCHELL of Maryland. I thank the gentleman.

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

● Mr. CONTE. Mr. Speaker, Small Business Week is an important occasion to bring together the small business community to focus on the important contribution it makes to our economy and on the ways that contribution can be improved. But it is important to remember that promoting small business is a year-round task,

and that in these times we must all renew our efforts to make the hurdles facing small business a little easier to surmount.

Last Sunday, the New York Times ran an article on Exxon, the largest industrial company in the world. That article started out with a telling sentence based on founding father John D. Rockefeller's own observation that the day of combination is here to stay and that individualism has gone, never to return. "Mr. Rockefeller was right," said the article. "Although we pay homage to Jeffersonian democracy, Americans have built an economy that relies on goliaths to get the job done."

Mr. Speaker, it appears that America is becoming more and more reliant on goliaths, and is permitting the independent small business to languish, according to the recent report of the President on the State of Small Business, dated March 1982, the share of the gross national product contributed by small business had declined from 42 percent in 1967 to an estimated 38 percent in 1977 and is still falling. The report also stated that the number of very small establishments is shrinking while the number of large establishments is growing. Recent reports indicate that bankruptcies are now hitting small businesses particularly hard, at record rates, if anything, the demise of very small establishments is currently on the rise.

Mr. Speaker, these figures are of great concern. Small business has been throughout our history, and continues to be, the one sector of our economy that consistently produces growth, jobs, productivity gains, and fuels the well-being of the rest of our society. A look at the state of our present economy will verify that fact. The one sector of our economy that in single-handedly keeping the rest of this Nation's head above water right now is the high technology industry. That industry is composed of dynamic young firms which start out with a handful of employees and a good idea and then grow like wildfire. On the other hand, it is many of the old, concentrated industries, like automobiles or steel that are barely hanging on.

One reason small business has played this dynamic role in our history is because of the opportunity it offers to individuals to better their lot. How many people have realized their dreams by entering the golden door of opportunity of starting a small business? How many immigrants have come to this country, how many individuals from deprived backgrounds, how many people who never would have had a second chance have made good by taking advantage of the opportunity offered by this great Nation to go into business for themselves and get ahead?

Mr. Speaker, when we say that business is becoming increasingly concentrated, when we say that the trend is to merge and invest in making companies bigger rather than better, are we not sounding a warning about our country's future? Are we not saying we are abandoning the collective dream that has made this Nation the greatest in the world precisely because it is the most devoted lover of individual freedom and opportunity in the world?

Mr. Speaker, we must not use this Small Business Week to rest on our laurels. We in Congress and across the Nation must renew our intent to reverse the decline in importance of small business.

I am happy that the first opportunity to act on that intent is right around the corner. The Small Business Innovation Research Act may very possibly come to the floor of the House next week. And I can think of no more-appropriate way than passing that bill to reaffirm our commitment to small business. For years, the Small Business Committee has tried to break the headlock of big business and other large institutions on Federal procurement. There have been speeches, there have been laws, there have been Executive orders. And to what avail? Small business, the engine of our economic growth, the creator of 86 percent of our new jobs, the source of 24 times more innovation per research dollar than medium or large business, the employer of 47 percent of our labor force, receives only 4 percent of the Federal R. & D. budget.

The Small Business Innovation Research Act attempts to raise that measly 4 percent not by 25 percent, not by 10 percent, but by a mere 1 or 2 percent. But that 1 or 2 percent will do more for the growth of this country, and for the state or the economy, than just about any other piece of legislation this Congress will look at this year. Mr. Speaker, this bill is not a set-aside, this bill is an economic recovery act. It attempts to move Federal money, taxpayers' money, to where it will be the most productive and to where it is most needed, in keeping our edge in high technology. If we lose our edge in high technology, as we now are in danger of doing, we can kiss our economy goodby. This bill is a small step to help keep our most innovative and productive and growing sector, a sector carried forward by small business, the most innovative in the world. It is small step, Mr. Speaker, a 1-percent step, but it is a giant step for our Nation.

In sum, there are two ways to celebrate Small Business Week. There are these speeches, and there is an act, a vote next week on the innovation bill. Mr. Speaker, if we are serious about honoring the role of small business in our economy, we will pass that bill overwhelmingly. It is a job-creation bill, and it is an economic recovery bill. A vote against it is a vote against the best interest of our country and a vote against the dream that has made this country great.●

● Mr. YOUNG of Florida. Mr. Speaker, as we reflect on our great Nation's path to success, history indicates that small businessmen have led us to the industrial heights we have achieved and it is those same small businessmen who continue to serve as the foundation of our economy. Therefore, it is only fitting that we pay tribute this week to the thousands of small businessmen throughout our Nation whose initiative boosts our economy and serves as an inspiration to us all.

A constituent of mine, Joseph O'Brien, of St. Petersburg, Fla., has been singled out this week as the small businessman of the year from my State. Like many Americans, Mr. O'Brien pursued his dream of success in business, and in less than 11 years has achieved that success by building a rapidly expanding business for which the potential of growth is unlimited.

Mr. O'Brien purchased in 1970 the Bostwick Co., a very small business which marketed screens, window shades, and awnings. It was not until 1973, when he began exploring the possibility of marketing solar control films, a product designed to reduce the absorption and transmission of solar heat through glass, that Mr. O'Brien fully realized the potential for expansion that existed.

As a result of his new product line, the company, now called ITD Industries, has increased its earnings sixteenfold and employs more than 80 people. In addition to providing jobs and revenue for Pinellas County, Mr. O'Brien is also assisting our Nation by presenting new and economical ways to conserve energy by preventing the gain and loss of heat through windows.

Mr. Speaker, initiative, drive, and desire established our country as a leader in the world's industrial marketplace and it is the small businessmen of our Nation, as represented by my constituent, Mr. O'Brien, who strengthen the base of our economy by continuing to expand their operations, leading the way for future generations of businessmen to market their products so that our industrial base continues to expand as it has for more than two centuries.●

● Mr. LAFALCE. Mr. Speaker, I want to take a few moments today to pay tribute to our Nation's 15 million small businesses and the millions of small businessmen who make such an important contribution to our Nation's well-being.

It is fitting that we do this during Small Business Week, the one week of the year set aside for us to remember that ours is a Nation of small businesses and that small businesses are essen-

tial for our economic and social health.

Small business clearly is a key segment of the U.S. economy. Small firms have been the major generator of innovation over the past two decades. The National Science Foundation tells us that small firms produce 24 times as many major innovations per R. & D. dollar than large firms, and four times as many as small firms.

They employ 52 percent of the Nation's work force, account for 53 percent of business receipts, and contribute at least 50 percent of the private sector gross national product.

They have been responsible for almost all of the new net employment in the United States in the 1970's. Prof. David Birch of the Massachusetts Institute of Technology reports that almost 90 percent of all jobs in the private sector between 1969 and 1976 were created by firms with 500 or fewer employees. Two-thirds of these jobs came from firms with 20 or fewer employees.

Large businesses, in contrast, had been losing jobs even before the onset of the 1981 recession, according to Professor Birch. "Whatever they are doing * * *, large firms are no longer the major providers of new jobs for Americans," he wrote in the Public Interest last fall.

Small business, however, cannot rest on its laurels. The current economic recession hits all business—large and small. Unfortunately, the small business sector is being hit especially hard. Small business' problems are discussed in great detail in a report President Reagan released 2 months ago entitled "The State of Small Business." The President is to be commended for issuing a report that provides a wealth of information on the condition of small business. I have read it carefully and want to take a moment to review what it and other studies say about small business today.

They find that:

Business failures compiled by Dun & Bradstreet are running at near depression levels. The President's report says total business failures have risen at least 30 percent during the past year. Many of these are small businesses, since small firms account for 99.7 percent of American businesses.

Small business income has dropped 12 percent in the past 2 years.

Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

Small businesses are being crowded out of bank lending by large corporations. This is a primary finding of the President's report. The report warns that this hits small business especially hard because it relies almost exclusively on bank borrowing for capital.

The President's report makes clear that small business is being hit harder by the current recession than large business.

I have been working to help small business since I entered Congress 8 years ago. As chairman of the House Small Business Oversight Subcommittee, I have held countless hearings on small business' problems and ways of solving these problems. I have examined product liability, women in business, size standards, usury ceilings, contracting out, neighborhood business revitalization, productivity, and tax policy.

This Congress, I have continued my efforts on product liability. I have also turned my attention to other pressing issues such as the insurance problems of small business, the devastating impact of high interest rates on small business, preserving the Small Business Administration programs that provide a safety net for small business and assuring that our Government taps the innovation and job creation abilities of our Nation's 13,000 small science and high technology firms.

The House will be taking up shortly a landmark small business bill I have been working on for the past year to establish small business innovation research programs in all of the major Federal R. & D. agencies. This program will allow small firms to bring forth the innovations that are essential if our Nation is to remain competitive at home and abroad, increase its productivity, maintain its technological preeminence, and create the new jobs essential for full employment prosperity.

Many of us will have used today's special order to tell our small businessmen how important they are. The Small Business Innovation Development Act will give us the opportunity to vote our rhetoric. I am confident the bill will pass.

The innovation bill is important for small business and for our Nation. But there is much more that we need to do to assure that small business is able to help us recover from the worst recession we have experienced in 40 years.

Small business made our economy a powerful engine for the past century. We will have to rely on it even more to power us into the next century.●

● Mr. MITCHELL of New York. Mr. Speaker, the small businesses of the United States play a big role in our Nation's economy. They account for more than half of our Nation's employment opportunities. They are a major source of scientific and technological innovation. They provide the competition necessary to deter exorbitant prices and monopolistic practices.

What is the individual entrepreneur's reward for these important contributions? Extreme risk. Unfortunately, more than half of all firms with 20 or fewer employees go out of business within the first 4 years. In times of recession, high-interest rates and economic stagnation make the operation of a small enterprise especially courageous.

If the state of the economy does not bankrupt the small firm with inflation or the scarcity of capital, then public policy too often lends a hand by imposing high taxes or creating excessive paperwork.

With the help of small business, our economy has been able to grow and remain productive. With the support of small business, the Federal Government has begun to combat inflation by reducing spending, spur the economy with tax incentives and adopt a more sensible approach to regulatory and paperwork requirements. These are changes that can and should benefit all Americans.

This week, as we celebrate U.S. Small Business Week, I hope everyone will recognize the importance of small business to our economy. Individual entrepreneurs are the foundation of our economic revitalization. They deserve our support.●

● Mr. SHUMWAY. Mr. Speaker, I am delighted to have this opportunity to recognize the many contributions made by America's small businesses, and to draw attention to the fact that the President has designated the week of May 9 as National Small Business Week.

I personally consider the small business community to be the very backbone of America. All too often, the accomplishments and achievements of the small business community are overlooked as attention focuses on the big business conglomerates. It is especially fitting that we recognize the fact that some of the major inventions of this century have arisen from the innovative small business community: Photocopiers, FM radio, air-conditioning, power steering, the everyday zipper, these are but a few of the numerous developments with which small business is credited. Small business accounts for about half of all private-sector employment, and more than 40 percent of the GNP.

Perhaps most importantly, small business is indicative of the American spirit, wherein independent creativity and personal ambition are free to produce and grow at their own rate and ability. If the small businessman is a critical link in the chain of ingenuity and innovation, he is also the link most vulnerable to fracture from excessive Government regulations and burdensome tax policies. He is keenly aware of the needs of his community, and he responds to them. He is especially comprehensive of the laws of supply and demand, for they dictate his very existence.

I rely very heavily upon the small business community, which is especial-

ly important in my own congressional district. The advice of small business representatives has offered invaluable guidance as I review and consider pending legislation and administrative action. It has enabled me to work to the best of my ability to protect free enterprise and the private sector's best interests. Thus, I am delighted to honor the small business community during National Small Business Week.●

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues in the House today in honoring our Nation's small businesses. In particular, I would like to pay tribute to Mr. George Nolan King, Kentucky's Small Business Person of the Year, who hails from my home town of Louisville.

George is the owner of Mr. Klean's Janitor and Maintenance Service, Inc., a janitorial service which began with the financial backing of former employers. George became a contractor in the SBA's 8(a) contracting program in 1972 and became successful enough to graduate from the program in 1981. The firm now employs 500 people, is Kentucky's largest black-owned business and is listed among the top 10 black-owned companies in the Nation.

George's achievements make all Louisvillians—and all Americans—proud. It is the hard work and dedication of small business persons like George—who are indeed the backbone of our economy—that have helped make our Nation great.●

● Mr. FORSYTHE. Mr. Speaker, I am pleased to have the opportunity to participate in this special order designating the week of May 9 as Small Business Week.

I know how concerned small businessmen are about maintaining high levels of employment and stimulating productivity and economic growth. I know because I was a small businessman for over 35 years.

It is essential for the economic welfare of the Nation that the voice of small business be heard and be heeded. I have made a special effort to open my office to small business and to maintain a continuing dialog with its leaders.

I do not have to quote statistics to prove the importance of small business in the country. Our Nation has grown strong as the land of opportunity in which each individual can aspire to financial security through hard work and enterprise. The pursuit of economic self-realization has created the most productive economy in the history of the world.

Mr. Speaker, I have been on both sides and I understand the crucial role which small businessmen play in our society. That is why it is so important for Members of Congress to identify and address the concerns which inhibit their formation and growth.●

● Mr. AUCOIN. Mr. Speaker, this is National Small Business Week, a time during which we commemorate the ingenuity and spirit of America's small business operators, who bring life, foresight—and jobs—to Main Street in our towns and cities.

For years, small business kept the economy humming. But as we all know too well, small business today is caught between high interest rates and what—as the events I will relate to you clearly show—can only be called sheer stupidity on the part of the Federal Government. It's frankly no wonder, as the National Federation of Independent Businesses recently put it, that small businesses are "falling like flies."

Earlier this year, in towns throughout Oregon's First Congressional District, I met with small business operators to find out what was wrong and how we here in the Congress can help. One particular account stuck in my mind because it demonstrated, in so many ways, the incredible problems faced by many small business that attempt to do business with the Federal Government. Little did I know then that the small businessman who testified before me that day, Mr. Robert LeRoy Benham, of Newberg, Oreg., would be voted Oregon's Small Businessman of the Year.

About 15 years ago, Climax Manufacturing was started as a one-man operation, grew into a family operation and, following the motto "We'll do it ourselves," now has annual sales of about $2.5 million. The company manufactures metal cutting machine tools which are used in heavy industry for maintenance of equipment.

The president of the firm is LeRoy Benham, a distinguished member of Oregon's business community chairman of the Newberg Chamber of Commerce, member of the Small Business Advisory Committee to the Oregon Economic Development Commission, and member of the district export council, his firm is a member of the National Machine Tool Builders of America.

Mr. Speaker, 11 months ago, Climax employed 47 people. Now, it employs 35 people. This, despite the conviction LeRoy Benham shared with me in February:

> One of our basic motivations is employment. We want to provide jobs. We are scrambling to try to do that. It is extremely difficult, in times like this, to preserve the capital that makes all of this work. Because if capital is dissipated, through failure to recognize the economic facts of life, it cannot recover, and we do not then have the capital to manage the upswing that we are hoping for.

What has happened to the jobs at Climax Manufacturing, Mr. Speaker? Well, one thing that happened is that Mr. Benham made the mistake of trying to help the U.S. Navy save a few dollars.

Mr. Benham's company developed a portable turning machine, capable of turning and truing large shafts, such as the propeller shafts on board ships. The Navy was interested in Mr. Benham's invention, because it represented a potential savings of hundreds of thousands of dollars over conventional maintenance procedures, which involve dismantling part of the ship to remove the propeller shaft for re-turning. Mr. Benham's machine had the advantage of being designed specifically to fit the Navy's need and was easily justified on the basis of cost savings; it paid for itself on the first use.

From here on, Mr. Speaker, I would like you to hear the story, just as Mr. Benham related it to me in his testimony last February:

> We received a request for proposal from Norfolk about Aug. 31, 1981, and submitted the proposal on Sept. 2, 1981. A price was quoted in the proposal and we included a request for progress payments because of the heavy cost burden of such a project on a small business. The request for advance payments amounted to 60 percent of the total contract price.
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> The paper work for the award was not received until Oct. 30, 1981 and it contained significantly different progress payment provisions: It specified that 60 percent of the incurred costs would be paid instead of 60 percent of the contract price, as requested.
>
> Several times between Oct. 1 and Oct. 31, 1981 communications with Norfolk promised prompt dispatch of the contract paper work. We were misled at least twice; told that it had been sent when in fact it had not been.
>
> When we received the contract we immediately tried to renegotiate progress payment terms for terms that would be satisfactory to us and to the Navy.
>
> The Contracting Officer at Norfolk said, "We can't administer progress payments from this distance, the administration of the contract will have to be transferred to Seattle."
>
> We were asked to continue to work on the project during this time.
>
> On Oct. 9, 1981, we telexed to the Navy that we would have to stop work until we received a final contract and the first progress payment.
>
> On Nov. 3, 1981, we telexed to confirm that the administration of the contract would be transferred from Norfolk to the Defense Contract Administration Service Management Area (DCASMA) in Seattle. We assumed that this change would not take longer than three weeks and that our delivery date would not be affected by more than three weeks.
>
> The contract transfer was completed on Nov. 17, 1981, and included an amendment changing the 60% cost incurred payment provision to an 85% cost incurred payment provisions.
>
> Our attempts to renegotiate this provision were answered by DCASMA. They said that the DCASMA had no authority to negotiate the contract only to administer it.
>
> Neither Norfolk nor Seattle would accept responsibility for renegotiation of the contract. No help was given from either location in securing assistance in resolving the questions on the contract. The Navy would not honor the original Telex even though it

was the only authority we had to continue the project.

We acquiesced to the terms for progress payments given by the Navy in the hopes that it would expedite the contract and receipt of payments.

The DCASMA determined that we would have to have an audit to determine that our bookkeeping was adequate to determine reasonable cost.

The audit was completed without conclusion because we were in the process of setting up a new accounting system to replace the standard accounting system; our old system was better than the systems used by most small businesses in this country.

On Dec. 23, 1981, we submitted form DD1195, "request for progress payment" as per instructions of the Contracting Officer.

DCASMA decided an audit of our subcontractor was necessary to determine reasonable cost. His shop rate was disallowed and reduced from $27.00 per hour to $18.06 per hour. After this reduction the Navy agreed to pay 85 percent of those charges plus material costs incurred by Climax.

Finally we received payment on Feb. 4, 1982. A check was cut on Feb. 2, 1982 and received by us Feb. 4, 1982. The amount of the check was incorrect—we should have received $18,076.00, but the check was for $31,152.00—$31,152 was the figure originally requested, not the figure approved by the contracting officer. The contracting officer said that we would be billed for the over payment; we have still not received a bill.

We are within one week of completing the contract and have received one progress payment which was for an incorrect amount. We should have received a total of $42,500, but because of the mismanagement we will not have time to bill and receive subsequent progress payments. The final payment will be due before progress payments are likely to be received.

We have incurred additional costs as a result of poor administration by the DCASMA and the Navy; the cost of money borrowed in lieu of the government's progress payments further increases the cost incurred by us.

I suspect that rectification of the over payment that we received will ultimately delay our final payment—it, too, will be late—for 60 days

On Nov. 17, 1981, we received a solicitation from the Naval Supply Center, Puget Sound, for a portable turning machine. We submitted a bid through our distributor, Western Machine Works of Tacoma, WA.

The machine was justified for purchase on the basis of cost savings and fast payback.

The award of a contract has been held-up due to a question of excessive profit. Apparently, a 15 percent profit margin is the maximum allowed profit on any government contract. The ignorance of the Federal Government about what it takes to run a business and what profit appalls me; it makes bidding to the government extremely unattractive. We are taxed on profits which is enough without being told we can't make a reasonable profit in the first place.

Who will create new products and develop new systems if there is not some compensation?●

● Mr. NOWAK. Mr. Speaker, in view of the fact that the President has designated this week as National Small Business Week, it seems particularly appropriate to discuss the importance of a strong small business community in the vitality and growth of the Nation's economy.

As we all know, this country is being choked by a protracted recession and severe economic stagnation, with high and volatile interest rates resulting in declining sales, mounting inventories, declining productivity, and a staggering rate of unemployment of 9.4 percent, unmatched since the Great Depression. Even a cursory glimpse at this bleak economic reality moves any thoughtful citizen to contemplate the underlying causes and, more importantly, to develop a strategy to effectuate a movement toward economic revitalization. It is important to be aware, however, that the complexities attendant to our national economy renders a single, absolute formula for creating an economic recovery scheme virtually impossible. This is evidenced by the conceptual disagreement between businessmen, politicians, economists, and others as to what course the country should follow in its pursuit of economic revitalization. For example, the monetarists and supply siders have long been proponents of an entirely different philosophical approach to correcting the problems plaguing our national economy. Indeed, the current recession has created disagreement among supply siders as to how this particular economic philosophy should be implemented, as evidenced by the recent controversy among the leaders of the U.S. Chamber of Commerce.

Although we must be cognizant of the serious difficulties and complexities involved in diagnosing the country's economic ills, we have a responsibility to continue our search for a viable solution to this pressing problem. Therefore, I feel that National Small Business Week, more than being a tribute to the American entrepreneur, provides an excellent opportunity to emphasize the importance of small business in our economy and to propose that the small business community should be the foundation upon which this country can build a road to future economic growth and prosperity.

With this in mind, let me briefly discuss why I believe that small business can play a constructive role in stimulating the national economy. Small business has long been recognized as the major source of employment opportunities. For example, a well known Massachusetts Institute of Technology study indicates that two-thirds of all net new jobs created between 1969 and 1976, were created by firms of fewer than 20 employees and approximately 80 percent were created by firms with 100 or fewer employees.

In addition, according to a 1978 House Small Business Committee Report, small firms have been responsible for four times as many innovations per research and development dollar as medium sized firms and about 24 times as many as the largest firms, the net result being a net increase in employment opportunities.

It is not difficult, therefore, to realize that small business is considered by many to be the linchpin of the job generation process.

In order to fully understand the need to have small business assume this crucial role in the future vitality of our country, it is essential to recognize that the economy is undergoing significant structural changes. First, there has been a general decline in the prosperity of the Nation's older urban centers. Second, as the Nation's businesses move toward increased automation, there will be a radical restructuring in types of jobs available and the employment skills required to fill these jobs. Finally, in general terms, the economy as a whole is shifting from a heavy industrial base to a service sector oriented base dominated primarily by small firms.

In view of these economic structural changes, it is interesting to note that the current jobless-rate statistics demonstrate a strange dichotomy in our country's economic base when measured against the acute shortage of skilled workers, due in large degree to the rise in automation and technology. With respect to automation, some experts contend that 45 percent of the work force, or as many as 45 million jobs, will be affected by factory and office automation.

With regard to specific skilled labor shortages, industry studies have indicated that the tooling and machining industries presently face a shortage of 60,000 skilled workers and expect a need for an additional 250,000 workers by 1985. In addition, the American Electronics Association projects a need for over 250,000 skilled workers in the technical and paraprofessional fields by 1985.

Employers, especially small businessmen, often do not have the time or the capital to fill this human capital void. Realizing that these critical shortages have contributed to our country's declining productivity, may undermine our competitive position in world trade and threaten national defense capabilities, we can rectify the situation by channeling our efforts towards the small business sector of the economy which, as stated, has traditionally been the greatest job creator.

Another area of our Nation's economic base which deserves immediate attention is the economic deterioration of our older urban centers. There has been much debate over the issue and there are now several legislative proposals which deal with plans to provide economic incentives to distressed areas. I fully support the underlying concept of these measures, but it is my contention that the focus

of these initiatives should be on job creation and the revitalization of small business. In order to foster this goal, any urban revitalization plan must take a broad, well balanced perspective. For example, although I have long been a proponent of utilizing the Federal Tax Code to stimulate small business investment and expansion, I do not feel that tax incentives alone will cure our urban ills. Tax breaks will not benefit small start up and early stage businesses who are experiencing little or no profitability. Therefore, a comprehensive revitalization plan must include provisions for some type of funding to assist small businesses in meeting their capital formation needs.

In addition, to attract small businesses to these distressed areas, there must be adequate funding to establish and maintain a viable infrastructure base, that is proper sewer and transportation systems. No firm, especially a high risk small business, will be encouraged to locate or remain in an area which does not provide a healthy commercial environment.

In closing, let us view "National Small Business Week" as a reminder that small business, our Nation's greatest job creator and innovator, has long been and should remain the backbone of a healthy and prosperous national economy.

● Mr. ATKINSON. Mr. Speaker, today I am proud to announce that William H. Harris has been selected as the Small Business Person of the Year for the State of Pennsylvania.

Mr. Harris was chosen by members of the U.S. Small Business Administration's Advisory Councils, which are made up of small business representatives, for special recognition because of their outstanding achievements in the small business sector. From these 50 State winners, the National Small Business Person of the Year is chosen.

In 1957, William Harris, was a diesel electrician with the Penn-Central Railroad. At that time he began a part-time cleaning operation. Sales that first year were $500. The part-time work grew steadily until in 1962 there were four employees. Sales fluctuated between $20,000 and $30,000 in the early 1960's. Marketing efforts concentrated on commercial building maintenance services, carpet cleaning, and distribution of janitorial supplies and paper products. Sales last year topped $1 million. The Harris Cleaning Service now employs 70 full-time and 90 part-time workers. It has trained unskilled or semiskilled employees to become supervisors, and the quality of its employee benefits is reflected in a low turnover rate.

Mr. Speaker, I am proud to have William H. Harris as a constituent in my congressional district, for it is persons like him who have made this country the great Nation it is today. As we all know, small business is the strength of our American system, and I am sure my colleagues join with me in expressing gratitude for the contribution William Harris and other small business persons have made in our society.●

● Mrs. SMITH of Nebraska. Mr. Speaker, it is my privilege to join my colleagues this afternoon to recognize National Small Business Week and salute America's 15 million small businesses. I want to express my special appreciation to the over 100,000 small businesses in Nebraska, 65,000 of which are farm and ranch operations, but still small businesses in every sense of the word and deserving of our tribute today. Also, my congratulations to the two Nebraskans being honored this week by the U.S. Small Business Administration for their accomplishments in small business: Mr. Edward D. Garner of Lincoln and Mr. Jack MacAllister of Omaha.

These two small businessmen and the millions like them across the Nation are the foundation of our economy, leaders in our communities, and at the heart of American free enterprise. Too often it is easy to take small business for granted and forget just how big small business is: Small firms represent 99.8 percent American businesses, employ 47 percent of the nongovernment work force, produce 38 percent of the Nation's GNP, and are the leaders in employment creation and innovation.

Our tribute today must, however, be realistic. The Nation's small business community was hit hard by soaring inflation under the previous administration, and even though inflation has moderated, persistent high interest rates and the recession are now taking their toll. Business failures have climbed 30 percent in the past year, reaching near depression levels, and small business income has declined in the past 2 years. During these difficult economic times, the spirit of small business people has been tested, but their enthusiasm and tenacity has kept the small business sector vital in the marketplace and provided us all with an optimistic outlook for the future.

All of our statistics, our words of appreciation and praise, and the well-earned "pat on the back" are good. But, let us send small business something more than rhetoric in the coming months. We, in both Houses of Congress and the administration, need to get down to work on a realistic budget and renew our efforts for meaningful reforms in Federal regulations and taxes that we began with last year's budget reconciliation and the Economic Recovery Tax Act. If we give small business the opportunity to grow and prosper without cumbersome, needless Federal regulations, without a stifling tax burden, and without having to compete with Uncle Sam at every turn for credit, these hard-working business men and women will answer with jobs, with increased productivity, and with a signal that we are ready to compete again as No. 1 in the world's economy.

America needs small business, and small business needs Congress to put forth a sound small business policy that is conducive to small business formation and growth. Through legislation affecting regulations and taxes and instilling discipline in our fiscal policies, we can remove some of the traditional barriers to small business success. Let us make our tribute today truly worthwhile and pledge our support to the small business community.●

● Mr. ANDERSON. Mr. Speaker, I am pleased to join my colleagues in honoring small businesses across the country during this Small Business Week.

We in Congress pass a lot of proclamation days and weeks; however small business is a subject which deserves the recognition. A large, diverse, and successful small business community is one of the fundamentals of our society, for, as the President has rightly said, it "is the cornerstone of our free enterprise system and since the birth of this country has represented opportunity, independence, and the fulfillment of dreams for generations of Americans."

When small business is threatened, our free enterprise system and, hence, our entire society is threatened, for the obvious alternatives to a free enterprise economy are socialism, an industrial aristocracy, or some combination thereof. It is not a clear-cut issue, of course, for in addition to our small businesses we have today the corporate giants and, goodness knows, an ample amount of governmental control of the economy.

I am concerned that this balance is jeopardized today as never in the past. Although 99 percent of all businesses are counted as small businesses by the Small Business Administration, the 10,000 largest companies provide more than one-half of the Nation's output and about one-half of the jobs. Because small businesses often operate financially from one day to the next, they are more sensitive to the vagaries of the economy than are large corporations that can "batten down the economic hatches" and ride out a prolonged recession.

With this in mind, I think that the most constructive thing we can do during Small Business Week is get started on a budget to reduce our enormous deficits and bring down interest rates. If we do not, we are likely to witness a sharp reduction in small business' influence on the economy and on our own individual lives. Let us get to work on this task.●

● Mr. O'BRIEN. Mr. Speaker, in my years in Congress I have on several occasions turned to the Small Business Administration on behalf of the residents of my district. I would like to relate two examples of the quick and competent action SBA consistently shows.

Earlier this year, the town of Wilmington, Ill., was inundated by flood waters. The residents did not know where to turn for help. The SBA went to Wilmington and set up a temporary office in order to be close to the flood victims. Every report from my constituents indicated that SBA's people had bent over backwards to provide assistance both courteously and quickly.

