

EXTENSIONS OF REMARKS

IN HONOR OF THE 40TH ANNIVERSARY OF THE WOMEN'S ARMY CORPS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WAXMAN. Mr. Speaker, May 14 marks the 40th anniversary of the Women's Army Corps. I would like to take this opportunity to recognize the lasting contribution that the thousands of women who served in WAC have made to our Armed Forces, and our country as a whole.

The Women's Army Corps was first established by an act of Congress on July 1, 1943, as a component of the U.S. Army to succeed the Women's Army Auxiliary Corps. The women who joined did not go into combat but participated actively in the military service, taking over vital Army jobs behind the front. Their myriad services were urgently needed during World War II, and continued to be indispensable in the decades that followed. The skills of enlistees were tapped in countless positions from surgical technician, map-maker, radio operator, munitions workers, to airplane mechanic, truck driver, clerk-typist, and mess sergeant. WAC's became officers, many were posted overseas, and the success of the corps eventually resulted in its abolition in 1978 to reflect the continuing integration of women into army activities.

Col. Oveta Culp Hobby, the director of the Women's Army Auxiliary Corps, told the first group of officer candidates at Fort Des Moines, Iowa in July of 1942:

May 14th is a date already written into the history books of tomorrow. . . . You are the first women to serve. . . . Never forget it. . . . You do not come into a corps that has an established tradition. You must make your own. But in making your own, you do have one tradition—the integrity of all the brave American women of all time who have loved their country. You, as you gather here, are living history.

Through its contributions and achievements, the Women's Army Corps went on to earn much more than a symbolic place in history. This 40th anniversary of the corps is a fitting time to call to mind the veterans of WAC, and to applaud the women who follow in their footsteps.●

THE ARMED ROBBERY AND BURGLARY PREVENTION ACT OF 1982

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WYDEN. Mr. Speaker, today I am introducing legislation that will strike at the heart of violent crime by invoking Federal jurisdiction to deal swiftly and effectively with the problem of the habitual offender.

My bill, the Armed Robbery and Burglary Prevention Act of 1982, would permit Federal prosecution of an individual who, after being previously convicted of two or more robberies or burglaries, is charged with a third robbery or burglary involving the use of a firearm. Conviction in Federal court of this offense would impose a minimum 15-year sentence in Federal prison with no possibility of parole.

This bill is very similar to S. 1688, the Armed Career Criminal Act, introduced in the Senate by Senator ARLEN SPECTER of Pennsylvania, a former district attorney in Philadelphia.

The objective of this legislation is to add the full force and power of the Federal law enforcement system to the efforts of local prosecutors in dealing with the most vicious and insidious form of criminal activity: The habitual violent offender.

I am introducing this legislation with the full support of the district attorney in my hometown of Portland, Oreg., and the full support of the U.S. attorney for the State of Oregon. Portland is unfortunately experiencing an unprecedented explosion of criminal activity. According to recently released FBI statistics:

Serious crime in Portland in 1981 went up at a faster rate than any other city in the country.

An astounding total of 50,432 serious crimes were reported in Portland during 1981, an increase of 24 percent over the previous year. This increase was led by a rise in the rate of robberies and burglaries—the crimes my bill would help stop—of more than 30 percent.

Portland now has the fourth highest rate of serious crime in the country and ranks second in per capita crimes against property.

National statistics are equally sobering. Between 1978 and 1980, the number of burglaries reported rose 20 percent and reported robberies were up 30 percent. One in every 14 house-

holds in this country is burglarized each year. Less than 25 percent of all property taken during robberies and burglaries is ever recovered and property losses from all crime now exceeds \$8 billion a year.

In Portland, as in other jurisdictions, local criminal justice and law enforcement resources are being stretched to the limit—and beyond. By putting additional teeth in the Federal criminal code and allowing the U.S. attorney's office to assist in prosecuting the most serious habitual offenders, my bill could give a significant boost to local prosecutors struggling to combat the skyrocketing rise in violent crime in Portland and across the Nation.

Because of a limited number of prosecutors and investigators, a huge backlog of cases pending in our courts, and a severe shortage of jail space, we are slowly losing the war on crime. Local authorities are forced to resort to excessive plea bargaining, too many probationary sentences and too-early parole for many serious offenders. Eighty percent of all convicted felons in Oregon were sentenced to probation in 1980. The hardcore criminals sentenced to the Oregon State Penitentiary end up serving an average of only 17 months, even though the average sentence for these felons is 9.9 years.

Because of their frequency, the crimes of robbery and burglary are most likely to be subject to plea bargaining, even for repeat offenders. Kenneth Conboy, the deputy police commissioner in New York City, quoted in a Wall Street Journal article this week, said that "large numbers of people with very serious criminal histories are serving only 3 months or 6 months, largely because of plea bargaining."

Many of these career criminals realize that the system is overloaded and that they can continue to prey on innocent victims even after they get caught. Nationally, 44 percent of individuals arrested for burglary are on parole, probation, or out on bail on a previous charge or conviction at the time of their arrest. Eighty percent have a prior record of adult arrests.

It is the problem of the habitual offender that my bill seeks to address. The number of crimes committed by many of these career criminals—and the substantial role they play in the epidemic of violent crime we are struggling to deal with—is mind-boggling.

One study showed that only 49 imprisoned robbers had committed more than 10,000 felonies over a 20-year period.

Another study indicated that more than half of all crimes—and two-thirds of all violent crimes—are committed by only 6 percent of the total criminal population.

According to a front page story in the Wall Street Journal this week, a third study concluded that 243 drug-addicted career criminals had committed more than half a million crimes in their lifetimes.

One of the most attractive features of this legislation is that, according to the Criminal Division of the Department of Justice, it would not create significant new responsibilities for the Department—and thus would not require additional budget outlays. On the basis of the studies that have been done, Federal prosecution and long-term incarceration of only 500 career criminals under this bill would in itself prevent hundreds of thousands of crimes and save millions of dollars each year.

My bill has been carefully drafted to insure a maximum level of cooperation and consultation between the Justice Department and local prosecutors in deciding which defendants will be subject to Federal prosecution. The possibility of Federal prosecution alone would provide local prosecutors with an important additional weapon in their battle against the crime wave that is plaguing virtually every major urban area in the United States today.

I am most excited about this bill because I believe that—while imposing only a minimal additional responsibility on the Department of Justice—it would have a significant deterrent effect.

The type of criminal this legislation seeks to stop is a rationale, calculating, and street-smart individual. Once a career criminal has been apprehended and convicted twice of robbery or burglary, he will think long and hard about doing it again.

A third conviction will no longer mean another trip through the revolving door of a severely overloaded local criminal justice system.

These people will no longer be back on the street again in a matter of a few hours, weeks, or months—after pleading guilty to a reduced charge or after being paroled prematurely because the State penitentiary or county jail is overflowing.

They will no longer be able to assume that they can thumb their nose at the system and quickly return to a life of preying on the safety and property of innocent victims.

They will instead be faced with the very real possibility of spending 15 years in a Federal penitentiary with no possibility of parole.

This legislation would also be an important complement to State habitual offender statutes and to the many career criminal units that are being established across the country to deal

with this problem. These special units—under which plea bargaining is prohibited and an intensified effort is made to secure a conviction and long-term incarceration when a habitual offender with two or more prior felony convictions is again apprehended—have effectively allocated scarce law enforcement resources where they will do the most good and have been retained in many jurisdictions despite the termination of Federal grants that provided the original funding.

I believe that, if enacted and utilized wisely in conjunction with career criminal units and State habitual offender statutes, my bill could help reduce the overall prison population and the total number of robberies and burglaries at the same time.

Because such a huge number of robberies and burglaries are committed by a handful of incorrigible career criminals, Peter Greenwood, a researcher for the Rand Corp. who has studied this problem extensively, estimates that the number of incarcerated robbers in California could be reduced 5 percent and the robbery crime rate dropped 15 percent by stretching terms for habitual offenders and using probationary or other rehabilitative punishment for first- and second-time offenders.

The legislation I am introducing today also has the support of the Reagan administration. Assistant Attorney General D. Lowell Jensen testified in support of Senator SPECTER's bill at a Senate hearing earlier this spring, stating that:

The battle against violent crime is one of the top priorities of the Department of Justice. We believe this legislation targets a critical area of the violent crime problem and facilitates a concrete federal participation in attacking the problem with limited expenditures of additional resources. It is our view that this is one of the most cost effective means of making an impact on violent crime. The incapacitation of a small number of recidivist robbers and burglars would save our communities millions of dollars.

I am very optimistic that my bill will quickly attract widespread support in the House. I am encouraged by the administration's support for this legislation. I am also encouraged by the support that seems to be building in the Senate for this type of legislation and I would hope that the Senate would also act quickly on the Justice Assistance Act that passed the House by a 4 to 1 margin in February of this year.

It is high time the Federal Government provided some real assistance to our beleaguered local criminal justice system. Violent crime is a national problem and the Federal Government has a legitimate and important role to play in this area.

The complete text of the Armed Robbery and Burglary Prevention Act of 1982 follows:

H.R. —

A bill to amend title 18, United States Code, to provide a mandatory penalty for the commission of a third or subsequent robbery or burglary while in the possession of a firearm

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Armed Robbery and Burglary Prevention Act".

SEC. 2. Chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 2118. Armed robbery or burglary

"(a) Whoever—

"(1) commits any robbery or burglary while such person, or any other principal to such robbery or burglary who is present at the site of such robbery or burglary, is in the possession of a firearm; and

"(2) before the date of such robbery or burglary has been convicted of not less than 2 other robberies or burglaries;

shall be imprisoned not less than 15 years and fined not more than \$10,000.

"(b) No person sentenced to a term of imprisonment under subsection (a) shall be eligible for parole with respect to such sentence. No court may suspend such sentence or make such sentence a probationary sentence. Such term of imprisonment shall not run concurrently with any other term of imprisonment to which such person is sentenced.

"(c)(1) No provision of this section shall be construed to invalidate, or operate to the exclusion of, any other provision of law of the United States or any State.

"(2) In any case in which the Federal Government proposes to prosecute any person for any offense under this section involving a robbery or burglary that would not be a Federal offense in the absence of the provisions of subsection (a), the attorney for the Government shall, unless impracticable, notify the prosecuting authority of the State having jurisdiction with respect to such robbery or burglary of such proposed Federal prosecution not later than 24 hours before the return of an indictment or the filing of an information with respect to such offense, or the making public of such indictment or information, whichever occurs later.

"(3)(A) No person may be prosecuted for any offense under this section that is subject to the notification requirement established in paragraph (2) until—

"(i) the Attorney General, or an Assistant Attorney General designated by the Attorney General, certifies that—

"(I) before the return of an indictment or the filing of an information with respect to such offense, the attorney for the Government notified the appropriate State prosecuting authority of the proposed Federal prosecution and such prosecuting authority did not object to such Federal prosecution; or

"(II) at the time of such indictment or information, there was no pending State prosecution of such person with respect to the robbery or burglary involved and, in the determination of the Attorney General or Assistant Attorney General, as the case may be, such State was not about to undertake such a prosecution; or

"(ii) the Attorney General certifies that such Federal prosecution is required by the interests of justice.

"(B) The responsibility of the Attorney General, or an Assistant Attorney General designated by the Attorney General, to make a certification under subparagraph (A) may not be delegated to any other person.

"(4) No failure of the Federal Government to comply with the provisions of paragraph 2 or 3 shall be a basis for dismissal of any indictment or information or for reversal of, or collateral attack upon, any conviction.

"(d) For purposes of this section:

"(1) The term 'burglary' means any offense in violation of the law of the United States or of any State that, at the time of the commission of such offense (A) is classified by the jurisdiction involved as burglary or attempted burglary; and (B) is punishable by a term of imprisonment exceeding one year.

"(2) The term 'convicted' means subjected to a final judgment on a verdict or finding of guilty, a plea of guilty, or a plea of nolo contendere. Such term does not include any final judgment that is expunged by pardon, reversed, set aside, or otherwise rendered nugatory.

"(3) The term 'firearm' has the meaning given such term in section 921(a)(3).

"(4) The term 'robbery' means any offense in violation of the law of the United States or of any State that, at the time of the commission of such offense (A) is classified by the jurisdiction involved as robbery or attempted robbery; and (B) is punishable by a term of imprisonment exceeding one year.

"(5) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States."

SEC. 3. The table of sections for chapter 103 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"2118. Armed robbery or burglary.".

SMALL BUSINESS: THE BACKBONE OF OUR ECONOMY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONYERS. Mr. Speaker, the role small business plays in the overall well-being of this Nation cannot be over-emphasized. Having the week of May 9 designated as National Small Business Week helps promote the type of recognition small business deserves.

Recently there has been increasing concern that the economic program the present administration is pursuing may not alleviate the twin problems of inflation and lagging productivity. Quite the opposite, it may exacerbate them as it pushes interest rates to higher and higher levels. This makes it more and more difficult for smaller and medium-sized firms to expand and compete, let alone survive.

Small business makes many contributions to this Nation's economy. First, small business accounts for almost half of this Nation's private

gross national product (GNP). Second, small business provides virtually all new private sector employment. Research has shown that new jobs are created most efficiently by firms that have less than 20 employees. Thus, if your main concern is getting the economy back to full employment you must have a growing small business sector. Third, small business accounts for at least 50 percent of all major innovations. In order for a small business to survive, it must provide the community with a service or product that has, until now, been unattainable. In this way there is constant incentive for innovation. And fourth, small business is the most competitive sector of the economy at a time when the free market is more highly regarded in theory than in practice. This competitiveness strengthens the free-enterprise system.

Small business is facing many problems at the present time. The tremendously high interest rates are proving to be disastrous. Small businesses sensitivity to interest rate levels exists due to its reliance on short-term borrowing. A recent study by the House Banking Committee on the prime rate lending practices of the largest U.S. banks demonstrates that small business is hit hardest by a high-interest policy. The study shows that the prime rate is not the interest rate banks charge their biggest and most creditworthy customers but is a means for widening the differential between the interest charged to small- and medium-sized companies and large companies. According to data in the study, these banks have been giving loans to their customers at interest rates that are well below the publicly announced prime. Small businesses, on the other hand, are being charged well above the prime rate.

Moreover, big companies have many alternative sources of funds that allow them to beat the prime rate. Small companies do not. Typically, they are tied to their local banks and usually to the small- and medium-sized banks which do not offer a wide range of financing options.

The aspect of current policy that has proved most damaging to small business is the size of the deficit. Unfortunately, until recently this has not been something the administration has taken as one of its immediate key policy goals—the balancing of the budget.

The size of the deficit is important for the following reasons. First of all, if, as has been done in the past, the Federal Reserve monetizes the deficit, it will increase inflationary expectations which will result in even higher interest rates. Increased inflation will also force the Federal Reserve to eventually stomp on the monetary brakes. We are going to have tight money policies again and small business failures are going to rapidly increase.

Last year 50,000 small businesspersons went bankrupt. This at a time when the administration was proposing and getting approval for a record \$750 billion tax giveaway to rich individuals and corporations. If this were not enough, the administration and several members of the legislative branch of the Government have proposed enterprise zone legislation that does not provide for significant participation by small businesses. This is significant because the enterprise zone proposal is the only major program being offered by the administration that suggests concern for the plight of small businesspersons. What the administration should be doing is supporting the Small Business Innovation Act which would require all major Federal agencies to earmark an additional 3 percent of research and development money for small business. This is the type of support that will benefit small business.

There is no simple answer to the problems currently facing small business. A first step that will help ease these problems, however, is the removal of present discrimination the small business sector faces. Second, you must insure that the value of the externalities provided by small business to our economy are returned to the small business sector—are internalized. Finally, we need to redirect and focus on policies that are specifically directed at increasing innovation. These are the steps that must be taken in order to create a healthy economic climate in which small business may flourish.●

NATIONAL SMALL BUSINESS WEEK

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. COELHO. Mr. Speaker, the President has designated the week of May 9 as National Small Business Week. Given this, it is entirely appropriate that we recognize and remember the significant contributions that small businesses have made in shaping our Nation's growth as we seek the solutions to our present economic problems.

Over the last decade, we have come to rely on small business to create millions of new jobs and to keep our economy productive and competitive. Studies show that almost 90 percent of the recent new net employment in our economy has come from firms with 500 or fewer employees and that firms with 20 or fewer employees have accounted for over two-thirds of the new jobs. Moreover, small business produces 24 times more innovative per

R. & D. dollar than large firms and 4 times more than medium-sized firms.

Yet today, as our Nation's 15 million small businesses experience the most serious problems since the Great Depression, the Small Business Administration has proposed cutting its guaranteed loan program for the second year in a row. Under SBA's plans, the guaranteed loan program would be reduced to \$2.4 billion in fiscal 1983 from \$3.3 billion in fiscal 1982, a reduction of 27 percent.

This action is being taken while business failures, as compiled by Dun & Bradstreet, are running at near depression levels. Small business' share of the gross national product is shrinking as well. It dropped to 39 percent by 1976 from 43 percent in 1963 and has fallen since because of inflation and recession. 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.

The reality for small business today is that it has been crowded out of the short-term bank borrowing market, the primary source of its financing. This reality, coupled with the SBA's plans to cut back further its guaranteed loan program, will effectively preclude small business from taking an active role in any economic recovery. The guaranteed loan, the safety net for hundreds of thousands of small businesses, is being shredded. The shortsightedness of this action is dramatically exposed by the following point. The Japanese Government has four agencies that can lend, directly or indirectly, up to \$20 billion to small businesses in that country. That demonstrates the importance that the Japanese, our major competitor at home and abroad, place on maintaining a vigorous small business sector. This is just the type of support that we should be providing to our battered small business sector. We can only have a strong broad-based recovery if we have healthy and dynamic small businesses.●

INFORMED AMERICANS SUPPORT ANNUNZIO'S OLYMPIC COIN LEGISLATION

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ANNUNZIO. Mr. Speaker, a few days ago I received a letter from Mr. Joseph P. Ruddell, of Houston, Tex. In this letter, Mr. Ruddell apologized for a previous letter in which he had accused me of sabotaging the Olympic coin program. Apparently, Mr. Ruddell had read a newspaper article concerning the private marketers' April 9, 1982 withdrawal from their contract

with the Los Angeles Olympic Organizing Committee. After I pointed out many of the inaccuracies in the article, Mr. Ruddell realized that he had been misled by the supporters of private marketing. I share this letter with you today because it illustrates a recurring problem; many media accounts of this controversial issue mislead, rather than inform, the public.