On another occasion the SBA Chicago office, headed by Richard Durkin, led the way through a lot of bureaucratic redtape to make a special loan to the Will County Sheltered Workshop in Joliet, enabling a very fine institution to expand its mission of training vocationally handicapped adults.

In both instances, Mr. Speaker, the SBA acted swiftly and with maximum concern for people who needed their assistance. I can think of no better compliment for an agency of the Federal Government.●

● Mr. ROBERTS of South Dakota. Mr. Speaker, I am very pleased to be able to participate in this special order in honor of Small Business Week. The President's proclamation made very clear his commitment to and respect for the accomplishments and contributions of small business. I wholeheartedly share his views and appreciate the opportunity to pay tribute to the most valuable component of our free enterprise system—the small business.

We are indeed indebted to small business for its leadership, innovation, productivity, and stamina to withstand burdensome Federal regulations, inflation, and years of increased taxation. Small business comprises 97 percent of the total businesses in this country and employs over half of the current labor force in the United States. It is small business which has taken the lead in providing new jobs to help ease our unemployment situation: 90 percent of all new jobs in this country are offered by small business. We owe a great deal to the small business sector.

We are all really here, of course, to honor the men and women who keep our small businesses going. One person, in particular, from my State of South Dakota, deserves special recognition during this week.

Kay Riordan of Keystone, S. Dak., has been named South Dakota Small Business Person of the Year. Kay has operated the National Park Service concession at Mount Rushmore since 1951, opening the first restaurant and gift shop there in a one room log building. Today the Mount Rushmore concession is considered one of the finest in the country by the National Park Service.

Miss Riordan exemplifies the spirit of small business and all it represents to Americans who value the opportunity and independence this country has to offer. Her hard work and capabilities make her especially deserving of the award she has received.

Small business is the heart of our economy and the backbone of our free enterprise system. Miss Riordan and all of the many small business people in South Dakota and the Nation really deserve our thanks for all they have done to contribute to the future of America.●

● Mr. WEISS. Mr. Speaker, I would like to commend the gentleman from Maryland (Mr. MITCHELL), chairman of the Committee on Small Business, and the gentleman from Pennsylvania (Mr. MCDADE), ranking minority member of the committee. Their efforts on behalf of our Nation's small businesses have been instrumental in maintaining the key role these businesses play in our economy today.

Any single faction of the economy that supplies more than half of the Nation's gross national product warrants special consideration—especially now, with the economy in dire straits, with interest rates soaring and unemployment at history-making levels, small business must become an area of particular worry.

Thriving small businesses are vital to a healthy economy. Indeed, 14 million small, independent firms serve as the backbone of American business, providing new jobs, technological innovations, and opportunities for ordinary citizens—including minorities—to achieve business success.

Urban centers, such as the portion of New York City that I represent, depend heavily on small companies for new job opportunities. Yet, unfortunately, current administration policy consistently favors large corporate industry at the expense of small business. Simply put, small businesses are not receiving the special attention they both need and deserve.

Last year, Americans were told that the enactment of Reaganomics would provide the fiscal impetus needed to put small businesses back on their feet. Since then, borrowing costs, the fiercest enemy of the small businessperson, have spiraled out of control. Worse, small businesses were provided with only $6 billion in tax relief over the next 5 years, while large, highly centralized corporations received the lion's share of new tax incentives.

Furthermore, our Government continually favors big business in procuring research and development dollars, a counterproductive trend that contradicts the simple fact that small business is society's leading source of technological innovation. In fact, a National Science Foundation study completed last year revealed that small companies produce "24 times more innovations per research and development dollar than large companies." Also, it found that "small business creates half of the most significant new industrial products and processes."

Still, small businesses annually have received less than 5 percent of the Federal Government's total expenditure for research and development.

Unless Federal agencies are forced to reverse this trend away from small business involvement in research and development, and unless we can provide greater tax initiatives for small businesses rather than huge corporations, small companies will continue to suffer. As they do, our employment and productivity problems will continue to grow.●

● Mr. LUKEN. Mr. Speaker, small business is the foundation of this Nation's economy and the vehicle which provides many of its people the opportunity to attain independence and success. Seven days is a very short time, but Small Business Week gives us an occasion each year to consider the extensive contributions made by entrepreneurs as well as the best course we in Congress should follow to assist in the progress of small, independent businesses.

It is clear that the United States most serious concern at this time is unemployment. Each day more and more industrious workers have experienced a layoff, cutback, or RIF until we have reached a staggering 9.4-percent national unemployment rate, the highest number since World War II.

Through this, however, small business has established an impressive record of job creation. Despite inflationary and economic ills that have plagued big and small companies alike in recent years, small business has been responsible for well over 80 percent of the Nation's new jobs in the private sector, with enterprises with 20 or fewer employees responsible for a majority of those.

These statistics have led experts to speculate that in order to return the jobless to work and absorb those entering the work force, over 10 million jobs will have to be created in small enterprises this decade.

It is clear that small business has been, is, and will continue to be, the key to lowering the unemployment rate.

For that reason, I am supporting the creation of a jobs tax credit for small companies. Such a credit would lower the real cost of a new employee and therefore provide the incentive to hire more workers and give small business the chance to further decrease the unemployment rate.

The contributions made to this Nation by small firms do not stop with creating thousands of jobs. The zipper.

Air-conditioning. Automatic transmission. Xerographing. The helicopter. The jet engine. Power steering. The ballpoint pen. Cellophane. Each of these was originated by a small business or an independent inventor.

Citizens of Ohio alone have been responsible for a variety of products and services, including the light bulb and the airplane. Not long ago, Ted Hattemer of Cincinnati developed a process that made it possible to use self-adhesives as labels for commercial products. And more recently, Les Englis and Joe Peter of Vortech in Cincinnati discovered a way to cool the asbestos suits worn by firefighters, thereby permitting them to fight a fire at closer range for a longer period without endangering their lives.

In fact, studies have shown that more than 50 percent of this century's advances came from small business. And looking at the above examples, we can see that many of these inventions were the seed for large, profitable industries that today are world leaders in their fields.

Congress should not permit the intelligence and creativity of an inventor and his company to go to waste. Notwithstanding these impressive achievements, small concerns receive only 3.5 percent of the Federal Government's research and development budget. It is only equitable that Congress seek to increase this amount by requiring each Government agency to establish a small business innovation research program that would allocate a greater amount of Federal research and development funds to small business.

Underlying all small business issues is one faced by every new and growing company—locating the seed money and capital to make the best product, invent the most efficient process, or provide the best service.

Because it takes so much more money to make ends meet today than it has any time in the near past, small business owners cannot hang onto enough of their earnings to reinvest in their business. This decrease in available funds has touched off a race among the concerns that must draw from this shrinking pool of capital, which frequently results in small companies finishing dead last.

Financial institutions are forced to charge prohibitively high interest rates. They prefer to issue only large loans instead of the smaller ones needed by independent businesses and save the processing costs. Individual investors, pressured by inflation, are searching for an immediate return or tax benefits on their investment rather than the higher profits they could get risking their money in new ventures.

If we expect small business to play a role in solving the problems we face today, we must give small companies the opportunity to grow with the same advantages given to large corporations.

This is one of the greatest challenges faced by Congress today. We must examine and act upon proposals such as the small business participating debenture, which would provide both the small concern and the individual investor with favorable tax treatment while maintaining the entrepreneur's control over his business.

Further, we must seek to maintain the use of industrial revenue bonds issued by State and municipal governments, thereby increasing the amount of low-cost funds urgently needed by small companies.

Throughout this Nation's history, small business has provided the fresh ideas and the economic stability we have needed to insure continuous progress. Today we are faced with problems that appear insurmountable, and we must again seek solutions from people and entities that have relieved these pressures in the past—individual entrepreneurs and small companies. Small Business Week is a good time to realize they are still the future of this Nation.●

● Mr. WYDEN. Mr. Speaker, this week is National Small Business Week, a time to honor our Nation's small businesses and the crucial contribution they make to our economic vitality. Unfortunately, small business—devastated by the recession and caught in a ruinous financial squeeze because of unprecedented high interest rates—has nothing to celebrate this week.

Small business bankruptcies are running at the highest rate since 1932. In my home State of Oregon, where the recession arrived early and hit hard, the situation is even worse. Faced with an economy that is heavily dependent on the severely depressed housing and timber industries, Oregon small businesses are dropping like flies.

A large share of the blame for this human tragedy can be laid at the feet of an administration that stubbornly refuses to veer from an economic program that clearly is not working—a program that favors big corporate interests and ignores the plight of the small businesses that provide us with the vast majority of new ideas, new production, and new jobs.

Small businesses have traditionally been dependent on short-term bank borrowing to provide cash flow and are uniquely sensitive to interest rate fluctuations.

Small business is now being devastated by what amounts to a de facto allocation of credit in this country.

The Government goes to the head of the loan window and gobbles up over half of the total available private capital to finance the trillion dollar debt.

Big corporations grab most of what is left—and squander a large part of this money chasing each other around in a nonproductive frenzy of mergermania. Small business owners are left to scramble after the small amount of investment capital that remains, at a price that thousands of these firms just cannot afford.

Our economy cannot recover from the worst recession in 40 years if small business continues to be shut out of capital markets, if it continues to be victimized by a Tax Code that foolishly rewards inefficiency and consumption and penalizes savings and investment in new production. When small business is shut out of effective competition it is denied a fair chance to do what it does best: Create jobs by moving ideas off the drawing board and on to the production line.

I cannot think of a better time than Small Business Week for the Congress to not only acknowledge the crucial role small business plays in our economy, but also to commit ourselves anew to an economic game plan that is fair, makes sense, and will put America back to work again.●

● Mr. RUSSO. Mr. Speaker, this week has been designated as "Small Business Week." It is a time we have set aside to recognize our small business men and women for their many contributions and services they provide our country.

I served on the Small Business Committee when I first came to Congress in 1975 until 1979. My interest in small business development and community actions are as strong today as they were while serving on the committee.

Small business plays a key role in our economy today. The contributions of small business to innovation and employment are of particular importance. Most small firms are labor intensive and over half of our labor is currently employed by small businesses. They remain among the leaders in job creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1975 this sector of our economy accounted for virtually all new private sector employment. The firms of the Fortune 1000 contributed less than 2 percent of the new jobs in that period.

Many events are being held this week to honor our small business men and women. Small business is the backbone of our economy and it is only fitting that we have set aside this time to recognize them.●

● Mr. STARK. Mr. Speaker, as you know, the President has designated the week of May 10 as National Small Business Week. In accordance with this I would like to reflect upon the many contributions the small businesses of our country make to our economy and society as a whole. The Ninth Congressional District of California is fortunate to have a large number of successful and personable businesses that have had a profound

impact upon the growth of Alameda County.

I would like to single out just a few of my area's small businesses as examples of some of the businesses that are responsible for our district's growth and productivity.

First, Lady Esther's Soul Food House in Oakland was founded over 10 years ago by Lady Esther Clay. The restaurant has grown from an original seating capacity of just four, to its present capacity to seat over fifty people. This is due in a large part to the hard work of the owner, whose concern for people and devotion to her business have made her very popular. The restaurant is located at 5327 East 14th Street and is noted for the large servings of stuffed prawns and homemade cornbread. Another specialty is the Louisiana Gumbo that is served on Fridays. A breakfast at Lady Esther's will fuel anyone for a day of hard work.

Danny Polvorosa's Barber Shop was founded in 1965 as one of the first hair styling shops in Alameda County. Located at 1120 East 14th Street, the shop accepted appointments only at first, yet due to popular demand, the barber shop now features walk-in service. This business has also been successful because of the hard work of the owner, Danny Polvorosa, who treats each customer as someone special.

Jack Koujakian Marketing Consultant maintains an Alameda office at 1822 Moreland Drive as well as a San Francisco office on Market Street. Mr. Koujakian is a member of the task force on taxation and regulation of California small business employers project and was a cosponsor of the first State conference on small businesses. Mr. Koujakian holds seminars and workshops covering such interesting topics as the start of a new business, use of computers, marketing, financing of loans, and taxes. This business is especially helpful in the sense that it also encourages growth within other small businesses.

I would like to wish all these businesses continued good luck in the future and congratulate them on the outstanding work done so far.

I would also like to take this occasion to remind Members of the first in a series of hearings on May 24 by my Ways and Means Select Revenue Measures Subcommittee. These hearings are on the tax laws relating to mergers and acquisitions. I believe that current laws encourage certain mergers for tax reasons, rather than economic reasons, and that these mergers and acquisitions help place severe credit and competitive pressures on America's dynamic small business sector. It is my hope that we can make the Nation's tax laws more "neutral" with respect to mergers and acquisitions, thus providing some help to the small business sector.●

● Mr. GEJDENSON. Mr. Speaker, I am pleased to participate in this special order and to have the opportunity to discuss the importance of small business—the largest employer in my district—to the economy of the Nation and the Northeast.

Over the years, many major studies have documented the fact that small business has contributed new jobs and scientific and technological innovations to the economy well beyond the contributions of big business. Firms listed in the Fortune 1000 contributed less than 2 percent of the total growth in new jobs between 1969 and 1976, while small businesses accounted for virtually all new private sector employment in that period.

A study by David Birch of the Massachusetts Institute of Technology notes that smaller firms generate about 70 percent of all new jobs in the United States and 75 percent of those in the Northeast-Midwest region. Incredibly, Professor Birch's study also showed that in New England 100 percent of the new jobs came from expansion of the small- and medium-sized business sector. Considering that unemployment recently set a post-World War II record, these statistics take on even greater importance.

While figures vary, recent analyses show that small companies (under 1,000 employees) are somewhere between 1.8 and 2.8 times as innovative as large companies per employee.

Although much of the news in the current severe recession has focused on the losses suffered by the auto manufacturers and other industrial giants, the broadest impact has been felt by medium and small businesses. There is no question that today's economic conditions impose the same burdens on small as on large businesses. But the large businesses can more easily carry the weight of those burdens. Small businesses have more limited means for dealing with the impact of increasing costs and prices.

The high interest rates that have been a feature of our economy for the last several years have served to make even more difficult the access of small business to venture and long-term debt capital. When they can get them, small businesses are paying 10 to 12 percentage points above inflation on their bank loans. This continuous need for capital, coupled with decreasing availability of such capital to small businesses, is a major contributing factor to the decline in small business that we are experiencing today. This year, we face the prospect of more than 25,000 business failures, the greatest number since 1932.

Even in times of exceptionally high interest rates, large businesses—while they may be inhibited in making their investment decisions—still have a relatively easy time gaining access to the capital they consider essential to their operations. For investors, making loans or investments in large businesses can be justified for reasons of efficiency and the greater reserves that major enterprises often have. In this situation, smaller businesses usually get the short end of the stick, since they require greater care and monitoring on the part of investors. And yet a number of recent studies have shown that the rate of return on capital for smaller manufacturing businesses is greater than that of most other size classes.

Given these facts, it is unconscionable that the present Administration—with its professed desire to expand the national economy through business growth—has not only ignored but actually worked against the needs of small businesses. The administration consistently has sought to cut Federal programs that provide assistance to small businesses in the form of loans and loan guarantees. The Omnibus Reconciliation Act for the 1982 budget reduced all Small Business Administration (SBA) lending and guarantees by 25 percent. For the next year, the Reagan administration has requested an additional 10-percent cut in the guaranteed loan program and has proposed elimination of all direct loans. The SBA guaranteed loan has been one of the few ways small business could obtain capital in an ever-tightening market.

Mr. Speaker, we must begin to take more seriously the needs and contributions of small business and do something about them. We cannot have full economic recovery in the country without accompanying recovery in the small business sector. It is time to assess our commitment to small business and to address ourselves to the impact of tax, fiscal policy, and regulatory legislation on the small business community. Unless we do, I feel we will never see the kind of economic recovery which we all desire.●

● Mr. ANNUNZIO. Mr. Speaker, I am pleased to join my colleagues in the Congress during National Small Business Week in saluting the small businessmen in my own 11th District of Illinois and all over this country on their numerous and invaluable contributions to our Nation's growth, wealth, and prosperity.

The importance of small businesses cannot be underestimated for small businessmen employ almost half of our country's non-Government labor force. Of the 14.7 million businesses in the United States, about 12.5 million are small businesses, responsible for about 38 percent of the gross national product. They are truly essential to the future well-being of our economy, since small businesses are 24 times more innovative per research and de-

velopment dollar than large firms and 4 times more innovative than the medium-sized firms. Moreover, two-thirds of all new jobs are created by firms with less than 20 employees.

In my own 11th District, many neighborhood shops and small businesses, each with their own distinctive ethnic and community flavor, have consistently served Chicagoans with initiative and ingenuity over the years. The Chicago Association of Commerce and Industry Small Business Council reports that our city is served by over 135,000 small and independent business establishments.

Throughout our history, the small businessman has played an important and indispensable role in the economic growth of the United States. Craftsmen, artisans, merchants, farmers, and fishermen immigrated to our country, bringing with them their own unique skills, and in striving to achieve the American dream of owning one's own business, they made a lasting impact on the economic development of the Nation. Ten of our Presidents were small businessmen, engaged in occupations such as ferry operator, saloonkeeper, farmer, and haberdasher.

Mr. Speaker, small businessmen are the leaders, the innovators, and the backbone of the business community. Their record of influence on our country is enormous and commendable, and their future success is crucial to maintaining our economic vitality. Small businesses are harder hit than large businesses by the current recession primarily because they rely almost exclusively on bank loans for capital. Therefore, it is essential that Congress, the President, and the Federal Reserve Board agree on steady, predictable tax, and economic policies to the end that small businesses may retain their vitality in the years to come.●

● Mr. BROOMFIELD. Mr. Speaker, as we observe Small Business Week, we should all reaffirm our commitment to a vital force in America's economy—the small business men and women of our country.

Our Nation was built on a solid foundation of many and diverse small businesses. These small businesses are looked upon as the realization of the "American dream" and as proof that America is a land of opportunity. They are a mirror of all that we want free enterprise to be.

The individual spirit that small business represents has made it a major contributor to the achievements and accomplishments of this Nation. Unemployment is a major problem in Michigan, as in other parts of the country. Small business continues among the leaders in employment creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some 80 percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by businesses with fewer than 20 employees.

Given our Nation's economic difficulties today, especially its unemployment situation, we cannot afford to ignore the resources and potential contributions of small enterprises. It is time for us to replace our commendation of small business with substantial and constructive action. If small business is to continue its heritage of significant contributions, it is essential that we support measures to preserve and strengthen its role today. We must unshackle it by enacting tax revisions, further regulatory reform, budget changes, and provide greater opportunity for innovative research and further encouragement for exporting.

Small Business Week is a time for celebration, but also a time for resolve. This year small business can rightly celebrate the gains it has made in getting recognition in Washington in recent years. As we salute the small business community this year, let us all resolve to provide this vibrant and dynamic sector of our economy a healthy climate so it can continue to be the lifeblood of our economic system.●

● Mrs. SCHNEIDER. Mr. Speaker, Congress has declared May 9 through 15 as U.S. Small Business Week. This is an appropriate time to acknowledge the many contributions that small businesses have made to the United States and our economy.

Given our economic condition, we cannot afford to ignore the influence and importance of the small business community. Their innovative spirit, their attempts to meet new challenges are essential to our economic progress. I know in my own State of Rhode Island small businesses are the backbone of our economy. We are almost entirely dependent on small businesses for new job opportunities.

According to a 1979 study, 66 percent of all new jobs in the Nation are created by firms with less than 20 employees, 77 percent are created by firms with 50 or fewer workers. Further, the 700 fastest growing small companies increased their payrolls by 519 percent between 1976 and 1981, compared to the 7-percent increase within the 500 largest companies during the same period. Looking at these statistics one can easily see how important the health of small business is to our unemployment picture and new job creation.

Small businesses act as a training ground for many workers for larger companies.

They test untried products, markets and locations not attractive to larger firms. They often conserve resources by utilizing facilities, products or processes deemed inefficient by larger businesses. In short, small business is our Nation's economic and technological pathfinder. Its vitality is our Nation's health.

The bottom line is simple: America needs small business formation and growth. We must all work together to reduce the deficit and bring down interest rates so that small business men and women can continue to make their vital contribution.●

● Mr. ATKINSON. Mr. Speaker, as a small businessman for over 25 years, I am proud to join with my colleagues in recognizing the tremendous contributions of small businesses during this week of May 9 designated by the President as National Small Business Week.

It is no secret that small business is the backbone of our American economic system. While there are approximately 10,000 corporations in the United States with more than 500 employees, there are more than 14 million farm and nonfarm small businesses with less than 500 employees. More impressive, however, is that small businesses comprise 97 percent of all firms; 43 percent of the GNP; 65 percent of total dollar value generated by wholesaling; 73 percent of retail sales; 57 percent of annual service sales dollars; 75 percent of construction dollar volume; and 58 percent of employment of the private nonagricultural work force. In addition, figures comprised by the Bureau of Census Survey show that 12.8 percent of small business in America are owned by minorities and women.

Small businesses are the primary provider of on-the-job training in basic job skills to the first-time employee. This means that many of the sectors of our labor force that are particularly hard-pressed, like youths, minorities, and women are likely to find their best opportunities with small business. Further, small businesses tend to do all they can to retain employees. Frequently, there are close personal relationships between management and labor in a small business concern. When small businesses are faced with a serious economic crisis they will look at trimming back employment as a last step necessity, not the first step beginning point.

As a nation, we owe a tremendous debt of gratitude to the millions of small businesses which play such a vital role in our economy. No other group has done so much to make us prosper—or is so uniquely American. The contribution of small business to the U.S. economy in terms of new jobs and innovation is astounding. In recent times, small business has created over 85 percent of our new jobs and contributed to more than half of our major innovations. Simply put,

Mr. Speaker, small business and its importance to our economy and the entire fabric of our national life cannot be overstated.

Mr. Speaker, during National Small Business Week let us rededicate ourselves to solving the problems that face small businesses today. We must realize the unique and special circumstances small businesses are confronted with. Let us pledge to reduce the regulatory burden, to bring down investment-stifling interest rates and to end the recession that is crippling our economy.●

● Mr. PAUL. Mr. Speaker, according to recent studies, 9 out of 10 of the new jobs created in the years ahead will be created by small businesses. But thanks to the maze of Federal regulations, the punitive tax burden, and the inflationary environment poisoned by exorbitant interest rates, it is clear that we will enjoy only a fraction of the employment opportunities and other benefits that would otherwise be provided by innovative small businesses.

In order to remove from the shoulders of our smallest businesses some of the most stifling Federal burdens, I have just introduced the Small Business Free Enterprise Act, the text of which is printed below. This bill creates no new agencies or programs, and involves no expenditures. But it would do something far more important and effective: For businesses with 20 or fewer employees, my bill would:

First, provide a 100-percent reduction in social security taxes for all qualified employees, including self-employed persons,

Second, reduce the capital gains tax to 5 percent for businesses who receive no Government subsidies or other assistance,

Third, reduce the corporate income tax to a flat 5 percent,

Fourth, allow straight line, 1-year depreciation, no maximum,

Fifth, allow cash accounting,

Sixth, eliminate minimum wage requirements, and

Seventh, eliminate the jurisdiction of OSHA.

There is every reason to believe that these reforms would give rise to a burgeoning of small, family, and community-oriented enterprises.

The qualifying criterion is simple: 20 or fewer employees. Why so simple a criterion? No one could possibly argue that a person working for so small a firm is without alternatives. In fact, subsequent to the passage of my bill, we could expect a multitude of these tiny businesses in every community. In such a competitive atmosphere, every worker would have the option of quitting and working elsewhere if he is unsatisfied with his pay or working conditions. In this environment, workers become capable, once again, of looking out for their own welfare without a mass of stifling and meddlesome Federal regulations, which destroy the alternatives open to workers, constrain the sorts of contracts they can enter into, and thus, prevent them from pursuing their own best interests. The irony in our present, depressed economy is that in our zealousness to provide for workers' welfare and happiness, we have destroyed their alternatives and their opportunities for advancement.

I would like to call the attention of my colleagues to the following excerpt from a Time magazine article of December 21, 1981. The article discusses the Italian economy—to which our own economy bears increasing resemblance—which is largely sustained by the strength of its small business sector:

Government-subsidized industries—steel, cement, autos, shipbuilding, airlines—are losing money at a rate of $5 million a day, partly from inefficiency, partly from political pressures . . .

The drain on the economy from such losses would be considerably worse were it not for the nation of profit. Small business everywhere is surprisingly strong. In the Tuscan city of Prato (pop. 160,000), for instance, the profits of family owned textile businesses amounted to $1.5 billion last year . . . Prato has 15,000 factories, of which 13,000 employ ten or fewer people. The yellow-stucco houses present strange sights: family wash hangs out of the upstairs window, while lower floors are filled with spindles, looms, and dye vats . . .

The most amazing sector of the nation of profit, however, is Italy's underground economy, which never shows up on the official statistics. It is a result of the scala mobile, the official wage scale that moves up or down with cost of living indices. Most moves have been up, of course, particularly after the three powerful national labor unions won drastically higher revisions in the wage scale in 1975. Employers responded by taking advantage of a section of the labor law that exempts companies with fewer than 20 workers not only from automatic wage increases but also from compliance with regulations on benefits, safety rules, and social security. Suddenly, larger companies were chopped into smaller ones. In many cases, workers defied their unions and helped with the chopping. They did so, explains Vito Scalio, a Christian Democratic member of Parliament and one time union leader, because workers believe that unions are out of date. Says Scalio: "They still insist on representing a proletariat that insists on growing out of the proletariat class and become entrepreneurs."

One result of such industrial miniaturization was a 30 percent reduction in labor costs. Another has been a patchwork of local boomlets. In desperately poor Naples, back-alley businesses have grown so fast that Mayor Maurizio Valenzi can brag: "Naples exports 5 million pairs of gloves a year, yet we do not have a single glove factory." In the village of Paganico Sabino (pop. 450), a farming hamlet 50 miles northwest of Rome, the women sit together in the sun, gossiping and knitting while their men work in the fields. The knitting needles fly purely for profit; the women are working for Armani, Missoni, Fiourcci and other top designers. Once a fortnight, a designer's representative collects completed knitwear and drops off a new supply of wool—and crisp lira notes. No talk about working conditions, tax deductions, or social security.

Such activities show up nowhere in official economic surveys, but they are substantial. At least a million people are employed in unreported businesses. A million others hold two jobs, one of them also unreported. An additional 300,000 Italians are self-employed. About 15 percent of the labor force, as a result, does not officially exist—and neither do its revenues. In the view of some economists. Italy's gross national product, estimated at $393 billion in 1980, has been understated by as much as 30 percent.

This strange new version of il piccolo e bello (small is beautiful), has forced social scientists to do some rethinking. Explains University of Rome Sociologist Franco Ferrarotti: "In the 1960s we predicted that the Italian family was disappearing. We were absolutely wrong . . ."

I believe that this brief excerpt illustrates the sort of benefits that my bill would provide: A burgeoning of small, innovative enterprises, and all on a human scale. I would much prefer to extend these benefits over the whole of the economy, to businesses of any size. But since this seems impossible at present, I would ask my colleagues to at least permit our smallest businesses to be bastions of free enterprise. The only alternative is continued economic decline and stagnation.

The specific provisions of my Small Business Free Enterprise Act are lifted directly from the Free Enterprise Zone Act that I introduced in the last Congress. Most of the benefits that would have been provided within the zones of the old bill would now be made available to qualified small businesses. This new bill certainly could be seen as a complement to the enterprise zone legislation which has been proposed by the administration. However, I should point out that the constitutional requirement of uniform taxation raises certain questions about an enterprise zone bill which would not arise on a small business bill. This is why I have changed the orientation of my bill. I have no doubt that my new bill would still provide a significant stimulus to the economies of our poorest cities, without confining the benefits to these areas.

The text of the Small Business Free Enterprise Act follows:

H.R. 6053

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE

(a) SHORT TITLE.—This Act may be cited as the "Small Business Free Enterprise Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INCENTIVES

Subtitle A—Social Security Tax Reduction

sec. 101. reduction in social security payroll taxes.

(a) GENERAL RULE.—Subchapter C of chapter 21 (relating to social security payroll taxes) is amended by redesignating section 3126 as section 3127 and by inserting after section 3125 the following new section:

"SEC. 3126. ELIMINATION OF EMPLOYEE AND EMPLOYER TAXES FOR EMPLOYEES OF QUALIFIED SMALL BUSINESSES.

(a) IN GENERAL.—If an employee is an eligible employee for any payroll period, each rate of tax specified in section 3101 or 3111 shall, for wages paid for such payroll period, be reduced by 100 percent.

"(b) ELIGIBLE EMPLOYEE.—For purposes of subsection (a), an employee is an eligible employee for any payroll period if his employer is a qualified small business (within the meaning of section 1201(d)(2)) for such period."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 21 is amended by striking out the item relating to section 3126 and inserting in lieu thereof the following:

"Sec. 3126. Reduction in employee and employer taxes for employees of qualified small businesses.
"Sec. 3127. Short title."

Subtitle B—Reduction in Capital Gain Tax Rates

SEC. 111. CORPORATIONS.

(a) GENERAL RULE.—Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) a tax computed on the taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted,

"(2) a tax of 5 percent of the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property, plus

"(3) a tax of 28 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year,

"(B) the amount of the net capital gain taken into account under paragraph (2)."

(b) DEFINITION OF QUALIFIED PROPERTY.—Section 1201 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) DEFINITION OF QUALIFIED PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified property' means—

"(A) any tangible property which was used predominantly by an entity in the active conduct of a trade or business, and

"(B) any interest in a corporation, partnership, or other entity,

if, for the most recent taxable year of such entity ending before the date of the sale or exchange, such entity was a qualified small business.

"(2) QUALIFIED SMALL BUSINESS.—A person shall be treated as a qualified small business for any taxable year if—

"(A) such person is actively engaged in the conduct of a trade or business during such taxable year,

"(B) such person has at no time during such year more than 20 employees, and

"(C) such person receives no subsidies, grants, loans, or loan guarantees from federal, state or local governments for such taxable year."

SEC. 112. TAXPAYERS OTHER THAN CORPORATIONS.

Subsection (a) of section 1202 (relating to deduction for capital gains) is amended to read as follows:

"(a) DEDUCTION ALLOWED.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income—

"(1) an amount equal to the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property (within the meaning of section 1201(d)), plus

"(2) 60 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of the net capital gain taken into account under paragraph (1)."

SEC. 113. MINIMUM TAX

Paragraph (9) of section 57(a) (relating to tax preference for capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) SALES OF CERTAIN PROPERTY NOT TAKEN INTO ACCOUNT.—For purposes of this paragraph, sales or exchanges of qualified property (as defined in section 1201(d)) shall not be taken into account."

Subtitle C—Corporate Rate Reduction

SEC. 121. RATE REDUCTION.

Section 11 (relating to tax imposed on corporations) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) REDUCTION IN RATE OF TAX FOR CORPORATIONS WHICH ARE QUALIFIED SMALL BUSINESSES.—If any corporation is a qualified small business (as defined in section 1201(d)(2)) for any taxable year, the amount of the tax imposed by subsection (a) on the taxable income of such corporation shall (in lieu of the amount determined under subsection (b)) be 5 percent."

Subtitle D—Other Incentives

SEC. 131. ACCELERATED DEPRECIATION.

(a) ONE YEAR, STRAIGHT LINE METHOD.—Section 167 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) RAPID DEPRECIATION FOR QUALIFIED SMALL BUSINESSES.—

"(1) IN GENERAL.—In the case of any taxpayer who is a qualified small business (within the meaning of section 1201(d)(2)) for any taxable year, the taxpayer may elect to compute the depreciation deduction under this section with respect to any property placed in service during such taxable year by using the straight line method with a useful life of 1 year.

"(2) COORDINATION WITH SECTION 168.—Property to which an election under this subsection is in effect shall not be treated for purposes of this title as recovery property (within the meaning of section 168)."

(b) FULL INVESTMENT CREDIT ALLOWED.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RULE FOR PROPERTY OF QUALIFIED SMALL BUSINESS.—Notwithstanding any other provision of law, the useful life, for purposes of this subpart, of any property with respect to which an election is in effect under section 167(r) shall be determined without regard to that election."

SEC. 132. OPTIONAL CASH METHOD OF ACCOUNTING FOR QUALIFIED BUSINESSES.

(a) GENERAL RULE.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(f) OPTIONAL CASH METHOD.—

"(1) IN GENERAL.—Any taxpayer who is a qualified small business (as defined in section 1201(d)(2)) for any taxable year may elect to compute taxable income—

(A) under the cash receipts and disbursements method of accounting, and

"(B) without any requirement to use inventories under section 471.

"(2) ELECTION.—An election under paragraph (1) may be made by any taxpayer without the consent of the Secretary for the taxpayer's first taxable year for which the taxpayer is a qualified small business."

SEC. 133. MITIGATION OF MINIMUM WAGE LAWS.

The Federal laws mandating a minimum wage shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

SEC. 134. MITIGATION OF OCCUPATIONAL SAFETY AND HEALTH ADMINISTATION JURISDICTION.

The Occupational Safety and Health Act (and the rules and regulations issued pursuant to its authority) shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

TITLE II—EFFECTIVE DATES.

SEC. 201. EFFECTIVE DATES.

The amendments made by this Act—

(1) insofar as they relate to subtitle A of the Internal Revenue Code of 1954, shall apply to taxable years beginning after December 31, 1982; and

(2) insofar as they relate to chapter 21 of such Code, shall apply to wages paid after December 31, 1982.●

● Mrs. MARTIN of Illinois. Mr. Speaker, small businesses have often been recognized as the backbone of the American marketplace; their importance to our economy is widely acknowledged. That really is no surprise in light of a few significant facts: 97 percent of all businesses are small businesses; that is over 15 million small enterprises; small business accounts for over 80 percent of all new jobs in the private sector; small business accounts for over 50 percent of all new technical innovations; small business contributes about 43 percent of the gross national product, and about 48 percent of the business portion of the GNP.

Those are certainly astounding statistics, but probably not as wondrous to small business entrepreneurs who well know their vital role in our economy.

I think it is appropriate that this week has been designated as National Small Business Week. Even more so, I am proud that the small business community of the 16th Congressional District of Illinois mirrors the economic contribution of small businesses na-

tionwide. That is why I am especially pleased that Mr. Dean A. Olson has been singled out as Illinois' Small Business Person of the Year. Furthermore, his company, Rockford Acromatic Products Co., has been selected as the Small Business Administration's Regional Prime Contractor of the Year. Both are now eligible as national recipients of these well-deserved honors. It should not go unnoticed, however, that another Rockford businessman, Mr. David R. Morgan, president of Illinois Machine Products Co., was a runner-up for the honor of Illinois Small Business Person of the Year. These two men certainly exemplify the qualities of small business people not only of northern Illinois, but nationwide.

Needless to say, the past years of prolonged high interest rates and inflation have taken their toll on small businesses. That is all the more reason for recognizing the importance of small business to our economic well-being.

Today, I join my colleagues in saluting and honoring all small businesses throughout the country which symbolize the true essence of America and the free enterprise system.●

● Mr. SILJANDER. Mr. Speaker, thank you for the opportunity to pay homage to the backbone of our economy: America's small business.

During this week, a week declared by President Reagan to be "Small Business Week," we have had the opportunity to reflect on what part of our economy is operating most efficiently despite the recession we are in. The answer clearly is small business. The No. 1 problem in my State and district is high unemployment, and it has not passed my notice that two out of three new jobs are created by small business. In fact, 80 percent of all new jobs for minority and disadvantaged workers are created by small business.

Not all small business operators may consider themselves to be innovators, but over half of all patentable ideas in the 20th century have come from small business. Last year, nearly half of our Nation's gross national product was produced by small business.

It is clear that small business plays a crucial role in job creation, innovation, and productivity. It is in its hands that our Nation's economic recovery lies. I can illustrate that by pointing out that if every small business in America were able to hire one worker, unemployment would be eliminated.

Small business is an integral part of our heritage. It is through small business that the American dream became a reality. Businesses that started out with one or two men and an idea, have made millionaires out of poor immigrants, that has created 95 percent of the private sector jobs in this country, that has been the rocket fuel behind upward mobility in our great Nation.

John Vander Ploeg represents the kind of entrepreneur that has made our country strong. John Vander Ploeg, of Kalamazoo, was named Michigan Small Businessman of the Year for 1982. John founded Ship-Pac, Inc., in 1964 as a means of coordinating 15 different suppliers in the shipping and packaging industry. He started with two employees and earnings of $100,000. By 1981, sales had reached $6 million and Ship-Pac employed 35 people. Mr. Vander Ploeg, like many small businessmen, is not only successful on his job, but is active as a volunteer in various organizations and was recently elected vice-mayor of Kalamazoo.

I believe John Vander Ploeg represents the typical character of the small businessman. Economically, times are very hard: There is no denying that we are in a recession. Small business has been hit as hard by this recession as all other sectors of our economy. I believe, however, that small business will lead us out of this recession. Throughout the country, the creativity, hardwork, and true courage that characterizes our Nation's small businessmen and businesswomen will be the prime ingredient to our Nation's ultimate economic recovery.

It is an honor for me to be serving as a member of the House Committee on Small Business. In my short tenure, we have been able to accomplish some positive measures, but I hope we can do more, for it is sincerely my pleasure to do whatever I can to assist the men and women who, in my opinion, have made this country truly great.●

● Mr. STATON of West Virginia. Mr. Speaker, today more than ever in recent history small businesses in this country are faced not only with the difficult task of turning over a profit but of maintaining their very existence.

High interest rates have caused real hardships for many small businesses. Many of these businesses have seen their financial position deteriorate because of their need for increased borrowing.

This situation has now turned into a national crisis. The combination of increased borrowing for maintaining inventories has raised the burden of debt for many small businesses to the point where they are vulnerable to bankruptcy if cash flows drop significantly.

There is no better solution to the problems of these more than 9 million businesses than to simply have interest rates fall to previous levels. Interest rates at 10 percent or even 12 percent would give our national economy the stimulus to take off.

Small businesses are less able to adjust their selling prices quickly in response to rising or lowering of costs. Inventories purchased with high interest rates do not permit smaller businesses to compete actively in the marketplace.

The Economic Recovery Tax Act of 1981 is designed to provide some help through several tax provisions aimed at improving cash flow for small businesses. ERTA provides incentives for both savings and investment. Improvements in the savings and investment situation will help provide a more stable base for small business growth.

With the administration working to redirect spending and decelerate monetary growth and to provide a tax cut we can hope to soon see the economy begin to improve.

The initiation of these policy changes and a new and concentrated effort has created a period of economic readjustment for many sectors of the economy and particularly the small business in this country.

This country must work strenuously to decrease its dependence on spending borrowed money. We must revise our way of handling our finances so that we can create a sound economy through responsible money management.●

● Mr. MARRIOTT. Mr. Speaker, the private sector's greatest source of innovation and job creation is beginning to look more and more like an endangered species.

In 1953, small business accounted for 43 percent of the gross national product (GNP) and 52 percent of the gross business product (GBP). In 1970, that had slipped to 41 percent of the GNP, 50 percent of the GBP. By 1976, it had dropped to 39 percent of the GNP, and 48 percent of the GBP. In fact, every category of small business—mining, construction, manufacturing, wholesale trade, retail trade, finance-insurance-real estate, services, transportation-communication-utilities—has declined in its share of the GNP between 1955 and 1976.

One reason, I submit, for this state of affairs is the combination of long-term inflation with growingly excessive Government-generated paperwork and regulation, which have increased the cost of doing business to a degree that it is difficult for the smaller firm to absorb the additional financial burden. And, today's high interest rates may be the straw that breaks the back of small business.

Bankruptcies and business failures have risen almost 30 percent in the last 2 years. But, a closer look at those statistics is even more revealing.

IRS data indicate that the largest number of recorded partnership dissolutions—cases where businesses simply quit or the owners retired—were in fields dominated by small firms, with the heaviest toll in the construction industry.

Increases in business failures—instances where a business ceases, but

causes no loss to creditors—during the 1980-81 period were greatest in small business industries. Failures in the construction industry were up 49 percent; they were up 47 percent in the service industry; up 41 percent in retail trade; and up 32 percent in wholesale trade.

And, outright business bankruptcies were estimated to be about 45,600 from September 1980 to September 1981. The previous year, the figure was about 36,000.

Sadly, the smaller the firm, the less its chances for survival. A business with 21 to 50 employees has a 54-percent likelihood of surviving 4 years; but, a firm of 20 employees or less has only a 30-percent chance of surviving that long. Yet, it is the survivors among these small firms that create the most jobs.

Today, my colleagues and I are reminding this body and the American people of the importance of small business to our economy. Some of the more important indicators are: Small business employs 47 percent of the Nation's nongovernment work force; small business creates 86 percent of all new private sector jobs; in fact, 75 percent of those new small business jobs are provided by firms less than 5 years old; and, small business accounts for 80 percent of new jobs for black Americans.

Minority enterprises are predominantly small businesses, as are those owned by women. It is fair to say that small business offers the best opportunity to all Americans—regardless of race, color, or sex—for a meaningful share in the American dream of successful self-sufficiency.

Small business' returns to the economy are measurable in other ways as well. For example, small firms provide twice as many innovations per employee as larger firms.

So, if we can help younger firms hang on, we will broaden the tax base, tap the most innovative segment of our economy, and harness the Nation's best job creating machinery.

So, how do we help these younger firms? It is simple enough to say we ought to do it, harder to carry out.

Unfortunately, most tax relief consists of tax credits and tax deductions that are meaningless to the new small business, which is not paying taxes, perhaps not even turning a profit during the first part of its existence.

Small business needs two things desperately: sufficient startup capital to get it into business, and economic stability and low interest rates so they can generate the capital to stay in business and, perhaps, even expand.

Small businesses do not usually generate the internal capital necessary to sustain them even after they are operating during extended inflationary periods. The central reality of economic life for small businesses is that they rely on debt capital, borrowed money, almost exclusively. In fact, about 98 percent of the new capital needs of small business are met by borrowing.

The usual reaction to this problem, even during a long period of high interest rates, is to say, "Leave them to the mercy of the marketplace," or to throw money—in the form of grants and loans—at the problem.

The first difficulty with these reactions is that the marketplace exists only in a badly distorted form. It has been distorted by a 40-year economic drunk, a paternalistic Federal Government giving away money it did not have—money, by the way, which was not even the Government's to begin with. it has been distorted by tax laws that actually encourage investors to put their money in "safe," unproductive tax shelters that create few—or even no—new jobs and often produce few—or even no—new goods. It has been distorted by a Federal Government that has lacked the resolve to correct its fiscal excesses because it grew fat on the additional taxes confiscated from people pushed into higher tax brackets by inflation. In fact, during the last two recessions, the prime rate dropped in response to economic plans announced by the administrations then in office, plans later abandoned, leaving the financial markets burned. This time, they are not buying until they are sure the Government is serious.

What about grants and loans? First of all, direct SBA loans have a loss rate of 38 percent. That is an unconscionable waste of taxpayers' money. And, guaranteed loans are only available at rates usually more than 2 points over prime. That is like giving the small business the choice of being shot dead or slowly bleeding to death.

Recently, I and several of my colleagues on the House Small Business Committee have suggested another approach to this problem. Do not tinker directly with fiscal and monetary policy, and do not abandon the tax cuts—especially since the 90 percent of small businesses who file individual tax returns have already figured those cuts into their economic plans. Instead, give small business the tools to work around the high interest rates, and use a Federal-private sector partnership as the engine to make it go.

Yesterday, for example, the committee unanimously reported out a measure that includes an important modification of the SBA's direct loan program. First, it targets money to areas with chronically high unemployment. Second, it goes first to small businesses that will create a number of new jobs. Third, instead of simply making money available for good intentions, it requires a marketing study and business plan, assuring a good chance of success for the borrower. Finally, it requires participation by State or local investors or institutions; in fact, the non-Federal money must be committed before the Federal share is disbursed.

In the same bill, we increased the funding level for small business investment companies. This program, which also requires private capital before Federal funds can be borrowed, has been estimated to return to the Federal Treasury $110 for every $1 in Federal money spent on administering it, including losses. When properly run, the SBIC program offers tremendous bang for the buck.

The 503 development company program is another that makes Federal guarantees available only after private capital is committed. Both private investors and local communities, and some States, are using this program most effectively to provide startup money to job-creating small businesses.

Finally, I have been joined by 30 of my colleagues, in both parties, in an effort to create a small business participating loan program (H.R. 5078). Tailored specifically to attract investment capital to productive small firms, and away from dead-end tax shelters, it involves no Federal money whatsoever. Instead, it provides a package of tax incentives, beginning with a modest investment tax credit, and combines that with favorable tax treatment on the participating earnings of the lender.

For example, if you own a small business, you can approach a lender for a loan of, say, $100,000. Our bill would allow the lender to charge as little as 6 percent simple interest, plus a percentage of the profits that would negotiate with the lender, for a number of years on which you both agree.

The lender would receive a $20,000 tax credit—$30,000 if you are a minority or disadvantaged firm. The interest would be taxed as ordinary income; but, the share of the profits would receive preferential long-term capital gains tax treatment. Your interest payments would be deductible as the cost of doing business. And, since it is a loan, not a security, there would be no Government redtape. You and the lender would simply work out the best mutually agreeable terms.

And, here is a key element: Although you give up no ownership in the business, the lender's share of your profits means his or her success is dependent on your success. So, the lender has a vested interest in giving you the benefit of any business expertise he or she possesses.

That element of vested interest is present in all these programs, in fact. The private sector participation will guarantee that someone is working at all times to make the investment a good investment—that is, one in which

the small business succeeds. And, in protecting himself, the private investor protects the taxpayers' interest as well.

This last measure is designed primarily for the assistance of unincorporated small firms, the majority of small businesses. We are also studying a measure that would offer similar benefits to small businesses that wish to sell part of their equity to an investor. Together with the assistance already provided by SBIC's, development companies, and expected from our distressed area direct loan program, these approaches based on a partnership between the private sector and the Federal Government promise a fighting chance of insuring that our small businesses will not become the innocent casualties of a battle to rescue this Nation from the reckless and shortsighted fiscal, monetary, and buraucratic excesses of the past 40 years. Let us not let this opportunity slip away.●

● Mr. MOLINARI. Mr. Speaker, I welcome this opportunity to join with my colleagues in paying tribute to the small businesses of our Nation, recognizing the crucial role they play in our national economy. As a member of the Small Business Committee I am very aware of the contribution the 11 million businesses make to our economy, both in terms of gross national product and private sector employment. I am particularly pleased to serve on the Subcommittee on Energy, Environmental, and Safety Issues Affecting Small Business.

We have all heard the numbers which indicate the presence of small business in our economy. It is important that we keep this presence in mind as we debate and set our domestic economic policy, regulatory policy, and our international trade policy. We must be continually aware of the effects of these policies on the vitality and growth potential of U.S. small businesses. It is evident that small businesses are very sensitive to overall economic conditions. Measures aimed at small business recovery should be an important part of our national economic recovery policies, paying due attention to the needs of small business and recognizing that this sector can be among the most productive in our economy.

I hope that our tribute here today indicates to those involved in small businesses across the country our sensitivity to their concerns. I also hope that the future actions of this Congress will reflect a continuing sensitivity.

Thank you Mr. Speaker.●

● Mr. DREIER. Mr. Speaker, this being National Small Business Week I would like to take a moment to recognize this most vital sector of our economy. Small business is truly the backbone of America's economy. Numbering over 10 million and accounting for more than 96 percent of all business in this country, small businesses may prove to be our best hope for competing effectively with German precision and Japanese technology.

The 97th Congress has done a great deal to help small businesses across the Nation. We have passed the Prompt Payments Act, enacted tax reduction measures to encourage retooling and modernization, and we are about to pass the Innovation Development Act. Yet a great deal more remains to be done. Mr. Speaker, far and away, the best thing we could do for small businesses across America would be to significantly lower interest rates, and the only way we will be able to achieve this goal is if we quit playing politics with the budget and get down to the business of reducing Federal spending. In the end, all the small business legislation we can pass will not amount to anything if we do not lower these outrageous interest rates.●

● Mr. DANIEL B. CRANE. Mr. Speaker, Government regulations cost the American taxpayer an estimated $100 billion per year. The Federal Register has ballooned from 20,000 pages to 74,000 pages in just the last 10 years. The Code of Federal Regulations occupies 165 volumes, each packed with hundreds of pages of fine-print regulations. In fact, 1,000 pages of regulations a day were being churned out during the last days of the previous administration.

Small businesses, the backbone of our economy, are being suffocated under the weight of these regulations. Clearly, this nightmare must cease. But for this to happen, Washington lawmakers must wake up.

Under President Reagan, roughly half as many major regulations were written in 1981 as during 1980. Because of the Reagan administration's all-out war against overregulation, the 1982 savings are dramatic: about $4.8 billion in capital investment costs and $2 billion in annually recurring costs. In addition, regulatory reviews nearing completion will save $12.6 billion in capital investment costs and $7 billion in annually recurring costs.

I am currently surveying all small business owners in my congressional district, asking for their advice in battling overregulation. Specifically, I have asked them to tell me where they have found requirements that are counter-productive or simply a waste of money, what regulations cost their business the most time and money, and what they think should be done. When I receive the replies, I plan to meet with Vice President BUSH, who chairs the Task Force on Regulatory Relief. At that time, we will determine the best methods of lifting the regulatory burden that is grinding down our economy.

Mr. Speaker, this is not a job that one Congressman or even one President can do alone. We must put away our partisan differences and realize that overregulation hurts everyone, customer and business person, Democrat, Republican, and Independent alike.

I urge you to work with this administration in lifting this burden from the backs of American small businesses.●

● Mr. STANTON of Ohio. Mr. Speaker, this week marks a special time in our Nation's calendar. It is National Small Business Week, a time when we remember and honor the important contribution of this segment of our economy to our Nation's strength and prestige.

Just as it is the source of our national strength and our international prestige, it is also the root of our current economic downturn. At a time when our country is plagued by high interest rates, unemployment, and inflation as well as a slowdown in economic growth, we must look to small business both for the causes and the cures.

For when we talk of the economy, we're talking about small business. Ninety-nine percent of the businesses in this country employ 500 or less, and represent over half the labor force in this country. Between 1969 and 1976, more than 86 percent of new jobs were provided by small business, about 66 percent of them in firms with fewer than 20 employees and 75 percent of them in firms less than 5 years old. Small businesses account for half of our private sector gross national product.

So the fact that these small businesses cannot find investment capital—or must pay exorbitant interest rates when they do (usually way above what large corporations can get the same capital for); the fact that their overhead and payroll must keep pace with spiraling inflation; the fact that small businesses cannot afford to diversify their assets to cushion themselves in times of economic stress . . . all these factors work against small businesses being able to stay afloat, let alone expand. The rate of bankruptcies among small business is increasing daily. Based on current 1982 figures, small businesses are failing at a rate of 25,000 per year.

Mr. Speaker, each of these bankruptcies represents an added burden on the unemployment rolls and a decrease in Federal tax revenues. It is obvious that if we are to solve the economic problems of this country, we must solve the problems of small business. We must find ways to: First, lower interest rates; second, increase employment; and third, increase productivity. That is a big order, and perhaps easier said than done. And yet we have an opportunity to do just this in

Congress this year if we so resolve. It means that Congress must address the specific issues that affect small business and create a climate conducive to the survival of this important sector of our economy. And we must do it now—during the next few weeks.

Mr. Speaker, there are already in Congress—well along in the legislative process—several bills on which we can take action almost immediately:

First, the small business participating debenture or loan program offers small business capital without giving up equity or having to tap existing sources of debt financing which, if available, are often unaffordable. For the investor, an SBPD offers a stated rate of return plus a negotiated share of the profits for a limited period of time.

Second, a program of matching loans, targeted to labor surplus areas, and administered by the Small Business Administration, is being authorized by the Small Business Committee this week, and could easily be implemented by this summer if we act on the legislation.

Third, and even more imminent—as far as having been duly heard and considered in multiple committees in the House—and which needs only a rule to be brought to the floor for action, is the Small Business Innovation Development Act (H.R. 4326) which will make a real contribution to reversing the decline in our Nation's productivity.

Mr. Speaker, the SBIR legislation, which has already passed the Senate by a vote of 90 to 0 and has passed the Small Business Committee 40 to 0, is an opportunity to get more bang for our Federal R. & D. bucks by earmarking a small percentage of each Federal agency's R. & D. budget for small business.

It is an accepted fact that there is a proven relationship between the drop in our Nation's productivity and the decrease in innovation in our national economy compared to other countries. Recently, the New York Times devoted an entire article in its magazine section on this problem.

We all know that the cost per innovation in a small firm is far less than in a large firm; that small firms produce up to 24 times more innovations per research and development dollar expended than large firms; and that small business receives a miniscule amount of those funds—as little as 3.5 percent overall. A recent study showed that 80 percent of industry's research and development was being carried out by only 200 firms.

President Reagan has endorsed the legislation, saying:

> In the long run, all sectors of the economy are likely to benefit from the increased competition and research incentives this legislation would provide.

Mr. Speaker, it would be naive to assume that this legislation is surely a winner during this session of Congress because of its merits and its ringing endorsement by the President, and because it is such an obvious way to improve our economy. On the contrary, since the bill passed the Small Business Committee, six other committees have demanded a review of the legislation, and four of them have raised objections or reported it with crippling amendments that would render it ineffective by exempting specific agencies from complying with the terms of the mandate. Those of us who support the legislation fear that the habitual bureaucratic resistance to change has created a tremendous groundswell of opposition and organized resistance to the legislation.

Some of the arguments that are used to oppose the legislation are either patently false, or unrealistic, or result from a misunderstanding of the facts.

For instance, the program has been compared to the SBA 8(a) minority set-aside program. First of all, the 8(a) program is not a set-aside, it is a put-aside for exclusive and noncompetitive awards to minority businesses. The SBIR program would earmark—with no additional bureaucratic redtape associated with other set-aside programs—a percentage (in the Senate version, 1 percent, in the House, 3 percent of research and development funds to be awarded on a competitive basis to small business. During the pilot program run successfully by NSF, only 400 awards have been made from 3,800 proposals received. What could be more competitive than that? And speaking of the importance of open competition being used as an argument against the bill, over 70 percent of present R. & D. contracts are awarded noncompetitively. In the vast hunk of the R. & D. funds which are administered by NIH, only nonprofit businesses are eligible to compete. Thus, someone who has come up with a cure for cancer must either market it abroad or establish a nonprofit subsidiary in order to compete for NIH support, which one small business did.

This legislation does not require an agency to establish a new program for which it wil require new funds. There should be no administration costs to be expended for this effort. It merely requires that an agency determine within its research and development needs categories of projects to be competitively opened up to bidding by small businesses. The details of which projects are included in the small percentage earmarked for small business is left entirely to the discretion of the agency. There is no reappropriation of funds from one program area to another without authorization or appropriation as claimed by critics.

Another argument against the bill claims that the Government should not be in the business of commercialization of products. However, R. & D. efforts must be measured by their eventual usefulness in meeting national needs. There has been a significant block to effective application of Federal R. & D. results due to policies and procedures which preclude effective technology transfer, a goal and policy of our Government established under the Patent Reform Act of 1980. This bill would help to accomplish that policy, seeing that it applies to small businesses as well as it has to large businesses currently benefiting from it.

In short, Mr. Speaker, there is not a single argument raised in opposition to this legislation which cannot be refuted either by the facts or by showing it to be an obvious misinterpretation of the intent of the legislation. It is time Congress took a stand on behalf of small business in this country and stopped catering to the favored status of the large corporations and universities. They have enjoyed a position of noncompetitive status and subsidy for years which has resulted in our Nation's being thrust into stagnant growth and reduced productivity. We cannot continue to lag behind the rest of the world. We must make the most productive use of our limited Federal dollars. It is imperative that this bill be enacted this year.●

● Mr. COUGHLIN. Mr. Speaker, President Ronald Reagan has proclaimed May 9-16, 1982, as "Small Business Week" in honor of the millions of Americans who are part of the small business community throughout our Nation.

The Small Business Administration is sponsoring a small business conference this week to focus on small business concerns and to pay tribute to the 1982 State Small Business Persons of the Year and the 1982 Small Business Advocates of the Year. Tomorrow they will be honored at ceremonies at the White House. My congratulations go to all of the honorees.

Small business, as is so often correctly pointed out, is the backbone of our free enterprise system; 95 percent of all businesses are, in fact, firms with fewer than 100 employees, accounting for almost 55 percent of all jobs. Recent studies have shown that small businesses are the growth and innovation centers of our economy: two out of every three new jobs created are in small firms which also produce two to three times as many innovations per employee as larger businesses. In the last 10 years, small businesses have created 69 percent of all new jobs.

This record of performance, growth, and innovation is one of which the hard-working small businessmen and women of our Nation can be justifi-

ably proud. It is an unfortunate reality that the 1980's have been a time of enormous challenge for small business, testing the ingenuity, stamina, and perseverance of most small entrepreneurs.

The Small Business Administration's 1982 Annual Report notes that the small business share of GNP is declining and that bankruptcies and business failures have risen almost 30 percent in 2 years. While many of the tax law changes enacted last year are designed to benefit small businesses and assist in their expansion, current high interest rates are preventing most small firms from taking advantage of them. Cash flow problems are their biggest and most immediate concerns. All sectors of the economy will profit from lower interest rates but small business will certainly be among the chief beneficiaries. Lower interest rates, combined with tax breaks and the progress that is being made on paperwork and regulatory relief will create a more favorable climate for small business competition than has existed for many years. No economic recovery program which does not have as one of its goals the creation of a healthy climate for small business is going to succeed.

In establishing a Small Business Committee with legislative authority, this body recognized the importance and uniqueness of the small business community's problems and concerns. We must continue our legislative efforts to make sure that small businesses are given a fair shake in the marketplace, that they receive an appropriate share of Federal contracts, that they are provided with permanent relief from excessive Government regulation, and that tax policy encourages small businesses to fulfill their vital role in our economic system.●

● Mr. SMITH of New Jersey. Mr. Speaker, as a former small businessman and member of a family that has operated its own small business for more than 20 years, it is a pleasure for me to participate in the celebration of Small Business Week, 1982.

Unquestionably, small business is the backbone of our Nation's economy. Small firms employ about half of our private sector workforce, and account for nearly 40 percent of our gross national product.

Between 1969 and 1976, 16 million new jobs were created. One million of these jobs were created by the 1,000 largest corporations. Three million of the new jobs were in State and local governments. The remaining 12 million were created by small business. Clearly, our best hope for creating new jobs in the future lies in the small business sector.

Mr. Speaker, in order for small businesses to prosper and expand, they must have a climate that is conducive to economic growth. Excessive Government regulations and burdensome rates of taxation inhibit small business growth and prosperity. Fortunately, Congress and the President have taken concrete action to correct these problems.

The personal income tax reductions, corporate rate reductions, cash accounting provisions, estate tax reductions, individual retirement accounts and Keogh plan reforms, that were included in last year's tax bill, should prove to be beneficial to small business owners. In addition, the numerous regulatory reforms that have recently been implemented by the Federal Government should help to alleviate some of the burden that has been imposed on small business over the years.