One need go no further than the first sentence of this Houston Post article to find an inaccurate statement:

The 1984 Olympic coin program collapsed Friday, victim of a running battle between its backers and a powerful congressman, and organizers said that the loss of an estimated \$125 million would force them to stage "super Spartan games."

The fact that a private marketing group consisting of Occidental Petroleum, the Franklin Mint, and Lazard Freres decided to cancel a contract with the Los Angeles Olympic Organizing Committee hardly means that "the 1984 Olympic coin program collapsed." There were at that time, and still are, two different bills before the Congress designed to facilitate an Olympic coin program. My bill, H.R. 6158, is not contingent upon the whims of a private group.

At a press conference given by several Olympic athletes on March 17, 1982, spokesman Chris Knepp responded to a question concerning the possible effect the absence of an Olympic coin program would have on the 1984 Summer Olympics in the following way:

... The games themselves will go on. The sources of financing for the games are other ... because (when) the games were awarded ... the Coin Act was not in the picture ... the Coin Act is fairly recent.

Since Mr. Knepp was clearly under the impression that the Olympic coin program had nothing to do with the financing of the 1984 summer games, I find it peculiar that the Houston Post quotes Mr. Peter Ueberroth, president of the Los Angeles Olympic Organizing Committee, as stating that his organization is now forced to hold "super-Spartan games." Indeed, the article goes on to quote him as saying that the loss of income "substantially damages our efforts to put on the games" and "will turn the Spartan games into ultra-Spartan games." Thus, I do not understand Mr. Ueberroth's statement for two reasons: One, because of Mr. Knepp's remark; two, because the private marketers' withdrawal does not mean the end of Olympic commemorative coins.

The article then makes another misleading remark:

Annunzio has suggested minting one commemorative with none of the money going to the LAOOC.

My bill, H.R. 6158, calls for the minting of two silver dollars and one gold coin to be sold to the public directly by the mint. Experts have esti-

mated that it could raise as much as \$600 million. All of these proceeds would go to the Olympic committees as there is no provision for private marketing. The difference between \$230 million and \$600 million is plain enough.

It is quite easy to understand why Mr. Ruddell thought that I was sabotaging the 1984 summer Olympics given the source of his information.

... Crucial legislation has been bottled up in the House. Rep. Frank Annunzio, D-Ill., chairman of the subcommittee on consumer affairs and coinage, has refused for months to allow the legislation out of his subcommittee.

If anyone was refusing to allow anything, it was the private marketers who refused for 10 months to show me a copy of the contract that they made with the Los Angeles Olympic Organizing Committee. Frankly, I do not understand how anyone could expect the Congress to approve a program that they did not have detailed information about. Surely it is appropriate for the Congress to carefully consider a program that would give \$300 million from the sale of official United States commemorative coins to private enterprise.

I think that we would agree that misinformed individuals cannot make balanced and objective decisions. Now that Mr. Ruddell has heard all of the facts, I assume that he will be able to come to his own conclusions. There is certainly something wrong with those who presume to interfere with an individual's ability to make his own choice by omitting information and distorting fact.

Although this article was written after April 5, 1982, it makes no mention of the bill that I introduced on that day. Under that proposal, a sizable percentage of money would have gone to the Los Angeles Olympic Organizing Committee and the United States Olympic Committee. I wholeheartedly support our Olympic athletes, and would do nothing to undermine the Olympic effort. As a result, I cannot understand why this article attempts to imply otherwise. In fact, I object to the private marketing of the Olympic coins precisely because of my strong support of our athletes. I fear that under that approach the proceeds from the sale of our commemorative coins will go to the marketers and not to our athletes.

Although this article goes on in great detail about the amount of money that the Olympic committees will lose as a result of the marketers' withdrawal, it makes no mention of the possible revenue accruing to them under my bill:

Ueberroth estimated \$125 million would be lost by the organizing committee—\$25 million from half an immediate payment by the private firms once the legislation

passed, and \$100 million in later sales revenue.

Another \$125 million would have gone to the U.S. Olympic Committee, Ueberroth estimated.

In the first place, the organizing committee did not lose a \$25 million deposit; the correct figure was \$15 million. Second, the figure of \$100 million is pure speculation. Nevertheless, even if all of Mr. Ueberroth's numbers were correct, the grand total would be \$230 million. The article neglects to mention the private marketers' share which many experts have estimated could be as high as \$300 million. If you add these two figures together, you get \$520 million. It is interesting to note that out of this sum the Olympic concerns get \$230 million, at best.●

PLACING SOCIAL SECURITY OFF BUDGET

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mrs. HECKLER. Mr. Speaker, social security beneficiaries—particularly the elderly—are understandably anxious about pending budget proposals to cut social security benefits. Having earned their benefits, recipients are apprehensive about their payments being included in the budget debate, made subject to buckpassing and horse trading.

Such inclusion is both unfair and unwise, Mr. Speaker. That is why I support depoliticizing the social security old age, disability, and hospital insurance trust funds, by placing them off budget. Such placement would remove the funds as targets in political games, and hopefully give them the security they were established to secure.

Last year, partly due to politicizing of the social security system, the National Commission on Social Security Reform was wisely created to consider social security issues comprehensively and to make recommendations, by December 31, 1982, on insuring the system's fiscal soundness. Putting the trust funds off budget would be a second wise move, one which I endorse.●

POLISH CONSTITUTION DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, it has been pointed out on numerous occasions that the Polish-American community in Chicago almost outnumbers the Poles in Warsaw. The Chicago

area is the center of the Polish-American fraternal, patriotic, and civic activities. This is dramatically shown in the annual observance of Polish Constitution Day which is commemorated the first Saturday in May.

On May 3, 1791, Poland adopted a Constitution which led to a complete reform of its internal life and asserted the country's democracy. The observance of this important anniversary is banned in Poland, but in Chicago, the celebration of the 3d of May Constitution includes a large parade of over 100,000 people, and a program of festivities.

At this year's event, the Director of the International Communication Agency, Mr. Charles Z. Wick gave the keynote address following the parade. I wish to insert Director Wick's interesting and significant remarks which were delivered on May 1 in Chicago:

REMARKS OF CHARLES Z. WICK

Ladies and Gentlemen, we are here in celebration of Polish Constitution Day, May 3.

Today is an emotional day for me. Dzis czuje sie Polakiem. (Today I feel like a Pole.) Today I stand before you in both joy and sadness. Sadness, because as I look out at your faces, my thoughts turn to your loved ones living under martial law in Poland. And joy because I know that our messages of hope are reaching the people of Poland.

As Director of the International Communication Agency, it is my job to send America's messages of hope and freedom to Poland and to the world through the Voice of America and our other efforts. Since December, we have increased our Polish-language broadcasts from 2 and ½ hours to 7 hours per day. The Voice is covering today's events here for our listeners in Poland.

In January, I decided that we had to do something extraordinary to demonstrate the world's outrage at the imposition of martial law in Poland. With the enthusiastic support of President Reagan, Secretary of State Haig and many other dedicated people, we produced "Let Poland Be Poland."

Through that program—seen and heard by millions of people—we let the Polish people know that they are not alone in their struggle for freedom.

I regret that the great Senator, Charles Percy, could not be here this afternoon, and he sends you his best. As you know, Senator Percy is Chairman of the Senate Foreign Relations Committee which has jurisdiction over ICA. Without Senator Percy's unfailing and inspirational cooperation, "Let Poland Be Poland" might never have been possible. Senator Percy is enormously proud of his Polish constituency. I have first-hand knowledge.

I should also like to express my regret that another great friend of ICA and of the Polish people cannot be here today. The great Congressman, Edward Derwinski. While not being directly responsible for USICA, he has been a great supporter of our programs for many years and gave enthusiastic support to our efforts in the production of "Let Poland Be Poland."

I would like to begin this afternoon by reading a brief quotation:

"The restoration of an independent, strong Poland is a matter which concerns

not only the Poles but all of us. A sincere collaboration of the European nations is possible only if each of these nations is fully autonomous in its own house. This independence can be gained only by the young Polish proletariat, and in its hands it is secure. For the workers of all the rest of Europe need the independence of Poland just as much as the Polish workers themselves."

You might think that those words are from a newspaper editorial published since the imposition of martial law in Poland last December 13.

They are not.

They are by Friedrich Engels and are taken from the foreword to the Polish edition of the Communist Manifesto.

What a pity that communists don't listen to their own prophets!

The Poles love freedom. They have been partitioned by other nations—for more than 100 years they were erased from the political map of Europe. They have been crushed by two world wars.

But their spirit has never been crushed.

The proud Polish people have survived as a nation because of their faith and their tradition of freedom, preserved through two centuries of foreign and domestic tyranny.

There is a section in the Polish Constitution of 1791 which says, "In human society all authority originates from the will of the nation." How tragic that that remarkable Constitution was never applied. An invasion from Russia stopped it.

At the end of World War II the Poles fell into the Soviet sphere. Since then, Polish workers have periodically taken to the streets to demand reforms and an end to oppression.

In 1980, frustration at the ineptitude and corruption of the authorities led to the birth of Solidarity. It embodied a nation's desire for dignity in the workplace, for freedom and for self-determination.

There is nothing novel about these rights; most of them are supposedly guaranteed by Poland's constitution of 1947, a document cynically written and then wholly ignored by Poland's authorities for thirty-five years!

Solidarity sought to address and resolve Poland's economic ills. It acted in good faith. It pursued a path of constructive dialogue with the Warsaw authorities.

Once again, the spirit of the Polish nation caused free people everywhere to watch with admiration.

Then came December 13, 1981. Brutal repression descended like a dark cloud on Poland. Martial law destroyed the newborn freedom. The clock was turned back 30 years.

The results are clear. Instead of dignity, there is degradation. Instead of truth, there is doublespeak. Instead of freedom, there is oppression.

Ten million Poles belong to Solidarity. With their families, they are an overwhelming majority of the Polish nation. By persecuting Solidarity, the Polish authorities wage war on their own people. Hardly an encouraging advertisement for a system which claims to free its people from their chains.

Four months after the imposition of martial law, the Warsaw military regime does not seem to know what to do next. It is one thing to conduct a military operation and jail opponents, but quite another to force a whole society to work for a cause it categorically rejects. Napoleon said: "You can do anything with bayonets except sit on them."

Economic production lags far behind pre-December 13 levels. Ironically, a failing economy caused by social unrest was one of the regime's justifications for imposing martial law in the first place.

In Rome and Warsaw, the Catholic Church has strongly condemned martial law. The Church has also called for the release of political prisoners and for negotiations among the various elements of Polish society.

The authorities insist that movement on other economic and social issues must await the reconstruction of the Polish Communist Party. But that is like trying to revive a corpse. As for Solidarity, reports of its demise were not only premature but greatly exaggerated.

Every day that passes demonstrates that martial law will not solve Poland's problems.

If accommodation is not sought by the Polish authorities, what solution does the regime foresee?

Do they intend to maintain martial law indefinitely?

Will the military regime ignore the worldwide outcry against the war they are waging on their own people?

If so, are the Polish authorities prepared for the consequences, within Poland and in a continued deterioration of East-West relations?

We and our allies have a stake in these decisions, because they will have a profound effect on the history of all Europe for years to come.

The Soviet Union has applied unyielding pressure on Poland throughout the past 18 months.

And the Soviets accuse the United States of interfering in Poland's internal affairs.

We have no need to interfere in Poland. There, as elsewhere, history is on the side of freedom.

Moscow has tried to distract attention from this failure of the communist system by seeking to exploit differences in the West. But Western condemnation of martial law has been strong and unanimous.

Our position is clear.

It reflects principles embodied in the Universal Declaration of Human Rights and in the Helsinki accords, to which Poland and the Soviet Union are signatories. It is also in accord with the position of the Polish Catholic Church and the groups of intellectuals who have bravely sent open letters to the martial law authorities since last January.

We will continue to press the Polish authorities for an end to their repressive measures. Their refusal to end martial law can only bring greater tensions and chaos. Those who have imposed martial law must understand that they have only postponed the inevitable reckoning with the Polish people.

On January 30, the day marked as "A Day of Solidarity with the People of Poland," President Reagan and fourteen other heads of government made statements on the Polish situation. Each called for:

The end of martial law;

The release of Lech Walesa and all of the Solidarity detainees and the dropping of all charges against them;

Negotiations among the government, Solidarity, and the church, aimed at national reconciliation.

Today, President Reagan stands ready to provide support and assistance to Poland once it has restored internationally recognized human rights to its people.

The statements by the 15 world leaders and other dramatic expressions of solidarity

with the people of Poland were beamed around the world in my Agency's international television special "Let Poland Be Poland." Here is part of the soundtrack of that film, including a statement by President Reagan.

President Reagan said:

"There is a spirit of solidarity abroad in the world today that no physical force can crush. It crosses national boundaries and enters into the hearts of men and women everywhere. In factories, farms and schools, in cities and towns around the globe, we the people of the free world stand as one with our Polish brothers and sisters."

And Prime Minister Willoch of Norway:

"The Norwegian people have reacted jointly and strongly against the suppression of the Polish people."

Next, to Iceland and Prime Minister Gunnar Thoroddsen:

"The Polish people have often, through ages, suffered from despotism, but never has the soul surrendered."

Prime Minister Fraser of Australia:

"Despite occupation and suppression, they still fight for freedom."

Portuguese Prime Minister Bal Semaio:

"Now and always the Portuguese people will stand beside the Polish people and all those whose freedom has been destroyed."

And the Prime Minister of Japan Zenko Suzuki:

"Men of goodwill throughout the world deplore the present situation in Poland and earnestly hope for successful search for an avenue which leads to genuine stability and prosperity in Poland."

The list of world leaders continues with Italian Prime Minister Giovanni Adolfini:

"The fate of the Polish people is today in all our hearts, just as it was on the very day of General Jaruzelsky's coup d'etat, certainly not unbeknown to the Soviet Union."

Canada's Prime Minister Pierre Trudeau:

"In the name of all Canadians, I fervently call upon the Government of Poland to bring an end to martial law and to open the way to national renewal and reconciliation."

Prime Minister Bulend Ulu of Turkey:

"Turkey has traditionally nurtured great sympathy and friendship for the Polish people."

Prime Minister Werner of Luxembourg:

"Patience and courage, Polish people, history goes forward in the direction of the inalienable rights of man and nations."

From France, President Francois Mitterrand:

"The Polish people need to know that their struggle for greater freedom is joined by the unity and solidarity of millions and millions of people throughout the entire world."

Belgium's Prime Minister Wilfried Martens:

"Poland recalls to us the value, and also the fragility, of what we have to represent and defend."

And concluding, Chancellor Helmut Schmidt of Germany:

"Together with our friends in Europe and in America, we demand of the Polish rulers: Lift martial law, release the detainees, and return to the national dialogue with the church and with the elected leaders of the Solidarnosh Trade Union."

"Let Poland Be Poland" reached nearly 350 million people—186 million who saw it on television in 48 countries and another 165 million who heard the program on radio.

The radio audience was crucial because so many people were denied the right to see

the telecast. Again, our message got through. Despite jamming, 10 million people in the Soviet Union and another 8 million in Poland heard the radio version. Radio Free Europe and Radio Liberty broadcast the television soundtrack, which reached at least 50 million in Eastern Europe and 15 million in the Soviet Union.

We know that "Let Poland Be Poland" focused world attention on the plight of the Polish nation and of your loved ones in Poland.

We also know that it struck a communist nerve. The Soviets' reaction has been especially abusive. The number of police the Warsaw regime dispatched to prevent Poles from seeing the videotape in the U.S. Embassy also speaks volumes about its impact.

In 1970, following the uprising of Polish workers on the Baltic coast, Czeslaw Milosz wrote a poem to honor the workers who died in the fighting there. He lives in our country now, and he appeared in "Let Poland Be Poland."

The words of his poem are inscribed on a memorial in Gdansk.

I would like to close with a small part of what he said:

Do not feel safe. The poet remembers. You can slay one, but another is born.

The words are written down, the deed, the date.

We say to the Warsaw regime: You can slay one, but another is born. Poland will not die. Poland cannot die. The sight of a peaceful people seeking peaceful change terrifies the Marxist-Leninists in Warsaw. But the brutal actions of these fearful men will not deprive the Poles of their faith, their courage or their dreams to Zebry Polska byla Polska (Let Poland Be Poland).

Thank you very much.●

NATIONAL SMALL BUSINESS WEEK

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DE LA GARZA. Mr. Speaker, as we pay tribute to small business, during this Small Business Week, let us reflect on the role which small business plays in our society and in our day to day lives. Let me start by asking how many of us have direct dealings with companies in the Fortune 500, or the large financial and service corporations? I would venture to say that our dealings with these large companies are very infrequent.

In some parts of the country, such as my congressional district in South Texas, virtually all commercial operations have been small, independently owned and operated businesses. In the Rio Grande Valley, these independent businesses have helped build and maintain the unique culture of this border community. Only more recently have the large corporations and the national retail firms discovered this long ignored part of the country.

In fact, I believe that people throughout the country are much

more dependent on small businesses than is realized. Whether one needs a car repaired, clothes cleaned and pressed, a home repaired, or dines out in a restaurant, one will most likely be dealing with a small business. In short, we depend on small businesses for many of the goods and services we appreciate and take for granted.

Just as we depend on small business, so do the large manufacturing corporations, for the small business serves as an intermediary between the consumer and manufacturer. While most all of us own products made by companies listed in the Fortune 500, there is a good chance we purchased the product from a small business.

Sales and service, however, comprise just one segment in which small business plays an important role. Many large corporations subcontract at least part of their work to smaller, specialized firms which can produce more efficiently than the large corporations. In a similar manner, the large food and beverage processors, depend on small, independent farmers to supply them with the raw commodities which they need.

Small business is so integrated into our economic structure that without it, commerce as we know it would come to an end. Yet while successive administrations, and we in Congress have often paid lip service to the needs of small business, I fear we have neglected our duties in failing to give due consideration to those needs in setting economic policy. There is little question that the current economic policy, as structured by the administration backed Omnibus Budget Reconciliation Act of 1981, and the Economic Recovery Tax Act of 1981, has hurt small business much more than the large corporations. These economic policies have given us the highest real interest rates in recent memory, and while interest rates are a plague on every sector of the economy, they are especially hard on small businesses. Large companies have much greater access to the financial markets, and a greater ability to pay the higher interest rates than do small businesses. When in severe economic troubles, some large corporations can convince their bankers to renegotiate their loans, and in some cases have even had the Federal Government guarantee them. Small businesses have no such option and are often forced to cease operations. Many of the Federal programs created to assist sound but financially troubled small businesses have been curtailed as an economy measure.

The restrictions on Federal aid to small business adopted by this administration may be shortsighted and counterproductive. In the Rio Grande Valley, and in most communities on our border with Mexico, small businesses are suffering from the recent

devaluation of the Mexican peso. Many retail stores, employing thousands of persons have seen their sales fall dramatically because Mexican nationals no longer come to the United States in large numbers on shopping trips. Last time the peso was devalued, the Federal Government provided credit at a reasonable cost in order to help these businesses survive. The lack of Federal assistance combined with the high cost of credit resulting from current economic policies may drive many of these businesses under. Fewer businesses along the border will mean fewer goods available for sale to Mexican nationals once they are ready to resume shopping in the United States, and fewer jobs for our own citizens.

It is more than our economic structure, however, which is at stake when we consider the future of small business, it is the entire fabric of our society which has developed since long before our ancestors first settled in North America.

One of the liberties we all take for granted, and one denied many people throughout the world, is the freedom to go into business for oneself. It is the freedom of the individual to go into business that has in many cases been responsible for the continued growth and prosperity of our economy. While many large companies are like the Federal Government, slow and ponderous in coming to a decision, small companies led by entrepreneurs can respond to changes in the market and fill needs overlooked by larger companies.

Our future prosperity depends on an economic climate in which the entrepreneur, the small businessman, can continue to innovate and develop new markets for their products. It is imperative that we in Congress act, and act soon, in order to correct the downward slide of our economy before we have allowed many more small businesses to be destroyed.

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child

care food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

Four years ago, when I learned about Head Start, I went to investigate the program and learn what the requirements were to enroll my child. I liked everything that I was told and observed and decided to register my child. I was elected class representative and later on I was elected Vice-President of the policy committee and later on chairwoman. When a teacher is absent, I work either as a volunteer or as a paid substitute. Mostly all Head Start mothers are my friends. We have a good relationship. We meet in the parent room and talk about everything.

I attend monthly meetings of the New York City Head Start Policy Council where I learn how other programs work throughout New York City and what is happening in Washington.

I recommend Head Start programs for children and families. I feel good in Head Start because when I have problems and I don't have someone to talk to, I talk to my social worker and she helps me try to solve them. If she is unable to help, she finds another agency where my problem is solved. As a result I feel better, and feeling better helps me be a better mother.

I am able to help my child, and the rest of the family. Also, as a result of this, I have no fears. Now I even go to the special school, talk to the Principal, visit the school frequently and serve as a volunteer in the classroom to see how the teachers teach and work with my child. This has helped me also with the schools that my other children attend.

I feel that, in the years that I've known Head Start and Head Start has known me, I have bettered myself, my life, my home and learned skills which I could not have learned on my own. Head Start is a very important program for every young child and their family in resources, education, and socially.

HEAD START PARENT,
New York City. ●

CIVIL DEFENSE AN ILLUSION

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MAVROULES. Mr. Speaker, no graver issue confronts humankind today than the threat of nuclear war. This threat, moreover, is compounded by a certain strain of contemporary strategic thinking that posits it may be possible to fight, survive, and essentially win such a war. There seems to be an inclination, at least within the administration, to look upon nuclear conflict as something less than a terminal holocaust.

The Reagan administration has proposed the largest civil defense buildup since the cold war. The President has budgeted \$252 million for the program next year, nearly double the \$134 million appropriated for the fiscal year

1982 budget. However, the Senate Armed Services Committee recently recommended \$144 million for 1983. Budget authority would increase slowly to \$400 million in 1986 and then jump to \$1.2 billion in 1987.

Much of the Federal money would go to State and local governments, which would be responsible for planning the evacuation of the cities and the dispersal of the population into the countryside in the event of an imminent nuclear attack. But unlike the fallout-shelter mania that followed the Berlin crisis of 1961, the Reagan program is focused on "Crisis Relocation" to evacuate probable target areas, and on contingency plans for resuming normal operations after a nuclear attack.

Administration officials and planners estimate that even the largest cities could be evacuated in perhaps 5 days, and they believe the United States would have that much warning of a Soviet attack.

The Reagan administration argues that the program would double the anticipated number of survivors of a nuclear attack from 40 percent of the population to 80 percent.

The administration is concerned that the Soviets' superior civil defense system embolden them in a nuclear showdown.

However, Mr. Speaker, the administration fails to mention or correctly measure the weaknesses of the Soviet civil defense program. The CIA notes that there is sufficient blast-resistant shelter space for the Soviet leadership at all levels. These shelters, however, are vulnerable to direct attack.

Chronic Soviet food shortages, food distribution snarls, and the fact that the Soviet citizens buy their food from day to day would prevent many from bringing the requisite 2-week supply of food and water to the predesignated host shelters.

A Soviet decision to proceed with an evacuation would result in gigantic transportation problems. The Soviet road network has been constructed to accommodate travel within that country's cities and would be hard pressed to support mass exodus from those cities.

During the winter, spring thaw periods, and autumn rainy seasons, Soviet roads are virtually impassable.

Soviet evacuation plans call for 17 million urban residents to walk 30 miles and then build expedient protection. How the very young, the very old, and the sick are to make such a formidable progress is not clear.

Many crucial economic and industrial facilities cannot be protected at all. These include oil refineries, powerplants, chemical storage plants, steel mills, and so forth.

The CIA report concludes that the United States could absorb a nuclear strike by the Soviet Union and still re-

taliat with savage and unacceptable destruction. Indeed, the credibility of the U.S. deterrent is so strong that the Soviet confidence in their civil defense must be called into question.

I would like to bring to the attention of my colleagues some ideological considerations of the Soviet civil defense plan. An active civil defense program helps maintain order and stability. It bolsters faith that the Communist Party and government watch over and protect the citizenry.

However, an extensive civil defense program is, in fact, infeasible and unattractive to a democratic society. Apart from questions of technical and economic feasibility, one must consider the concept of a shelter-centered society which would be a wholly new departure from U.S. history and psyche.

A successful civil defense program would require a gigantic bureaucracy and a number of trained cadets.

A significant portion of the population would have to be in a constant state of readiness.

An extensive civil defense program might anger our allies who might interpret the program as an inward turn that abandons non-Americans to die in a nuclear holocaust.

This extensive civil defense program is frankly a waste of money not only because it cannot protect the society from the effects of nuclear war, it is harmful because it fosters the illusion that Americans can be protected.

Neither Russia nor the United States can possibly hope to protect its civilian population to the extent that nuclear war can be called "safe." Nuclear war would be the greatest mistake for both sides.

One should also take a pragmatic approach to this new "head for the hills" program.

The administration makes outrageous claims such as the one that 140 million Americans can be saved by evacuating the cities—anyone who has tried to leave a city in a normal holiday weekend, let alone a nuclear alert, knows how easy that is.

Many American cities—San Francisco, for example—have overwater escape routes that are clogged enough during normal rush hours.

What life would be like when evacuation was complete is another "imponderable." In some places, refugees would be less than welcome. Ethnic groups would compete for urban shelters spaces, and urban evacuees would be viewed as depleters of farmers' stocks.

Regardless of how successful or unsuccessful the evacuation plans go, without the cities and surely without the economy, there will be mass starvation and epidemics.

If the United States commences to clear her cities and "relocate" the population, there is no guarantee that the

U.S.S.R. would not retarget its missiles at the "host" areas.

Furthermore, the mass relocation and evacuation of the cities in a time of crisis might be interpreted by the Soviet Union as a U.S. preparation for a first strike.

Mr. Speaker, this civil defense budget and plan are part of fundamental illusions about nuclear war. The illusion of survival. The illusion of recovery. ●

HON. LEO W. O'BRIEN

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HORTON. Mr. Speaker, like my good friend and colleague, SAM STRATTON, I, too, had the privilege of serving with Leo O'Brien. He and I served together for two terms.

For those of my colleagues who may not know it, Leo O'Brien was first elected to the Congress in a special election in 1952. As the Representative of Albany and Schenectady Counties, Leo brought considerable experience and political sense to the House. His constituents knew him prior to his service in the House as one of the more distinguished local newspapermen.

One of Leo's outstanding achievements was the key role he played in the passage of legislation admitting Hawaii and Alaska to the Union. He also served on what was then called the Space Committee, now the Committee on Science and Technology.

On May 3, 1982, our former colleague and friend passed away. He was well liked and admired by his constituents, colleagues, and friends and will certainly be missed. ●

MONDALE SPEECH TO THE
NATIONAL COUNCIL ON AGING

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PEPPER. Mr. Speaker, recently the delegates to the National Council on Aging's annual convention had the privilege of hearing former Vice President Mondale address them concerning key aging issues. Vice President Mondale delivered an eloquent statement which truly captures the guiding principles many of us share concerning the elderly. He also pointed out the radical nature of administration plans to reverse almost 50 years of progress for the elderly and turn our back on the important vision that shaped such important programs as

social security, medicare, and the Older Americans Act. I am convinced that anyone reading what the Vice President said in this address will be as moved as I am by his commitment to the elderly.

Since this speech addressed so many of the issues that will be coming before this body in the coming weeks, I think many Members might find it to be as informative as I did. Perhaps no more important message comes through in this speech than Vice President Mondale's absolute opposition to social security cuts. I could not agree more with this position and in the days ahead I intend to join with dozens of my colleagues who have the same view in fighting against the latest Republican plan to "save" social security by cutting \$40 billion from the program.

I want to commend Vice President Mondale for the sincere commitment to the elderly evident in this speech. I also want to urge my colleagues to read this excellent statement and therefore, I am inserting the text of the speech in the RECORD following my remarks.

REMARKS DELIVERED BY WALTER F. MONDALE
TO THE NATIONAL COUNCIL ON THE AGING

Thank you very much, Anna, for that very, very kind introduction. I'm delighted to be at the 32nd Annual Conference of the National Council on Aging, and I take particular pride in my association over all these years with the magnificent work of your Council. Since its founding in 1950, your Council has fought for decency and dignity for older Americans and you've been at the center of every fight that matters. And we need you at the center more than ever before today.

The quality of your officers I think underscores the importance and the sophistication and the commitment of this organization. Your president, Ellen Winston, who performs so superbly in her position; your executive director, Jack Ossosky; and the other key leaders of your staff say much about the quality and distinction that this organization enjoys in your nation's Capitol.

I know today is a special day for all of you. I'm sure you heard with me the radio report last night that many of the issues that I think concerned you as you came to Washington have now been settled in your favor. Yesterday's announcement that they were dropping all efforts to reduce Social Security benefits, that they were rescinding the cuts in Medicare, and that we're going to restore the benefits to dependents of single parents and their survivors I know was greeted by all of us as good news. The bad news was that yesterday was April Fool's Day!

I am told that later today the Vice President of the United States is coming here. I know something about that job. It can be tough, and even dangerous. You recall the Three Mile Island disaster, when the nuclear plant nearly went up in smoke. I was coming home about the third or fourth day after the disaster and they were interviewing a woman who lived next to the plant who wasn't moving. And they said well, "why aren't you moving?" She said, "It's safe." Well, the interviewer said, "Why do you think it's safe?" She said, "Well, the

President and his wife were just here visiting the plant." He said, "Why does that make it safe?" She said, "Because if it was dangerous they would have sent the Vice President."

I was reminded of this story this morning as I thought of Mr. Bush coming here explaining President Reagan's policies on aging.

The great Pope and ecumenist Pope John XXIII once said "Men and women are like wine. Some turn to vinegar, but the best improve with age." This Council has understood that point from the beginning—that the aging both need help and they want to help. Some need assistance, but many are more active, better skilled, and more independent than ever before. Many want to work and to help as long as they can. You understand that. It is not a case of giving them something, it is a fact that our nation must have the benefit of their contribution.

But it's tough for anyone to find any work these days. Indeed, the most serious problem the elderly face is the problem of all of us, namely, our stalled economy. Today the nation stagnates in a severe recession. Just minutes ago the Bureau of Labor Statistics announced the latest unemployment figures. Unemployment has now risen to 9 percent, which is the highest unemployment level in our country since the Great Depression of the early 1930's. Real interest rates have soared to heights that stifle investment. The auto, the housing, and many, many other industries are not in a recession, they're in a depression. Farmers in my Midwest, in my own state of Minnesota, are having the worst year since the Depression. Approximately 1,200 farmers a day are leaving the land. Seventeen thousand businesses have failed and entire sectors of our economy—airlines, savings and loans, farm equipment—totter on the brink of bankruptcy.

The magnitude of such problems may obscure their meaning to some. But as you know, older Americans are forced to make due with less, are deprived of essential services, and are required to pay more for necessary health care. And incidentally, in health care, unlike much of the economy, inflation continues to roar ahead.

Each percentage point increase in unemployment causes a \$5 billion drop in Social Security trust fund receipts. The stagnating economy strikes those least equipped to respond and for the elderly it is bad news and disaster.

The irony is that this is a recession that did not need to happen. When this Administration took office, in fact, all economic indicators were improving. This was a year when the circumstances were about as good as we've seen for many, many years. Finally, we had an energy surplus in the world, and instead of oil prices soaring through the ceiling, for the first time in many years the price of oil has begun to drift downwards. We've just had the best food crop in American history. Raw material prices are lower than they've been for a long time. It was a good year for moderate economic policies to boost our economy, to provide new jobs, and to provide the revenues that we need to be a just and caring society.

But as soon as their program took hold, it paralyzed economic recovery. And it has brought us already the largest deficits in history—more than \$100 billion in 1982, more than \$125 billion in 1983, and more than \$200 billion in the year 1985 unless policies change. As a matter of fact, unless they change course in these next four years we will add more to the national debt than

was added since the time of George Washington.

This is not a moderate program, it is not a conservative program, it is a radical program and it is a disaster. And there are several things that I believe the President and our government must do right now.

First of all, the President should withdraw the 1983 budget. It's a good thing that the Federal Trade Commission laws against false advertising do not apply to Presidential budgets or he'd be over there answering questions right now.

Secondly, Congress should repeal the personal tax cut for 1983 and repeal the tax leasing provision that costs billions and billions of dollars and provides no economic benefit. The other day a major corporation announced in its annual report profits of \$3 billion last year and they earned a \$100 million tax rebate.

Third, Congress should repeal or defer the indexation of taxes, which, when combined with the repeal of the 1983 tax cut would reduce the deficit by over \$50 billion.

Fourth, in my opinion, the Congress should accelerate the '82 tax cut to January 1st of this year to stimulate growth and help end the recession as soon as possible.

Fifth, we simply must control the growth of defense spending. With no sacrifice to our security—and I notice former President Ford this morning was saying that—we can save at least \$10 billion in 1983. And while we're at it, let us also realize that wise, sensible, skilled negotiations that lead to arms control also can help reduce this defense budget.

There is a big debate going on in this town, around this country, and indeed, around the world about whether we should be seeking a nuclear strategic arms agreement with the Soviet Union right now. There was a SALT agreement that we reached when we were in office. That agreement requires the Soviet Union to reduce their nuclear delivery systems by over 200 systems that now exist. It stalls the arms race and it makes the situation much more stable than it is today, with more adequate verification. And it reduces the likelihood that these dreadful weapons would ever be used.

I plead with the President to end this sterile and tiresome public debate about what we might do. Instead of that he should join what has been a bipartisan tradition since the day the bomb first went off. And do what all Americans want our President to do—and that is to start SALT talks right now and put on the table a SALT agreement that will freeze and reduce these terrible nuclear armories before they destroy all of us. I say that as well to point out that if SALT II had been ratified we would not only be stronger, not only would we be a more secure nation from a national security standpoint, but we would save approximately \$45 billion that we have to spend to deal with problems that would not have existed were SALT II now a ratified treaty.

Finally, we need an agreement from the Federal Reserve Board that they will be more forthcoming in the supply of credit in the face of a more responsible fiscal policy. The combination of the two is essential. And in order to do that, the President must lead. The President is not just another officer in this town—he is called the Chief Executive Officer because he's supposed to be in charge of the public dialogue and the Executive Branch and be the officer who leads this country along the course required by the American people. In the absence of

Presidential leadership, we see what's happening in this town. The Senate blames the House, the House blames the Senate, the Congress blames the President, the President blames the Congress, and Fed blames the President and the Congress, the Congress and the President blame the Fed. All very interesting, but what about the country?

And we need the President's leadership right now—not just to listen, but to get these parties together, work out an arrangement that brings these deficits down along the lines that I've suggested, get an accord with the Federal Reserve Board, and end this enormous economic disaster that is now visited upon this country. That's essential to everything that this Council wants done—we simply must have a healthy economy.

We cannot have the future we want without the active participation of older Americans. As we all know, it is our seniors who built this country, took us through the Depression and World War II, and certainly they have the right to retire with dignity and security. That's a point that Americans have agreed on since the passage of the Social Security Act of 1935.

That is until now.

I have tried to understand the current Administration's policies, but my imagination fails me. What are we to make of an Administration that repeatedly slashes the food stamp program, the one program that has virtually abolished hunger in America. I remember, as does Jack and many of you here, the Congressional committee that went around and saw people in America, in the midst of our incredible agricultural abundance, suffering from severe malnutrition in America. Where we saw school children unable to learn because they were so hungry that they were just unable to function. I do not want to see the specter of malnutrition and hunger visited again in this land. This is something that is intolerable in a humane society and the food stamp program, whether it is popular or not, has worked and is an essential underpinning of a healthy and a caring society. Let us support that program.

And what are we to make of proposals to cut the emergency fuel assistance program by 30 percent. I'm an expert on cold weather, coming from Minnesota. And boy did we have a winter! Americans should not have to choose between eating a meal or heating their home. And that emergency assistance program is essential to avoid that inhumane choice.

Today we are told that the Administration will not cut Social Security. But only a few short months ago it advanced the most radical and breathtaking attack on Social Security that we've ever seen from any Administration since that program was adopted. We all know that last year the Administration proposed to slash the minimum benefits paid to 3 million Americans. As a matter of fact, they did terminate it for those not yet receiving benefits. But what many have forgotten is that the Administration also proposed changes in benefits that would have reduced permanently future benefits by over 20 percent. Disability benefits would have been reduced by 30 percent. Benefits for those who retire early at 62 would have been reduced by 40 percent. Fortunately, the Congress blocked most of those cuts.