Legislative initiatives have also been proposed to provide further regulatory relief to small business. I am pleased to be a cosponsor of the Administrative Rulemaking Reform Act, which is better known as the legislative veto. This proposed bill provides Congress with a mechanism to tell Federal regulators when they have gone too far.

The Limitation on Government Recordkeeping and Actions Act, which I am also cosponsoring, seeks to free many businesses from the obligation of maintaining records indefinitely. This legislation would limit to 4 years, in most cases, the time a Federal department or agency could require an individual or business to keep records.

The Committee on Small Business, of which I am pleased to be a member, will continue to monitor the effectiveness of two key pieces of legislation that were enacted during the 96th Congress.

The Regulatory Flexibility Act requires agencies to assess the impact of Federal regulations on small business. This legislation, if properly implemented, should provide a good deal of relief to the small business community.

On October 1, 1981, the Equal Access to Justice Act went into effect. This legislation requires reimbursement of court costs and attorneys' fees for small business owners who successfully defend themselves against the Government in civil suits.

Most small business people will never need to invoke the provisions of the Equal Access to Justice Act, but for those who believe that they have been wrongly cited for violating a Government regulation, the law puts them on a somewhat more even footing with their adversary. Moreover, the law serves notice to all Government regulators that their performance will be monitored and their fairness tested.

Mr. Speaker, because they are such a vital and efficient segment of our economy, small businesses deserve to receive their fair share of Government contracts and grant moneys. The Small Business Innovation Research Act provides that a small portion of the Federal research and development budget be set aside for grants and contracts to small high technology firms.

This legislation will help to unleash the inventive genius of our Nation's small business community. Many studies have shown smaller firms to be the most efficient users of Federal R. & D. funds, as well as one of the best sources of major innovations. Most small businesses are formed by individuals who are not afraid to take risks and this spirit has carried over into their R. & D. programs.

Small business should also benefit from the reaffirmation of the Federal Government's commitment to use, whenever possible, and economically feasible, the goods and services of private enterprise.

When Government competes without the simple economic restraints imposed on the private sector, real competition ceases to exist and the American taxpayer must carry the burden. Struggling to make ends meet, the last thing a small business owner needs is competition from the Government financed by tax moneys.

Another means of providing small businesses with a larger share of the economic pie is by encouraging their participation in export trade. The Export Trading Company Act, which I am cosponsoring, encourages the creation of export trading companies to help provide access to international markets for firms which, for a variety of reasons, have experienced difficulty tapping these markets on their own.

Exports create jobs here at home and improve our balance of trade. With the services of export trading companies, many potential American exporters—especially small- and medium-sized ones—will be able to tap growing overseas markets.

Mr. Speaker, in the next few weeks and months we will be trying to fashion an equitable budget for the 1983 fiscal year. I believe that this Congress has taken some important steps to improve conditions for the small business community. Nonetheless, some important challenges lie ahead of us. While interest rates have come down somewhat from their high point of a year and a half ago, they are still too high. I sincerely hope that we will work together in a bipartisan spirit to get these rates down to a reasonable level.

Small businesses have contributed a great deal to our national economy throughout our history. They deserve the best efforts of their elected representatives. Let us pledge to do no less.●

LEADERS BEGIN TO SEE THERE IS A TRADE WAR

The SPEAKER pro tempore. Under a previous order of the House, the gen-

89-059 O-85-38 (Pt. 7)

tleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the remarks of my colleagues and member of the executive committee of the Steel Caucus, TOM BEVILL, of Alabama, be inserted into the RECORD immediately following my remarks; and that the remarks of Congressman ADAM BENJAMIN, of Indiana, the chairman of the executive committee of the Steel Caucus, be submitted immediately following my remarks.

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

There was no objection.

Mr. GAYDOS. Mr. Speaker, for the past year European and other steelmakers have, by subsidy and dumping, carried away much of America's steel industry—stolen it job by job and plant by plant.

Soon it may be company by company because several are on the verge of bankruptcy and all are pressed.

Yet the flood of trade war imports is unabated.

They sent us apparently dumped and subsidized steel and we have sent them 121,000 jobs from industrial America in the middle of a recession.

This is what our trading partners mean when they pout and speak of free trade—they send subsidized goods, we send jobs.

In answer, 94 Members of the House of Representatives today introduced a concurrent resolution that says Congress will not allow this to go on.

This resolution says that the trade laws must be enforced or Congress will write laws that can and will be enforced.

It declares that the time is past in which a knowing wink will be given partners who violate their international trade agreements.

It asserts that this Nation's trade policy no longer should be run like the most generous domestic entitlement program that could be devised by the most giving Congress ever elected.

And finally—perhaps most importantly—it reflects a growing national consensus put forward recently by a leading business magazine.

I quote from the magazine: "For the first time in history, trade balance is a major cause of a recession."

Too much time has been used for study and too long spent discussing failed and failing theories while the basic industries go—job by job and plant by plant and company by company.

While the theoreticians spun their theories, 100 million tons of apparently dumped and subsidized steel caused and is causing long lines at the unemployment offices in industrial America.

There is discontent and anger and anguish in industrial America, Mr. Speaker.

Today as we meet there are 95,000 steelworkers made jobless by imports and 26,000 on short workweeks.

These men and women—and hundreds of thousands more in other basic industries—understand that they are not losing in a worker-to-worker competition based on efficiency.

They know that they are being ground down and thrown away in a competition with foreign governments that do things we do not do. They subsidize and cartelize and, often, protect their own markets.

These hard-working Americans are being buried by foreign governments that say, better unemployment in the United States than here.

And this happens in the name of free trade with nations whose language apparently has no comparable term that can be translated with the same meaning.

The industrial foundation of the United States—particularly steel—is on the verge of suffering irreparable damage because of imports—what the business magazine called a blitz of imports aimed at the United States.

There is no reversing this kind of damage once the deterioration takes hold.

Forget modernizing to compete—there will be little to modernize.

The American steel industry operates today at little more than 50 percent of capacity, and there is no way to make a profit that far down the scale; no way to survive, let alone gather the capital to retool.

Those who are subsidized and capitalized by their governments do not have to worry about profit, and that is one of their weapons of penetration.

Is the penetration effective?

The Nation's No. 4 steelmaker recently announced drastic cutbacks in planned capital investment and is planning to close for all time, or sell, one of its big plants.

The No. 11 steelmaker—once a leader in developing the technology adopted by their so-called more efficient competitors—is in bankruptcy.

Workers are making wage concessions in the name of competition. And plant closings are announced almost daily in steel and the other basic industries.

It is a very effective weapon.

Nevertheless, the trade laws should offer an effective counter to this kind of buccaneering. But they do not.

Cases invoking the trade laws against dumping and subsidy are pending, but the trading pace of those accused becomes more rapid, not slower.

In January and February, imported steel accounted for 26.6 and 23.3 percent of apparent domestic supply.

This comes on the heels of a 20-percent year for the buccaneers.

The reason for this may be covered in recent remarks by Hans Colliander, chairman of the OECD Steel Committee.

"My impression," said the chairman speaking of specialty steel, "is that many Europeans are unsure of the outcome—of the pending cases—and have decided to sell as much as possible now."

Looking at the 34-percent increase above 1981 for 1982, I think we can conclude the same is true generally.

Congress has a duty to look to the consequences of the failure of our trade laws and to provide leadership in what is a real crisis.

Make no mistake, Mr. Speaker, there is a blitz of generally targeted imports and this is a trade war.

In the trade war, the division now among the American people is of the battle scarred from the battle scared.

The battle scared refuse to recognize there is a war, and they persist in saying, hold out; our luck will change as we match them in efficiency and productivity.

But the more scars you collect, the less scared you are. You recognize that subsidy plays a bigger role than efficiency, that Government-encouraged cartelization means more than productivity.

There is a consensus forming on this too.

And it comes from persons other than those directly under attack.

Complaints from steelworkers and steelmakers can be expected.

But I urge the House to consider recent observations made by an international banker, John F. McGillicuddy, chairman of Manufacturers Hanover Trust, in a recent edition of Financier magazine:

> The plain fact is that . . . while we may preach the virtues of private enterprise . . . international markets are sometimes dominated by enterprise that is government controlled.
>
> We have to decide as a nation whether we want to be heavily dependent on imports for steel, machinery and other goods necessary for a balanced economy.
>
> We have to decide as a nation whether we can afford to discard the sinews of industrial strength in our rush to embrace a new post-industrial era.

To me, the terms "we" and "as a Nation" mean Congress, Mr. Speaker, and the resolution is meant to frame the commitment necessary to survive.

Present policy, unexamined and unquestioned for four decades, is losing sinew as fast as the scavengers can cut it off the living, bleeding body.

Of like mind with Mr. McGillicuddy is James F. Bere, chairman of Borg-Warner and of the advisory council on United States-Japan economic relations, who also commented in "Financier":

> We cannot forever give away our richness with too little in return.
>
> I think it is time for us to begin in the U.S. a great debate on what our economic future should be—of what our own genuine self-interest is.

Mr. Speaker, the phrase genuine self/interest should be highlighted, underlined, and written in italics because we have not done that, and because it is so important. The resolution calls on us to look to our self-interest.

On the frontlines of the war is Richard P. Simmons, chief executive officer of Allegheny-Ludlum, who testified recently before a subcommittee of the House, on the gulf between the theory of trade and the way our partners practice it:

> If free trade as such was actually practiced throughout the world, the specialty steel industry of the United States would be substantially larger . . . imports would be much lower . . . exports would be much higher.
>
> I estimate that my firm . . . would be approximately 50 percent larger if true free trade—trade based on efficiency, productivity and technology—was permitted to operate.
>
> We are unwilling combatants in a trade war initiated by other nations to serve their own political, social and economic purposes.

You see, Mr. Speaker, the specialty steel industry in America is modern, and by any expert's opinion it is the best in the world.

Even our Office of Technology Assessment, which does not hesitate to criticize when it is due, says that the U.S. specialty steel industry is among the most technologically advanced in the world.

Virtually every significant process and alloy used in the world was developed in America.

But several among the best are on the verge of failure because they stand alone against the "attack by policy" of foreign governments. Their markets are being cut by as much as half by apparent dumping and subsidy.

Just Monday, U.S. specialty producers requested an antidumping investigation of five French manufacturers.

The French are selling here at prices as much as 38 percent below what they charge at home. This is the third or fourth time U.S. specialty producers have had to attempt invoking U.S. trade laws in 6 months.

Said Mr. Simmons:

> The failure of administration after administration to enforce the trade laws . . . has led me to believe the trade laws are not adequate for the task.

Is Mr. Simmons a malcontent?

Then the House should consider recent remarks by David Roderick, chairman of the United States Steel Corp.

> We no longer compete with foreign companies, but with foreign governments. And our own Government has abandoned its primary responsibility for trade law enforcement.
>
> Trade law enforcement is a duty . . . not an elective responsibility.

Would some of the battle-scarred call Mr. Roderick a whiner, a special pleader?

They should take a look at McLouth Steel. McLouth is the technical leader that is in bankruptcy. Since 1967, McLouth has spent $375 million on capital improvements and has led in innovations such as the oxygen process and the use of continuous casters.

But steel imports, automobile imports and interest rates have put McLouth's future, and the future of its workers, in the hands of a bankruptcy court.

McLouth Chairman Milton Deaner distilled his experience for a House subcommittee:

> We must have a coherent trade policy designed to protect the U.S. market from unfair trade imports.

They are scolded for inefficiency and told to modernize. But they cannot because they must have profit for that, and imports that are dumped or subsidized keep them on the ropes.

Even when they do modernize, they cannot compete with foreign governments.

A Florida firm, Houdaille Industries Inc., can tell us how that goes.

A machine tool company, Houdaille watched as Japan's market share of numerically controlled machining centers in the United States went from 3.7 percent in 1976 to 50.1 percent in 1981.

Battle scarred rather than battle-scared, Houdaille went to Japan to find out why. And from documents of the Government of Japan, they found:

Twenty-five years of Government guidance and paternalism for the metal-cutting machine tools industry;

Resource pooling and price fixing that would cause lawyers at the U.S. Department of Justice and Federal Trade Commission to rend apart their attaché cases in anger; and,

Subsidies—including a share of the money bet on bicycle and motorcycle racing—and tax breaks unmatched anywhere for cleverness and generosity.

Experts say the pattern is typical.

You see, they have taken our books of theory and rules—"The Wealth of Nations" and the Principle of Comparative Advantage—and written new scripture, added chapters from Clausewitz on war.

The business magazine I mentioned earlier was Forbes, and for those who are interested, the discussion of trade is in the April 26 issue.

The Forbes columnist attributed the "blitz" of imports to the strength of the dollar and interest rates.

But with subsidy so strong in Europe, and the flood of steel coming from Europe, and with the hand of government so heavy in Japan, and so much coming from Japan, I think there is more at work than interest rates.

Even that redoubt of supply-side theory, the Heritage Foundation, has viewed the disintegration and decided the steel situation is serious.

In a paper titled "The Steel Import Crisis" the foundation concluded:

> During such periods of difficulty, the United States must insist that the principle of free trade is balanced by fair trade. This means that U.S. import laws must be rigorously enforced.

Rigorously means unyieldingly, Mr. Speaker, with vigor and enthusiasm.

The time for study and negotiation and waiting for the change of luck is fast passing, Mr. Speaker.

United Steelworkers president Lloyd McBride knows a lot about waiting, as he recently told one of our subcommittees:

> We studied for 5 years . . . while 100,000 steel jobs disappeared and 10 million tons of steel capacity was dismantled or set aside . . . while about 100 million tons of foreign steel entered the U.S. market . . . while efficient steel plants and operations in the United States shut down as a result of imports from less efficient steel plants overseas.
>
> Without a fair trade policy . . . we cannot hope to encourage investment in new technology in this industry.

Without investment, the industry becomes further vulnerable, suffers the hacking away of more sinew, and dies.

Meanwhile, the United States depends more and more on imported steel for everything from the zipper tabs on trousers and skirts to electric transmission towers and main battle tanks.

Mr. Speaker, this Nation's basic industry truly is in crisis, the point where it must get better or die.

The time is past for study and hope that our trading partners will see the light or even waiting for a change in luck.

Our Japanese trading partners have a saying about waiting.

They say, "To wait for luck is the same thing as waiting for death."

Mr. Speaker, the introduced resolution will end the period of waiting and put the United States on the road to considering what is our genuine self-interest.

□ 2020

Mr. BAILEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. It is my pleasure to recognize my colleague from an adjacent congressional district in Pennsylvania who has been a member of the Steel Caucus since its inception, and who has recently been appointed to the executive committee, my good friend, Congressman DON BAILEY.

Mr. BAILEY of Pennsylvania. I thank the gentleman for yielding.

Mr. Speaker, I will not take too much time. There is not a great deal I can add to what the gentleman in the well has already said. I know it is getting late.

I serve on the Trade Subcommittee of the Ways and Means Committee.

During the process of writing our tax bill, I had occasion to learn a great deal about tax policy in this country and the impact on our trade policy and, of course, the overt trade policy that we write. Fair trade is a misnomer when applied to America's law. We really do not have fair trade laws. Our countervailing duty and antidumping statutes, quite frankly, lack the teeth necessary, the discovery, the powers that should be given to an attorney in effect to acquire the needed information in order to prosecute antidumping statutes.

Many people do not understand that our capital-intensive industries share a multitude of difficulties in this country. They are all impacted adversely by excessive foreign trade. The steel industry, of course, has suffered for many, many years with a tax law that unfortunately taxes capital. If you wanted to write off a steel mill, a depreciation of a new facility in a nation like Canada, for example, you could do so in 28 months. In Japan, even less. You would also have at your disposal various government policies, planning policies, et cetera, that would enable you to operate at a lower rate of return on capital than other industries. It is State capitalism that we are fighting. It is not really free enterprise in another country.

What Congressman GAYDOS said is 100-percent correct. The rules that we play by are different. When they play in our backyard, the Japanese, in many cases the Europeans, they play in an atmosphere of an open and free market. However, when you look at oversupply problems and government policies in Europe, you will find that when oversupply is a difficulty and we are laying people off and we are cutting back, the cash flow of these countries is affected, that the Europeans in effect export via dumping mechanisms to our country their unemployment. Obviously, it is unfair. It violates international agreements to which we are all signatory. It is clearly wrong.

I hope that in the years ahead we do begin the dialog that Congressman GAYDOS spoke of—issues like antitrust that mean something here but do not apply to the Mitsubishis of the world. Subsidy, what does it mean? In America it means a different thing than it does in Europe, where loans to steel companies, for example, come with the freedom that they not be repaid or do not have to be paid back or, if paid back at all, at low interest rates.

□ 2030

The rolling function of government. Just exactly what does it mean when we are talking about trade and tax policy?

And, lastly, if we are developing a world concept, a free world market concept of free enterprise, then we are going to have to begin to provide some ground rules that make it fair for everyone.

I particularly want to compliment the gentleman from Pennsylvania (Mr. GAYDOS) because the point the gentleman made about efficiency, particularly with our specialty steel industry, is well taken. The difficulty is you cannot compete without a finance package when you have got foreign governments picking up a sizable percentage of financial cost on deals that make it impossible for our Nation and our companies, our industry, our labor, to compete.

This nonsense about American labor being more inefficient, less productivity prone, American management being inferior, is not so. It is not true. We are being victimized. We are particularly being victimized in the capital intensive sector of our economy and I think we all owe the gentleman from Pennsylvania a debt of gratitude for the work he has done in the Steel Caucus, for the leadership the gentleman has provided, and I know because I have sat here and listened to the gentleman make speech after speech to try to drum some commonsense into this institution and into our country to do something about the penetration foreign imports are causing, the job loss they are causing in this country, and it is not free enterprise, it is not fair trade, it is an issue of victimization. We are talking about targeted industries and those industries will never be able to recover because capital will never flow back into them in the face of the risk that they have to suffer when they have foreign countries targeting those industries for extinction here.

I hope that we will do something about it and I plan to try to do something in the Trade Subcommittee to assist the gentleman in his efforts.

I want to also add that the gentleman from Indiana, Mr. ADAM BENJAMIN, who is the executive director of the Steel Caucus, and the gentleman's able assistant, is unable to be with us tonight to participate in this special order because of his work with the Budget Committee, specifically function 400 that deals with the transportation sector that involves a great deal of the utilization of our vital resources.

Let me close with one small admonition to we as a Congress and all of us as policymakers.

I served a term in the Armed Services Committee and during that tenure had an opportunity to work on the American industrial base and it became apparent the difficulties that we have.

Given the fact that we do not have a world free of military threats, it is just wrong for this country and administrations to continue to use our economic strength in this country to let it flow away, in order to gain some military or diplomatic advantage with another country, and that is exactly what is happening. Our industry and our unions are getting jawboned to death so that we pick up some small diplomatic advantage in some far corner of the globe, and a point in fact is that America can no longer stand to do that and we have got to change that policy.

I hope that we will because we are not going to be able to move on to a victorious future with a service economy that simply deals with the selling of goods and services that are not production based, particularly based upon the strength of our capital intensive industries.

Mr. GAYDOS. I wish as a matter of record to decidedly emphasize the fact that our colleague has made such meaningful and proper remarks on this very vital subject matter and that in the past he has again as a matter of record repeatedly helped the Steel Caucus in serving in his capacity on the Subcommittee on Trade, on the Ways and Means Committee, and if it was not for his cooperation many a time we would not have the invite under the circumstances which enabled the Steel Caucus to make a point at the particular time.

Before I recognize my colleague, the vice chairman of the Steel Caucus and who has given yeoman service to the caucus, I would like to make a point because I think it fits right in, that I think we just may be forced to have these special orders at least once a week, and to be as persistent as the gentleman that sits in the chair today, in a subject matter close to him, and which he over 9 months or a year period practically every second day took special orders out and repeatedly emphasized the matter of the problem which he discussed and which he, I believe, ultimately has caused a solution to be in the making.

An so I refer to our good friend and colleague because I think he illustrates what may have to be our course as a Steel Caucus to take that time and effort even after hours to make sure that we pursue this most sensitive subject matter to its ultimate conclusion, and the ultimate conclusion is an enforcible trade act.

I think that is what we are aiming for as a caucus and are concerned as a body and as the purpose of the organization.

I thank my colleague.

At this time, it is my pleasure on behalf of the Steel Caucus to recognize its hard working vice chairman, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I thank the chairman of the Steel Caucus for yielding and I commend the gentleman for taking the time for this special order.

So many times the people in the United States think that unless they are directly affected that what happens in any single industry is of no impact on their particular lives. But there are two points I would make in terms of actions here in this Congress today to illustrate the fact that imports are creating financial problems that will have to be borne by all taxpayers in this Nation.

First of all, we are involved today in a Budget Committee markup and we have heard the statement made many times that 1-percent unemployment in the United States results in a cost of approximately $27 billion to the Federal Government. That is the resulting loss of revenues plus the attendant costs for social programs to support the unemployed.

In the Budget Committee markup, the most difficult problem is dealing with the size of the deficit for 1983. It is in large part caused by the high rate of unemployment in our economy at the present time.

As a matter of fact, if we had a level of unemployment in the 5-percent range, we would not have a very sizable deficit for fiscal 1983.

Using that rule of thumb, 1-percent unemployment causing a $27 billion loss to the taxpayers of this Nation, the loss of 200,000 jobs in the steel industry which has taken place over the past several months, and probably years, has a budget impact of approximately $5 billion, and that is an annual figure.

So that unemployment in the steel industry is not just a problem for the unemployed, or a problem for the industry alone, but it is a problem for all the people of this Nation.

Second, in the Ways and Means Committee today one of the subcommittees reported out a bill to add 13 weeks of unemployment benefits. Again, this is going to be, if passed, a sizable cost to the taxpayers.

I use those two events that are happening in Congress today to illustrate the fact that the steel problem goes beyond those directly affected.

The objective of the sense of the Congress resolution that we have introduced today, is to say, in effect, that we want fair trade as well as free trade and that we want enforcement of the antidumping laws in the United States.

We have 92 original sponsors on this resolution. I would point out to the other Members that this problem is not confined to steel. If we fail to pursue enforcement of the antidumping laws on the books in the United States, in the case of steel, we are in effect inviting the same kind of market penetration in other industries.

The people making judgments in other countries as to whether or not they can dump their unemployment in the United States in the form of subsidized products will in part make a judgment based on how rigorously we enforce the cases presently affecting the steel industry.

Therefore, I think that it is important to all Members that they support a resolution requiring or requesting the administration to diligently pursue the remedy as presently in the law to prevent dumping. If we can do it thoroughly in steel, it will preclude the same thing happening in many other industries that could affect all sections of the country ultimately.

I think it is time in the Nation's history that we take stock of the fact that we have a priceless asset in the United States, and that is the American market.

There is no other nation in the world that affords such an attractive marketplace for imports as does the United States. We have a large population. We have a very prosperous economy. We have the world's largest gross national product. Obviously, access to the U.S. market is absolutely essential to any industrialized nation that hopes to prosper in the field of exports.

I mention this because I think that it is important that in dealing with other nations in our trade negotiations we make it clear that we are not going to fritter away this asset. We make it clear that if others want to have access to our markets, it has to be done on a fair basis, and that I think it is important that we recognize the value of this asset and use it in a way that is beneficial to the people in the United States in terms of negotiations.

I think we are a little bit plagued with our long history of saying, particularly following World War II and through the various Marshall plans and others of that type, that we were going to provide free access to our market in an effort to rebuild the economies of other nations.

It seems to me that we have come to a different stage in our history when it is no longer our responsibility to give an unfair advantage to those who would export into the U.S. market at the cost of our own domestic production. We need to take a very tough bargain stance in terms of protecting this asset; namely, the U.S. market.

□ 2040

The steel industry, in response to the actions of this Congress in 1981, designed to stimulate investment, designed to stimulate research, designed to rebuild the industrial infrastructure of America has, in fact, committed over $6 billion to new construction.

In my own 16th district, ground was broken recently for a $500 million steel mill addition to the Timken Co. This type of activity is happening in a number of places and it represents a commitment on the part of the industry to remain competitive in the future to maintain a strong domestic steel industry.

Therefore, I think our responsibility goes beyond the Economic Recovery Act that was passed in 1981 to also include actions that would allow those who are investing in the future of America in the steel industry to have confidence that they will be able to compete on a fair basis with other nations for world markets, not only domestic in the United States, but markets outside the United States.

We owe it to them to use the tools of Government to insure that there is fair trade as well as free trade.

Obviously, many companies are too small in terms of their resources to adequately pursue antidumping actions. Therefore, this is a very proper responsibility of Government and what we are calling for in this resolution is to have a rigorous enforcement of the law in existence at the present time.

I think there is a concomitant matter involved here and that is that in terms of national security we need to have production facilities. On the west coast, as a good example, once the Kaiser Steel Plant is closed down, and as I understand that will happen in the near future, the total consumption of steel is 10 million tons, while the total production capacity that will be left after Kaiser closes is 1 million tons.

Now, that in effect is saying that the west coast will largely depend on imports for 90 percent of its needed steel products. In my judgment this is a dangerous situation, because in the event of world conflict of any type, we could suddenly be faced with inadequate capacity to meet our own security needs.

A second and corollary problem with that is the fact that if there is a strong surge in the free world economy in this decade, and many economists do predict that, suddenly we will have needs that far outstrip our own capacity and we will be at the mercy of those who export into the U.S. market in terms of price.

Obviously, OPEC has demonstrated to us what can happen if you have inadequate capacity to meet your market needs and have to depend on outsiders. We are drifting into that kind of an environment in the absence of positive action to prevent dumping into our marketplace and to provide protection for our industries that will insure that we have fair as well as free trade.

I think there is another element that I would point out and that is that we have a need for 13 million new jobs in our economy over the next 5 years. To create new jobs takes capital. The U.S. Chamber of Commerce has estimated that it requires on the average

$50,000 of invested capital for each new job created. In the steel industry, this means that we need an environment where our industries can earn a reasonable profit. Only by earning profits will they have available the necessary capital to make the investment to produce the new jobs. Of course, along with the direct job production that would result from enhanced capacity would be the peripheral development of other industries to supply something as basic as our steel industry.

For all these reasons, I think it is extremely important that we look ahead in the United States and give thoughtful consideration to the need to develop a fair trade attitude on the part of the other nations that export into our marketplace.

The best way to do that is to have enforcement of the antidumping statutes by an active involvement on the part of the administration.

In our resolution, I think we recognize that we do not want to get into a Smoot-Hawley type of protectionism that in the 1930's certainly had some bearing on the development of not only restrictions within our market, but in the world market place and I think perhaps in some part triggered the world depression that had a spill out in the United States.

We say in the second part that in the absence of the vigorous enforcement of antidumping statutes, we may be left with no alternative in the Congress but to attempt to deal with it in some other way; but it is our hope and I think it is clearly spelled out in the resolution that the administration will respond to the cases which have been filed with a vigorous enforcement of the existing law and thereby avoid the development of protectionism throughout the world in response to what might happen in the United States.

I hope that those who sell in the U.S. markets will, of their own volition, recognize the threat to their access to this market and will, on their own initiative, stop the practices that have given rise to this special order tonight and to the resolution that has been filed today on behalf of 92 sponsors.

Once again I say to our chairman that I appreciate the fact that the gentleman has taken this special order and that he has provided thoughtful leadership to the Steel Caucus. I hope that our colleagues recognize that this is a vital action that goes beyond the steel industry and has a profound impact on the budget problems of the United States. It has a profound impact on the entire industrial economy of this Nation, because steel is basic and a strong steel industry supports many other kinds of economic activity. If we can say to the other nations that we do not intend to have our market abused by dumping, it may well prevent this from happening in many other sections of the economy.

● Mr. BEVILL. Mr. Speaker, each week the grim statistics for America's steel industry reveal further erosion in the strength of this important contributor to the U.S. economy.

Unemployment keeps rising and now stands at approximately 96,000 steelworkers out of work and another 26,000 working short weeks. That's more than one-third of the employment force in the steel industry, which is one of the major industries in our country.

The Alabama steel story is no better—in fact, in many instances it is even worse than the national steel picture. I was deeply concerned recently to learn that United States Steel has announced plans for the indefinite closing of their Fairfield Works near Birmingham. This will idle even more workers in a State which has had the sad distinction, in recent months, of having the second worst unemployment rates in our country.

Each of the 14 counties in the Fourth Congressional District of Alabama, which I am honored to represent in this body, is now experiencing double-digit unemployment. Of course, the declining strength of the steel industry is not the prime cause of all of increasing unemployment in all of these counties; however, it does have wide-ranging effects in many other allied industries.

As a founding member of the Steel Caucus, and a member of its executive board, I have spoken with steel executives from the leading industries about the causes of their economic problems.

Of course, they cite recent years of inflation, oppressive and excessive Government overregulation and many contributing factors to their problems, however, one of their most vocal complaints is unfair foreign competition.

This country has had foreign steel companies dumping their products here, bringing severe injury to our domestic steel producers and draining dollars from our economy. In a truly free-enterprise marketplace, foreign competition would be welcomed and, indeed, would be beneficial to the consumers and to our own companies. However, these foreign companies are operating at a unique advantage over our domestic firms—many of them are heavily subsidized by their governments.

As my good friend and colleague from Alabama, Howell Heflin, pointed out very ably in the other body several days ago, European governments have subsidized their steel industries by more than $30 billion over the past 6 years and will pay out $30 billion more over the next 4. This enables foreign steel producers to sell—or dump—their steel at up to 60-percent below the international market price.

We all know how costly this has been to our economy. It has cost the American steel industry 118,000 jobs since 1971 and we have lost billions of dollars needed in capital investment to modernize our steelmaking facilities.