The other day in his news conference, the President said he hasn't touched Social Security. I sometimes wonder whether they read the newspapers over there. The fact of it is they tried to make all these changes

and were blocked from making them. But they did put in place some reductions. We have had a program since the beginning of Social Security, or nearly since that time, to provide the dependents of survivors education assistance up to age 22. That's been repealed and is being phased out. And you're starting to hear about that as you move around the country. They terminated the burial benefits and they terminated the minimum benefits for those not now on retirement. And as you know from your studies, many of those who would have received these minimum benefits are going to be in desperate shape.

My dad was a Methodist minister, and dad would preach and my mother handled the choir, the music, and the kids at home. And it was great, but she didn't earn a dime in her lifetime. And then dad died. Is there something about our Social Security system that says that people who choose that kind of life, who serve their families and their communities, and who are magnificent contributors to our society—somehow because they didn't have earning records on their own, should not be entitled to a minimum benefit that permits them to have some kind of dignity in life? I think it's a mean-spirited approach not to ensure this dignity.

What we should be doing is getting on with the urgent agenda of action needed for our senior citizens. I think there's several things we need to do.

First and foremost, we must strengthen Social Security. Social Security rests on the principle that older Americans deserve a secure retirement. That principle stands at the heart of our nation. You know, we hear so much about all the programs at the federal level. Some of them need to be reduced, eliminated, or reformed. But Social Security is not just another program. If you ask me, after all my years in public life, what program was the most important, fundamental program for social justice in America, if I were forced to say what is the one program, if I could only pick one, that this nation could not do without—and I'd hate to be put in that place—I'd say it's easy. Social Security! Social Security is the most fundamental, profound engine for social justice and decency in this country. It should not be looked at as just another detail in American life. We make a bargain in America, it's a social compact, that when Americans work for a lifetime, care for themselves and their families, pay their taxes and are good citizens—that when the time comes to retire in America that a Social Security check adjusted for inflation should be there just as sure as the sun comes up in the morning. It's as basic as that.

And yet some want to reduce these cost of living increases for retirees and push millions back again below the poverty line. Of the elderly who live in poverty, two-thirds live alone. I don't know any person who grows rich on Social Security benefits. And the least they deserve is to know that their benefits won't be eroded by inflation.

This is not to suggest that the system is free from possible short-term underfunding for the rest of the decade. Or that it treats women with full equity. Or that long-term demographic implications need not be addressed. But read that trustee report in the morning paper very carefully. They carefully disguise the good news. But if you read it carefully, it's there. The fact is that they now say that the Social Security trust fund from 1990 to 2020 is going to be in surplus. The Medicare fund right now is in surplus. We face a short-term, modest, temporary

problem that can be handled, and all of this scare rhetoric I hope will be put behind us once and for all.

These problems must be and can be easily resolved. Those who propose drastic reductions are not trying to improve Social Security—they're trying to dismantle it. And I remember a famous, elegant statement by Sam Rayburn. He said: "Any jackass can kick a barn down, but it takes a carpenter to build one." And I agree with him.

Secondly, we must expand Medicare and Medicaid to meet the health needs of the elderly. And we must explore alternatives to long-term institutionalization and incentives for home health care.

I think one of the most significant struggles this year will be the fight to reduce by \$3 billion the support for Medicare. I was an original sponsor of Medicare and I'm proud of it. And if I can get personal once more for a moment: my mother was in the hospital with cancer and we had virtually no health insurance and the Medicare provisions made all the difference in the world to her, to her pride and her dignity, and to her family. And that has been true of millions of Americans. And just as I don't want this country to return to a time when people are hungry again, I don't want to return to a time when older Americans live hourly with the dread and the fear of being struck by a major illness and having the humiliation after a lifetime of self respect of having to go somewhere and beg for help from somebody to pay for those costs. It shouldn't happen in America and there are far better and humane ways of dealing with it.

This is not the speech to go into this in detail, but as you know, once again hospital and health costs are soaring in America. At a rate nearly double that of inflation again. For a while you will recall they slowed down a little bit, almost at or below the inflation rate. That occurred when we were pressing a bill called Hospital Cost Containment. This program is a special one. The market doesn't work the way it should in some of these areas because with Medicare, Medicaid, and private insurance, many times there aren't the incentives to be careful about costs, to be restrained in charges that would occur in other circumstances. And for that reason I think the American people should again urge, and I hope this Administration would support, a proposal to put into legislation hospital cost containment, to require the hospitals and the providers of services to keep their charges at the inflation level or below. And that would save billions and billions of dollars for the Medicare fund.

Third, we must adequately fund Title XX, which can help assure full access to community life for every needy American.

Fourth, we must strengthen the Older Americans Act—in particular, funding for senior centers and nutrition services for the elderly. We should expand, not retract, the services state and area agencies, senior centers and nutrition projects provide.

Fifth, we must safeguard the legal services program in the name of every poor, weak and helpless person. The elderly, as we all know, are singled out above all for fraud, discrimination and every form of illegality. They need lawyers, particularly the poor, to defend them from this abuse.

I think we must also be much more concerned about the effect and the feelings that seniors have about the incidence of crime in their neighborhoods. I don't know how many times I have been in senior citizen highrises and in community meetings.

We talk about Social Security and Title XX and the Older Americans Act. And then you say what would you like to talk about. And immediately you're talking about crime and about how one of them had been hassled and so on. I am not here to say there are easy answers, but I do believe that there is nothing humane, liberal or progressive in being insensitive to the way older people are exposed to crime. And I think we need to constantly press ahead for programs of enforcement, for prosecution, and for punishment that will better protect senior citizens and all Americans.

Sixth, we must open up opportunities for older persons to work and be involved in their communities. And there's a reason for this that is new. I think many of you are aware of it. And that is that we're now about to enter the "baby-bust generation." In 1940, we had 9 people working for every retiree. In 1990, we will have 2 people working for every retiree. And if there was ever a time when everyone who could work will be needed, it will be in these coming years. To sustain an adequate work force, we will need every single older American who wants to work, and we must remove all the obstacles that stand in their way.

The direct advantages to older workers will be substantial. The nation will gain. Tax receipts will increase. The pressure on the Social Security trust fund will be eased. And the burden on younger workers to support retirees will diminish.

We must also reject the Administration's effort to abolish the Title V senior employment program. We must insist on an EEOC that enforces age discrimination laws. And we must all work to enact Claude Pepper's bill to abolish mandatory retirement at age 70.

Ah, Claude Pepper! You know, I remember Ponce de Leon came to Florida about 400 years ago looking for the fountain of youth. He said it wasn't there. That's because he arrived 400 years too early. If he'd seen Claude Pepper he'd have found the fountain of youth!

The point is simply this. For those who want to work, we should end discrimination and help them work. And for those who can't, we have no duty more important than to insure that they lead a life marked by dignity, not by deprivation; and by love and not neglect.

This morning in the Washington Post you will read a national survey that shows how seniors are living with a sense of insecurity and anxiety. Those of us who have been involved in this field and are not retired become interested with various debates. But for millions of senior citizens who are beyond the working years and who have relied overwhelmingly on Social Security and these other programs, that interest is converted into anxiety and fear. What we need to do is not only improve these programs, but the Administration and our government have to speak with the clarity and with a sense of commitment that does something that is just as important as the money. And that gives these senior citizens a chance to plan the rest of their lives with a certain and secure notion that this country of ours stands unquestionably behind them.

You know America is the only nation that declared as one of its purposes the pursuit of happiness. Our country is more than just programs and money and jobs and machines and plants and equipment. Americans are supposed to have a sense of joy. But that's not possible for seniors when they feel that

the very minimum support they need for their dignity, for their survival, for their health, is in doubt. All of us have a duty, it seems to me, to once again reassert with a clarity and a strength that is undeniable, our support across partisan lines for these policies so essential to decency in life. So our seniors can live without that unneeded anxiety.

This year marks the 100th anniversary of Franklin Roosevelt's birth—the President who bequeathed to us our understanding of the principles and purposes of modern government. FDR captured the spirit of the New Deal in a single sentence. We are trying, he said, to create a society in which no one is left out. FDR included the excluded. Let us not now in our generation exclude the included.

This Administration has done one thing for all of us. It has forced us to think profoundly again about our nation and our purposes. It has asked us to ask ourselves again what kind of a people are we? What are the moral duties that define our national purpose.

My old friend and mentor, Hubert Humphrey, once said: "the moral test of government is how that government treats those who are in the dawn of life, the children . . . those who are in the twilight of life, the elderly . . . and those in the shadows of life, the sick, the needy and the unemployed."

This country was not established for pity and cold reasons. We were never intended to be an uncaring, survival of the fittest, social Darwinist society. This country was intended to be not only for people who believe in competition, independence, and self-reliance, but a caring society in which those who have advantages understand some responsibility for those who have been overwhelmed by problems beyond their reach.

Read the Preamble to the Constitution. Particularly that one phrase that said this nation is founded to provide for a common defense and to promote the general welfare. It doesn't say to provide for a common defense or to promote the general welfare. It says both. And the Preamble starts with the simple phrase "We the people." We are a society which understands the oneness of our existence, that we are in this together.

And I want to close with a wonderful story that John Gardner once told me about the young granddaughter who took an American coin to her grandfather and said, "What does 'E pluribus unum' mean?" And the grandfather thought for a minute and he said, "Well, out of many, one." And the grandchild thought a minute and she said, "I don't understand." So he took another whack at it. He said, "Well, it means we're a collectivity, a whole." And she said, "I still don't understand." And then the grandmother said, "What it means is that we need each other."

And so we do.

Thank you very much.●

CLAYTON BRACE

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LOWERY of California. Mr. Speaker, Clayton Brace is one of the most respected and distinguished members of the San Diego community.

It is then with honor that I draw the attention of my colleagues to the following Frank Rhoades article about Clayton.

CLAYTON BRACE

(By Frank Rhoades)

There's nothing smug about the free-television industry these days.

Great fear of competition from cable and pay TV is prevalent among many station owners across the land, says Channel 10's vice president-manager, Clayton Brace.

He's just back from a meeting of the National Association of Broadcasters in Dallas.

Brace predicts that more informational programs will be among the chief weapons chosen for the coming battle by the free TV networks.

"Programs like David Brinkley's new one on ABC. Public preference has already been shown."

More situation comedies can be expected, "although it costs like the devil to produce them," Brace said. Moreover, the ever-popular Westerns may be returned.

On the local level everywhere, news coverage will be expanded constantly. Brace was sure of this, "because remote telecasts (outside the studios) no longer are so difficult to set up, but can be done in a jiffy from anywhere in town."

Brace, himself, is not among the fearful in the face of growing competition, he said.

Almost from the time he came to San Diego in 1963, Brace has been identifiable in the minds of the townspeople for a string of civic titles he has held: president of the Chamber of Commerce, the United Way fund drive, Rotary, etc.

But what's behind all this?

His first job in the broadcast industry was janitor in Denver radio station KLZ, in 1941.

"I bugged them for a job until they put me on as night janitor and part-time page boy."

The following year he went to the Army Signal Corps as a private and spent three years in Army radio operations, much of it during combat.

Never got higher than a staff sergeant but did a lot of traveling that would pay off as a civilian after the war.

Back at KLZ, he ultimately worked his way up to station manager and played a key role in a situation that made television history.

KLZ wanted a television license, and the desired channel was sought by another applicant. KLZ won after the first contested hearing before the FCC. This was because the FCC liked the way KLZ said it would operate a TV station. Brace had learned the ropes by visiting all the 100 TV stations in operation at that time.

Time Inc. had bought the station and, as assistant to its president, Brace then was sent back to Europe to study operations of government and commercial television stations.

Time later sent Brace to Beirut to manage a television station of which it was part owner.

He and his wife, the former Jeanne Haney of Denver, and their four children spent nearly three years there.

"We loved it in Beirut," Brace recalls.

It was with considerable apprehension the family accepted a transfer to San Diego in 1963.

"We never had been in San Diego and knew nothing about it," Clayton explains.

"It was a very tough decision to make, choosing between San Diego and New York. We came here, saying that if we didn't like it we would leave."

And what a welcome Clayton Brace got in San Diego!

Shortly after he took over a Time-owned Channel 10, the magazine ran its memorable story about San Diego being a "bust town."

The City Council, county supervisors, the Chamber of Commerce and other representative groups read the story and were boiling mad.

Brace remembers that he took their heat on a false belief that he had written the piece in the magazine. Time's refusal to back down did him no good.

McGraw-Hill retained him as vice president-general manager when it bought the station in 1972.

Clayton Brace, born in Topeka, Kan., Aug. 8, 1923, was reared mostly by his mother. His parents split up when he was 9.

The mother was a buyer for luggage stores. She and young Clayton resided in Rochester, N.Y., Dallas, where Mrs. Brace worked for Neiman-Marcus, then in Minneapolis and finally in Denver.

During much of his working life in Denver, Clayton took extension courses at the University of Colorado and Denver University but attained no degree. His mother died in Boulder, Colo., four years ago.

The Brace offspring long since have left the nest. Son Kim owns a counseling service in Washington, D.C. One daughter, Dianne Kennedy, is a professional ballerina; another, Lynn Lapp, is housewife and mother, the third, Kerry, is a news writer at her father's television station here, KGTV.

Clayton and Jeanne were among the very first residents of Del Cerro and have remained there. Clayton is a calm, polite man who asks if it's all right to light one of his mentholated cigarettes in the presence of others.

There can be no doubt he bats as high at home as he does with McGraw-Hill. He does all the cooking on weekends.●

CYPRUS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PURSELL. Mr. Speaker, I continue to urge the Government of the United States to use all the influence of its offices to bring about a just resolution to that tragedy, which is Cyprus.

For 8 years now the people of that Republic have been separated by partition, blocking access of families to their homes, farms, and businesses.

This division continues to deny all Cypriots the prosperity, happiness, and liberty envisioned at the time of the establishment of that nation.

Unfortunately, the passage of time has caused many to forget the plight of these proud people.

But, time has not and will not resolve this problem. The United States must make a total commitment to the reunification of Cyprus and the guar-

anteed independence of that Republic.●

A TRIBUTE TO ISRAEL COHEN

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HOYER. Mr. Speaker, I would like to bring to the attention of my colleagues, the work of one of the most outstanding and farsighted businessmen in the Washington metropolitan area. I speak of Mr. Israel Cohen, president and chairman of the board of Giant Foods, Inc.

The story of Izzie Cohen, as he is fondly called by friends, is closely intertwined with the history and development of Giant itself.

In 1936, Izzie began his lifelong career with Giant as a truckdriver in Giant's first store. It was a shiny, new self-service supermarket, the first of its kind in the Washington area, and people were flocking to it. Until this time, most food stores were small, offered little selection, and relied upon high markups to produce profits. It was during the Depression, and people were desperately casting about to find ways to reduce costs, and still find good and nutritious food.

With the idea of resolving this situation, N. M. Cohen, Izzie's father, and Samuel Lehrman came from their small grocery stores in south central Pennsylvania to introduce a new type of food market to the Washington area. They had already decided that Washington was going to be the place to grow, and they wanted to be a part of that growth. Their idea was centered around what would become a key maxim in the grocery industry—high volume and lower prices. While this seems natural to us today, in 1936 it was an extremely novel idea.

From that first supermarket, located on Georgia Avenue, to the 132 stores located throughout Virginia, Maryland, and the District of Columbia, Giant has diversified and become a corporation, offering pharmacies, garden centers, and clothing stores, as well as food, to its public. All of this was accomplished with the guidance and direction of Izzie Cohen.

Izzie is a modest man. He will be 70 years old later this year, but his age is of little consequence considering the amount of fire and energy that underscore his every action. His life revolves around Giant. His father and co-founder, N. M. Cohen, while in his nineties, still visits the corporate headquarters in Landover. His brother, Emanuel, is vice president and treasurer of the company.

Izzie's personal imprint is on every facet of the company's operations, and for the past 45 years, the company's

destiny and his have been inextricably bound. Izzie's philosophy that Giant owes a great deal to the communities in which its stores are located, has produced a tremendous sense of family within the enterprise. When the ads say, "We're a Giant family," they sincerely mean that.

The 15,000 men and women who work for Giant contribute an enormous amount of support to the community activities of this area. They are active in the Kiwanis, March of Dimes, Juvenile Diabetes, the Lions Clubs, men's and women's clubs throughout the area, and rescue squads and volunteer firefighters associations. Giant's major cause is the United Way and it is the second largest contributor in the metropolitan area. This philosophy of giving, as well as receiving, is a Giant credo, and it emanates from the man who implements it most, Izzie Cohen.

Mr. Speaker, I think it is important that we occasionally point out in this House the tremendous impact and contributions made by the businessmen and businesswomen of America. They are, indeed, the backbone of our society, providing jobs and products for millions of Americans. Izzie Cohen is one of these innovative, energetic men. His positive contributions will long benefit our area for years to come.

Under his leadership and that of former president Joseph Danzansky, Giant now has a consumer affairs program considered the most progressive in retailing. It was the leader in unit pricing of goods, and later of warehouse pricing.

Mr. Cohen is also a director of the Food Marketing Institute, a national trade association serving the food retailing industry with more than 1,600 members. He knows, as his father before him, what it means to be innovative, well-informed and a leader in his field.

That brings me to another point, Mr. Speaker. Mr. N. M. Cohen and Mr. Samuel Lehrman decided to take a chance with their new idea. They were not afraid of losing their profits from their neighborhood markets, but took the plunge into a dynamic, but risky venture. Luckily, not only for them but for all of us in this area, their vision paid off. This type of adventure is crucial to our idea of American enterprise.

Izzie Cohen has shown that he follows admirably in the footsteps of Giant's founders. His leadership has set Giant on a remarkable path, and to be sure, Giant is the product of Izzie's excellence.