In the past 2 years, accelerated dumping has destroyed more than 77,000 American jobs and has eroded more than $7 billion in anticipated critical capital investment.

And almost as depressing as these gloomy statistics is the fact that laws are on our books which prohibit this dumping of steel, however our own Government has failed to enforce these laws, thereby contributing significantly to the ills which now are destroying our domestic steel industry.

I have joined with many of my colleagues in the House in cosponsoring the steel trade resolution, expressing support for the 110 petitions which our country's steel industry has filed for redress under the U.S. trade laws and agreements involving about 90 percent of the apparently dumped or subsidized steel. Let me point out that management and the labor segments of the steel industry jointly support this resolution and I would urge all of my colleagues in the House to support this resolution in favor of American steel.●

● Mr. BENJAMIN. Mr. Speaker, I concur with my colleagues of the House Steel Caucus on passage of the resolution introduced today.

I encourage expeditious action from the Ways and Means Committee in their consideration of the resolution. Though the resolution deals with steel, vulnerability to subsidy and dumping and unfair trade is a national problem, not one confined to any particular city or region.

This bipartisan resolution expresses the sense of Congress that the President expedite the processing of the 110 unprecedented steel trade cases filed this January and to recommend, if necessary, changes in the Trade Act which would strengthen the trade process.

These pending cases are to be judged by the proper agencies. The agencies should be urged to work with Congress to develop fair quota legislation to save the U.S. steel industry.

The unemployment statistics of the steel industry are the highest since the Depression. Unemployment in the steel industry reached 116,000 workers on April 24. Of these, 91,000 were on indefinite layoff status and 25,000 were working less than a full week. And numbers alone do not represent the sense of loss and despair that these steelworkers live with on a daily basis.

The steel industry produced only 1,454,000 net tons of steel last week representing 49.1 percent capacity utilization. The industry produced at 87.6

percent capacity last year at this time. The figures continue to drop and serve to paint an ominous picture to steelworkers both laid off and currently working.

Northwest Indiana has 14.4 percent unemployment with more than 19 percent unemployed in Gary alone. Job training programs, the creation of new business, and Sun Belt migration are not viable proposals for those out of work. Steel production facilities have to be treated fairly in the trade arena. They have to produce at a higher capacity and put workers back to work.

It is time to send a message to the administration, the people of the United States, and our trading partners that we are concerned about unfairly traded goods and insist that existing U.S. laws and international agreements be upheld. Our unemployed workers deserve nothing less.

Knowing that the President takes notice when a sad story makes its appearance on the front page of a newspaper or on the evening news, let our message be heard. Maybe then the President will choose to lead the country out of this dumping ground and make the United States a country other countries can compete with in a just and equitable way.

I urge adoption of the House Steel Caucus concurrent resolution and exhort continued work toward a fair trade policy.●

● Mr. O'BRIEN. Mr. Speaker, I would like to be associated with the remarks made by the chairman of the Steel Caucus.

Through no fault of its own, the state of the American steel industry continues to worsen. The problem is a result of the continued apparent violation of U.S. trade laws and international agreements by our trading partners. These laws and agreements provide penalties for importing of dumped or subsidized steel. Accordingly, the U.S. steel industry has sought relief under these laws by filing trade cases.

While the domestic steel industry has followed the appropriate procedures in pressing its grievances, its position has continued to worsen. As its operating level decreases so does its employment. All indications point to the fact that this is due to imported steel capturing our market unfairly.

Time is of the utmost importance. The concurrent resolution introduced today recognizes this. The resolution expresses the sense of Congress that the President expedite the processing of these precedent-setting cases and that the Congress should consider, if necessary, changes in the law that would strengthen the process.

This resolution is a means for Congress to show its support for the expeditious handling of the steel trade cases and its commitment to fair trade.●

Mr. GAYDOS. Mr. Speaker, I thank my colleague and all my colleagues for their participation.

I do want the record to show that this was an impromptu special order. No notices went out. The executive committee was not notified. I discussed it with the gentleman from Indiana (Mr. BENJAMIN) and we thought that because we introduced the resolution that I would put these special orders into the record and anybody that we could immediately ask would participate; but I do again, as a matter of record, promise that in the future our special orders will follow the usual pattern. Where we have 10 or 15 participating, normal notice will be sent out, because I do not want to be criticized that they were not notified this time.

I thank my colleagues.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Pennsylvania (Mr. GAYDOS).

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

There was no objection.

THE LATE HONORABLE LEO W. O'BRIEN

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

Mr. STRATTON. Mr. Speaker, as the dean of the New York delegation and in response to a request by the members of that delegation, I take this special order this evening to pay tribute to a truly great Member of Congress who passed away just about 10 days ago in Albany, N.Y., the late Honorable Leo W. O'Brien, who served in this body from 1952 to 1966 when he retired. When he passed away, he had reached the comfortable age of 81.

□ 2050

Because Congressman O'Brien left the House in 1966, and we are all aware that things have turned over a great deal in recent years, there are probably not too many Members of the House today who would remember Leo O'Brien.

But Leo O'Brien left his mark in this House and, indeed, on this country. He was the one, as chairman of the Subcommittee on Territories of the House Interior Committee, who developed the legislative strategy that made Alaska and Hawaii the 49th and the 50th States of the Union, and not very many Members of Congress over its long history can lay claim to that kind of an accomplishment.

I happen to represent at the present time part of the district that Congressman O'Brien represented, and my distinguished colleague, the gentleman from New York, Mr. SOLOMON, also represents part of the district that Mr. O'Brien had, and he has patiently been waiting here tonight, and I would be very happy to yield to him so that he is not detained here any longer than necessary.

Mr. SOLOMON. I certainly thank the gentleman from New York for yielding and for taking this special order, as the gentleman has so eloquently said, for a truly great American who served in this House.

Not only was he an outstanding Member, as we all know, but going further, I think that he was one of the kindest, most decent human beings that I have ever known. I did not have the pleasure of serving with him as you did, but I was one of his constituents for many years, and I know myself and my family admired and respected him.

Leo O'Brien was an Irishman, and I think a true Irishman, and he always had that mischievous Irish twinkle in his eye. I never heard him say a bad word about anybody. He always had that knack, if you were down in the dumps, Leo O'Brien could pull you out of it. That is the kind of reputation he had.

I know I speak for the many people I represent now that the former Congressman did represent, and for many of his family that lives in my district, in extending the sympathy of all of the people in upstate New York to a truly, truly great man. We will all miss him.

Mr. STRATTON. I thank the gentleman for his contribution.

Leo O'Brien was essentially a newspaperman. He was born in Buffalo and later came to Albany as a reporter for several newspapers in Albany, and then he became a kind of stringer, because of his knowledge in Albany, for papers around the State, a highly popular and highly respected newspaperman.

He was close to Governor Dewey, but he was also close to Dan O'Connell, who was the Democratic leader of the city of Albany and the county of Albany. As a newspaperman, Leo O'Brien had seen a lot of politics. He had a relaxed attitude toward political issues. Although he was a loyal Democrat, he was never really a partisan, as my colleague from New York has already indicated. I never heard him blast the other party. But he took, I think, a view that spread over both parties something that was based on the good of the country.

In 1951, I happened to have a small news commentary program on the tel-

evision station in Schenectady, N.Y., WRGB, the first television station in the Nation, incidentally, operated by the General Electric Co. I thought it was going along very well until in early May I got a telegram saying, "Greetings. You are ordered, Lieutenant Commander STRATTON, to report to the Navy here in Washington for duty during the Korean conflict," and that, of course, interrupted my program. But the people at the station wondered if I could suggest anybody who might do a good job in carrying it on, and I said, "Well, the only name I can recall is Leo O'Brien, who is certainly very knowledgeable on the news of the world, and maybe you could get him." And they got him. As a matter of fact, he did do an outstanding job. In fact, he did such an outstanding job that in the middle of 1952 he was elected to Congress from the Albany-Troy area, Albany, Schenectady, and Troy area, and as a newspaperman he was not sure whether we wanted to go down. He said maybe he would just stay here a few years.

But as always happens, once you get here you do decide to stay, and he stayed on for 15 years.

He had a very great sense of humor. He was one of the most respected men in this House. And the fact is that at his burial service in Albany a week ago, the pastor of the church recalled some of the humorous incidents that centered around Mr. O'Brien and also the respect in which he was held by the people of his district.

I know that all of us who serve in this body are aware of the fact that when we talk down here in the well, not everybody pays attention. And those who talk here most frequently are the ones who are probably paid the least attention. Now, Leo O'Brien very rarely took the well of the House, but when he did, people listened, because they knew that he was giving it to them from the commonsense, practical approach without any element of simple partisanship.

The big accomplishment of Congressman O'Brien, of course, was in bringing Alaska and Hawaii into the Union. And while those of us today would regard this as very normal, the fact of the matter is that there was a lot of opposition to Alaska. It was just sort of a big icebox, and there was not much that we could expect to get up there.

The argument was made that the Federal contribution was going to be far greater than we could afford.

Hawaii also had some problems, particularly at that time because of some of the influences that were in the maritime industry.

But Leo O'Brien took on this job because nobody else apparently was prepared to take it. And he was told that the way to handle it was to put the two States together, the two territories together, so they could go in in one single bill. But he decided that that would not be satisfactory because the opposition could point to the defects and that would make it twice as difficult.

So he decided to divide them up. And Alaska, as I have indicated, was supposedly the toughest one to sell, simply because of the small population and the somewhat barren area that is involved up there.

But Leo decided that instead of waiting to take the tough one last, he was going to take the tough one first. And he succeeded in 1958 in getting Alaska through.

I do not recall all of the machinations, because I was not in the House in 1958. But he counted the votes. I recall that somebody pointed out that Speaker Rayburn had suggested that he defer the vote. But Mr. O'Brien had counted the noses properly and Alaska became a member of the Union.

Then in 1959, having gotten Alaska in, he went on to bring in Hawaii. And of course that has been a great addition to our Nation, as indeed has Alaska.

The distinguished senior Senator from Hawaii, the first Representative of Hawaii when Hawaii was admitted to the Union in 1959, the distinguished Senator from Hawaii, Mr. INOUYE, was in Albany last week as one of the honorary pallbearers for Leo O'Brien. This was something that his family was proud of, and that he was proud of, and it is something that the Nation as a whole can be proud of.

As a matter of fact, when the people of Alaska wanted to name a mountain in Alaska after Leo, he said, "No, don't name it after me; name it after my grandson." So there is an O'Brien Mountain in Alaska, and I would suggest that any of the Members who have not been to Alaska might want to go up and take a look at that distinguished mountain.

□ 2100

Mr. Speaker, we have all lost a great friend, a great leader, one who added luster to the House. We want to say that we are going to miss him, and we extend to his family, his wife, Mabel, and his son Bob, and the eight marvelous grandchildren, our sympathy.

Mr. OTTINGER. Mr. Speaker, I was saddened to learn this week that our former colleague and my good friend, Leo O'Brien, passed away last Tuesday, May 4. He was an extraordinary person who to an unusual degree was able to combine ability, good humor, toughness, and congeniality. I would like to say a few words about him for the benefit of those who did not have the privilege of knowing him.

When I was first elected to Congress, in 1964, the principal theme of my campaign had been to save the Hudson River, which had become strangled with pollution that robbed the river of its life and caused the river communities to turn their backs on a vital resource. The Rockefeller family, led by then-Gov. Nelson Rockefeller, deeply resented having this upstart freshman Congressman accusing the State of neglect and proposing Federal jurisdiction over what they obviously considered their private preserve. The river was threatened, however, not only from uncontrolled industrial and community pollution, but also by a State-approved pumped storage facility that the giant New York utility, Consolidated Edison, wanted to build at Storm King Mountain and by the Hudson River Expressway, an eight-lane superhighway that the State wanted to construct right in the river. I proposed legislation that would have required Federal approval of such projects and Federal participation in cleaning up the pollution and community planning to take advantage of a cleaned-up river.

Leo O'Brien was the chairman of the National Parks and Recreation Subcommittee of the House Interior and Insular Affairs Committee and this was just the kind of fight and the kind of opposition he liked to take on. The David-and-Goliath aspects of my challenging the powers that be—taking on at the same time not only the State of New York and the Nation's richest and most influential family, but also the Nation's largest utility and all the influence in Congress and the business community the utility commanded—amused him enormously.

It was roundhouse free-for-all, and Leo loved it.

Leo virtually adopted me. He showed me the ropes of how to arrange hearings and get the legislation in proper form. He showed me how to get around the opposition of powerful Congressmen who tried to kill the legislation. With his guidance we constructed a bill that would go only to his subcommittee, so that it could not be buried by the opposition. He arranged dramatic hearings in Washington and persuaded his colleagues to come to my congressional district in Westchester, N.Y., for a series of hearings along the Hudson River that produced front page stories on the river's sorry plight and on the longing of the people to restore it.

It was great theater and good policy, and Leo loved it.

Under his tutorship, I learned how things really got done in the House. He turned my legislation into a national cause célèbre. He called in chits owed him from a wide range of powers-that-be on the Interior Committee and enlisted the support of our powerful New York colleague, Gene Keogh, of the Way and Means Committee. Between them, they managed

to tie the whole package together successfully in just one Congress and due to their efforts—and with an able assist from my good friend the distinguished gentleman from Michigan, JOHN D. DINGELL, who held critical related hearings in the Merchant Marine and Fisheries Committee, we got a bill enacted. Because of this I was able to return to my district with the then almost unheard of achievement of having passed a major bill in own name as a freshman in the House.

It was a stunning tour de force of old-time Democratic politics at its best, and Leo loved it.

Leo's warmth, his interest, his wit, his knowledge , his ability, his wonderful relationship with his colleagues—and his genuine concern for the ecology of the river, all came to play in this exciting fight. And his love of the fray, of a good, tough tussle against uphill odds, was apparent as he led us to success.

Leo was responsible for many other important legislative triumphs. He holds—and richly deserves—the title of "Father of Alaskan and Hawaiian statehood," handling the very delicate negotiations required with consummate skill. He also was instrumental in the creation of the Fire Island National Seashore.

Leo cared passionately about justice and, as a former reporter for 30 years, about freedom of the press. He helped me later with the Newsmen's Privilege Act. He cared enormously about the environment and the rich natural heritage of America. But he was able to temper his fervor in these causes with a good sense of perspective and an understanding of the other fellow's needs and problems. It was this rare combination of qualities brightened by his rich Irish humor that made him able to achieve his serious and important goals so effectively.

Leo retired to be with his family in 1966, although he could easily have been reelected. He thought he ought to quit while he was ahead. But he nevertheless found time to coordinate my efforts for the U.S. Senate in 1970 in the Albany area and to use his high standing with the powerful political leaders in central New York to win me the backing of the powerful Albany Democratic organization in my successful primary quest. Again, the challenge against the odds intrigued him and his wonderful human qualities prevailed in my behalf.

I am just one of many whom Leo O'Brien befriended and who will remember him fondly as a friend and respectfully for his remarkable accomplishments in Congress.

We who loved him—and our name is truly legion—will miss Leo and remember him warmly and well. We send our sincerest condolences to his fine family.

● Mr. ADDABBO. Mr. Speaker, I am at once deeply saddened and greatly honored to join my colleagues today in paying tribute to our good friend and former colleague, Leo O'Brien.

Leo was a wise and funny man, and a good friend of mine. I served with him in the House of Representatives from 1960 until 1966; Leo was my hero, my mentor, and my adviser. All of us who knew him remember his easygoing manner and his sense of humor. As a reporter, Leo was full of wisdoms and anecdotes; as a storyteller, he kept us laughing and amazed at his insights. He was a crack newspaperman and political writer for almost 30 years, where he gained vast knowledge of many issues. When he was elected to Congress in 1952 in a special election, Leo put his background to work in every area. He was a member of the Science and Technology Committee, and chairman of the House Subcommittee on Territories of the Interior Committee. In this latter position, Leo was responsible for the drafting and floor management of bills admitting Alaska and Hawaii to statehood in 1959.

We will all miss Leo—as a reporter, as a colleague, and most of all, as a friend. My deepest sympathies go to his wife, Mabel Jean, and to all of his family for their great loss.●

● Mr. BOLAND. Mr. Speaker, I was saddened to learn of the death on May 4 of our former colleague, Leo W. O'Brien. I appreciate the opportunity afforded by the gentleman from New York (Mr. STRATTON) to pay tribute to a man with whom I had the pleasure of serving in this House for 14 years.

Leo O'Brien, or "Obie" as we knew him, came to Congress after a distinguished career as a newspaperman. His training in journalism gave him an appreciation of the necessity of seeing both sides of an issue, a trait which won him both respect and friends in the House. Leo served as chairman of the Interior Subcommittee on Territorial and Insular Affairs and in that capacity became a tireless champion for the residents of the offshore territories administered by the United States. His conviction was that everything possible should be done to extend the full benefits of American citizenship to the residents of the insular areas. No one did more than Leo O'Brien to break down the barriers which prevented people of the territories from fully exercising their rights and privileges as Americans.

While he was held in special regard by residents of the territories for his efforts on their behalf, I do not believe that there was a place in this country outside of New York in which Leo O'Brien was held in higher esteem than in Alaska and Hawaii. He will be forever remembered by the citizens of those States as the most effective and determined congressional advocate of bringing them into the Union. The statehood bills which he authored and shepherded through Congress are a testament to his vision and his perseverance.

Mr. Speaker, Leo O'Brien was a man of wit and warmth. His personality and his integrity won him many friends in the House, and I was proud to have been one of them. May he rest in peace and may his wife, Mabel Jean, his son, and the grandchildren whom he loved so much, take some comfort in the knowledge that their sorrow is shared by all who knew him.●

● Mr. CLAUSEN. Mr. Speaker, I rise at this time to pay tribute to a man who served 15 dedicated years in this Chamber; a man who committed his life to truth, progress, and the Nation he loved so much. On May 4, Leo W. O'Brien passed away at a hospital in Albany, N.Y., at the age of 81 years.

Leo was elected to the Congress in 1952. He took pride in his usual good-natured manner in that he was the only Member elected on April Fool's Day. We can all respect his victory margin of 40,000 votes on that April 1.

Leo brought to Congress 30 years of exemplary dedication to his chosen profession of journalism. Leo wrote for 15 newspapers and numerous radio and television stations.

As chairman of the Subcommittee on Territorial and Insular Affairs, he was respected and admired from both sides of the aisle.

Leo's most notable accomplishment while serving in this body was the persistent guidance and nurturing of the legislation which brought our two most recent States, Alaska and Hawaii, into the Union.

The efficiency with which the vast number of hearings and compromises were carried out can be awarded to his precise organizational strategy and ability to focus the contending actors on the basic issue at hand.

The controversies involved in attempting to bring the 49th and 50th States into the United States were just few of those which Leo O'Brien approached in his forthright, laudable manner. He will be remembered by all those who served with him and all those who have followed as the professional, competent, and creative legislator he was. His accomplishments are among those which will reign as paramount in the history of this body; accomplisments which stand highest in our admiration. Leo W. O'Brien will be remembered in Congress, in the States of Alaska and Hawaii, and by all Americans as an accomplished statesman and a man of humor and commonsense.

The memory and influence of Leo W. O'Brien will be a permanent reminder to all Members of Congress of what can be done with like dedication and cooperation.●

● Mr. MARTIN of New York. Mr. Speaker, I am grateful to my colleague, the dean of New York State's delegation, for this opportunity to honor the late Leo W. O'Brien of Albany, N.Y.

I feel a kinship with Leo O'Brien that goes beyond his surname, which was my mother's maiden name. As an upstate New York Congressman assigned to the Interior Committee, I follow in his footsteps. I can only hope that my contributions to that body will begin to approach his, which included such an instrumental role in the granting of statehood to Alaska and Hawaii.

Leo O'Brien was no stranger to my congressional district and, in particular, Watertown, N.Y., where he had many friends. Among them were several former colleagues in the newspaper business he served so ably, before coming to Congress, as a bureau manager for the International News Service and as a contributor to the Syracuse Herald, the New York Times, the New York Sun, and the Albany Times-Union. His work also appeared in the Watertown Daily Times, where it enlightened many people throughout New York's northern tier. On May 7, 1982, that newspaper published an editorial tribute to Leo W. O'Brien, newspaperman, politician, and citizen. I am delighted to insert the editorial into the RECORD for the consideration of my colleagues in this institution which he served so well.

LEO W. O'BRIEN

Leo W. O'Brien, a superb newspaperman and a state maker as a congressman, has died at the age of 81. After covering Albany as a newspaperman for almost 30 years, he became a congressman and represented the capital district in Washington for seven terms. No other congressman could claim that in 14 years he created two states, but that is what Leo O'Brien accomplished, Alaska and Hawaii.

He has told the story many times about how he arrived in the capital as a new member of the House and was named to the Interior Committee, an incongruous assignment for a Democrat from Albany, N.Y. Finding the committee work something less than inspiring, he decided he would learn everything he could about the process of making new states and concentrate his efforts in behalf of Alaska and Hawaii. It is probably true that their time had come, but none of the Washington powers on The Hill really wanted to do anything on the subject except talk and promise. He decided that his objective would be to perform. Alaska became the 49th state in 1959, and then came Hawaii.

He stayed on in the House to do one more thing that was novel. Although he had risen to the second rank on the Interior Committee, he announced categorically that he would retire at the end of his seventh term, and he did exactly that, at the age of 66.

Since then he has carried out various assignments in New York State. He was named by Governor Rockefeller to the commission that studied the Adirondacks leading to the creation of the APA.

In spite of his governmental career, he was always a newspaperman at heart. He would come to Albany to vote in November. On election night he would go down to the United Press office, take off his jacket, loosen his necktie, and help his friend, the late Kirt King, put together the statewide election results. He would pound out new leads for the election roundup stories, study the way the vote was running, and then elect whoever seemed to emerge from his process of analysis. After working most of the night, he would tell Kirt King that these were the most satisfying experiences in his congressional career.

For many years he was the bureau manager for International News Service, which was owned by Hearst. That normally would have been enough of a job for most newspapermen, but he also wrote for the Syracuse Herald, the New York Times and the New York Sun, as well as the Hearst paper, the Albany Times-Union. Forty years ago one of the reasons the Watertown Times began to buy the International News Service was so that Leo O'Brien's stories would appear here. After INS merged with United Press to become UPI, he did some broadcasting in Albany and thereby expanded his popularity.

Dan O'Connell, the Albany County boss, decided that Leo ought to be a congressman, and in a special election that is exactly what happened. That quotation in his obituary which appeared in this newspaper was true, that when he won the first time, he was the first congressman ever elected on April Fool's day. And he had a majority of 40,000 votes.

The best story he ever told has been repeated occasionally on this page. He had a theory that great political leaders succeeded or failed, depending on the bumps in the road. In the early days of O'Brien's news career, he experienced the rise and fall of William S. Hackett, the mayor of Albany. Al Smith was preparing to run for the presidency in 1928. Smith decided he wanted Hackett to run for governor. Not long after, Mayor Hackett was on vacation in Havana. He was riding in an automobile which struck a bump in the road. The mayor was thrown from the jump seat in the car against the door handle and out on the street on his head, and died as a result. Franklin D. Roosevelt became the gubernatorial candidate, won that election, and went on to Washington in 1933 to win for the first time in history, four presidential terms.

Newspapers, politicians and voters lose in the death of Leo O'Brien a tremendous citizen. He may have been from an older school, but what a school that was.●

● Mr. LENT. Mr. Speaker, I rise to join in tribute to a former colleague, the Honorable Leo W. O'Brien, whose death last week saddened us all. I thank the gentleman from New York (Mr. STRATTON) for his thoughtfulness in making possible this honor to an outstanding Member of the House of Representatives. Born just after the beginning of the 20th century, Leo W. O'Brien's long career as a newsman and a radio and television commentator in the Albany area covered three decades of tremendous growth and tremendous changes in our State of New York and of our Nation.

His 30 years as a reporter and commentator built an invaluable reservoir of knowledge and experience which served him admirably when he was elected to the Congress in 1952. Coupled with his warm, outgoing, witty personality, Leo O'Brien's great knowledge and experience moved him to the forefront as an influential Member of Congress.

Mr. Speaker, Leo O'Brien's seven terms in the House of Representatives were short by the usual standards of congressional service. But those years in the House demonstrated conclusively that length of service and high seniority are not the only requirements for compiling a remarkable legislative record.

To cite just one major example, Mr. O'Brien was a major force in spurring favorable congressional action to bring statehood to Alaska and Hawaii. This accomplishment alone would merit Leo O'Brien a secure place in the history of our Nation. But, our former colleague from New York added much more to his legislative accomplishments. Those of us from Long Island, for example, will always be grateful to Leo O'Brien for his successful efforts in sponsoring the legislation which created the Fire Island National Seashore. Future generations will continue to enjoy the unspoiled beauty of this marvelous ocean barrier island, thanks to the foresighted efforts of Leo O'Brien. We on Long Island owe a great deal to him.

In fact, Mr. Speaker, the people of the State of New York, and indeed of the entire Nation, owe a real debt of gratitude to Leo O'Brien. We mourn his loss. But we are comforted by the fact that his outstanding record of public service will remain an example and inspiration to all.

My wife Barbara joins me in extending our deepest sympathy to Mr. O'Brien's wife Mabel Jean, his son Robert, and other members of his family.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the life and accomplishments of Leo W. O'Brien.

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

There was no objection.

URGING PRESIDENT TO SEEK AGREEMENT AT VERSAILLES ECONOMIC SUMMIT CONFERENCE FOR RESTRAINT IN EXPORTING NUCLEAR FUEL

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

● Mr. BINGHAM. Mr. Speaker, I am today introducing a resolution urging President Reagan to seek agreement at the upcoming Versailles summit conference for restraint on the part of our allies in exporting nuclear fuel and technology. Specifically this resolution, which is being introduced today in the other body by Senator JOHN GLENN of Ohio, aims to bar nuclear exports to nonnuclear weapons states that have not agreed to full-scope safeguards—that is to inspection of all their nuclear facilities by the International Atomic Energy Agency (IAEA).

While no one step will ever be sufficient to control nuclear proliferation, acceptance by supplier nations of the need for full scope safeguards is critical, and it provides an ideal opportunity for the administration to begin to achieve the goals that it has set for itself in this important area of policy.

It is well known, Mr. Speaker, that a number of countries are engaged in ambitious commercial nuclear power programs that cloak serious efforts to create nuclear arsenals. Pakistan, Argentina, and South Africa are three countries that come to mind immediately. Each of these nations has refused to accept full inspection of their nuclear power programs by the IAEA. Each continues to receive nuclear fuel and equipment from suppliers who accept only limited safeguards as a condition for export out of fear that more strict requirements imposed unilaterally will result in someone else leaping in to take their place in nuclear trade.

Even more frightening—if that is possible—is that many of the countries that have not accepted full-scope safeguards are themselves interested in becoming nuclear suppliers. South Africa and Argentina have made their intentions known in this regard, and the head of the Argentine nuclear program has even suggested that his nation will export plutonium, the material used for nuclear bombs.

By agreeing to halt exports to countries that will not provide the most basic assurances of their intentions to eschew nuclear weapons, supplier nations would be taking an obvious step toward insuring global survival. And, indeed, the possibilities for achieving such agreement on full-scope safeguards seem bright.

Canada, Australia, and the United States already insist on full-scope safeguards as a condition of nuclear export. The Soviet Union and Germany have indicated that they would agree to similar measures provided they are accepted by all suppliers. The new Government in France has sent signals that it would be prepared to take a harder line on exports. The recent debates in the United States and Europe on the dangers of the nuclear arms race can only strengthen the resolve to curtail dangerous nuclear trade.

As I pointed out, Mr. Speaker, asking for supplier acceptance of full-scope safeguards squares with the administration's expressed nuclear nonproliferation policies. Last July 16, the President stated that the United States would establish itself as a reliable nuclear supplier in order to gain the cooperation of other nations in controlling nuclear proliferation. He explained that one of the objectives of that cooperation is—

> To seek agreement on requiring IAEA safeguards on nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment.

Congress has spoken with a clear voice in affirming the need to develop strong cooperation among suppliers. Last July 17, the day after the President's nuclear nonproliferation policy statement, both the House and the Senate passed without a single dissenting vote resolutions outlining the dangers of nuclear weapons spread and the steps that the Chief Executive should take to check proliferation.

In the intervening year the President has had an opportunity to put his policy to work. He has agreed to send enrichment technology to Australia and to help Mexico undertake a major nuclear power program that might include the Mexicans as partners in U.S. reprocessing ventures. Likewise the administration has signaled its intention of giving our allies greater latitude in reprocessing U.S.-supplied fuel to derive plutonium. Now, with the upcoming summit, the President has a magnificent opportunity to extract pledges of cooperation from the beneficiaries of this nuclear policy.

None of us, of course, would suggest that it is enough to establish worldwide agreement of full-scope safeguards. As last year's resolutions pointed out, the safeguards regime must be improved and members of the IAEA must agree on sanctions that will be applied against countries found through IAEA inspections to be using their commercial nuclear power facilities for military purposes. In addition, suppliers must add to the list of restricted export items that have nuclear applications.

Nevertheless, acceptance of full-scope safeguards provides a good beginning, a beginning that reestablishes the United States not only as a reliable nuclear supplier but as a leader in efforts to curb nuclear weapons spread.

In this regard, Mr. Speaker, I would like to remind this body of the admonition of my distinguished colleague, Mr. ZABLOCKI, delivered during the debate on the House resolution adopted last year. "Through the imaginative use of diplomacy," said the chairman of the House Foreign Affairs Committee, the United States can "make it evident to all countries that proliferation is in the interest of no one."