Izzie Cohen and his Giant Food Inc. have both provided tremendous contributions to the residents of Prince George's County and to the entire Washington metropolitan area. In rec-

ognition of that service, I offer this tribute.●

SMALL BUSINESS WEEK

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SMITH of Alabama. Mr. Speaker, I rise to join many of my colleagues in saluting small business in Alabama and in America on the occasion of Small Business Week. There are approximately 14 million small businesses in the country today, including farms, and they contribute approximately 43 percent of the gross national product. Small business also accounts for more than half of the total U.S. work force. Permit me to share some other interesting statistics:

Business with fewer than 20 employees creates two out of three new jobs;

Small business accounts for over half of the new products and service innovations since World War II;

Complying with government paperwork regulations costs small business approximately \$12.7 billion a year;

Almost every energy-related innovation of the past century has come from small business;

There are over 1,300,000 minority-owned businesses in the United States; Eighty percent of U.S. businesses are sole proprietorships. Virtually all sole proprietorships are small businesses.

In my home State of Alabama, the over 64,000 small businesses are the economic backbone of the State. Over half of the gross State product is generated by small business and an equal percentage of the civilian work force is employed by them.

In spite of these impressive statistics, small business is operating today in an oppressive environment. It has proven it can be successful at doing things which big business cannot, but this competitive and creative edge is being wrecked by external forces it cannot control—high interest rates, costly and oppressive Government regulations, an inequitable tax rate, inadequate management practices and the lack of information to make wise business decisions. In most cases, these are the same shackles which harness big business, particularly those stemming from what the U.S. Government does or does not do, but the impact on small business is far more severe.

Small businesses have been failing at an unprecedented rate and these widespread failures are a reality the Nation and Alabama can ill afford. (Optional: Under the Reagan administration.) The U.S. economy is undergoing a major restructuring designed to culminate in a significant return to the free enterprise system. This restructuring includes, among other things, a more

EXTENSIONS OF REMARKS

equitable tax structure and relief from burdensome and expensive Government regulations. It is up to the Congress to create a favorable economic climate so these changes can be permitted to work. At stake is the very survival of our economy.

In closing, Mr. Speaker, I would like to again congratulate American small business for the contributions it has made toward a better quality of life for us all. I challenge my colleagues to join together to insure a prosperous future.●

WHAT IS LIFE?

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MAZZOLI. Mr. Speaker, I am fortunate to call Jim Burrice of Louisville my friend.

Jim is young, bright and wise beyond his years. He is all these things, Mr. Speaker, despite—or, maybe, because of—the fact that he has cerebral palsy.

But, cerebral palsy has not held Jim back. He has graduated from college, he conducts his own business activities and he writes. He writes beautifully, sensitively, and with remarkable insight.

Just the other day, Jim sent me a speech he had written and which a friend of his actually delivered. It is such a moving and sincere discussion of life—in all its grandeur and all its sorrow—that I want to share it with my colleagues.

The speech follows:

WHAT IS LIFE?

Someone walks up to you and asks: What is Life? You open your mouth and start to answer. Suddenly you close your mouth, scratch your head, and pause for a few moments of further reflection. When you feel that you have your thoughts together and are ready to answer, you try again. The same thing happens, and you repeat the process.

Finally you give up, telling your questioner that the answer to his question is obvious—so obvious that you can't put it into words. Everyone knows what Life is; after all, they live it day in and day out. But what is it?

I would like to offer this definition of Life: Life is everything that happens to you—and everything that you make happen—from the instant that you enter this world until the instant that you leave it.

Life is laughter and tears. It is joy and sorrow; success and failure; serenity and frustration. Life is caring and sharing; it is being with those you love and it is loneliness. Life is loving and being loved.

God has blessed me abundantly with the strength and enthusiasm to carry on many important and worthy endeavors.

One of the most sacred and most rewarding privileges that I have is that of sharing in, and contributing to, the lives of others. When I have a definite plan or intention to do something helpful for another person, I

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begin my day much more excited and eager to get to work than when I have no such plan or intention in mind. To help others is a responsibility that I accept gladly, gratefully, and seriously.

I love and enjoy life because as I work in my office each day, I can think warmly and gratefully of my friends—friends whom I love and care about and who love and care about me. I like to work, to accomplish things, and to make good things happen. Indeed, I have the right to work and to succeed. I also have the right to try and to fail.

While it is true that I have reached my present level of achievement by the grace of God and largely through my own efforts and perseverance, I would be remiss if I did not acknowledge with deepest gratitude my wonderful, loving, and loyal family for having done so much throughout my lifetime to help me reach my goals and realize my aspirations. Also, I want to say a very warm and sincere "Thank You" to my many cherished friends for sharing in my life and giving me the privilege of sharing in theirs. All these people have added happiness, meaning, and fulfillment to my life. Without my family and friends, I certainly would not be where I am today.

This is not to say that Life is always smooth and carefree for me. Like everyone, I have disappointments, frustrations, and difficult moments. For me, two of the biggest frustrations in life are its uncertainty and my own dependency. It is said that the only certainty in life is its uncertainty; I realize this more and more each day. As a physically limited individual, what will Life be like for me next month? Next year? Five years from now? Who will be there when I need help, when I need comfort, when I need love? I am not preoccupied by these questions every day, but I am aware of them. I must be, for someday I will have to deal with them.

While one of my greatest joys is helping others, I also realize my dependency on them. In dealing with my physical limitations and my dependency on others, there are two other related factors which affect my personal situation and with which I must deal. These factors are lack of mobility and loneliness.

If someone were to ask me: "Jimmie, do you ever get lonely?" in all honesty, I would have to answer: "Yes, sometimes I do get lonely."

Sometimes I get lonely because I yearn to be with my friends, but I can't. As I work in my office or relax in my den, I can "see" my friends in my heart, but I can't see them with my eyes. I can feel their love and their warmth, but not their hugs and their embraces. I can "hear" and reflect upon things they've said to me in the past, but I can't hear their words of encouragement and concern at that moment. Sometimes the pain of physical separation is difficult for me.

Perhaps it could be said to me: "Jimmie, your parents are right there with you all the time, so why should you ever be lonely?" True, my parents are with me and care for me constantly, but I have come to realize—from my own feelings and experiences and from the sharing and counsel of friends whom I love and whose wisdom I respect and value highly—that your family can't always meet all of your needs, no matter how much they love you and how hard they try to always make you feel happy and secure. Sometimes you need to go outside your family for companionship, for encouragement and support, for that special kind of love and warmth that only

friends can give. I cherish my friends, and I love them dearly.

The fact that practically every activity in which I engage must be a "planned" activity—that I can do nothing spontaneously—is another source of frustration for me. I am not complaining about this, for I know that this is one of the realities that I must accept. I am grateful to my friends for letting me do things with them and to my parents for taking me places I need and want to go so that I can have special occasions to which to look forward.

Despite its inherent problems and frustrations, with each passing day I realize more profoundly and more vividly what a beautiful life this is—and how beautiful the people are who give life its beauty. With each passing day my gratitude for being a part of this life—for being a part of God's Divine Plan—deepens and becomes more profound. Each day I resolve to carry out my responsibilities—whatever they might be—with Faith, Courage, and Dignity. Each day I thank God for the strength and the courage to deal with life's problems.

"One Day at a Time" is the name of both a popular television series and an inspirational song. This is the way life must be lived. Sure, we make plans to do things in the future—we have to, for this is the way we give order and direction to our lives. But basically, we must take one day at a time. As we do this—as we journey along the Road of Life—let us strive to live each day to the fullest, to give as much as we can. Above all, each day let us love with every breath and with every ounce of strength that is in us, for What is Life? Life is Love.●

TAX EQUALIZATION ACT OF 1982

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LENT. Mr. Speaker, I am today introducing a bill to place cooperative business enterprises on the same basis for tax purposes as other businesses with which they compete.

A recent U.S. Department of Agriculture study illustrates the significant competitive advantage current tax law gives cooperatives over ordinary businesses. After surveying nearly 6,000 cooperatives, USDA found that on aggregate net savings, or profits, of \$1.9 billion in 1976, these cooperatives paid only 5.7 percent of their net income in taxes. This rate is only one-third the rate paid by the cooperatives' more conventional business competitors.

I think it is important to note, Mr. Speaker, that these cooperatives compete in the marketplace primarily with the independent small businesses of the Nation—producers, wholesalers and retailers in farm supplies and equipment, groceries, hardware, drugs, and automobile parts.

Cooperative businesses pay lower taxes than ordinary businesses because a tax is not levied on any profits they return to their owners. Since most cooperative earnings go into re-

funds to owners, the income taxes paid by cooperatives are very small.

Present law enables cooperatives to generate significant amounts of untaxed earnings for expansion of their business, an advantage not enjoyed by ordinary businesses. This occurs because most cooperatives actually distribute 50 percent or less of their net income to their patrons or owners, in cash. The balance is often returned in the form of certificates which may not be redeemed for cash for 10 years or more. No interest is paid on these certificates, so cooperatives have the use of a substantial reserve of tax-free funds for growth and expansion of their businesses almost indefinitely. The USDA estimated that the cooperatives in their survey had approximately \$3.8 billion in tax-free equity capital on hand. That was about 49 percent of their total equity capital of \$7.7 billion outstanding in 1976.

It was the original intent of Congress many years ago to exempt from the income tax small groups of individuals that act for themselves on an agency basis. Today, however, this constitutes a tax loophole of major proportions. The Joint Committee on Taxation has estimated that the revenue loss from this loophole will be approximately \$950 million by 1983 and more than \$1 billion by 1985.

Given the widespread concern in the Congress over the size of the deficit in future years, I think it is important that we recoup this lost revenue for the taxpayers of this Nation who experience economic difficulties because of deficit spending. At the same time, we will be providing equal competitive opportunity for America's independent small businesses.

Under my bill, cooperative businesses and their patron-owners would be taxed in the same way as other businesses and their owners are taxed. If the earnings of cooperative businesses were subject to tax at both the cooperative level and the owner level—as earnings of ordinary businesses are now taxed at both the business level and owner level—as proposed, cooperative dividends, like the dividends of ordinary business corporations, would be excluded from the income of the recipients up to \$100–\$200 in the case of a joint return. This is already permitted under present law. As comparatively few members of cooperatives receive more than \$200 a year in dividends, there still would be, to a large extent, a single tax on the cooperatives' earnings, but it would apply directly to the cooperatives themselves.

Mr. Speaker, the change in character of these cooperatives in recent years makes it imperative that the tax treatment of the cooperative business enterprise change as well. It is a matter of simple equity in my view, and I urge my colleagues on the Ways

and Means Committee to take immediate action in providing a remedy.●

VOLUNTEERING IN GOVERNMENT ACT OF 1982

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. CONABLE. Mr. Speaker, today I am joining my colleagues, Congressmen MICKEY EDWARDS and GENE TAYLOR, in introducing a bill to authorize Federal agencies to use volunteer services of individuals and nonprofit organizations. Similar legislation has been introduced in the Senate by Senators ARLEN SPECTER and DAVE DURENBERGER.

I am currently serving on the President's Task Force on Private Sector Initiatives as chairman of a committee charged with looking into statutory and regulatory impediments to volunteer and charitable activities. I was surprised to learn that there is a law which states that voluntary services may be accepted by a Federal Government agency only "in cases of emergency involving the safety of human life or the protection of property." Unless a specific exemption is made to this statute, Federal agencies may not accept the services of volunteers no matter how motivated, talented, or needed those services might be.

This bill would remove that impediment to volunteerism in the Federal Government. Under this legislation, executive agencies could recruit, train, and accept the services of individual volunteers or nonprofit organizations. In addition, the bill provides that preference will be given to applicants for Federal grants who will use volunteer services to help accomplish the purposes of the program.

Several protections are provided in the legislation. No Federal employees can be dismissed or contracts impaired as a result of the use of volunteers permitted in the bill. Volunteers shall be deemed to be Federal employees for purposes of workers' compensation and tort claims.

There are many citizens who are eager to contribute their skills, talents, experience, and energy to worthwhile Federal programs. Whatever the historic reasons were which led to the prohibition of volunteer activities many decades ago, they are outmoded in today's climate of limited Federal problem-solving resources. Many State and local governments have used volunteers with excellent results, and the two Federal programs, both in our national forests and parks, where specific exceptions to the antivolunteer rule have been enacted have likewise had excellent results. It is time that the

Federal Government begin to look at its record in encouraging and utilizing the enormous reservoir of talented and capable volunteers to supplement its programs and services. This bill is a first step in facilitating greater volunteer participation in Government programs.●

WAC'S CELEBRATE 40TH ANNIVERSARY

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HUNTER. Mr. Speaker, on a hot summer day in 1942, 1,300 women began assembling at Fort Des Moines, Des Moines, Iowa. These patriotic women were entering into an unknown endeavor. Mr. Speaker, these women, and those who followed in other branches, amassed a superb record of achievement and established traditions and high standards that are evident in our servicewomen today. On May 14, 1942, the Women's Army Corps was established and tomorrow the WAC's celebrate their 40th anniversary. I would like you to join me in celebrating this occasion.

The organization of the group of 1,300 was not easy. Not only was opposition encountered in these Halls of Congress, but also at home where fathers and mothers were reluctant to send their daughters into the unknown. But this group of courageous women sensed the mark they would make and accepted the challenge. In their first assignment, World War II, these women served in a variety of fields, providing support and expertise which helped lead to our victory. In 1946, when many wanted to disband the Women's Army Corps, others recognized their invaluable services and realized the WAC's still had a greater contribution to make.

The heritage of the Women's Army Corps lives on in the Women's Volunteer Forces. On May 14, we can look at the 68,000 women in the U.S. Army, and the more than 190,000 women in the U.S. Armed Forces, and thank the WAC's for their courage and determination. Today in the U.S. Armed Forces women are performing many tasks from traditional office support to pilots of the most advanced aircraft in the world; from operating radar stations to driving trucks. These and the many other functions that our servicewomen perform today only underscore the importance of those 1,300 women who assembled in Des Moines 40 years ago. Their significance in history is unquestionable and I am sure you will join me in expressing our deep appreciation.●

FREEDOM FOR PAVEL AND LENA ZASLOVSKIJ

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HOYER. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Pavel Zaslavskij and his 7-year-old daughter, Lena. Both Soviet citizens, they have been denied emigration visas from the Soviet Union three times.

Mr. Zaslavskij has been waiting for an exit visa since he and his wife, Irina, first applied for one in December 1979. Sadly, Irina Zaslavskij died just a few months ago during childbirth. Her newborn son also died. Irina Zaslavskij, a biologist and zoologist, was just 33 years old when she died.

Since his wife's death, Mr. Zaslavskij has again applied for emigration visas for his daughter and himself, but they have also been denied.

Mr. Zaslavskij is currently working as an engineer in Moscow but is unsure of the permanence of his position. Soon after he applied for a visa in 1979, he lost his job as a metallurgist, computer operator, and technical translator in Moscow, and had to support his family with menial odd jobs. According to letters received from relatives here in the United States, he is experiencing severe financial problems and is still very eager to emigrate.

It should be noted that since his wife's death and his further attempts to emigrate, Pavel Zaslavskij and his daughter have experienced continued harassment by the authorities in the Soviet Union.

I have written to the Soviet authorities urging them to grant the visa request, but, as yet, have received no response. Last summer, when I visited the Soviet Union, I had an opportunity to meet with Dr. Georgiy Arbatov, Director of the Institute of United States and Canadian Studies. At that time, Dr. Arbatov assured our group that the Soviet Union was not faltering in its attempt to grant visas to those persons desiring them.

While this is a hopeful sign, in all honesty these are empty words for the thousands of Soviet citizens who have been denied the opportunity to emigrate.

We must remain vigilant in our support for men and women like Pavel and Irina Zaslavskij and their daughter, Lena. Their plight is shared by far too many Soviet citizens, who, for a variety of reasons, want to leave their homeland. We cannot even begin to understand the political, economic, and emotional upheaval that surrounds them. We can only continually urge their government, both publicly and privately, to grant them the right to emigrate.

Mr. Speaker, we, in government, must continue to stress the need for full Soviet compliance with the humanitarian provisions of the Helsinki agreement. Each year, the number of Jews allowed to emigrate continues to fall, and repressive campaigns against refuseniks are becoming more harsh. I will continue to urge the Soviet Government to issue visas for families like the Zaslavskij. Pavel and Lena have suffered enough. I only hope they know that we have not forgotten them, but will work until they are reunited with their families here in the United States.●

THE 1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—OKLAHOMA WINNER, SCOTT E. GRIFFIN OF TULSA

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. JONES. Mr. Speaker, it is with great pride that I insert in the CONGRESSIONAL RECORD an essay written by Scott Griffin, a Tulsa high school student. In response to a request by the Veterans of Foreign Wars and its ladies auxiliary, Scott entered the competition for a national scholarship in the Voice of Democracy contest. Inspired by this year's theme, he has written a speech that gives me confidence about our future generation. I commend his words to the House of Representatives and hope that you will enjoy his essay as much as I did.

BUILDING AMERICA TOGETHER

Building America Together. America has long been recognized by outsiders as the freest country on the face of the earth. Our system of government has been hailed as "a monument to the liberty of man". But what prompts this positive recognition from others? What is it that teaches outsiders what Americans have known for years? It's the fact that America has pledged throughout its history to insure every citizen three basic, God-given rights. Those being: life, liberty, and the pursuit of happiness. But how have these freedoms survived domestic struggles, external aggressions, and the inevitable test of time? They have survived due to the fact that there have always been Americans who were willing to help build America, together.

We've been building for over 205 years now, from the very beginning of our country's existence. Shortly after our victory in the revolutionary war, we were faced with the task of building a new nation. It's obvious that we built the best!

We needed to build, and we did build.

Later in our country's history, when our economic productivity was lagging, we had to tackle the problem of equaling ourselves with other nations on the economic and industrial front. Hence, the industrial revolution which would forever alter the course of American productivity.

We needed to build, and we did build.

And we are still building today. In the age of advanced technology and scientific knowledge, Americans are responding with such dramatic achievements as increased computer technology and the flight of the space shuttle. Along these lines, we have produced a computer which can decipher and translate in seven different languages. And the space shuttle Columbia has completed two successful flights already, with a third scheduled for late in the Spring of 1982.

We need to build, and we are building.

But, likewise, in history, whenever we had achieved, we were faced with the task of defending what we had worked so hard to build. We responded in traditional American fashion. We demonstrated this in such conflicts as World War I, World War II, the Korean police action, and Vietnam, in which, in an effort to preserve our interests, more American young men offered their lives than in the Revolutionary War, World War I, World War II, and the Korean conflict combined.

But who were those men who died in service to America? Who were those pioneers of the industrial revolution? Who is responsible for achievements like advancing computer technology and the space shuttle flights? Who is it that really builds America?

Some say that it is the prominent figures in history who are responsible for America's greatness. America has always been blessed with great leadership. Men of the quality of Washington, Lincoln, Roosevelt, and Eisenhower have played an important role in shaping America. Even our present leader, Ronald Wilson Reagan, has pledged from the beginning to act toward building America together. He stressed this in his Inaugural Address of January 20, 1981, in which he said, "let there be no mistake. We are going to begin to act, beginning today."

But great men like these are not the sole builders of America. Picture the building of a house, in which the two most important components are the supervisors and the workmen, for without them, nothing gets done. The supervisors guide and oversee the workmen, but it is the workmen who do the actual construction. Now relate this analogy to the building of America. You have the supervisors; men like Washington, Lincoln, Roosevelt, Eisenhower, and now, Reagan. You also have the workmen: you and me, the woman in the corner drugstore, the never-tiring mailman, and millions of others like us who are helping to build America, together.

And just as in the building of the house the workmen are the essential factor, so are we the essential factor to the building of our nation. The point is this, America: Let's continue on the course of history and, even in our diversity, work toward one common goal—Building America Together!●

DISSENTING VIEWS OF RON PAUL ON MONETARY POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, recently the House Banking Committee filed its semiannual report on monetary policy. Since I have been in Congress, I have filed dissenting views on monetary policy, for I have long believed that our present monetary system guarantees the collapse of the American economy. I would like to insert in the RECORD at this point my latest dissenting views. I certainly hope that this Congress takes the steps that must be taken to avert the more calamitous results of our present paper money system before it is too late.

I was astonished when I read the draft of the Committee's views, for their last paragraph quotes from the Constitution. It is a rare occasion when any Committee takes cognizance of the Constitution, and the majority deserves our commendation.*

But not our highest commendation. I would be more lavish with my praise were the Constitution quoted accurately. The Committee writes: "The Constitution (Article I, Section 8) entrusts to the Congress of the United States the power 'to create money, regulate the value thereof.' If the Federal Reserve should refuse, on its own initiative, to alter its present, dangerous policy, then Congress must exercise its constitutional mandate and its public responsibility."

I don't understand why Congress should defer to the Federal Reserve and postpone performing its "constitutional mandate," but more importantly, that mandate is to "coin" money, not "create" money as the Committee has it.

Article I, Section 8, clause 5 says: "The Congress shall have power . . . to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." Nothing is said about "creating" money. In fact it was the creation of paper money that caused the authors of the Constitution to use the language they did.

When the Founding Fathers wrote the Constitution in the summer of 1787, they had fresh in their minds the debacle of the paper money printed and issued by the Continental Congress during the Revolutionary War. The paper notes, "Continental" as they were called, eventually fell to virtually zero percent of their original value because they were not redeemed in either silver or gold. They were "greenbacks," and were the first of three major experiments with "greenbacks" that this nation has conducted.¹ The Continental greenback failed miserably, giving rise to the popular phrase "not worth a Continental."

Consequently, when the Constitutional Convention met in 1787, the opposition to paper money was strong. George Mason, a delegate from Virginia, stated that he had a "mortal hatred to paper money." Delegate Oliver Ellsworth from Connecticut thought the Convention "a favorable moment to shut and bar the door against paper money." James Wilson, a delegate from Pennsylvania, argued that "It will have a more salutary influence on the credit of the United States to remove the possibility of paper money." Delegate Pierce Butler from South Carolina pointed out that paper was not a legal tender in any country of Europe and that it ought not be made one in the United States. Mr. John Langdon of New

Hampshire said that he would rather reject the whole Constitution than allow the federal government the power to issue paper money. On the final vote on the issue, nine states opposed granting the federal government power to issue paper money, and only two favored granting such power.

The framers of the Constitution made their intention clear by the use of the word "coin" rather than the word "print," or the phrase "emit bills of credit." Thomas M. Cooley's Principles of Constitutional Law elaborates on this point: "to coin money is to stamp pieces of metal for use as a medium of exchange in commerce according to fixed standards of value."

In his explanation of the Constitutional provisions on money, James Madison, in Federalist No. 44, referred to the "pestilential effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government." His intention, and the intention of the other Founders, was to avoid precisely the sort of paper money system that has prevailed for the past ten years.

This intention was well understood throughout the 19th century, and was denied only when the Supreme Court found it expedient to do so. For example, Daniel Webster wrote:

"If we understand, by currency, the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value, then undoubtedly, nothing is included but gold and silver. Most unquestionably, there is no legal tender, and there can be no legal tender in this country under the authority of this government or any other, but gold and silver, either the coinage of our mints or foreign coins at rates regulated by Congress. This is a constitutional principle, perfectly plain and of the very highest importance. The states are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such expressed prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts in a discharge of contracts. . . .

The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. To overthrow it would shake the whole system." (Emphasis added.)

In 1832, the Select Committee on Coins of the House of Representatives reported to the Congress that "The enlightened founders of our Constitution obviously contemplated that our currency should be composed of gold and silver coin. . . . The obvious intent and meaning of these special grants and restrictions [in the Constitution] was to secure permanently to the people of the United States a gold or silver currency, and to delegate to Congress every necessary authority to accomplish or perpetuate that beneficial institution."

The Select Committee states its conclusion that "The losses and deprivation inflicted by experiments with paper currency, especially during the Revolution; the knowledge that similar attempts in other countries . . . were equally delusive, unsuccessful, and injurious; had likely produced the conviction [in the minds of the framers of the Constitution] that gold and silver alone

*All references to the Constitution, erroneous or otherwise, have been deleted from the final version of the committee report.

¹The other two experiments were during the Civil War, 1862-1879, and the present period from 1971. The second experiment had a happy conclusion because the Civil War greenbacks were paid off dollar for dollar in gold.

could be relied upon as safe and effective money."

Twelve years later, in 1844, the House Committee of Ways and Means concluded that:

"The framers of the Constitution intended to avoid the paper money system. Especially did they intend to prevent Government paper from circulating as money, as had been practiced during the Revolutionary War. The mischiefs of the various expedients that had been made were fresh in the public mind, and were said to have disgusted the respectable part of America . . . The framers [of the Constitution] . . . designed to prevent the adoption of the paper system under any pretext or for any purpose whatsoever; and if it had not been supposed that such object was effectively secured, in all probability the rejection of the Constitution might have followed."

Later in the century, Justice Stephen Field presciently wrote in the case *Julliard v. Greenman* (1884):

"There have been times within the memory of all of us when the legal tender notes of the United States were not exchangeable for more than half of the nominal value. The possibility of such depreciation will always attend paper money. This inborn infirmity, no mere legislative declaration can cure. If Congress has the power to make the [paper] notes legal tender and to pass as money or its equivalent, why should not a sufficient amount be issued to pay the bonds of the United States as they mature? Why pay interest on the millions of dollars of bonds now due when Congress can in one day make the money to pay the principal; and why should there be any restraint upon unlimited appropriations by the government for all imaginary schemes of public improvement if the printing press can furnish the money that is needed for them?"

Justice Field foresaw what would happen in the 20th century when the federal government had used the printing press—and the computer—as the means of financing all sorts of "imaginary schemes of public improvement."

Under the Constitution, Congress has power to coin money, not print money substitutes. Such money is to be gold and silver coin, nothing else. It is significant that this power of coining money is mentioned in the same sentence in the Constitution as the power to "fix the standards of weights and measures," for the framers regarded money as a weight of metal and a measure of value. Roger Sherman, a delegate to the Constitutional Convention, wrote that "If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures . . . which are condemned by the Laws of God and man. . . ."

Rather than urging the Congress to execute its "constitutional mandate" to "create" money, the Committee should urge Congress to "coin" money as the Constitution requires. But the Committee recommends instead that "The Federal Reserve should ease the monetary targets in effect for 1982 so as to permit interest rates to fall." The Committee is recommending, to be candid about it, the rapid creation of paper money this year in order to compensate for what the Committee views as its too slow creation last year.

After reading the Committee's Report, it is obvious that inflation is, and will continue to be a deliberate policy of the government. Inflation is not an accident, nor an Act of God; it is a man-made phenomenon, a deliberate policy of this government.

The Committee thinks that "easing the monetary targets" will "permit interest rates to fall." The Committee ignores all the data which show that the market has become so alert to fluctuations in the money supply that increases in the money supply cause interest rates to rise, not fall. In his testimony before the Domestic Monetary Policy Subcommittee, Undersecretary of the Treasury for Monetary Policy Beryl Sprinkel called the attention of the Subcommittee to this phenomenon. But his data have apparently been lost on the majority.

The Committee does state that "the single issue of high interest rates transcends all others in discussion of monetary policy." While it takes no great insight to discern the importance of interest rates, it does take insight to advocate a solution to present interest rate problems.

The history of interest rates under the gold standard is very illuminating for rates ranged between 1 percent and 5 percent depending on the term of the loan. In the last two decades of the 19th century and the first decade of the twentieth century, corporations offered—and sold—100 year bonds at 4 percent and 5 percent. Some even offered—and sold—bonds in perpetuity. Until confidence in our money is restored, interest rates will continue to fluctuate at high rates. The only practical way to restore that confidence permanently is to fulfill our constitutional mandate and institute a modern gold standard.

The Committee dimly recognized that the present interest rate problems are a-historical. The Report states: "Historically, even under the most stable [sic] economic conditions, nominal interest rates have normally been no more than 3 percentage points higher than the inflation rate, resulting in a real interest rate of about 3 percent."

The Committee fails to realize that "historically" the dollar was tied to gold, and even the most tenuous of gold-paper links such as that under the Bretton Woods System seem to stabilize interest rates. Interest rates today are a-historical precisely because our present monetary system is a-historical.

It is time that the Committee examined its premises. There can be no proper monetary policy unless the system is changed. Managing a central bank—and through it the entire economy—is as impossible as squaring a circle. The American people need gold money now. Paper has failed; it will always fail.●

MULTIEMPLOYER PENSION PLAN STABILIZATION ACT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. RUDD. Mr. Speaker, in 1980 the Congress passed the Multiemployer Pension Plan Act amendments in an effort to stabilize multiemployer pension plans. The effects of this legislation, however, have been anything but stabilizing. Despite the fact that participating employers contributed to multiemployer plans in good faith according to their obligations determined in the collective bargaining

process, these amendments hold employers liable for up to 100 percent of their net worth for their unfunded vested liability to a plan.

The multiemployer plans are governed by boards of trustees who set benefits using actuarial data. The boards have no control over employers' contributions and are expected to calculate benefits according to the contributions agreed upon by labor and management. Because of unanticipated economic fluctuations, however, benefit levels set by the trustees can often exceed the agreed upon contributions to the fund.

The 1980 amendments trigger 100 percent employer liability for a number of reasons, including ordinary sales of a business, relocation of a business outside the jurisdiction of the original multiemployer plan, or even union decertification on the part of the employees.

A thorough and expeditious review of the 1980 amendments by the Congress is necessary to protect the solvency of pension plans which are directly related to the stability of contributing companies.

Unless corrective action is taken, the security of participating businesses will be threatened. Individuals will be discouraged from purchasing businesses with a high unfunded liability. Lenders will hesitate to extend loans when high unfunded liability is reflected in a company's financial statement. And, high liability will discourage new participants from joining the plans.

The 1980 amendments will surely have a detrimental effect on participating companies and thus the pension plans themselves and future retirees.

The Multiemployer Pension Plan Stabilization Act was introduced late last year by the gentleman from Tennessee (Mr. DUNCAN) to correct the practical problems caused by the 1980 legislation. I would urge my colleagues to join me in cosponsoring this necessary legislation and protect the hard-earned retirement benefits of American workers.●

WHAT OUR COUNTRY SHOULD BE DOING FOR THE ELDERLY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning the elderly, written by San Diego city schools' sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

Excerpts from essays by sixth graders follow:

SAN DIEGO ESSAY CONTEST, 1981—WHAT OUR COUNTRY SHOULD BE DOING FOR THE ELDERLY

"When we talk about old age, we talk about our own future * * *. Why not start now as a nation to make old age something to look forward to?"

"We should stop showing them on TV as helpless people or old people who cannot do anything except sit around."

"Most young people hardly ever see or talk to old people except kids who see their grandparents."

"Most elderly people would like a place that is relatively cheap, in a good neighborhood, and crime-free. Places like those are almost extinct."

"After all, elderly people are humans also and can do just as much as anyone else."

"When you have parties, invite some older people around your neighborhood. If there are none, invite your parents or your grandparents."

"Senior citizens * * * deserve a lot of thanks from our whole nation. They deserve a break because they worked hard all their lives and they put a lot of effort into the nation."

"My great-grandmother is 88 years old. She is afraid to live alone but she doesn't want to live with my grandma and grandpa so she lives in a special hotel for the elderly. She doesn't have enough money to pay so my grandparents have to pay for her."

"Keep one thing in mind. It is the beautiful people in them that bring out the people in us."

"We need to ask what THEY want; it's their life. Certainly they have some solutions concerning what we could do to help."

"Elderly people have a lot of talents and our nation should respect those talents by having more jobs for the elderly and making them feel important."

"People should take some time to sit and talk with their grandparents and other elderly people. They should read to them or do a puzzle with them. They will find it's really pleasurable and a lot of fun."

"Last week the class I'm in and another class had a grandperson's day, where we invited our grandparents and some people from an old folks home. We interviewed them. It was a lot of fun."

"I also feel that we should treat senior citizens the way we would like to be treated, because some day the senior citizens will be us."

"For those elderly who are of different language or of different ways of living, some students could go to their homes and teach them English. In return some of the elderly could go to the students' classes and teach their language."

"I think the nation should somehow announce to the businesses that they should give the elderly a chance to show what they can do."

"They should not raise taxes on everyday items like milk, candy, jellybeans, food items or anything because it's not fair to everyday people who pay taxes."

"If the buses can't bring them to the schools, then maybe the buses could take them to a park and the youngsters could meet them there. The park would be full of love."

"Most of the children I talked to before my sixth grade class interviewed senior citi-

zens said they were mean and crabby. Now, they say they're kind and would rather spend hours with them than go and play."

"I think the government should let senior citizens adopt condemned dogs and cats. There was a survey out that said people live longer if they have something to love and get loved back. It is also good protection."

"So next time you see an elderly person, say 'Hello' and make a friend."

"High school students should help the elderly for extra credit in school."

"The president only cares for the elderly that have money but he doesn't care for the middle class or for the poor elder . . ."

"My mom wishes she had enough money so we could go and see my grandfather in Texas."

"I'm sure we all love our greatgrandparents and grandparents but sometimes you can get frustrated with them."

"Our nation should put up more ramps for people in wheelchairs to help them get around."

"For some there is a language barrier which is a true handicap for any age. The government needs to set up some programs so the elderly of another race can learn our language."

"I am positive I would not put my parents in a retirement home if I had a room in my house."

"Maybe after school the children could go to these people's houses and run errands or do certain tasks for them."

"Maybe an agency could be created in which people go and live with lonely elderly. They could keep the elderly company and take care of them."

"Elderly people are individuals the same as young people. Some have a lot of energy and some are very quiet. They should be allowed to express themselves through work and recreation, the same as young people."

"The elderly barely have anything to do so they write books, weave baskets, etc."

"You have more peace when you grow old. No kids to bug you, no dogs barking at the mailman, no blasting TV, no daughters' slumber parties, no sons' rock band practice, no cats yowling, and no phone ringing. Just you. All in peace. Not a care in the world. All the time in the world. Total peace and quiet."

"Elderly people can be maids or butlers for rich people and the rich people would be able to give them a good home if they didn't have one."

"People just don't care. I bet that over 75 percent of the United States don't even know about this essay contest. Hardly anyone cares about problems of the elderly . . ."

"The elderly people should have their own maid so they won't have to do so much of the work in the house."

"Each time an elderly woman or man drives a car slowly, people start getting mad. I think that elderly people should not drive cars because then people will start getting madder and madder."

"Another thing that bothers me is that there are no old people on magazine covers. I think they should show elderly people on magazines . . . it would probably make the elderly people happy."

"We could take shows off the air like 'Three's Company,' 'Cartoon Carnival,' and many more. Then we could fill in their places with things like 'Karate for People Over 60' and 'Fun Activities for People Suffering With Arthritis' and many more. These would interest them and make them feel good."

"I am scared of elderly people because some of the people are mentally sick."

"Why don't they have old people models like in Playboy or any of those model magazines? Because they are not as pretty as they used to be?"

"High schools should offer a program for credit where they learn to care for the elderly such as going to their homes and clean their house or give a bath or even cook for them."

"The elderly don't like to be called old."

"Maybe we could give the elderly jobs that you can do right in your own home like painting, cooking, carving, sculpture, inventions, teaching."

"Some elderly people are very sad. I don't know how our nation could do something about that. But the other people need to be nice with them."

"Growing old should be something you can look forward to but now the way the government and the media are treating the elderly, I don't want to get old."

"I have seen some elderly people looking in the trash cans for food and clothing."

"I think it is wrong to force retirement on people . . . because then we and our nation would be losing and wasting a lot of valuable people. Besides, where would we be today if Mr. Ronald Reagan was forced to retire? Let me tell you: we would be without a president and he would be without a job!"

"Giving the elderly people better housing for less money is probably the most important thing our nation could be doing for them."●

SMALL BUSINESS VITAL; JACKSONVILLE SBA OFFICE COMMENDED

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FUQUA. Mr. Speaker, I want to go on record in support of Small Business Week in honor of the millions of businesses in this country which are so vital to our national economic well-being.

Many do not realize that small business is the biggest business in the country, accounting for 13 million of our 16 million businesses, nearly half of our employment and 48 percent of the total production of goods and services in the Nation.

Studies have shown that nearly 90 percent of the recent new jobs in the country—and we all know how desperately we need new jobs—were created by small business and that two-thirds of the new jobs were created by businesses employing fewer than 20 persons.

In my home State of Florida we are proud that small business—representing 191,000 of our 196,000 businesses—is growing and prospering at a rate equaled by few States. More than 69,000 new small businesses were chartered in Florida in 1981 and we look forward this year to 72,000 new companies being formed in the State.

We credited a great deal of that growth to the invaluable assistance provided to our businessmen by the two Small Business Administration offices in the State, one in Coral Gables and another in Jacksonville.

The Jacksonville office serves the 43 counties of northern Florida, including all 23 within my congressional district.