The text of the resolution follows:

H. CON. RES. 340

Concurrent resolution urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, adopted Senate Resolution 179, calling on the President to implement a series of important initiatives to strengthen the international non-proliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, adopted House Resolution 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations:

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Senate and the House of Representatives, respectively, hereby reaffirm Senate Resolution 179 and House Resolution 177, and

(b) the President, as an initial step toward implementing these resolutions, should urgently seek, at the Versailles economic summit conference and through other appropriate channels, to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.●

NATIONAL THEATER WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 15 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I rise to express my support for House Joint Resolution 431, establishing a National Theater Week of June 7-13, 1982. The resolution has passed the Senate and will, I hope, be voted on by this body in the near future.

Long overdue, this resolution will honor a part of our country's heritage, the legitimate stage. Never before have we, guardians of the Declaration of Independence and the Constitution, paid tribute to the individuals and organizations who have devoted over 300 years toward one common goal—the American theater. It is also a way to trace historical years and recognize amateur and professional artists found in children's, high school, college, community, regional, and Broadway theaters. It is they who have labored long and hard to give the American public the finest theater entertainment in the world. It is our theater. Let us be proud of it.

Allow me to summarize a few of the many important facets of our theater's 300-year history. Over a century before the colonies declared their independence, the seed of theater was planted. In Virginia, for example, there are records dated, 1665, of a play being performed entitled "Ye Barre and Ye Cubb." Students of that great university, Harvard, gave a performance in 1690, of Benjamin Coleman's "Gustavus Vasa," the first play written by an American. The theater at Williamsburg of 1718, built by William Levingston, a merchant and dancing master, was the first on the North American Continent and was used for amateur productions by the students of William and Mary College. In New York, the first of many legitimate stages was the Nassau Street Theater. George Farqhar's comedy, "The Recruiting Officer," was a popular professional play of the era, along with "The Orphan," which headlined the opening of South Carolina's Dock Street Theater. The American premiere in 1773 of "She Stoops to Conquer" opened at the John Street Theater. Shortly thereafter, the Charleston Theater opened with "A Word to the Wise" and "High Life Below Stairs."

More importantly at this time, the Declaration of Independence broke the bond with the mother country and forced us to look at our own resources, to nourish our own intellectual and artistic life, to push for home grown products that bore the American mark. One of these products was Royall Tyler's drama "The Contrast." This play dealt with a study of social pretention and sides with an unlettered but shrewd Yankee against his more polished contemporaries. Let me ask my colleagues at this time: Where are these plays and theaters now? What can replace them today? Only a few printed records show they existed, and these early years I have mentioned may be disputed. Perhaps the difficulties, in part, are due to a congressional act adopted in 1778 in Philadelphia prohibiting theater altogether. Who is not familiar with the painting depicting Thomas Wignell, a theater manager, carrying a pair of candlesticks as he led President Washington to his box seat?

The era of the theater also had more than its share of difficulties. One in particular was lighting; something we now take for granted. Picture with me, if you will, a romantic love scene. The villain has been ousted from the city, the hero and heroine are about to passionately embrace in the middle of the scene. Then, just as her lips near his, a stage hand enters and snuffs the footlight candles. That is not the worst that could happen either. Many a theater found flames shooting the curtain during the second act. It was to great relief when gas jets, contained within ground glass, were introduced at the Bowery Theater in the 19th century. Besides the gas lighting, one of theater's most inventive workman, Steele MacKaye, added a simple form of air-conditioning. The 19th century proved to be an industrious step in the direction of lighting, with the introduction of the incandescent lamp. Lighting became a useful assistant in such plays as: "The Fatal Marriage" and "Bunker Hill."

But even with this new added demension, critics of the time were howling with contempt, complaining that American playwrights were imitators. But, does that make these plays any less American? What Americans really protested against them? In this age we are thankful to have these works because they at least give us some measure of the American mind and temper. As Samuel Johnson said long ago, "The stage but echoes back the public voice." And one of the resounding echoes that voice heard was a classic piece of poetic Americana that, if not put to music by an actor named Charles Durang, may have been forgotten. Every night, before the performance at the Holliday Street Theater, Durang sang the composition. That classic piece is now known by every American as the "Star Spangled Banner."

At this point in time, people of the legitimate stage were becoming world renown. Names such as: Edwin Forrest, Mary Ann Duff, Thomas Kean, Charlotte Cushman and, of course, the indomitable Edwin Booth. Booth was asked why he always looked insulted when taking his curtain calls at the end of the play. He replied, "I have given my life to these great roles. I do not consider myself an entertainer. I am an interpreter. I reveal the soul of masterpieces." I might add, the great dramatist and thespian began his serious apprenticeship in San Francisco.

The year 1831 marked the debut of the showboat in America. Surely, it was on its way to becoming a popular attraction on the waterways. Showboats along with railroads, and later automobiles, were main forms of transportation, and therefore became a motivating force in the theatre. Where they went stock, ballet, and opera companies were sure to follow. It was not unusual for these companies to assist each other in their performances. Thus was the birth of a highly crafted theatre art, musical comedy.

June 8, 1882, saw the beginning of the Actors Fund of America, an organization whose helping hand to veterans of the stage is still remembered. Also at this time, men, such as Thomas Edison, were at work with stage lighting, taking it from mere illumination to the art it is today, an art showing the smallest details, including costumes, makeup, and set design.

Now that America had more reputable craftsmen, people like Ziegfeld, Beck, Langner, and the Shuberts, were building theatres with the intent of making a permanent place for stage in America. Vaudeville was making a successful engagement on many of the stages; and people like Fanny Brice, Bill "Bojangles" Robinson, the Foys, and Nat Goodwin were receiving top billing. But at the pinnacle of that billing was a man who some consider "the Father of the American Muscial". This legislative body knows him as the first theatrical performer to receive a Congressional Medal of Honor—George M. Cohan. Such well known tunes as "Yankee Doodle Boy", "You're a Grand Old Flag", and "Give My Regards to Broadway" are stil being received warm-heartedly in this country.

President Wilson was following his fellow countrymen in regularly saluting the theatre; but the theatre was having an inner turmoil to the regret of many, and found itself in the midst of an actor's strike. Actors wanted a bargaining agent and attempted to secure one. By 1919, Equity finally gave actors the protection they wanted. About this point, recognition was bestowed upon an unknown playwright, Eugene O'Neill. To date, this man's writing remains a major contribution to the theatre world. And who could forget the other "new wave" playwrights such as: Moss Hart, Robert E. Sherwood, George S. Kaufman and Lillian Hellman among many.

Broadway was now in full swing and the musical "Showboat" broke onto the scene with worldwide acclaim. Such tunes as "Ole Man River" and

"My Man Bill" established Jerome Kern as a classic partaker of the stage. Many individuals were on the boards at this time but now, competition from Hollywood was having a heavy effect. It was due to motion pictures that stage suffered the losses of onetime thespians like Spencer Tracy, Bette Davis, James Cagney, Kathryn Hepburn, Cary Grant, Barbara Stanwyck, Humphrey Bogart, and Claudette Colbert.

Though many were heading to the west coast for "talkies," the best was yet to come for the theater. Playwrights now gave us the necessary vehicles to propel the American stage to previous unattainable heights. "Our Town," "You Can't Take It With You," "Hotel Universe," and "Abe Lincoln In Illinois" were just a few of those vehicles. Musicals were having a great turnout with composers and lyricists like Rodgers and Hammerstein who combined their talents and came up with the unforgettable "Oklahoma," that had a run of 2,248 performances. The great Agnes De Mille is also given some quite deserved credit for her choreography of the play. Besides Rodgers and Hammerstein, there were other teams of songwriting turning out hits such as George and Ira Gershwin, Irving Berlin, Lerner and Lowe, and Rodgers and Hart.

The theater, past and present, was now gaining a great deal of attention by its leaders in Washington. Members of Congress, the President and First Lady were entertaining theatrical dignitaries on Capitol Hill and at the White House. But many other officials were taking a hard-lined look at the theater and complaining about its faults. Yet the constituency of this country took a milder view and started to enjoy the entertainment that regional and community theater gave them. Children's theater was becoming common as well as inexpensive and enjoyable for the whole family with "Jack and the Beanstalk" and "Snow White." Comedies like "Come Blow Your Horn" by Neil Simon and dramas like "Who's Afraid of Virginia Woolf?" were making their debuts. And directors like: Elia Kazan, Joshua Logan, and Harold Clurman were helpful in making many plays successes. More recently we have had such plays as: "Dracula," "Grease," "Amadeus," and "The Dresser." And it is by no means that I am insinuating any of the plays mentioned are better than others. I could literally stand here for hours naming amateur and professional artists that daily do justice to the great written works.

As we know, theater has had to struggle to survive the competition of motion pictures, television, radio, and video. But, many are firm optimists and believe more is to happen in the 20th century in America than in any other comparable span of years in the history of drama. New theories and techniques, plays, theaters, schools of acting, and principles of directing—all are to be tried and every aspect scrutinized and tested.

The point of my speaking with you today is to reveal the multiplicity of forces that shaped the theater in this country's heritage. Each of these forces has had a direct bearing on the United States in some shape or form. With many of us it has already had a direct bearing on our lives and our families. How many of us were thespians? How many of our children are involved with the legitimate theater?

As the greatest nation on the face of the Earth, we must recover a significant belief that has been lost. The stages of theater are changing the stages of our lives. Theater represents at its best a victory of civilization. One of this Nation's greatest victories was the Arts and Humanities Act which was made into law in 1965. One statement in section V is quite noble. It reads:

> While no government can call a great artist or scholar into existence, it is necessary and appropriate for the federal government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also material conditions, facilitating the release of this creative talent.

Under this pioneering law, the Committee for National Theater Week believes that House Joint Resolution 431 fulfills this need and does so at no expense to the American public or Federal Government.

I myself am inclined to agree with them, as do a number of individuals, organizations, and unions. We have just heard a few of the marvelous things the theater arts of this country have achieved. Why should we be the ones to withhold the knowledge of these marvelous people and deeds from our constituency. We made that mistake once before in 1778. Let us not repeat it. This is our National Theater Week. Let us feel privileged to celebrate it.

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PRIVATE MARKETERS' SEESAWING DOESN'T FOOL THE AMERICAN PUBLIC

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

● Mr. ANNUNZIO. Mr. Speaker, one of the biggest issues in the controversy surrounding the striking of commemorative coins for the 1984 summer Olympics to be held in Los Angeles concerns the role of potential private marketers. One of the bills under consideration, H.R. 6058, calls for the minting of 17 coins to be sold to the public through the private marketers. I have frequently stated my opposition to this proposal, for private marketing of official U.S. coinage spells trouble. One need only look to the history of commemorative coinage in the United States for documentation of my belief.

Unfortunately, the private concerns who hope to market our Olympic coins have done nothing to dispel my reservations. In fact, their recent behavior only confirms my worst suspicions. Fortunately, these maneuverings have not fooled many Americans; a letter I received from Mr. George Lill of Niles, Ill., is proof of that.

As you know, the Los Angeles Olympic Organizing Committee made a coin marketing agreement with a consortium consisting of Occidental Petroleum, Lazard-Freres, the international banking firm and the Franklin Mint. These companies forwarded a $5-million downpayment and promised a $30-million guarantee to the Los Angeles Committee in return for exclusive worldwide marketing rights. The contract originally called for the minting of 29 different coins although the number was later reduced to 17. Nevertheless, a complete set of coins, even under the reduced program, could cost $5,000. Mr. Lill describes this proposal in the following way:

> My hearty congratulations on your seemingly one-sided stand against the attempted profiteering by the Occidental-Lizard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.

Although the purpose of striking these coins is to raise money for our Olympic athletes, the General Accounting Office has estimated that for every $25 raised under the private marketing approach, only $5.40 will go toward the Olympics. It is my estimation that by the time the money ultimately reaches the athletes level, there will be less than $1 out of every $25 raised available for training purposes. Obviously, the rest of the money is going to fill the pockets of the private marketers. It is no wonder that they insist that the private mar-

keting approach is the most lucrative. The question is for whom.

Mr. Lill also points out another serious problem with private marketing:

> The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone the general public with the present economic situation as it is.

As I have mentioned before, it was the scandals associated with the private marketing of coins that led to the termination of commemorative coinage in the United States over 25 years ago. The privately marketed Canadian Olympic coin program raised only $24 million out of $388 million worth of sales for the Canadian Olympic Committee. The fact that the marketers have been willing to share any information concerning the Russian Olympic coin sales with my subcommittee certainly implies the worst. Last September 23 I shared with you a great deal of information concerning the scandal surrounding the Greek Pan-American Games coin program.

I should hasten to add that Occidental Petroleum was involved in the Russian venture and Lazard-Freres in the Greek one. Both Mr. Lill and I agree that it seems hardly appropriate for these companies to be involved in our Olympic coin program.

In addition, the Securities and Exchange Commission recently accused the Franklin Mint of fraud involving hundreds of thousands of dollars. It seems to me that there are very large ghosts in each of these closets.

If all of this information is not enough to convince this Congress that these private marketers should not be allowed near our Olympic coins, their recent behavior regarding the contract with the Los Angeles Olympic Organizing Committee should be. As Mr. Lill puts it:

> I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.

On March 17, 1982, several Olympic athletes held a press conference in Washington, D.C. At this time, they announced that the private marketers had threatened to withdraw from their agreement if a favorable piece of legislation was not on its way to become law by March 31, 1982. This day came and went with no word from the marketers. Then, on April 9, Peter Ueberroth, the president of the Los Angeles Committee, announced that the marketers had indeed broken the agreement. The Los Angeles committee would have to return $4 million, with interest. They would also lose the $30 million guarantee.

We immediately heard cries of outrage from all those who supported the private marketing arrangement. But they were not angry at the marketers; rather, they blamed the subcommittee for dragging its feet on the legislation. Many claimed that the marketers now lacked the necessary time to lay the foundation for the elaborate program. It seemed that their permanent withdrawal was definite. The Los Angeles Committee stated that it was making arrangements to return the money to the marketers. According to the Los Angeles Committee, the Congress had kicked a gift horse in the mouth.

Then, on April 19, 1982, Lazard-Freres and Occidental sent telegrams to Representative ST GERMAIN indicating that they would both be willing to bid for the contract to market the Olympic coins. One might attribute the Franklin Mint's sudden absence to the Securities and Exchange Commission's recent accusations. Be that as it may, it appears that Lazard-Freres and Occidental are still hanging in.

Frankly, I cannot understand why the Los Angeles Olympic Organizing Committee is so thrilled with the private marketers' recent telegram. Rather than indicating their feelings of genuine altruism toward the Olympics, this seesawing reveals blatant opportunism. It seems to me that if these companies rally cared about the Olympics they would not have withdrawn from their original contract. The fact that they did surely implies that all they want was to get out of paying both the $4 million downpayment and the $30 million guarantee.

If you look at the situation objectively, you can see that these companies are in an excellent bargaining position. Should the Congress pass H.R. 6058, Lazard-Freres and Occidental have a clear advantage over any other bidder for they have already made plans and ingratiated themselves to the Olympic committees; they have what is commonly called a big head start. Since they are the only likely bidders, the Congress and the Olympic committees will probably be forced to take whatever these companies choose to offer. In my opinion, this is anything but a gift horse; I would call it more of a Trojan horse.

Mr. Lill, like many other Americans, has written to me expressing his objections to the private marketing of Olympic commemorative coins. Obviously, most Americans are not fooled by the maneuverings of these private companies. Mr. Lill writes that he will not support the Olympic coin program proposed by H.R. 6058. I do not blame him. It seems to me that if we want a successful coin program that the American public will support, we had better eliminate the excessive costs and scandal associated with the private marketing approach. We will be very sorry if we do not.

I have reprinted the entire text of Mr. Lill's letter below:

NILES, ILL.,
April 28, 1982.

Re Proposed Olympic coinage.

Representative F. ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE ANNUNZIO: My hearty congratulations on your seemingly one sided stand against the attempted profiteering by the Occidential-Lazard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.

This Cartel in its greedy attempt to make an undisclosed profit at the expense of the U.S. government (the resulting tax payers) and most of all, at the expense of the athletes would mark a low point in the history or our country as well as mark the stupidity and duplicity of those governmental representatives who would aid the Cartel's raid upon the public.

The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone by the general public with the present economic situation as it is.

I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.

Very Truly Yours,

GEORGE LILL III.●

LEGISLATION REVISING PROCEDURE FOR SETTLEMENTS OF ANTITRUST CASES

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

● Mr. RODINO. Mr. Speaker, I am pleased to introduce today a bill that would revise the procedure for settlements of antitrust cases contained in the Antitrust Procedures and Penalties Act of 1974, commonly known as the Tunney Act. The purpose of the Tunney Act was to bring public scrutiny on the Department of Justice when it negotiates settlements in antitrust cases. Past experience has demonstrated that the Department may not be immune from the massive political influence that some large antitrust litigants possess.

To be successful, settlement negotiations frequently must take place out of public view, which presents an opportunity for mischief. The complexity of antitrust law and theory further insulates settlement processes from effective public scrutiny. As a consequence of these and other factors, it is

important that the Department employ special procedures in negotiating antitrust settlements, both to minimize the possibility that improper considerations will be present in the Department's decision and to promote the appearance of complete propriety so vital to maintaining public confidence in our Government.

The Tunney Act imposes several procedural protections upon the process of settling Government civil antitrust litigation. For example, the Government must publish materials designed to give public notice of the terms of the proposed consent judgment in the Federal Register and in newspapers. In addition, the act contemplates that the Department publish a competitive impact statement, akin to an environmental impact statement, that will contain information about the proposed settlement. Defendants must file with the court a description of their contacts with Government agencies other than the Department of Justice. The public in turn may file comments on the proposal and participate in the proceedings under court order. The court then is instructed to assess whether the proposal is in the public interest.

As one of the House sponsors of the original Tunney Act, I am more committed than ever to the goals of this legislation. Its objective—to foster propriety, actual and perceived—is just as important today as it was in 1974. The basic mechanisms of the act—disclosure and public participation—continue to be the best available tools to meet these goals.

Experience under the Tunney Act has, however, uncovered three areas of legislative concern. First, the Department of Justice has recently settled two of the most important antitrust cases in its history—the IBM and A.T. & T. cases—and has taken the position that the Tunney Act procedures do not apply. According to the Department, the act has never intended to apply to dismissals as occurred in the IBM case. And while the Department has voluntarily agreed to abide by most of the rules of the Tunney Act in the A.T. & T. case, it again argues that it is not bound by the provisions of the act, because the settlement was effected by modifying an existing consent decree.

The issue of whether Tunney Act procedures apply to dismissals and decree modifications is currently in litigation. My introduction of this bill should not be read in any way as an expression of a view on the current law, nor is it intended as a comment on the current proceedings. There is, however, a need to clarify application of the Tunney Act procedures to all consensual resolutions of cases, including dismissals and modifications of existing decrees.

The possibility for political abuse is at least as great in the case of dismissals and decree modifications as in other consensual terminations of cases.

Indeed, a consensual dismissal in some instances can amount to a more serious abdication of the public interest than does a settlement in which the Government has obtained at least some degree of relief. Resolution of any uncertainty in the law is also timely—the Department has embarked on a program to review existing decrees and anticipates that many will be modified or dropped.

Experience under the Tunney Act has pointed up a second concern. Although the basic disclosure and participation techniques continue to be valid, certain of the procedural requirements would appear burdensome and ineffectual. For example, the act requires the Department to prepare a competitive impact statement, which must be filed with the court and published in the Federal Register, in every case to which the act applies. In theory, this statement should provide an informed basis for comment on the decree; in practice, it has proven to be of limited value in achieving its goals because the Department has relied upon standardized statements. Other Tunney Act requirements have also proven costly and of limited value. Among these are requirements for publication in the Federal Register of the proposed decree, the competitive impact statement, public comments and the Department's responses; and publication in general circulation newspapers in the District of Columbia of summaries of the decree, the competitive impact statement, and a list of determinative documents. One source estimates that publication alone costs the Department in excess of $400,000 a year.

Finally, under the existing Tunney Act, the court must determine whether the proposed consent is "in the public interest." This standard provides only limited guidance for the responsible judge seeking to comply with the act; at the same time it does not place a clear limit upon a judge who would reach beyond the court's duties under the act.

The bill I am introducing today makes clear that, whatever the state of existing law, its requirements will apply to all consensual resolutions of the Department's civil antitrust cases in the future. In addition, the bill would revise the Tunney Act procedures in light of experience to eliminate or reduce those requirements, such as preparation of a competitive impact statement and publication, that are costly or unnecessary. The bill contemplates a simple, vastly reduced procedure will be employed in every case. In exceptional cases, where the court makes certain specific findings, it may employ more extended procedures.

Under the bill, the Government will file a notice of its intentions to resolve a case consensually. At the time it files its notice with the court, it will also publish a brief notice in the Federal Register and file a short explanation of the settlement. During the next 60 days, the public may comment. After the public comment and any response deemed necessary by the Department, in most cases the court will grant the proposal without further proceedings. Only if certain specified tests are met will the court employ further proceedings. At the conclusion of the proceedings, the court will again consider the proposal. If it finds the proposal does not meet articulated criteria, it may order the Department to reevaluate its actions.

I believe that the procedures of the bill are superior to the current procedures in at least three respects. First, there can be no room for technical arguments over coverage—it unequivocally covers all consensual resolutions. Second, many wasteful mechanisms are eliminated. Finally, by employing definite standards, the bill affords more guidance to the courts.

I urge my colleagues to join me in supporting this constructive clarification and restructuring of Tunney Act procedures designed to protect the public interest in antitrust litigation.●

DRILL LAST, NOT FIRST, IN SCENIC OFFSHORE AREAS

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

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation in response to the ongoing threat to central and northern California's unique coastline. I feel it is time for the administration to halt its rush to develop the environmentally sensitive areas off this coast, and time to halt the seemingly endless assault on our coast's most beautiful areas. In its rush to development, the Interior Department seems to be ignoring the fact that the risks of drilling offshore of this area far outweigh the possible benefits of such drilling. Not only would such drilling have potentially devastating effects on the unique marine and coastal environments in this region, but it would also cripple the local economies should oil seepages or spills occur.

As you know, Congress acted last year to withdraw funding for appropriations for the development of certain offshore lease sale areas in fiscal year 1982. The areas withdrawn by Congress were those tracts lying in the northern four basins of the lease sale designated as lease sale 53. The ex-

tremely low resource estimates, showing that the oil and gas contained in these areas would provide oil and gas for our Nation for only a few days, spurred the Congress to proscribe spending in these areas. Along with many other Members of Congress, I am hopeful that this type of action will be undertaken again, barring development in the new areas targeted by the Interior Department for possible leasing.

It makes no sense, however, to have to continue to fight leasing offshore central and northern California, year after year, lease sale after lease sale. Local governments in central and northern California are tired of expending crucial resources, funds and staff time in opposing such sales year after year. No sooner did Congress act to bar spending in the northern basins of lease sale 53 than Secretary Watt started the process of opening up 10 times the offshore acreage surrounding these basins. In recent action, as you may know, the Interior Department issued a press release stating its intention of leaving the lease sale 53 areas out of the lease sale 73 assessment.

Far from bringing the intended rejoicing from local citizens and representatives, however, this action has outraged Californians, because the Interior Department has at the same time initiated study of 9 million offshore tracts for possible leasing, including areas off of Big Sur, Eureka, and essentially the entire central and northern California coast from 3 miles to as much as 75 miles offshore. While the deleted areas from lease sale 53 contain only three-fourths of a million acres, the new sale could contain as much as 9 million acres of offshore lands within 3 miles of the coastline from Point Concepcion to the Oregon border.

This all-out assault on the central and northern California coastline has already raised new protests from affected communities, as those who rely on fishing and tourism for revenues realize the impact such a massive drilling operation could have on these crucial industries. In California as a whole, tourism accounts for billions annually in revenues, and fishing accounts for an additional $1 billion. In the event of an oil spill, those who make their livings through tourism or fishing could be devastated financially. Even were the impossible to occur, and no spills take place, the impact on the coastal environment of drilling rigs 3 miles offshore areas like Big Sur would be heavily felt in decreased tourism and increased interference with fishing.

In addition, the environmental risks associated with proceeding with drilling offshore central and northern California are immense. According to recent Fish and Wildlife Service and Bureau of Land Management biological risk assessments and relative risk assessments, the central and northern California region is among the most sensitive in our Nation.

Central and northern California are classified as highly sensitive to effects on endangered species, coastal and pelagic birds, and marine mammals. Only central and northern California, of the areas compared, were ranked as highly sensitive to effects on commercial fisheries resources.

Of particular concern is that fact that sea otters, along with other endangered species, would be severely impacted by any drilling or offshore development anywhere near their range.

In fact, the fish and wildlife study cites a 100-percent mortality rate for all sea otters which come into contact with any oil for 25 years. Because the southern sea otter only lives within the range from Santa Cruz in the north to about Morro Bay in the south, an area targeted by the Interior Department assessment for lease sale 73, prospects for this unique animal are dim. The current southern otter population is approximately 1,800.

Finally, the fact is that the areas which the Interior Department wishes to study for leasing contain very little oil and gas in comparison with other offshore areas, not to mention onshore areas of our Nation. Particularly because the Department did move to delete the four basins which industry found most attractive last year, the areas which are left for potential leasing are low in resources.

My legislation seeks to strike a balance between the very real concerns about the economic and environmental impacts which massive offshore leasing would have on this area, and our Nation's continuing search for domestic energy sources. To this end, this bill would impose a moratorium on leasing and exploratory drilling in Outer Continental Shelf waters north of a line which essentially extends seaward from the southern San Luis Obispo County line. This legislation would not prevent drilling and exploration south of this line, where the most abundant oil and gas reserves lie. This area, the southern portion of the so-called Santa Maria basin, and the area lying seaward of this basin, do contain large amounts of oil and gas, and in fact received record bids during lease sale 53 action.

In addition, while prohibiting exploration involving drilling within the area of the moratorium, other types of exploration for oil and gas, such as seismic and magnetic exploration, would be allowed. Thus, the continuing cataloguing of these waters and their resources would be allowed.

California is willing to do its part toward meeting our Nation's energy needs. In fact, the State of California supported an earlier lease sale, lease sale 48, and that portion of lease sale 53 where over 90 percent of the hydrocarbon resources in that sale were expected to be found, in the lower portion of the Santa Maria basin. A second southern California lease sale, lease sale 68, has also been supported almost in its entirety by the State.

However, in those areas where the risks of drilling, both environmental and economic, outweigh the benefits of drilling, Californians feel strongly that leasing should not be allowed, at least until technological developments lower the risk of oil spills, such as that which polluted the Santa Barbara area for years.

Our local governments and citizens should not have to face the fear of devastating environmental and economic consequences year after year. For this reason, I am introducing this legislation, designed to lift this priceless area out of the leasing process for the next 16 years, to provide the local governments and citizens of the area the opportunity to proceed with pressing local concerns, rather than concentrating year after year on opposing short-sighted action offshore. I hope my fellow Members will give full consideration to supporting this measure, which would provide this unique and scenic area with a needed respite from the threat of drilling.

Secretary Watt has initiated a massive assault on one of our Nation's most priceless natural resources—the scenery and marine resources of Big Sur and northern California. Let us put a halt to this economically and environmentally devastating action, and allow drilling only in those areas of California where the benefits outweigh the risks involved. The areas offshore Big Sur and northern Calfifornia should be among the last areas searched and developed for hydrocarbons, and not be among the first.

Industry itself has indicated that the massive offshore leasing program envisioned by Secretary Watt is "too much too fast" for it to handle. Let us then take action to withdraw the most fragile of the areas under consideration for leasing, and preserve this unique area for future generations.●

POLITICAL AND POLICY SWINGS FROM A 45-YEAR PERSPECTIVE

(Mr. FOUNTAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FOUNTAIN. Mr. Speaker, I would like to submit for the record the thought-provoking remarks of a renowned North Carolinian, Vermont Royster of Chapel Hill, N.C., on American political trends since the days of President Franklin Roosevelt and the beginning of the New Deal.

In a recent speech before the North Carolina Citizens Association, Mr. Royster, noted journalist and editor emeritus of the Wall Street Journal, author, fellow Tar Heel and friend, has preceptively outlined some past, present and possible future trends in the swing of the political pendulum. Mr. Royster's remarks should be of great interest to members of both political parties, and to the American people.

A biographical sketch of Mr. Royster, excerpted from the March 1982 edition of North Carolina magazine, follows Mr. Royster's remarks.

Mr. Royster's speech and biographical sketch follow:

ADDRESS BY VERMONT ROYSTER

It hardly seems necessary for me to say how pleased I am to be here this noon.

First of all, Raleigh is my home town. I was born in my grandfather's house on the corner of Hillsborough and Dawson streets, where now stands the Holiday Inn. Here I grew up, made the friends of my childhood and graduated from the Hugh Morson High School—where now, incidentally, stands the central Post Office.

I remember Fayetteville Street when its business occupants were grocery stores and meat markets as well as Brantley's Drug Store, which then served as the businessman's gathering place.

So though much is changed, the nostalgia remains.

I am also pleased by the invitation to speak to this group under the auspices of the North Carolina Citizens Association. When I look over the list of your past speakers I am indeed honored to be included among their number.

I must confess, however, that my pleasure is mixed with some uneasiness. I am not at all sure that I can say anything new or enlightening to this distinguished audience. The only thing I have to offer is a point of view on the current affairs of our state and nation which comes from observing them over a long period of years.

If there are any advantages of age—and I find few of them!—they lie only in the fact that if you live long enough you learn that pendulums swing in politics and public concerns just as they do in the mechanical realm.

What I plan to do is share with you some thoughts about American politics present and past. That will be a familiar subject to you. But perhaps I can offer a somewhat different perspective on our political history these past fifty years, or at least be provocative enough to stir up discussion.

Let me begin with the election two years ago of Ronald Reagan as President.