On a very personal basis I would like to commend Douglas McAllister, district director of the Jacksonville Small Business Administration Office, and his staff for all they have done to make the work of this agency successful in our area of the Nation.

Many times my staff has commented that this office is an example of how Government should work. They are responsive and really care about what they are doing.

Any tribute coming from me would not be complete without a very sincere personal commendation to Mr. McAllister and the Jacksonville SBA Office for the consistently high quality of service and dedication of which I have personal knowledge.

Government should indeed be concerned about the health of small business and I believe the SBA is the most significant evidence of that concern.

In addition to providing business loans and disaster assistance to north Florida, the Jacksonville SBA Office last year completed 5,239 management counseling cases and provided management training and advice to 8,615 small business owners or prospective owners at 303 training courses, workshops, or conferences.

This is the kind of practical assistance to small businesses which helps them survive and prosper and of which we can all be proud.●

TWENTY-FIVE YEARS OF COMMUNITY SERVICE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ROUSSELOT. Mr. Speaker, I would like to direct the attention of the House to the outstanding record of community service that is the history of the Methodist Hospital of Southern California, which will soon celebrate its 25th anniversary of service.

The Methodist Hospital of Southern California was founded in Los Angeles in 1903, and relocated to the city of Arcadia during the 1950's. Since the Methodist hospital opened in Arcadia on May 27, 1957, they have provided medical care to 228,223 inpatients, and served 506,193 patients in their emergency room. The Methodist hospital's maternity ward had delivered 32,612 babies during the last 25 years.

In a continuous response to the ever-growing health care needs of their community, the Methodist hospital has added facilities for a paramedic base station, and has expanded from 138 to 345 beds, in addition to establishing numerous technologically advanced services. The hospital is currently carrying out a major expansion and remodeling project, including a 372-car parking structure, and a 62,000-square-foot north wing, to be named the "Walter R. Hoefflin, Jr., wing." This new facility will contain a clinical laboratory, radiology and nuclear medicine department, two intensive care units, and an emergency department.

On May 22, the Methodist hospital's quarter century of contributions to the community will be honored by a celebration in the clubhouse at the Santa Anita racetrack. I think I can speak for the whole House in extending our appreciation, and in wishing the Methodist hospital many, many more years with the friends it has made during the last 25 years of service.●

SMALL BUSINESS—THE BACKBONE OF THE ECONOMY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MARKEY. Mr. Speaker, the occasion of Small Business Week gives us all the opportunity to reflect on the vital role of small business in the American economy. This week is also an important time to recognize clearly the serious problems facing small businesses in the Nation, and understand the role of the Federal Government in trying to alleviate those problems.

Mr. Speaker, the importance of small business to our economy has been well documented. Small businesses employ nearly half of all the nongovernment labor force in the United States. Studies have demonstrated that nearly 80 percent of all new jobs created in this country in the last decade were created by firms with less than 50 employees. Small business represents the heart of growth potential in the American economy. Taking Small Business Week to discuss the state of small business is a fitting way to look into the real future of our economy.

Mr. Speaker, Small Business Week falls at a very opportune time, in the midst of the Congress consideration over the Federal budget for fiscal year 1983. While small businesses do not rise and fall solely as a result of Federal fiscal policy, we must recognize our responsibility as national representatives to craft a policy that creates a favorable environment. Unfortunately,

the policies pursued by the administration in the last year have created a horrendous climate for small businesses in this country.

Mr. Speaker, the recession begun last July, just after passage of the major elements of the administration's economic program, has had a devastating impact on businesses large and small. Large industries such as housing and automobiles are in a depression-like state, and this has had a reverberating effect on millions of smaller businesses. Unemployment is up to 9.4 percent, the highest level since 1941. In the first quarter of this year, the gross national product shrunk 3.9 percent. And in the last year, the rate of business failures was the second highest since World War II. This calamity must not continue.

Mr. Speaker, President Reagan has called small business the "heart and soul of our free enterprise system." Yet the policies of this administration have reflected a disturbing bias against small businesses. For example, the enormous tax package passed last year was far more beneficial to big business than to small business. And the deficit created by the tax giveaways has resulted in a period of unrelenting high interest rates despite a falling rate of inflation. High interest rates have been disastrous for small business, severely hindering plans to modernize, expand, or start up. Smaller firms lack the access to capital enjoyed by larger firms and the Federal Government.

The administration has also significantly curtailed funding for programs of particular concern to small businessmen. The Small Business Administration is making fewer loans, and the guaranteed loan program has been greatly cut back. The Treasury Department has also slashed the tax-exempt small-issue industrial development bond program, which has been such an important tool of capital formation for smaller firms. With market interest rates intolerably high, preventing small businesses from using IRB's is a crushing blow.

Mr. Speaker, as work progresses on the budget this year, I hope that Congress can put together a program that will create a more favorable climate for small business. Small businessmen represent an important link to our past, and are in many ways an outpost of initiative, risk taking, and independence. The Federal Government should be encouraging these qualities by creating a positive environment for small business. Such a policy is critical to the future health of our economy.●

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARTIN of North Carolina. Mr. Speaker, do not increase taxes faster. Taxes are rising fast enough already. Over the last decade, of runaway fiscal spending and rampant inflation, taxes on the American people have risen much faster than inflation. Should not that be enough, Mr. Speaker?

The only reason that \$623 billion in revenues is not enough in this fiscal year 1982 is simply because of the unrepentant extravagance of the liberal increases in spending. Even with taxes rising half again faster than inflation, spending for all these Great Society free rides has grown even faster. When can we tell the taxpayers that is enough, Mr. Speaker?

Last night and today, the Democratic dominated House Budget Committee, with its arbitrary excess majority of 18 Democrats and 12 Republicans, has fashioned a partisan budget resolution for the next fiscal year, 1983, which will raise taxes even faster. After 3 months of sniping against the President's budget proposal and his attempts to get Congress to restrain its appetites to tax and spend, it is notable that we finally have a Democratic Party alternative. Now we can look at their proposal: and we see that all it is higher and higher taxes.

The following table puts the issue in perspective, based on forecasts by the Congressional Budget Office (CBO).

Total revenues:	Billions
Fiscal year 1982 current law	\$623
Fiscal year 1985 current law	780
Fiscal year 1985 Democratic budget.....	846
REVENUE INCREASES OVER FISCAL YEAR 1982	
Fiscal year 1985:	Percent
Current law	25
Annual average	7.7
Fiscal year 1985:	
Democratic budget	36
Annual average	10.8
Forecast average inflation rate	6.7

Mr. Speaker, the first thing that emerges from these facts and CBO forecasts is that taxes are not going down as a result of the 1981 tax cuts; they are going up. All that can be said is that they are not going up as fast. The so-called largest tax cut in history has merely cut the tax increases roughly in half.

The second thing that emerges is that the result of this hard fought tax cut is that tax revenues are still going to rise slightly faster even than inflation. Federal annual revenues thus are going to rise 25 percent over the next 3 years, if we leave the Tax Code unchanged. That is a rate exceeding the consensus forecasts of inflation for that period by roughly one-sixth.

EXTENSIONS OF REMARKS

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The third thing that emerges is that the budget resolution offered now as the official leadership position of House Democrats does not accept those built in real tax increases as being enough. They want more. They propose to raise taxes by 36 percent over the 3-year period. That is an additional \$66 billion in 1985 over and above the \$157 billion increase already provided by current law. For some disidents, even that is not enough. They want even more.

The House majority party's leadership and Budget Committee majority is proposing that taxes rise at an average annual rate two-thirds faster than inflation.

Is that enough, Mr. Speaker?

The only apparent way to stop this restoration of the liberal principle of tax and tax, spend and spend, is for the taxpayers to rise up and put a stop to it. It is time for American voters to tell you, "That is enough, Mr. Speaker." ●

THE NEW AMERICAN GOLD COINS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, when it delivered its report to the Congress, the U.S. Gold Commission recommended that Congress enact legislation to resume the minting of gold coins, which ended in 1933. The Commission wrote:

We favor Treasury issue of gold bullion coins of specified weights, and without dollar denomination or legal tender status, to be manufactured from its existing stock of gold and to be sold at a small mark-up over the market value of the gold content, and recommend that the coins shall be exempt from capital gains taxes and that the coins shall be exempt from sales taxes.

On April 1, Senator HARRISON SCHMITT and I introduced legislation that would carry out this recommendation of the Commission. H.R. 6054, the "American Eagle Gold Coin Act of 1982," provides for the minting of four coins, all bearing the same design, but each containing a different weight of gold: 1 ounce, one-half ounce, one-quarter ounce, and one-tenth ounce.

The coins would be denominated by weight only, just as the first American gold coins were. The first U.S. gold coin, the \$5 half eagle, bore no dollar denomination from 1795-1806. The early \$10 eagles carried no dollar denominations until 1838. The new American eagles would wisely continue this same practice.

The design of the new American eagle would be the figure of Striding Liberty from the 1908 St. Gaudens' double eagle on the obverse, and the

heraldic eagle on the reverse of the Great Seal of the United States on the reverse.

As official coins of the United States, the new American eagles would not be sold as the gold medallions minted under the American Arts Medallions Act are, but exchanged for other official currencies of the United States through the banking systems and money dealers. Just as with Federal Reserve notes and the present clad coinage, there would be no tax imposed on the exchange of such coins, nor any capital gain—or loss—imposed on any appreciation or depreciation in the value of the coins.

The new gold coins would be acceptable in the settlement of private debts, just like any other official money, but unlike other moneys, the coins would not be acceptable in payment of any Federal taxes, duties, or dues.

The coins would not only be minted from the Treasury's own stock of gold, any owner of gold bullion would be able to deliver it to any mint of the United States and receive in exchange an equal weight of American eagles.

Under article 1, section 8 of the Constitution, the Congress is given power "to coin money." The meaning of this phrase is clear but Congress has been ignoring it for the past 70 years, ever since it delegated power to the Federal Reserve System to print money and create credit ex nihilo. For those 70 years we have had the worst depression, inflations, unemployment, recessions, bankruptcy, and interest rates in our history. Nothing we suffered with an imperfect gold standard during the 19th century can compare to the damage our economy has sustained under the management of the Federal Reserve.

The authors of the Constitution wrote article 1, section 8 precisely for the purpose of outlawing the type of monetary system we now have.

When the Founding Fathers wrote the Constitution in the summer of 1787, they had fresh in their minds the debacle of the paper money printed and issued by the Continental Congress during the Revolutionary War. The paper notes, "Continental" as they were called, eventually fell to virtually zero percent of their original value because they were not redeemed in either silver or gold. They were "greenbacks," and were the first of three major experiments with "greenbacks" that this Nation has conducted. The Continental greenback failed miserably, giving rise to the popular phrase "not worth a Continental."

Consequently, when the Constitutional Convention met in 1787, the opposition to paper money was strong. George Mason, a delegate from Virginia, stated that he had a "mortal hatred to paper money." Delegate Oliver Ellsworth from Connecticut

thought the Convention "a favorable moment to shut and bar the door against paper money." James Wilson, a delegate from Pennsylvania, argued that "It will have a more salutary influence on the credit of the United States to remove the possibility of paper money." Delegate Pierce Butler from South Carolina pointed out that paper was not a legal tender in any country of Europe and that it ought not be made one in the United States. Mr. John Langdon of New Hampshire said that he would rather reject the whole Constitution than allow the Federal Government the power to issue paper money. On the final vote on the issue, nine States opposed granting the Federal Government power to issue paper money, and only two favored granting such power.

The framers of the Constitution made their intention clear by the use of the word "coin" rather than the word "print," or the phrase "emit bills of credit." Thomas M. Cooley's "Principles of Constitutional Law" elaborates on this point: "To coin money is to stamp pieces of metal for use as a medium of exchange in commerce according to fixed standards of value."

In his explanation of the constitutional provisions on money, James Madison, in *Federalist No. 44*, referred to the "pestilential effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government." His intention, and the intention of the other Founders, was to avoid precisely the sort of paper money system that has prevailed for the past 10 years.

This intention was well understood throughout the 19th century, and was denied only when the Supreme Court found it expedient to do so. For example, Daniel Webster wrote:

If we understand, by currency, the legal money of the country, and that which constitutes a lawful tender for debts, and is the statute measure of value, then undoubtedly, nothing is included but gold and silver. Most unquestionably, *there is no legal tender, and there can be no legal tender in this country under the authority of this government or any other, but gold and silver*, either the coinage of our mints or foreign coins at rates regulated by Congress. *This is a constitutional principle, perfectly plain and of the very highest importance.* The states are expressly prohibited from making anything but gold and silver a tender in payment of debts, and although no such expressed prohibition is applied to Congress, yet as Congress has no power granted to it in this respect but to coin money and to regulate the value of foreign coins, *it clearly has no power to substitute paper or anything else for coin as a tender in payment of debts in a discharge of contracts.*

The legal tender, therefore, the constitutional standard of value, is established and cannot be overthrown. *To overthrow it would shake the whole system.* (Emphasis added.)

In 1832, the Select Committee on Coins of the House of Representatives reported to the Congress that:

The enlightened founders of our Constitution obviously contemplated that our currency should be composed of gold and silver coin. . . . The obvious intent and meaning of these special grants and restrictions [in the Constitution] was to secure permanently to the people of the United States a gold or silver currency, and to delegate to Congress every necessary authority to accomplish or perpetuate that beneficial institution.

The Select Committee states its conclusion that:

The losses and deprivation inflicted by experiments with paper currency, especially during the Revolution; the knowledge that similar attempts in other countries . . . were equally delusive, unsuccessful, and injurious; had likely produced the conviction [in the minds of the framers of the Constitution] that gold and silver alone could be relied upon as safe and effective money.

Twelve years later, in 1844, the House Committee of Ways and Means concluded that:

The framers of the Constitution intended to avoid the paper money system. Especially did they intend to prevent Government paper from circulating as money, as had been practiced during the Revolutionary War. The mischiefs of the various expedients that had been made were fresh in the public mind, and were said to have disgusted the respectable part of America . . . The framers [of the Constitution] . . . designed to prevent the adoption of the paper system under any pretext or for any purpose whatsoever; and if it had not been supposed that such object was effectively secured, in all probability the rejection of the Constitution might have followed.

Later in the century, Justice Stephen Field presciently wrote in the case *Julliard v. Greenman* (1884):

There have been times within the memory of all of us when the legal tender notes of the United States were not exchangeable for more than half of the nominal value. The possibility of such depreciation will always attend paper money. This inborn infirmity, no mere legislative declaration can cure. If Congress has the power to make the [paper] notes legal tender and to pass as money or its equivalent why should not a sufficient amount be issued to pay the bonds of the United States as they mature? Why pay interest on the millions of dollars of bonds now due when Congress can in one day make the money to pay the principal; and why should there be any restraint upon unlimited appropriations by the government for all imaginary schemes of public improvement if the printing press can furnish the money that is needed for them?

Justice Field foresaw exactly what would happen in the 20th century when the Federal Government had used the printing press—and the computer—as the means of financing all sorts of "imaginary schemes of public improvement."

Under the Constitution, Congress has power to coin money, not print money substitutes. Such money is to be gold and silver coin, nothing else. It is significant that this power of coining money is mentioned in the same

sentence in the Constitution as the power to "fix the standards of weights and measures," for the framers regarded money as a weight of metal and a measure of value. Roger Sherman, a delegate to the Constitutional Convention, wrote that:

If what is used as a medium of exchange is fluctuating in its value, it is no better than unjust weights and measures . . . which are condemned by the Laws of God and man

For decades now, but especially for the past 10 years, we have had a medium of exchange, the Federal Reserve note, which is "fluctuating in its value" and therefore "no better than unjust weights and measures . . . which are condemned by the Laws of God and man." With the issuance of new gold coins by the Treasury, the Federal Reserve's monopoly on money will be challenged. H.R. 6054 represents a major step toward the eventual replacement of our present irredeemable paper money system with a gold based system. Following is the text of the bill:

H.R. 6054

A bill to provide for the minting of the American Eagle gold coin pursuant to article I, section 8 of the Constitution of the United States

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

SHORT TITLE

SECTION 1. This Act may be cited as the "American Eagle Gold Coin Act of 1982".

AUTHORIZATION FOR MINTING

SEC. 2. (a) The Secretary of the Treasury shall mint gold coins which shall be referred to as "American Eagles", and which shall be minted as provided in this Act in accordance with the following specifications:

- (1) an "Eagle", having a gold content of one fine troy ounce and a diameter of 1.28 inches;
- (2) a "Half Eagle", having a gold content of one-half fine troy ounce and a diameter of 1.06 inches;
- (3) a "Quarter Eagle", having a gold content of one-quarter fine troy ounce and a diameter of 0.87 inches; and
- (4) a "Tenth Eagle", having a gold content of one-tenth fine troy ounce and a diameter of 0.65 inches.

(b) Coins minted under this Act shall be of a fineness of 900 parts per 1,000 of pure gold and 100 parts per 1,000 of alloy. Coins shall not be struck from ingots which deviate from the standard contained in this subsection by more than one part per thousand.

(c) Coins minted under this Act shall bear—

- (1) on the obverse side, the design of the 1908 double eagle, together with inscriptions specifying the gold content and the year of minting;
- (2) on the reverse side, the reverse of the Great Seal of the United States; and
- (3) have reeded edges.

(d) The Secretary of the Treasury may mint the American Eagle coins authorized by this Act in the weights and sizes set forth in subsection (a) of this section, in such quantities as he determines to be necessary to meet public demand.

(e) Notwithstanding section 102 of the Coinage Act of 1965 (31 U.S.C. 392), coins minted under this Act shall not be legal tender for public debts, public charges, taxes, duties, or dues. Nothing in this subsection shall prevent the use of such coins or coins of like weight for the payment of private debts.

DELIVERY AND MARKETING

SEC. 3. (a) Coins minted under the authority of this Act shall be delivered to banks and other institutions and retailers for distribution and sale to the public, pursuant to rules and regulations of the Secretary of the Treasury.

(b) The Secretary of the Treasury shall begin delivery of the one-ounce American Eagle coins authorized by this Act, not later than January 1, 1984, and delivery of the one-half, one-quarter, and one-tenth ounce coins not later than January 1, 1985.