By election day it was no surprise that Mr. Reagan defeated Jimmy Carter. All the polls had predicted it. What was a surprise to journalists and politicians was, first of all, that by the spring of 1980 Mr. Reagan had become the clear forerunner for the Republican nomination and that by midsummer he had caught the imagination of the country with political ideas that can only be called revolutionary.

After all, Mr. Reagan was an ex-actor who, though a former governor of California, had for years been unsuccessful in national politics and was by then nearing 70. Moreover, nearly every political idea he preached seemed completely out of touch with the trend of American politics since the days of Franklin Roosevelt. Mr. Reagan seemed an echo of Barry Goldwater, and every politician or journalist remembered what happened to him.

The second big surprise was the sweep of the Reagan victory. It wasn't confined to any geographic area but reached across the country; except for his native Georgia, Jimmy Carter lost even the Southern states he'd won in 1976.

As if that wasn't startling enough, the Republicans riding Ronald Reagan's coattails won control of the Senate for the first time in a quarter of a century. They were only 26 seats short of capturing the House.

All this was not only a surprise but a downright shock to Democrats, to liberals of any party, to almost every political observer familiar with the legend of the power of liberal politics and of the Democratic coalition which rested upon it. A political revolution had obviously taken place but hardly anybody understood why.

What I am going to suggest—with the benefit of hindsight—is that we shouldn't have been surprised. If we journalists and others had just looked more carefully at the political record of the past half-century we should have seen the revolution (or counterrevolution, if you prefer) coming long before. Circumstances conspired to bring it in 1980, but it was coming anyway, if not under Ronald Reagan then under another.

To see why, I ask your indulgence for a journey through the past before we return to the present and venture a peek at the future.

The widely held view of journalists (myself included) and of other political observers has long been that for five decades the nation has been firmly in the grip of a Democratic party formed from, and held together by, the so-called Roosevelt coalition. This, so ran the catechism, insured that the nation's politics would remain essentially liberal in outlook and experimental in policy.

This explains why the collapse of the old coalition in 1980 seemed to come suddenly and almost inexplicably.

Historians, I think, will see things differently. At any rate, I'll suggest now that the power of that liberal Democratic coalition formed by FDR hit its peak in 1936 and has been eroding ever since.

Furthermore, that the liberal coalition lost its grip on the country as far back as the late 1940s. What followed for the next 35 years was a rare period of political indecisiveness in which the nation was unwilling to give to any political party or any political philosophy a clear mandate to govern.

The more conventional view, of course, has been understandable. Since 1932 only two Republicans before Reagan won the White House: Eisenhower and Nixon. The Eisenhower years appeared as a sort of aberration and to his personal popularity, much like the Cleveland and Wilson terms sandwiched into the long Republican era that began with the Civil War and lasted until 1932.

The two Nixon victories were thought due to a schismatic break in the ranks of the dominant Democratic party. The cause in 1968 was attributed to Lyndon Johnson's failures with the Vietnam war. In 1972 Nixon's landslide was attributed more to George McGovern's unpopularity than to Nixon's popularity. That view of Nixon as another aberration seemed confirmed by Watergate and its aftermath. The aftermath included a return of the Democrats to the White House in the person of Jimmy Carter.

Nonetheless, when the period from 1932 to 1976 is reexamined as a whole a different picture emerges.

We usually think of 1932 as being the great political watershed. But that election wasn't a personal victory for FDR or even for the Democrats. It was simply a resounding defeat for Hoover and the Republicans brought on the depression.

It was 1936 that gave birth to the legend. Partly by design, partly by accident, the Democratic Administration put together what's become known as the Roosevelt coalition:—a combination of Southern Democrats, northern urban bosses, the labor unions, farmers, minority groups such as the Blacks all mixed with a broad appeal to that otherwise undefined middle class. A philosophical underpinning was provided by the intellectuals of the media and the campus.

It was on the face of it an unlikely combination—the interests of farmers and labor unions often conflicted, as did those of blacks with traditional Southern Democrats. But its effect was devastating. Roosevelt carried all but two states in 1936. He won 62.5% of the two-party vote, all but 8 electoral votes.

Roosevelt, of course, won twice more, solidifying the legend in our minds. But in 1940 against Willkie, a political Johnny- comelately, his margin of the two party vote dropped to 55% and the Republicans carried ten states with 82 electoral votes.

In 1944 Roosevelt had the advantage of being the incumbent President in the midst of a war. Governor Dewey was thus handicapped in much of his campaigning. Yet Roosevelt slipped further. His percentage of the two-party vote dropped to less than 54%. The Republicans carried 12 states with 99 electoral votes.

If this slippage was not more remarked upon at the time it was because his third and fourth term elections were unprecedented and because the political writers were still under the spell of 1936.

That brings us to 1948. Every political journalist I know of (myself included) expected Harry Truman to lose. We were all mesmerized by the polls and by reading each other. So when he astonished us by winning, all the evidence of an erosion in the old coalition was discredited.

What failed to get the attention it deserved was the fact that the Roosevelt coalition was shattered. For the first time since 1932 the New Deal Democrats were a minority.

It's true that Truman had a comfortable margin in the electoral college—303 votes to 189 for Dewey. He also got 52% of the two-party vote. But by this time the two-party vote was by no means the whole of the matter. The Democrats had splintered at both ends of the spectrum.

The States Rights Party, or Dixiecrats, polled nearly 1.2 million votes. The Progressive Party of left-wing Democrats led by Henry Wallace won almost exactly the same. The result was that Harry Truman became our first minority President since Woodrow Wilson.

The 1948 election thus marked both the beginning of the end to the unchallenged ascendancy of the Democratic coalition, and also the beginning of a long period of American political indecisiveness.

If those of us who follow national politics didn't realize it, it was because the electorate kept confusing us in subsequent elections. The conclusions we might have drawn from the Eisenhower period were undone by

the election of 1960. It put the Democrats again in the White House with Kennedy, a liberal in the familiar pattern.

Nonetheless, Kennedy won only by the narrowest of margins. In fact, there was at the time some suspicion he won only because of some peculiarities of the votes counted in Illinois and Texas. Moreover, because of the Third Party candidacy of Harry Byrd of Virginia, John Kennedy—like Harry Truman before him—was a minority President in the popular vote.

But that impression was wiped out by the landslide victory of Lyndon Johnson in 1964. Only in retrospect could we see that his sweep was compounded of sentimental appeal of the martyred Kennedy plus the ineptness of the Goldwater campaign, especially with regard to the Vietnam war.

In any event, four years later the Republicans were back again—with, of all people, Richard Nixon, risen from the political ashes. This too, though, was a squeaker. Once again we had a minority President, and though Nixon captured the White House the Democrats retained control of Congress. We all thought, and with some reason, that Nixon won only because Johnson had been unable to resolve the Vietnam war.

In 1972, as we all recall, it was Nixon's turn for a landslide—a bigger sweep of the electoral college than either Lyndon Johnson's or Franklin Roosevelt's. He carried every state except Massachusetts.

Remember, though, that much of this was attributed to the Democrats' choice of George McGovern, a man who appeared as much an extremist of the left as Goldwater had of the right, and who also ran an inept campaign. And once again the Democrats kept control of Congress even in the face of that Nixon landslide.

Let me pause, then, for a brief recapitulation.

With the single exception of Lyndon Johnson, no Democrat from 1944 through 1968 won the Presidency by a true majority of the votes. The Presidency see-sawed between the two major parties, three Democrats (Truman, Kennedy and Johnson) and two Republicans (Eisenhower and Nixon).

Three of those Presidents (Truman, Eisenhower and Nixon) had at least one house of the congress controlled by the opposition party. Three of them (Truman, Kennedy and Nixon the first time) were minority Presidents, two of them Democratic, one a Republican.

I submit that the only conclusion you could draw—at least in retrospect—from this crazy pattern was that the electorate was in one of the rare periods of our history when it was unwilling to commit itself irrevocably to either major party or to any political philosophy. Every election seemed to turn on some accident of the campaign.

I now have a confession to make. After the 1972 votes were counted I wrote that perhaps at long last the Republicans had a chance to regain the dominant role. For one thing—though we have forgotten it in the wake of Watergate—at that time Richard Nixon was a much-admired man by the voters. Charisma he had none. Experience in government he did have, and he had shown in his China move the ability to grasp the realities of the world.

I also thought that Nixon, unlike Eisenhower, would make a real effort to rebuild the Republican party as a party, something he had already begun during his days in the wilderness.

This prediction came a cropper on the rocks of Watergate. After the brief interregnum of Jerry Ford, it was the Democrats again with Jimmy Carter. And then came Ronald Reagan.

So much is history.

What conclusions can we draw from all of this? What may it suggest about the current and future course of American politics? And what will this Reagan revolution—or counter-revolution, if you prefer—mean in terms of economic and social policy for the country?

Here I must abandon the factual record and offer you only some personal and intuitive thoughts.

In the first place, as I've mentioned, I've always thought there were inherent contradictions in the liberal Democratic coalition and the policies on which it was based, that is, conflicts of interest between its various parts. Farmers want high prices and so are happy with price supports and similar farm programs. The urban dweller and industrial worker want cheap food but high industrial prices to support high wages. The middle class, those in professions and in business, want low taxes and a stable dollar. During the Depression these conflicts were suppressed because everyone was suffering. The government could offer something for everyone without too much penalizing any particular interest.

Moreover, inflation was unheard of. Taxes weren't high enough, at least in the beginning, to be onerous for any group, even the prosperous and the well-to-do. But in time—inevitably, I think—the policy of trying to give more and more to every special group began to exact a cost on every group in our society. Inflation hurts everyone, the poor most of all. So do high interest rates, the cost of borrowing money to buy automobiles or houses or whatever. So do high taxes, obviously so on the middle class but indirectly so on the nation's business because they shrink savings and shrunken savings reduce the money available for investment—whether for building houses or for new plants and equipment in industry.

In all of this lie the seeds of the Reagan counter-revolution. That they had long been sown is shown by the fact that Reagan ran and won in 1980 sounding very much like a new-style Democrat Jimmy Carter, in 1976. "Get the government off our backs." Remember? There is irony indeed!

Now comes the $64 question. Or maybe the $64 billion question. Or even the $100 billion question.

Have we truly had a durable counter-revolution ushering in a new era of economic and political policy? Or will President Reagan prove to be one more aberration, after which we return again to the Democratic political and economic liberalism that so long dominated public policy? We have, after all, been misled before by single elections.

That's a question I can't answer for you. I can only note a few interesting things, and then offer a thought on what the answer may turn.

I note first that Mr. Reagan is the first President of my adult memory to come to office with a clear idea of what he wanted to do with it. Roosevelt didn't; he changed course several times before the New Deal was born. None of the others did. However ably they performed, they improvised.

I note also that President Reagan is unique in that once in office he immediately set out to do exactly what he promised to do if elected. He immediately proposed big budget cuts and big tax cuts. I note further that in both these endeavors he had the support of the public. Had that not been the case he would not have got them approved by a stunned and reluctant Congress.

So it seems to me that the public is presently in the mood for what, for lack of a better phrase, we'll have to call a "conservative" approach to government spending and tax policy, which means a reduction in both the size and the scope of the Federal government.

But that does not fully answer our question whether Mr. Reagan leads a durable counter-revolution or will prove merely another aberration.

For one reason, parts of his policy are contradictory. He proposes cutting some parts of the budget, increasing others. This, combined with his tax cuts, increases—not decreases—the size of the government's deficits.

This isn't exactly what you would expect from a conservative Republican Administration. And—irony of ironies—it has brought indignant warnings from the most liberal of liberal Democratic spenders. Just listen to Tip O'Neill:

So now, as you all know, President Reagan is in political trouble. In addition to those horrendous sounding budget deficits the country is in a recession. Whether or not the Reagan policies caused the recession makes no difference in politics. The President in office always gets blamed for the country's ills, whatever they are. That's the American way.

But the Democrats, or at least the liberal ones, are caught in a political bind themselves. There are only two ways to reduce that deficit of which they loudly complain. Raise taxes or cut spending further. A tax increase brings political trouble; you can at least be sure the Democratic house won't try it this year with Congressional elections coming up. As for further cuts in spending, where are they to come from? Some, perhaps, from the defense budget, but there's not enough there to knock a hole in a $100 billion deficit.

That leaves the domestic budget. What cuts can the Democrats propose there? In welfare, in aid-to-education, in tobacco and other farm price supports? Or in housing subsidies? Or in the area of "entitlements," such as Social Security?

Are the Democrats going to try to out-Reagan Reagan in cutting such domestic expenses? The thought boggles the mind.

Or are they, perhaps, going to demand that the Federal Reserve once more unleash the money-manufacturing machine, run the printing presses? To do that threatens to start another inflationary spiral, which is one of the things that got the Democrats in trouble in the first place?

Frankly, if I were a Republican I would find it politically difficult to defend the Reagan budgets or to escape the consequences of what's now called the Reagan recession.

On the other hand, if I were a Democrat I'd be chilled at the thought of advocating higher taxes or further domestic budget cuts as a way of reducing those deficits. I'd be equally uneasy proposing the old Democratic prescription for curing recessions—that is, bigger government spending and never mind the deficits. That's what got the country, and the party, in trouble.

In short, both parties have their political problems because the country has new problems and neither party has, as yet, inspired the country with the confidence it has the right politics for the new times.

I wish I could tell you how all this will come out. But in some 45 years of writing about American politics I've learned only one enduring lesson. Political prognostication is a precarious business. As a Tar Heel born and bred, I'd never have predicted a decade ago that North Carolina could have a Republican governor or that it would—in this year of 1982—have two Republican Senators. That kind of thing ought to shake up Democrats as well as journalists.

It's quite possible that come November the Democratic party will make some Congressional gains; the party with the White House usually loses in these off-year elections.

It's also possible that the Democrats can regain the White House in 1984. Mr. Reagan is getting along in years and there's no other Republican in sight with his political charisma. But 1984 is a guessing game. Much can happen between now and then. Much depends on whether the recession is still with us, on whether the promises of supply-side economics have been fulfilled and the country is moving forward again.

On those questions a journalist's crystal ball is cloudy.

All I can observe is that the political mood of the country has been swinging now for several decades, that the swing didn't begin just two years ago and that pendulum swings once begun are hard to halt.

What seems to have happened—or so it seems to me—is that the old politics has played out. I do not mean that the country has turned its back on the idea, born in the Depression of the 1930s, that we the people collectively should accept a responsibility for the unfortunate among us—the old, the sick, those mired in poverty or those thrown out of work by circumstances over which they have no control. The strain of compassion runs too deep in the American people for that.

Nor do I mean we are ready to reject the idea that our government must play an active role in influencing our economic activity. That its fiscal and monetary policies must be adapted to the circumstances of the moment. We won't—and I don't think we should—go back to the *laissez faire* attitude, the hands-off policy, of the distant past.

What has come is a realization that government, too, must be restrained and that its resources too are limited. It cannot tax and tax, spend and spend in order to elect and elect, without unhappy consequences for us all. Time has taught people there ain't no such thing as a free lunch.

So I will venture the thought that the next President, be he Democratic or Republican, will have a hard time trying to return the country to those happily remembered days of the New Deal, the Fair Deal and the New Society, when we thought the government could pay for just about everything.

The future, then, belongs to the party, and to the political leader, who finds the best response to new problems. President Reagan is seeking it but we will have to wait a time before we can see whether he has found it.

And speaking of free lunches, I'm paying for this one by standing here like the fellow at the State Fair who sticks his head through a hole for everybody to throw baseballs at him!

Anyway, I thank you for listening.

BIOGRAPHICAL SKETCH

Vermont Connecticut Royster was born April 30, 1914 in Raleigh. His unusual Christian names resulted from a fading family tradition begun when two Royster brothers—one of them his great-grandfather—moved from Virginia to North Carolina in the 1800s. They decided to name all their sons for states so that the cousins could be more easily distinguished.

Thus, members of that generation of Roysters had Christian names like Arkansas, Delaware, Georgia, Alabama, Iowa Michigan, Virginia, Carolina, Wisconsin, Illinois and Vermont Connecticut (the grandfather for whom young Vermont was named). A distant relative even went through life as Nathaniel Confederate States Royster.

Young Vermont's parents—Wilbur High Royster, a Raleigh attorney, and the former Olivette Broadway (both deceased)—had two other children: Thomas Broadway Royster, a U.S. Marine Corps major killed at Tarawa in World War II, and Saravette Royster Trotter, now of Rocky Mount.

Vermont Royster was reared in Raleigh, where he got his first taste of newspapering as a high school correspondent for the News and Observer. (He later admitted that he was hooked on journalism from the time he saw his first few words in print.)

He was graduated from Hugh Morson High School in 1929, then attended the Webb School in Bell Buckle, Tenn., a prep school specializing in classical languages, for two years before entering UNC-Chapel Hill in the fall of 1931.

At UNC Vermont Royster was an actor and playwright for the Carolina Playmakers, which produced two of his original one-act plays, and worked four years on The Daily Tar Heel. He was also a campus correspondent for the Durham Morning Herald.

Mr. Royster earned a Phi Beta Kappa key, and received his AB in classical languages in 1935 in the midst of the Depression. Not surprisingly, his journalistic experience, rather than his fluency in Latin and Greek, proved his most negotiable job skill. ("When you get out of college and you have a nodding acquaintance with Euripides, it doesn't really qualify you for much else," he remarked about his career choice.)

After briefly covering night courts and police for the old New York City News Bureau, Mr. Royster joined The Wall Street Journal as a reporter in 1936. He subsequently served The Journal as a Washington correspondent (1936-40, 1945-46).

(As an officer in the U.S. Naval Reserve, Mr. Royster was called to active duty a year before Pearl Harbor. Among other assignments during the war, he commanded the USS *Jack Miller*, a destroyer escort, in the final battles in the Pacific around Japan. He completed his service as a lieutenant commander.)

Mr. Royster later served as The Journal's chief Washington correspondent (1946-48), associate editor and senior associate editor in New York (1948-58) and editor-in-chief (1958-71) and senior vice president of Dow Jones & Company, Inc., The Journal's publisher. He resigned the latter two positions in 1971 and returned to Chapel Hill. But he continued to write a regular "personal" column, "Thinking Things Over," that he started in 1964, and remained on the Dow Jones board of directors. (He is also a director of Wachovia Corporation.)

Mr. Royster now teaches part-time as Kenan Professor at UNC School of Journalism; writes for a variety of publications, from The American Scholar to The Readers' Digest and TV Guide; and appears as a radio and television commentator. He has authored three books—Journey Through the Soviet Union, A Pride of Prejudices and The American Press and the Revolutionary Tradition—and has written many chapters in books edited by others.

Vermont Royster has won every major press award. The citation for his 1953 Pulitzer Prize for editorial writing credits him with "an ability to discern the underlying moral issue, illuminated by a deep faith and confidence in the people of our country; with warmth, simplicity and understanding of the basic outlook of the American people."

Mr. Royster received the Sigma Chi Delta medal and the William Allen White Award, both for distinguished service to journalism, in 1958 and 1971, respectively. He received the Gerald Loeb Award in 1975 (for his contribution to economic journalism) and the Elijah Lovejoy Award from Colby College in 1976. In 1978 The National Press Club of Washington gave him its Fourth Estate Award "for a lifetime of service to journalism." And in April 1981 Mr. Royster became one of the first five inductees into the new N.C. Journalism Hall of Fame at UNC-Chapel Hill.

Vermont Royster served as president of the National Conference of Editorial Writers (1957) and of the American Society of Newspaper Editors (1965-66), and as a member and officer of various other distinguished groups. He holds honorary doctoral degrees from UNC-Chapel Hill, Temple University, Elon College and Colby College.

Mr. Royster married the former Frances Claypoole of New Bern in 1937. They have two daughters—Frances and Eleanor (Mrs. Leon Eidles of Dallas, Texas)—and two grandchildren.

Much of Vermont Royster's writing epitomizes English poet and critic Matthew Arnold's observation that "Journalism is literature in a hurry." The following passage typifies Mr. Royster's provocative prose: "Nothing is so corrupting to a man as to believe it is his duty to save mankind from men. He comes to evil because he must first usurp the rights of men and finally the prerogatives of God."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MIKULSKI (at the request of Mr. WRIGHT), after 1:15 p.m. today, on account of illness in the family.

Mrs. SCHNEIDER (at the request of Mr. MICHEL), for today, on account of illness 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. WILLIAMS of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. DAUB, for 5 minutes, today.

Mr. COLLINS of Texas, for 45 minutes, today.

Mr. PAUL, for 15 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. GAYDOS, for 60 minutes, today.
Mr. STRATTON, for 30 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. BINGHAM, for 20 minutes, today.
Mr. PHILLIP BURTON, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. FRANK, for 10 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. FORD of Michigan, for 10 minutes, on May 13.
Mr. MCCURDY, for 10 minutes, on May 13.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FOUNTAIN, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $1,428.

Mr. WILLIAMS of Montana, prior to the vote on the Boland amendment to H.R. 5922 in the Committee of the Whole today.

(The following Members (at the request of Mr. WILLIAMS of Ohio) and to include extraneous matter:)

Mrs. MARTIN of Illinois.
Mr. WAMPLER.
Mr. LOWERY of California in three instances.
Mr. MCCLOSKEY.
Mr. LEWIS.
Mr. DORNAN of California.
Mr. CONTE in two instances.
Mr. FINDLEY.
Mr. ROTH.
Mr. PARRIS in two instances.
Mr. MARRIOTT.
Mr. CORCORAN.
Mr. BAILEY of Missouri.
Mr. RAILSBACK.
Mr. MILLER of Ohio in two instances.
Mr. SPENCE.
Mr. GOLDWATER.
Mrs. SCHNEIDER.
Mr. MADIGAN.
Mr. FIELDS.
Mr. PORTER.
Mr. DAUB.
Mr. COLLINS of Texas in three instances.
Mr. LAGOMARSINO in two instances.
Mrs. FENWICK.
Mr. BROOMFIELD.
Mr. SNYDER.
Mr. DOUGHERTY.
Mr. PHILIP M. CRANE.
Mr. GILMAN in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. STARK in three instances.
Mr. JACOBS.
Mr. ROSE.
Mr. SOLARZ in two instances.
Mr. OTTINGER in three instances.
Mr. CONYERS.
Mr. GORE.
Mr. VENTO.
Mr. PEPPER.
Mr. HUBBARD.
Mr. FORD of Michigan.
Mr. ADDABBO.
Mr. MILLER of California in two instances.
Mr. VOLKMER.
Mr. GIBBONS.
Mr. MINISH.
Mrs. KENNELLY.
Mr. DYSON.
Mr. UDALL.
Mr. WEISS in two instances.
Mr. GEJDENSON.
Mr. FAUNTROY.
Mr. RATCHFORD.
Mr. BOLLING.
Mr. BARNES.
Ms. FERRARO.
Mr. BAILEY of Pennsylvania.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 792. An act to promote the development of Native American culture and art; to the Committee on Interior and Insular Affairs and the Committee on Education and Labor.

S. 835. An act for the relief of Jerry L. Crow; to the Committee on Interior and Insular Affairs.

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1501. An act entitled the "Educational Mining Act of 1982"; to the Committee on Interior and Insular Affairs.

S. 1519. An act to designate certain national wildlife refuge lands; to the Committee on Interior and Insular Affairs.

S. 1628. An act to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052); to the Committee on Interior and Insular Affairs.

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles.

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes;

S. 691. An act to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the house do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Thursday, May 13, 1982, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 92-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James M. Jeffords	1/6	1/8	Netherlands [3]	654.15	267.00						267.00
Floyd J. Fithian	1/4	1/6	Belgium	7,507	196.00						196.00
	1/6	1/7	Netherlands [4]	436.10	178.00						178.00
Via military aircraft 1-way							1,478.58				1,478.58

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
William M. Thomas	1/4	1/6	Belgium	5,507	196.00						196.00
	1/6	1/10	Netherlands	1,090.25	445.00						445.00
	1/11	1/12	Switzerland	347.30	190.00						190.00
Via military aircraft							2,957.15				2,957.15
Committee total					1,472.00		4,435.73				5,907.73

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Continued on to Rome in conjunction with his military reserve duty—no expense to the Agriculture Committee. From Rome to Bonn to Paris at request of Education and Labor Committee Chairman—no expense to Agriculture Committee.
[4] To London via commerical aircraft at their own expense.

E de la GARZA, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Joseph Addabbo	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Bernard Dwyer	1/6	1/20	Italy		1,015.00		262.78				1,277.78
Transportation (DOD)							2,954.76				2,954.76
Hon. Jack Edwards	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		4,300.00				4,600.00
Hon. Mickey Edwards	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. Clarence Long	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador				[3] 858.00				858.00
Hon. Joseph M. McCade	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Matthew McHugh	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. John T. Myers	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. J. Kenneth Robinson	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Eldon Rudd	1/4	1/5	Venezuela		115.00						115.00
	1/5	1/8	Brazil		285.00						285.00
	1/8	1/10	Argentina		280.00						280.00
	1/10	1/12	Chile		268.00						268.00
	1/12	1/14	Peru		150.00						150.00
	1/14	1/16	Mexico		156.00						156.00
Transportation (DOD)							3,473.37				3,473.37
Hon. Martin Olav Sabo	1/2	1/16	Antarctica		1,050.00		4,631.00				5,681.00
Hon. Charles Wilson	12/30	1/6	United Arab Emirates		994.00						994.00
	1/6	1/6	Oman		138.00						138.00
	1/6	1/10	United Arab Emirates		568.00		3,690.00				4,258.00
George Allen	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Jimmy R. Fairchild	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua		0						0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3] 882.00				957.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Robert B. Foster	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		491.00						491.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,505.32				5,580.32
Sandra A. Gilbert	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Merwyn C. Greer	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
Peter J. Murphy, Jr.	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Mark W. Murray	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Osthaus	1/5	1/7	England		216.00						216.00
	1/7	1/10	Germany		267.00		95.49				362.49
	1/10	1/11	Austria		86.00		188.89				274.89
	1/11	1/13	Switzerland		190.00						190.00
	1/13	1/15	Spain		150.00		2,921.00				3,071.00
Terry R. Peel	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Plashal	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Edwin F. Powers	1/7	1/9	Austria		250.00						250.00
	1/10	1/11	Egypt		150.00						150.00
	1/12	1/14	Sudan		354.00						354.00
	1/15	1/17	Kenya		225.00						225.00
	1/18	1/20	England		324.00		2,798.00				3,122.00
Edwin F. Powers	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3] 882.00				957.00
Samuel Ralph Preston	1/15	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Austin G. Smith	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,066.21				4,366.21
Hunter L. Spillan	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
James Van Wagenen	2/12	2/13	El Salvador		75.00		42.56				117.56
	2/13	2/14	Nicaragua		75.00						75.00
Transportation (DOD)							3,058.13				3,058.13
J. David Willson	1/9	1/13	Japan		395.00						395.00
	1/14	1/16	Korea		225.00						225.00
	1/17	1/21	United States		250.00		3,723.07				3,973.07
Committee total					33,517.75		116,167.02				149,684.77
Appropriations, Surveys, and Investigations staff:											
Richard H. Ash	1/9	1/14	France		651.00		2,192.00		36.70		2,879.70
	1/15	1/22	Kenya		620.25				26.04		646.20
Robert W. Catlin, Jr.	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Reginald R. Clay	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Jack A. DeSipio	1/30	2/3	England		488.25		1,270.00		27.39		1,785.64
	2/3	2/5	France		192.00				18.36		210.36
	2/5	2/7	Germany		195.00				6.48		201.48
Francis J. King	1/30	2/3	England		488.25		1,270.00		78.80		1,837.05
	2/3	2/5	France		192.00				31.89		223.89
	2/5	2/7	Germany		195.00				24.61		219.61
Frank T. Lyons	1/9	1/14	France		651.00		2,192.00		49.00		2,892.00
	1/15	1/22	Kenya		620.25				28.44		648.69
Joseph W. Montefiore	1/9	1/14	France		651.00		2,192.00		22.80		2,865.80

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/15	1/22	Kenya		620.25				18.56		638.81
Joseph A. Vignali	1/9	1/14	France		651.00		2,192.00		18.76		2,861.72
	1/15	1/22	Kenya		620.25				18.85		639.13
Staff total					7,735.50		15,607.18		452.80		23,795.48

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation furnished by DOD. Costs shown are comparable 1st-class commercial rate.

JAMIE L. WHITTEN, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. David Evans	12/28	1/5	Israel		675.00						675.00
Hon. Jerry M. Patterson	1/4	1/6	England		324.00		[3] 128.33				452.33
	1/6	1/11	France		448.00		[3] 256.59		125.17		829.76
	1/11	1/15	Ireland		424.00		[4] 6,042.10				6,466.10
Jonathan Sanford	1/5	1/17	India		1,004.00		[5] 2,552.00				3 556.00
Hon. Frank Annunzio	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
								[3] 262.78			262.78
Hon. Bruce Vento	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
								[3] 262.78			262.78
Hon. John J. LaFalce	1/6	1/14	Italy		816.00		[4] 2,892.04				3,708.04
								[6] 593.89			
								[3] 262.78			856.67
Curtis Prins	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
								[3] 262.78			262.78
Jan Shinpoch	3/18	3/23	Colombia		516.00		[5] 943.67				1,459.67
								(7)			
Hon. Jerry M. Patterson	/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Hon. Henry S. Reuss	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Paul Nelson	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Michael Flaherty	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
James Orr	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Mark Constantine	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Jan Shinpoch	3/25	3/29	Colombia		430.00		[4] 1,072.02		(7)		1,502.02
Committee total					12,440.00		36,096.67		125.17		48,661.84

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Ground transportation. [4] Military air fare. [5] Commercial air fare.
[6] Commercial-return trip. [7] Ground transportation costs not available from State Department.

FERNAND J. ST GERMAIN, Chairman. Apr. 26, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative David Obey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Thomas J. Downey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Mike Lowry	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Ed Bethune	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
William J. Cleary	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Note:											
Group expenses (Belgium), local transportation							243.69				243.69
Group expenses (Belgium), miscellaneous expenses.									904.73		904.73
Group expenses (Polanj), local transportation							216.09				216.09
Group expenses (Poland), miscellaneous expenses.									2,202.63		2,202.63

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Committee totals					3,190.00		22,199.78		3,107.36		28,497.14

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
Note: Expenses not available for Austria and Italy. A supplement will be filed.

JAMES R. JONES, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 and MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Congressman George Miller	1/3	1/5	Colombia		249.87						
	1/5	1/6	Nicaragua			$79.98					
	1/6	1/9	Dominican Rep.		225.00						
	1/9	1/12	Haiti		257.50						
	1/12	1/14	Jamaica		194.00						
Military transportation							6,770.40				7,776.75
Congressman James Jeffords	1/17	1/20	Germany	611.43	267.00						
	1/20	1/22	France		192.00						
Navy Department transportation							1,823.00				2,282.00
Committee total					1,385.37	79.98	8,593.40				10,058.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
Note: The Navy Department paid for round trip air fare from the United States to Europe. One-half of the air fare is reported through the Agriculture Committee and ½ of the airfare is reported through the Education and Labor Committee ($3,646 total round trip air fare).

CARL D. PERKINS, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. AND MAR. 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Benson, Kathleen	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Davis, Sharon	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Kitzmiller, William M.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Potter, Frank M., Jr.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Woo, Michael T.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Brubaker, Gerald	1/3	1/5	England		216.00		1,583.53				1,799.53
	1/5	1/9	Germany		347.00						347.00
	1/9	1/17	France		755.00						755.00
	1/17	1/20	Austria		258.00						258.00
Mathews, Nancy	1/2	1/5	England		324.00		1,634.64				1,958.64
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
Stewart, Michael	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Warner, Christopher	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Barrett, Michael	1/2	1/5	England		324.00		1,730.24				2,054.24
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
McLain, Patrick	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/9	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Smethurst, Benjamin	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/8	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Committee total					12,148.00		23,642.41				35,790.41

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN D. DINGELL, Chairman, April 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michael J. O'Neil, staff			Europe		624.00		2,081.90				2,705.90
			Asia		755.00						755.00
			Africa		150.00						150.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Patrick G. Long, staff			Europe		624.00		2,095.00				2,719.00
			Asia		755.00						755.00
			Africa		150.00						150.00
Hon. Wyche Fowler, Jr.			New Zealand		160.00						160.00
Herbert Romerstein, staff			Europe		468.00		958.00				1,426.00
Committee total					3,686.00		5,134.90				8,820.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

EDWARD P. BOLAND, Chairman, Apr. 30,

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Foley, Elizabeth A	1/14	1/17	Mexico		375.00		415.00				790.00
Hubbard, Carroll, MC	3/7	3/14	Panama		525.00		[3] 1,399.00				1,924.00
Lent, Norman F., MC	1/4	1/6	Belgium	7,507	196.00		[4] 48.19		[5] 17.03		
	1/6	1/10	Netherlands	1,090.25	445.00				[5] 37.15		
	1/11	1/12	Switzerland	347.30	190.00		61.69		[5] 9.46		
					[6] 2,957.15				3,961.67		
McClung, Robin	3/21	3/28	Panama		525.00		([7])				525.00
Woodward, William	1/7	1/12	Haiti	2,400	480.00		532.00				1,012.00
Committee totals					2,736.00		5,413.03		63.64		8,212.67

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense paid air transportation via commerical airlines.
[4] Local transportation.
[5] Miscellaneous control room costs.
[6] Transportation via military aircraft.
[7] Transporttion via military aircraft. DOD did not furnish cost.

WALTER B. JONES, Chairman, Apr. 28, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Stangeland, Arlan	1/4	1/6	Belgium	7,507.00	196.00	196.00	48.19	333.79	17.03	8,036.79	261.22
	1/6	1/10	Netherlands	1,090.25	445.00			89.92	37.15	1,180.17	482.15
	1/11	1/12	Switzerland	347.30	190.00	149.11	65.96	18.28	9.46	514.69	265.42
Military air transportation							2,957.15				2,957.15
Levitas, Elliott H	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commerical air transportation							2,596.00				2,596.00
O'Hara, John P	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commercial air transportation							2,596.00				2,596.00
Shuster, E. G	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Butler, Kenneth	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Howard, James J.	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Roe, Robert A.	1/4	1/6	United Kingdom	169.63	324.00	6718	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transport							6,042.10				6,042.10
Rahall, Nick Joe, II	1/4	1/6	United Kingdom	169,63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,503.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Snyder, Gene	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Hammerschmidt, John Paul	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military air transportation							6,042.10				6,042.10
D'Amico, Salvatore	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Tyler, Errol	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Fryer, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Rinehart, Caryll F	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Italiano, Joseph	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Schenendorf, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Doyle, John	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Sunia, Fofo, I. F	1/13	1/15	New Guinea		189.00						189.00
Committee total					20,058.24		91,616.06		1,840.52		113,514.82

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. HOWARD, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ventre		1/1	United States				1,146.00				1,146.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Friewald		1/1	United States				1,065.00				1,065.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Committee totals					2,506.00		2,211.00				4,717.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON FUQUA, Chairman, Apr. 29, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3889. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture.

3890. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal section 3502 and 8502 of title 10, United States Code, relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

3891. A letter from the Deputy Assistant Secretary of Defense (Comptroller-Administration), transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in the contract with British Petroleum of Greece, Ltd., for the delivery of aviation gasoline to the U.S. Naval Support Activity, Souda Bay, Crete, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3892. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to extend the expiration date of the special pay provisions for reenlistment and enlistment bonuses; to the Committee on Armed Services.

3893. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Pakistan, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

3894. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1982, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

3895. A letter from the Secretary of Housing and Urban Development, transmitting a report on manufactured homes data, pursuant to section 308(e) of the Housing and

Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

3896. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's second annual report on the Electronic Fund Transfer Act, pursuant to section 918 of the Consumer Credit Protection Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

3897. A letter from the Assistant Secretary, Special Education and Rehabilitative Services, transmitting the annual report of the National Council on the Handicapped, pursuant to section 401(6) of the Rehabilitation Act of 1973, as amended; to the Committee on Education and Labor.

3898. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination authorizing additional economic support fund assistance for Liberia from funds earmarked for Nicaragua, pursuant to section 614(a)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3899. A letter from the Director, Agency for International Development (Legislative Affairs), transmitting justification of an increase in the funding level of the Agency's proposed fiscal year 1982 program in Liberia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3900. A letter from the Acting Secretary of the Treasury, transmitting a report on the operation and status of the State and local fiscal assistance trust fund and the antirecession fiscal assistance trust fund for the fiscal year 1981, pursuant to public law; to the Committee on Government Operations.

3901. A letter from the Administrator, Veterans' Affairs, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3902. A letter from the Assistant Secretary for Health, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3903. A letter from the Chairman, National Labor Relations Board, transmitting a report of the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552(b); to the Committee on Government Operations.

3904. A letter from the Acting Secretary of the Interior, transmitting notice of leasing systems to be used in oil and gas lease sale No. 68, southern California, to be held on June 11, 1982, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

3905. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on the Judiciary.

3906. A letter from the Treasurer General, National Society of the Daughters of the American Revolution, transmitting the society's annual audit for the fiscal year ended February 28, 1982, pursuant to Public Law 88-504; to the Committee on the Judiciary.

3907. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1981 on the use of authority to designate and rent inadequate quarters, lease family housing, and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

3908. A letter from the Secretary of Transportation, transmitting the second annual report on collision avoidance systems, pursuant to section 401 of Public Law 96-193; to the Committee on Public Works and Transportation.

3909. A letter from the Secretary of Transportation, transmitting the eighth annual highway safety stewardship report, pursuant to section 203(e) of the Highway Safety Act of 1973 and sections 151(g) and 152(g) of title 23, United States Code; to the Committee on Public Works and Transportation.

3910. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the Chief of Engineers report on the need for Federal improvements for small-boat navigation at Little Girls Point, Mich., in response to a resolution by the Committee on Public Works and Transportation, adopted December 9, 1975; to the Committee on Public Works and Transportation.

3911. A letter from the New England Division Engineer, Army Corps of Engineers, transmitting notice of the closing of several recreational areas in New England; to the Committee on Public Works and Transportation.

3912. A letter from the Assistant Secretary of State (Congressional Relations) and the Assistant Secretary of the Treasury (Legislative Affairs), transmitting the fourth annual report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c) of Public Law 95-118; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

3913. A letter from the Comptroller General of the United States, transmitting a report on the review of financial statements of the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Banks for the year ended December 31, 1981, pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 97-179); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs and ordered to be printed.

3914. A letter from the Secretary of Energy, transmitting the first annual revised comprehensive program management plan for wind energy systems, pursuant to public law; to the Committee on Science and Technology.

3915. A letter from the Secretary of Labor, transmitting a quarterly report of the Department covering the first quarter of fiscal year 1982, regarding the amount of funds expended for trade adjustment assistance (TAA) training and the anticipated demand for such funds during any remaining quarters, pursuant to section 236(a)(2), title XXV, of Public Law 97-35; to the Committee on Ways and Means.

3916. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the comprehensive plan for municipal waste energy development, required by section 231(b) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Science and Technology.

3917. A letter from the Secretary of Energy, transmitting a report on small hydropower programs, pursuant to section 408(e) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, Agriculture, Interior and Insular Affairs, Public Works and Transportation, and Science and Technology.

3918. A letter from the Assistant Attorney General, Office of Legislative Affairs, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1983, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, the Permanent Select Committee on Intelligence, Post Office and Civil Service, and Foreign Affairs.

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:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 4800. A bill to reinstate certain taxes imposed on aviation, and for other purposes; with an amendment (Rept. No. 97-510). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 4476. A bill to amend the Administrative Conference Act, by authorizing appropriations therefor; with an amendment (Rept. No. 97-511). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 5540 to the Committee on Banking, Finance and Urban Affairs and to the Committee on Education and Labor until May 15, 1982, extended for an additional period ending not later than 5 p.m., May 17, 1982.

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. WAXMAN:

H.R. 6355. A bill to make technical corrections in health and other laws amended by the Omnibus Budget Reconciliation Act of 1981 and for other purposes; to the Committee on Energy and Commerce.

By Mr. BIAGGI:

H.R. 6356. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to temporarily prohibit termination of coverage in the case of State and local employees and in the case of employees of nonprofit organizations, to provide the Secretary of Health and Human Services with information necessary to evaluate problems caused by such terminations, and for other purposes; to the Committee on Ways and Means.

By Mr. DAN DANIEL (for himself, Mr. BUTLER, Mr. ROBERT W. DANIEL,

JR., Mr. ROBINSON, Mr. TRIBLE, and Mr. WAMPLER):

H.R. 6357. A bill to amend the Immigration and Nationality Act to repeal the authority to establish an adverse effect wage rate, for nonimmigrant aliens brought into the United States for temporary agricultural labor, higher than the highest of the Federal or State minimum wage rate or the prevailing wage rate; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 6358. A bill to prevent retroactive recharacterization for tax purposes of certain binding lease contracts that include a terminal rental adjustment clause; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 6359. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may obtain a remedy, and for other purposes; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 6360. A bill to increase the column 1 rate of duty on melamine; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 6361. A bill to amend the Clayton Act to improve the procedures for consensually resolving civil antitrust actions brought by the United States; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 6362. A bill to recover costs incurred by the Department in the administration of the promotion program for wool, including costs incurred for the conduct of the wool referendum; to the Committee on Agriculture.

By Mr. DORNAN of California:

H.R. 6363. A bill to require the jackets in which phonograph records containing backward masking are packaged bear a label warning consumers of such backward masking; to the Committee on Energy and Commerce.

By Mr. HYDE:

H.R. 6364. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from persons registered under the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

By Mr. PANETTA (for himself, Mr. CLAUSEN, Mr. JOHN L. BURTON, Mr. LANTOS, Mr. EDWARDS of California, Mr. FAZIO, Mr. DELLUMS, Mr. MINETA, Mr. MILLER of California, Mr. MATSUI, Mr. STARK, Mr. BEILENSON, and Mr. PHILLIP BURTON):

H.R. 6365. A bill to disallow the Secretary of the Interior from issuing oil and gas leases, granting certain licenses and permits, and approving certain plans, with respect to a geographical area located in the Pacific Ocean off the coastline of the State of California, until January 1, 2000; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.J. Res. 483. Joint resolution proposing an amendment to the Constitution altering congressional budget procedures and procedures affecting the compensation of Members of Congress; to the Committee on the Judiciary.

By Mr. PORTER:

H.J. Res. 484. Joint resolution to provide for the designation of the month of November 1982, as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H. Con. Res. 340. Concurrent resolution reaffirming Senate Resolution 179 and House Resolution 177 and urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards; to the Committee on Foreign Affairs.

By Mr. FOUNTAIN (for himself, Mr. JONES of North Carolina, Mr. ANDREWS, Mr. ROSE, Mr. MARTIN of North Carolina, Mr. HEFNER, Mr. NEAL, Mr. WHITLEY, Mr. HENDON, and Mr. JOHNSTON):

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress that housing and homeownership are matters of the highest national priority; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GAYDOS (for himself, Mr. REGULA, Mr. BENJAMIN, Mr. O'BRIEN, Ms. MIKULSKI, Mr. APPLEGATE, Mr. BROWN of California, Mr. BEVILL, Mr. CLAUSEN, Mr. MOLLOHAN, Mr. MURTHA, Mr. NOWAK, Mr. OBERSTAR, Mr. RITTER, Mr. WILLIAMS of Ohio, Mr. MICHEL, Mr. LONG of Maryland, Mr. MURPHY, Mr. NATCHER, Mr. FITHIAN, Mr. SMITH of New Jersey, Mr. WORTLEY, Mr. EDGAR, Mr. RAHALL, Mr. MCDADE, Mr. FORD of Michigan, Mr. ECKART, Mr. FORSYTHE, Mr. PERKINS, Mr. HYDE, Mr. CORRADA, Mr. FAUNTROY, Mr. COUGHLIN, Mr. BAILEY of Missouri, Mr. WALGREN, Mr. ATKINSON, Mr. KINDNESS, Mr. CLINGER, Mr. BENEDICT, Mr. PORTER, Mr. DERWINSKI, Mr. LANTOS, Mr. ANNUNZIO, Mr. ROE, Mr. NICHOLS, Mr. BAILEY of Pennsylvania, Mr. DINGELL, Mr. WILSON, Mr. YATRON, Mr. STATON of West Virginia, Mr. SAM B. HALL, Jr., Mr. GRAY, Mr. LOWRY of Washington, Mr. MARKS, Mr. FIELDS, Mr. NAPIER, Mr. MCEWEN, Mr. HILLIS, Mr. JAMES K. COYNE, Mr. MOTTL, Mr. WILLIAM J. COYNE, Mr. RAILSBACK, Mr. IRELAND, Mr. RUSSO, Mr. KOGOVSEK, Mr. FARY, Mr. LAFALCE, Mr. QUILLEN, Mr. HANSEN of Utah, Mr. FOGLIETTA, Mr. DOUGHERTY, Mr. SCHULZE, Mr. SHUSTER, Mr. NELLIGAN, Mr. WALKER, Mr. ERTEL, Mr. GOODLING, Mr. SMITH of Pennsylvania, Mr. LUNDINE, Mr. STRATTON, Mr. SMITH of Alabama, Ms. OAKAR, Mr. VENTO, Mr. STANTON of Ohio, Mr. PEASE, Mr. WEAVER, Mr. ZEFERETTI, Mr. SHELBY, Mr. UDALL, Mr. ERLENBORN, Mr. REUSS, Mr. HILER, Mr. BROOKS, and Mr. EVANS of Indiana):

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress with respect to ongoing investigations of foreign trade practices involving steel mill products; to the Committee on Ways and Means.

By Mr. STATON of West Virginia:

H. Con. Res. 343. Concurrent resolution expressing the sense of the Congress concerning the right of children born with birth defects to life-sustaining medical treatment; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

373. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the establishment of a National Academy of Peace; to the Committee on Foreign Affairs.

374. Also, memorial of the Senate of the State of Hawaii, relative to the equal rights amendment; to the Committee on the Judiciary.

375. Also, memorial of the Legislature of the Territory of Guam, relative to the Filipinos who honorably served in the military forces of the United States during wartime; to the Committee on the Judiciary.

376. Also, memorial of the Legislature of the State of Hawaii, relative to the Central, Western and South Pacific Fisheries Development Act; to the Committee on Merchant Marine and Fisheries.

377. Also, memorial of the House of Representatives of the State of Michigan, relative to funding for the National Oceanic and Atmospheric Administration's Great Lakes Environmental Research Laboratory in Ann Arbor, Mich.; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHUMWAY:

H.R. 6366. A bill for the relief of Analou Lasaca and Jude Anthony Lasaca; to the Committee on the Judiciary.

H.R. 6367. A bill for the relief of Susan Waldo; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1822: Mr. LEHMAN.

H.R. 3117: Mr. WASHINGTON, Mr. DASCHLE, Mr. HOWARD, Mr. CONTE, and Mr. WOLPE.

H.R. 3722: Mr. PHILIP M. CRANE, Mr. HARTNETT, Mr. HANSEN of Utah, Mr. CORCORAN, Mr. ROBINSON, Mr. BROOMFIELD, Mr. RINALDO, Mr. CAMPBELL, Mr. YOUNG of Alaska, Mr. HAMMERSCHMIDT, Mr. STRATTON, Mr. ANTHONY, Mr. BAFALIS, Mr. BURGENER, Mr. YOUNG of Florida, Mr. ROE, Mr. VANDER JAGT, Mr. PATMAN, Mr. DUNN, Mr. LOTT, Mr. CARNEY, Mr. MYERS, Mr. LUNGREN, Mr. HYDE, Mr. DUNCAN, Mr. ROGERS, Mr. ROUSSELOT, Mr. HUCKABY, Mr. PETRI, Mr. GUARINI, and Mr. MCCURDY.

H.R. 4223: Mr. BEREUTER.

H.R. 4399: Mr. SMITH of Oregon and Mr. VOLKMER.

H.R. 4789: Mr. BEREUTER.

H.R. 4835: Mr. LANTOS, Mr. DECKARD, Mr. HILER, and Mr. WILLIAMS of Ohio.

H.R. 4842: Mr. SMITH of Oregon.

H.R. 4944: Mr. HANSEN of Idaho.

H.R. 5088: Mr. PEPPER, Mr. BEILENSON, Mr. TRAXLER, Mr. LELAND, Mr. FORD of Tennessee, Mr. FOGLIETTA, Mr. PORTER, Mr. FLORIO, Mr. MCHUGH, Mr. RANGEL, Mr. WAXMAN, and Mr. WASHINGTON.

H.R. 5147: Mr. BAILEY of Pennsylvania and Mr. FOGLIETTA.

H.R. 5238: Mr. MCEWEN, Mr. WINN, Mr. HARTNETT, Mr. DOWNEY, Mr. CLINGER, Mr. LEACH of Iowa, Mr. MCHUGH, Mr. HOYER,

Mr. WILLIAMS of Montana, Mr. HAGEDORN, Mr. MCGRATH, Mrs. HOLT, Mr. PARRIS, Mr. GRAMM, Mr. RICHMOND, Mr. ROBINSON, Mr. HOLLENBECK, Mr. PANETTA, Mr. TAUKE, Mr. MATTOX, Mr. RODINO, Mr. VANDER JAGT, Mr. SKEEN, Mr. CHAPPELL, Mr. DE LUGO, Mrs. SNOWE, Mr. GARCIA, Mr. SWIFT, Mr. BARNARD, and Mrs. SCHNEIDER.

H.R. 5317: Mr. SOLARZ.

H.R. 5428: Mr. DYSON and Mr. RUSSO.

H.R. 5438: Mr. MCCOLLUM.

H.R. 5448: Mr. BEREUTER.

H.R. 5517: Mr. TAUKE.

H.R. 5760: Mr. ROBERTS of Kansas and Mr. RINALDO.

H.R. 5894: Mr. MCKINNEY.

H.R. 5931: Mr. BEDELL, Mr. ECKART, Mr. BARNARD, and Mr. DWYER.

H.R. 5945: Mr. DAVIS.

H.R. 6009: Mr. DUNN and Mr. MILLER of Ohio.

H.R. 6045: Mr. SHELBY, Mr. JENKINS, Mr. BEARD, Mr. PARRIS, Mr. GEPHARDT, Mr. GRADISON, Mr. CHENEY, Mr. AKAKA, Mr. LUKEN, Mr. FINDLEY, Mr. WHITEHURST, Mr. DICKINSON, Mr. EMERY, Mrs. KENNELLY, Mr. NICHOLS, Mr. BADHAM, Mr. LONG of Louisiana, Mr. BUTLER, Mr. VANDER JAGT, Mr. WINN, Mr. MORRISON, Mrs. FENWICK, Mr. BONER of Tennessee, Mr. ERDAHL, Mr. ENGLISH, Mr. REUSS, Mr. HAGEDORN, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. DERRICK, Mr. OXLEY, Mr. COELHO, Mr. MADIGAN, Mr. HILER, Mr. REGULA, Mr. FORSYTHE, Mr. ROSE, Mr. LEATH of Texas, and Mr. JACOBS.

H.R. 6049: Mr. KINDNESS and Mr. LIVINGSTON.

H.R. 6050: Mr. KINDNESS and Mr. LIVINGSTON.

H.R. 6051: Mr. LIVINGSTON.

H.R. 6077: Mr. YATES, Mr. OTTINGER, Mr. PEPPER, Mr. KOGOVSEK, and Mr. KILDEE.

H.R. 6082: Mr. SUNIA.

H.R. 6100: Mr. HUGHES, Mr. PANETTA, Mr. DICKS, and Mr. MILLER of Ohio.

H.R. 6105: Mr. HANSEN of Idaho.

H.R. 6158: Mr. ADDABBO, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BONIOR of Michigan, Mr. DERWINSKI, Mr. FORSYTHE, Mr. HUGHES, Mr. MINISH, Mr. MOFFETT, Mr. PETRI, Mr. RODINO, Mr. ROSE, and Mr. SUNIA.

H.R. 6201: Mr. MITCHELL of Maryland, Mr. MURTHA, and Mr. ROSE.

H.R. 6340: Mr. FORD of Tennessee and Mr. SMITH of Pennsylvania.

H.J. Res. 172: Mr. MOTTL and Ms. OAKAR.

H.J. Res. 323: Mr. WASHINGTON, Mr. ROE, Mr. DOUGHERTY, and Mr. JEFFORDS.

H.J. Res. 363: Mr. DWYER.

H.J. Res. 385: Mr. DE LUGO.

H.J. Res. 386: Mr. CARMAN, Mr. DANIEL B. CRANE, Mr. DUNN, Mr. DYSON, Mr. EARLY, Mr. FAZIO, Mr. FORD of Michigan, Mr. GEPHARDT, Mr. GOLDWATER, Mr. GUARINI, Mr. LANTOS, Mr. LIVINGSTON, Mr. LOWRY of Washington, Mr. MCHUGH, Mr. MOFFETT, Mr. MURPHY, Mr. PATTERSON, Mr. PEPPER, Mr. PEYSER, Mr. ROTH, Mr. ROUSSELOT, Mr. SABO, Mr. SILJANDER, Mrs. SNOWE, Mr. THOMAS, Mr. WINN, Mr. WOLF, AND Mr. FINDLEY.

H.J. Res. 401: Mr. KINDNESS, Mr. ST GERMAIN, Mrs. HOLT, Mr. LONG of Maryland, and Mr. HOYER.

H.J. Res. 412: Mr. HILER, Mr. GILMAN, Ms. FIEDLER, Mr. HENDON, Mr. ANTHONY, Mr. HAMMERSCHMIDT, Mr. HANSEN of Utah, Mr. HOPKINS, Mr. DUNN, Mr. WAXMAN, Mr. HARTNETT, Mr. HOLLENBECK, Mr. KRAMER, Mr. STATON of West Virginia, Mr. GORE, Mr. SAWYER, Mr. JOHNSTON, Mr. KEMP, Mr. SILJANDER, Mr. SNYDER, Mr. STANGELAND, Mr. TAUZIN, Mr. THOMAS, Mr. WEBER of Minnesota, Mr. YOUNG of Alaska, Mr. PHILIP M. CRANE, Mr. WASHINGTON, Mr. SPENCE, Mr. DECKARD, Mr. ROGERS, Mr. EVANS of Iowa, Mr. SMITH of Alabama, Mr. DOUGHERTY, Mr. GRADISON, Mr. WALKER, Mr. EDWARDS of Oklahoma, Mr. COURTER, Mr. DANNEMEYER, Mr. EMERY, Mr. FINDLEY, Mr. GRAMM, Mr. LOTT, Mr. ROBERT W. DANIEL, JR., Mrs. HOLT, Mr. CARMAN, Mr. FASCELL, Mr. SMITH of New Jersey, Mr. ROUSSELOT, Mr. WAMPLER, Mr. RITTER, Mr. SHUMWAY, Mrs. SCHNEIDER, Mr. WEBER of Ohio, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. EDWARDS of Alabama, Mr. TRIBLE, Mr. ROTH, Mr. CONABLE, Mr. SHUSTER, Mrs. SNOWE, Mr. BAFALIS, Mr. SKEEN, Mr. TAYLOR, Mr. BRODHEAD, Mr. MCCOLLUM, Mr. ROBINSON, Mr. GREEN, Mr. DERRICK, Mr. PARRIS, and Mr. GUARINI.

H.J. Res. 424: Mr. RATCHFORD.

H. Con. Res. 52: Mr. LELAND.

H. Con. Res. 222: Mr. JONES of North Carolina.

H. Con. Res. 236: Mr. MCDADE and Mr. DOWNEY.

H. Con. Res. 275: Mr. FRENZEL; Mr. LOWERY of California, Mr. MARRIOTT, Mr. MCEWEN, Mr. YOUNG of Alaska, Mr. DE LUGO, Mr. OTTINGER, and Mr. SMITH of Pennsylvania.

H. Con. Res. 293: Mr. HARKIN, Mr. SWIFT, Mr. ROSENTHAL, Mr. LOWRY of Washington, and Mr. JEFFORDS.

H. Con. Res. 310: Mr. WEBER of Ohio, Mr. D'AMOURS, Mr. SMITH of Alabama, Mr. WOLPE, Mr. ZEFERETTI, Mr. OTTINGER, Mr. WHITEHURST, Mr. PEPPER, Mr. GUARINI, Mr. MATSUI, Mr. RUSSO, Mrs. SNOWE, Mr. MAVROULES, Mr. ANNUNZIO, Mr. BRODHEAD, Mr. YATES, Mr. FORSYTHE, Mr. WALGREN, Mr. MCHUGH, Mr. FORD of Michigan, Mr. AUCOIN, Mr. BENJAMIN, Mr. PEYSER, and Mr. BLANCHARD.

H. Con. Res. 319: Mr. DASCHLE, Mr. HEFTEL, Ms. OAKAR, Mr. LUJAN, Mr. CHAPPIE, and Mr. ERTEL.

H. Res. 447: Mr. MURPHY, Mr. SHARP, Mr. ROE, Mr. RAHALL, Mr. BAILEY of Pennsylvania, Mr. DERWINSKI, Mr. WALGREN, Mr. FITHIAN, Mr. WASHINGTON, Mr. FRANK, Mr. FROST, Mr. GORE, Mr. APPLEGATE, Mr. MITCHELL of Maryland, Mr. NELLIGAN, Mr. HERTEL, Mr. MCHUGH, and Mr. WEISS.

H. Res. 452: Mr. MURTHA.

H. Res. 456: Mr. AUCOIN.

H. Res. 457: Mr. JOHN L. BURTON, Ms. FERRARO, and Mr. LUNDINE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

429. By the SPEAKER: Petition of residents of Montana, relative to action by the Congress to promote food for the hungry, peaceful settlement to tensions in the world, and priority for workers; to the Committee on Foreign Affairs.

430. Also, petition of the Faculty Senate of the University of Wisconsin, Whitewater, Wis., relative to nuclear weapons; to the Committee on Foreign Affairs.

431. Also, petition of the caucuses of the registered Democrats and Republicans of Precinct 20501, Jefferson County, Colo., relative to a reduced Federal deficit on an eventual balanced Federal budget; to the Committee on Government Operations.

432. Also, petition of the city council, New York, N.Y., relative to Federal Crime Insurance; to the Committee on the Judiciary.

433. Also, petition of the Business Council of the Democratic National Committee, Washington, D.C., relative to the safe harbor leasing provisions of the Economic Recovery Tax Act; to the Committee on Ways and Means.

434. Also, petition of the Reynoldsburg City School District employees, Reynoldsburg, Ohio, relative to social security coverage for State and local public employees; to the Committee on Ways and Means.

435. Also, petition of the city council, Erie, Pa., relative to a nuclear weapons ban; jointly, to the Committees on Armed Services and Foreign Affairs.

436. Also, petition of the city council, Rochester, N.Y., relative to the nuclear arms race; jointly, to the Committees on Armed Services and Foreign Affairs.

437. Also, petition of the city council, Toledo, Ohio, relative to a nuclear freeze by the United States, the Soviet Union, and all other nations; jointly, to the Committees on Armed Services and Foreign Affairs.

438. Also, petition of the Lewinsville Retirement Residents' Association, relative to the proposed cuts in benefits for senior citizens by the Federal Government; jointly, to the Committees on Ways and Means, Energy and Commerce, and Banking, Finance and Urban Affairs.