PRICE

SEC. 4. (a) Coins authorized by this Act shall be sold to the public in accordance with section 3 of this Act, at a price to be determined daily by the Secretary of the Treasury, according to their relative weight of gold, equal to the price of gold bullion sold on the Commodity Exchange, Incorporated, New York, at 4 o'clock postmeridian on the previous business day, plus an amount determined by the Secretary to pay for the minting, delivering, and distribution expenses of the coins, and all other related expenses.

(b) The Secretary of the Treasury shall have the power to adjust the seigniorage charge on the sale of all coins authorized by this Act to finance the expenses for minting, delivering, and distributing such coins.

EXCHANGE OF BULLION FOR COINS

SEC. 5. (a) Any owner of gold bullion may deposit such gold in any mint of the United States designated by the Secretary for such purpose and receive in exchange for its relative weight of gold content an equal weight of gold in American Eagle coins, less an amount to be determined by the Secretary of the Treasury to be equal to the charge established pursuant to section 4(a) and any other related expenses.

(b) All gold bullion deposited in any United States mint pursuant to subsection (a) of this section shall be available for the minting of American Eagle coins.

(c) The Secretary may prescribe such regulations as may be necessary to carry out this section, including regulations specifying charges for assay and other related expenses.

TAXATION

SEC. 6. (a) Any gain or loss derived from the sale, exchange, or other disposition of any coin authorized by this Act shall not be recognized as a capital gain or loss under any Federal, State, or local income tax.

(b) Any purchase or sale of any such coin shall be exempt from any Federal, State, or local sales, personal property, or excise tax.

CHAIRMAN RODINO SCHEDULES EXPORT TRADING COMPANIES BILL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HYDE. Mr. Speaker, yesterday I urged my colleagues to join me in calling upon the chairman of our Judiciary Committee to schedule markup of the export trading companies bill.

I have since learned that Chairman RODINO had, in fact, scheduled a markup of this important legislation in our Subcommittee on Monopolies and Commercial Law for May 19.

I wish to commend the distinguished chairman for his leadership in scheduling this important bill which represents a bipartisan initiative designed to help the economy and create jobs.

With Chairman RODINO's guidance, I am hopeful that we will shortly take positive action on legislation that will create jobs, reduce the deficit, and increase the GNP.

NEWLY FORMED WASHINGTON DULLES TASK FORCE

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WOLF. Mr. Speaker, I want to bring to the attention of the Members of the House what I believe is a significant event in the effort to create a better balance of air travel service in the greater Washington area.

Yesterday, a new organization to be known as the Washington Dulles Task Force was created. The purpose of this nonprofit Virginia corporation is to promote better air service at Dulles International Airport and to encourage greater utilization of this outstanding airport.

This newly formed task force was developed by the former Dulles Policy Task Force. The Dulles Policy Task Force was abolished Tuesday having accomplished its major objective of assisting in the formation of the Washington Metropolitan Airports Policy which took effect last December. The new Washington Dulles Task Force will have as its primary objective the marketing of Dulles International Airport.

As Carrington Williams, the chairman of the new nonprofit corporation, said at a public announcement Wednesday:

Now that Washington has a firm airport policy, we need to go out and sell the potential of Dulles to the airlines and promote the new services to the traveling public.

The new Washington Dulles task force intends to encourage future air travel growth at Dulles by making the air carriers aware of the market potential of Dulles Airport. Recent surveys by the Washington Council of Governments and the Fairfax County Chamber of Commerce indicate a major demand for increased service at Dulles by area residents and visitors.

The new task force has set as its goal the doubling of passenger traffic at Dulles Airport by the end of 1985.

The task force planners estimate that 39 percent of the Washington area's effective buying power, 37 percent of its population, and 26 percent of its employment exists in areas most conveniently served by Dulles Airport. They believe that nearly half a billion dollars worth of air travel was generated by those in the Dulles service area during 1981.

The new task force intends to employ a full-time staff with an annual budget of approximately \$650,000. Funding for the organization will be provided through private donations and by funds provided for specific tasks by various Government entities. Metropolitan Washington Airports, the proprietor of both National and Dulles Airports, has agreed to provide up to \$150,000 during the organization's first year to fund studies of local air service needs that will be useful for both MWA and the Washington Dulles task force. The Commonwealth of Virginia has committed \$175,000 for each of the first 2 years of the organization's 3-year life.

The task force will be governed by a 21 member board of directors. Its members will be business organizations and civic groups having an interest in airport development.

It has been a privilege for me to work side by side with the leadership of the Washington Dulles task force to assist in its formation.

The announcement of the creation of the Washington Dulles task force marks not only a historic step in meeting this area's transportation needs but is another example of how the private sector and governments at all levels can and must work together to find responsible solutions to important problems. Given the enthusiasm and dedication with which the members of the Washington Dulles task force have approached this challenge, I am confident that we will continue to make progress toward a safer and more balanced air transportation system for the greater Washington area. Such a system had been a concern of mine for years. I remain committed to working with the Washington Dulles task force and other organizations to develop such a system.

I want to pay special tribute to the leadership of this new task force for their outstanding efforts. Also, I want

to recognize the board of directors of the new task force. The directors of the Washington Dulles task force are June M. Bachtell of Leesburg, Charles E. Beatley, Jr., of Alexandria, James C. Cleveland of Reston, Sharon B. Donovan of McLean, Rosalind K. Ellingsworth of Arlington, Stephen L. Gelband of Washington, D.C., Charles G. Gullledge of McLean, Stanley E. Harrison of McLean, John T. Hazel, Jr., of Fairfax, Francis E. Lattin of McLean, R. Robert Linowes of Silver Spring, Philip M. Reilly of Fairfax, Leo J. Shefer of Manassas, Foster Shannon of Washington, D.C., Robert R. Sohl of Leesburg, Stanfield S. Taylor of McLean, John M. Toups of McLean, Leslie E. S. Tuck of McLean, and Carrington Williams of Falls Church. ●

WE'VE HAD ENOUGH LEMON ECONOMICS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DORGAN of North Dakota. Mr. Speaker, virtually every day in this Chamber we hear orations on the need to get the government "out of our economy" and to return to a "free market."

Sometimes I have to wonder whether those who make these orations know what they are talking about.

Frequently, these very people are the first to violate this principle when the beneficiary of the violation in question is some interest group that they favor.

When the subject turns to taxes, for example, we often stop hearing the "free market" tune. All of a sudden the vocabulary changes to an economic pharmacopoeia of "stimulants" and "incentives." They want stimulants for investment. Stimulants for savings. Stimulants for this industry or that.

You name the problem, and they will propose some new tax stimulant that will solve that problem, so they say.

Apparently the free market is not good enough for those who say they believe in the free market. They want to use the power of Government—specifically through the tax laws—to alter this market.

This is economic planning. It is using the powers of Government to determine where investment dollars go and to determine who gains and who loses in our economy.

This kind of under-the-table economic planning has proven to be a lemon. Last year's corporate tax benefits are a prime example. Under the pretense of providing economic stimulus Congress bestowed billions of dol-

lars in new tax breaks upon our major corporations.

Result? The Commerce Department reports that business investment is going down this year rather than up. Many companies are using their new tax-cut largesse not to invest in new plants and equipment, but rather to buy up other companies. This reduces competition and ensnares large portions of our economy in conglomerate bureaucracy and redtape.

That is what we got for the billions we spent on this new stimulus program.

Tax stimulants are not the only form of lemon economic planning in which Congress regularly engages. The Chrysler and Lockheed bailouts stand out as examples of how Congress has used the people's tax dollars to prop up yesterday's failures instead of laying the groundwork for tomorrow's successes.

If the Government is going to get involved in our economy at all, then it should do so in a way that is intelligent. We know that what we are doing now is not working. We know that we cannot go back to the 1920's, where the President would like to lead us. And we know we cannot go back to the 1960's, where many others would have us go. We need a real debate over the kind of economic policy that will enable the American people to have economic stability and prosperity in the decades ahead.

Recently an organization called the Democracy Project held a symposium here in Washington to help to generate such a debate. One of the speakers at this symposium was Prof. Lester Thurow of the Massachusetts Institute of Technology. Mr. Thurow is known to many of us through his books, his magazine articles, his regular columns in Newsweek magazine and his many appearances before congressional panels. Mr. Thurow is one of the most prolific and original economists addressing the American public today.

In his talk, Professor Thurow raised some of the questions which we in Congress must face. For example:

PRODUCTIVITY: STATISTICS VERSUS REALITY

Much of the alleged decline in American "productivity," as that term commonly is defined, has virtually nothing to do with the level of our investment, or how hard we work. Rather, it arises from changes in our life patterns that frequently are beneficial. Energy conservation, for example, has reduced our use of energy, and in some cases has—on paper, at least—reduced the productivity of our utility plants. Obviously, we do not want to start wasting electricity just to improve our national productivity statistics. So what do we do? Do we use some other asset or resource more intensively to make up the difference? Or, do we have to go deeper and change the way we

define productivity so that progress does not show up statistically as regress?

FOREIGN COMPETITION

Intense competition from the Japanese and others has squeezed profits for our auto makers. Without their former profit levels, where will they get the capital they need to retool and meet this competition? In Japan, both government and private investment banks provide such capital. Who will provide it here?

RELUCTANT CORPORATIONS

Some of our major corporations do not seem to want to do the job that needs to be done. Our steel industry, for example, desperately needs new and more efficient plants. The steel companies have been blaming their problems on the Japanese. Yet when United States Steel gathered together a stockpile of cash, did it build a new steel plant? No; instead, it went out and bought an oil company. How do we build a healthy steel industry in America if our steel industry itself does not want to build a steel industry?

These are the kinds of questions that we have to start to ask. I am not sure that Mr. Thurow's answers—for example, consumption taxes and Japanese-style investment banks—are the best ones. In some form they might be part of an answer. But at least Mr. Thurow is addressing the tough questions and is not covering them over with a gauze of dreamy economic nostalgia the way the administration is doing.

To get the right answers, we have to start asking the right questions. We need a genuine economic debate. For this reason I offer Lester Thurow's paper for the benefit of my colleagues and the American public.

Part 1 of Mr. Thurow's paper follows. Part 2 will appear in the RECORD on another day.

INVESTMENT BANKING

(By Lester C. Thurow)

By themselves industrial policies are not going to cure America's economic problems. They can, however, play a role in helping to cure America's economic problems and without them, I believe that it will be highly unlikely that America will cure its economic problems.

AMERICA IN A COMPETITIVE ECONOMIC WORLD

The immediate American problems are productivity growth and inflation but they need to be seen in a broader context. For 35 years after WWII the U.S. enjoyed "effortless superiority". It had a per capita GNP far above that of anyone else. Technologically it had a huge lead in almost everything. As late as 1960 only 5 percent of the GNP was exported or imported and international trade could have been abolished without any major harm to the standard or style of life of the average American. America could afford activities, and mistakes, that no one else could afford.

The effortless superiority has disappeared. Economically and technologically

the U.S. is simply one among equals and its rate of progress, productivity growth, is well below that of its major economic competitors. Exports have risen to 13 percent of the GNP and the country is importing necessities such as oil. It can no longer afford to spend more on defense and less on civilian investment than its military allies but economic competitors.

While it is a shock to be simply one among equals, it is also more pleasant to live in a neighborhood with other wealthy countries. To catch up, other countries obviously had to have an extended period of time when they grew faster than the United States. But there inevitably comes a time, and it is now, when the U.S. has to accelerate its economic performance to keep up with the rest of the industrial world.

There is no turning back to the "good old days" of unfettered capitalism as the Reagan administration wishes. The good old days simply weren't that good. Before or after the New Deal, the U.S. has never had the sustained productivity gains now being achieved by Japan.

To keep up in the future, the United States is going to have to develop new institutions and new ways of accelerating economic growth. Things that "can't" be done have to be done if we are not to decline relative to the rest of the world as the U.K. has declined over the past 80 years.

PRODUCTIVITY VERSUS INFLATION: A MATTER OF PRIORITIES

Opinion polls show that inflation is the country's number one problem in the minds of the public, but inflation is not the number one economic problem. With productivity falling, as it is, inflation could stop; yet the American standard of living would still be falling both absolutely and relatively. Conversely if productivity were growing, the standard of living would be growing regardless of the rate of inflation.

Given the political popularity of anti-inflation rhetoric, policy makers are apt to embark on crusades against inflation that are both unwinnable and counterproductive. The monetary brakes are applied with a limited effect on inflation but a major effect on stopping the investment necessary to help alleviate the productivity problem.

As long as productivity is falling there is no realistic cure to the inflation problem. With falling productivity the only noninflationary wage increase is a wage decrease. What are the chances that any modern democratic industrial society can hand out wage decreases year after year? Politically it is just easier to hand out money wage gains and then let inflation deliver the bad news that real purchasing power is down.

But it is also true that no industrial policy can work in the midst of restrictive monetary policies. Slow growth, high interest rates, rising unemployment are just not an environment where pro-growth policies of either the micro or macro kind can work. If we aren't able or willing to devise an alternative to monetarism for fighting inflation or to put the anti-inflation fight on the back burner until the productivity problem is solved, we might as well not talk about industrial policies.

THE DECLINE IN PRODUCTIVITY

Productivity growth is like a gold mine. Some smart or lucky prospector finds a vein of high grade ore that is then followed down into the bowels of the earth. But eventually every vein of ore peters out. To keep the same or an increasing volume of gold coming out of the mine, new veins of ore must continually be found.

Similarly the cessation of American productivity growth cannot be traced to stupid or lazy miners. Old low grade veins of productivity ore simply haven't been replaced with new high grade finds.

For example, when American productivity was growing at 3 percent per year, the productivity of electrical and gas utilities was growing at more than 6 percent per year. Utility productivity is now falling at the rate of 1 percent per year. This change alone explains 10 percent of the slow down in American productivity. What happened?

The answer is simple. In utilities most of the hours of work are involved in maintaining the distribution network. As long as every home and factory is demanding more energy, productivity rises rapidly. More kilowatts are being delivered, but the same number of hours are needed to maintain the distribution network. But conversely when the demand for energy goes down because energy prices are up, the same number of hours are needed to maintain the lines and productivity falls.

The utility productivity problem is not curable. Some other new source of productivity problem is not curable. Some other new source of productivity growth must be found to offset the declining productivity in utilities. Other source of the decline, such as the decline in mining productivity, the end of the shift out of agriculture, and the rapid growth of services are of a similar character. They cannot be cured. New sources of productivity growth must be found.

The Reagan administration has focused on inadequate investment as the sole cause of the productivity problem. Most studies only trace 20 to 25 percent of the productivity slowdown to inadequate investment, but the problem is not that Americans are investing less. While productivity was growing at more than 3 percent per year from 1948 to 1965, Americans were investing 9.5 percent of the GNP in private plant and equipment. While productivity was falling at the rate of 0.3 percent per year from 1977 to 1980, Americans invested 11.4 percent of the GNP in private plant and equipment. Investment went up 20 percent while productivity died. Why?

The solution to the puzzle is simple. Because of the baby boom 20 years ago the labor force is growing very rapidly. Plant and equipment per worker is falling even though the capital stock is growing faster. With a falling capital-labor ratio, falling productivity is no great surprise. But the solution is not to return to some virtuous past when Americans invested more (there never was such a past) but to raise American investment to levels that it has never achieved.

STIMULATING SAVINGS AND INVESTMENT

When it comes to the investment the Reagan administration has solved half of the problem. For all practical purposes the July tax cut abolished the corporate income tax. Everyone agrees that businesses will invest more without the corporate income tax unless it is squeezed off with high interest rates.

But high interest rates are precisely what will occur if policies are adopted to stimulate investment without at the same time adopting policies to stimulating an equivalent amount of savings. The Reagan answer to the savings problem—a 25 percent across-the-board income tax cut—isn't an answer. Americans are apt to do what they have been doing—saving 5 percent of their

income and consuming 95 percent of their income.

Americans savings rates must go up, but it is not necessary to engage in inefficient inequitable "trickle down" economics. The necessary savings is not going to be found by slashing the income transfer payments of the poor to pay for tax cuts for the rich. Including both earnings and transfers the poorest 20 percent of the population has 4.2 percent of total income. To compete with competitors such as Japan on an investment per worker basis, a lot more than 4.2 percent of total income will have to be moved from consumption to investment. This means that some of the necessary cuts in consumption are going to have to be allocated to the middle and upper classes—a fact of life recognized by Mr. Stockman in his famous Atlantic article but not yet faced up to by the President.

To discourage consumption and promote savings while distributing the burden across the income spectrum the present tax structure should be replaced with a system of progressive consumption taxes. The income tax should be converted to a progressive consumption tax by establishing unlimited Keogh accounts. Keogh accounts are now available for the self-employed to save for their retirement. Money put into the accounts may be deducted from income but is taxed when withdrawn. If such accounts were available to anyone for any purpose for any length of time, the income tax would instantly become a consumption tax. A family earning \$50,000 and saving \$5,000 would pay taxes on \$45,000 while a family taking \$5,000 out of its savings accounts would pay taxes on \$55,000 at progressive rates.

The payroll tax used to finance Social Security should be replaced with a progressive value added tax. Workers should be encouraged to buy their pensions cheap by consuming less than their entire income. Liberals have traditionally objected to the VAT on the grounds that being a consumption tax it levied a larger tax rate on the poor than the rich. This is easily cured if the value added tax is combined with an income tax credit. With a 10 percent tax and a \$1,000 income tax credit, the \$10,000 family would pay \$1,000 in taxes as it spent its income, but get the \$1,000 back as an income tax credit. The \$20,000 family would pay \$2,000, get \$1,000 back and be a net taxpayer of \$1,000. And so on up the income scale.

It is of course imperative to avoid the Thatcher mistake and take the value added tax out of the Consumer Price Index before shifting to the value added tax. If the value added taxes are in the Consumer Price Index and wages are indexed to it, the only result is an explosion in inflation.

Since most individuals will only save if they cannot get the things that they want without savings, it will be necessary to eliminate the tax deductibility of consumer and mortgage interest and to increase minimum down payments. If interest payments are tax deductible while interest earned is taxable and if no down payment is required to get what you want (in the United States homes can be bought with no down payment), it isn't rational to save.

It will also be necessary to raise national savings with public savings. This means large budget surpluses rather than the large deficits scheduled under Reaganomics. The proposed Reagan budget deficits are bad not because they cause inflation but because they reduce national savings.

Politically none of the necessary changes are now feasible, but the ground must be prepared for them over the next three years just as the ground was prepared for the Kemp-Roth Reagan tax cuts over the past three years.

Here again unless the U.S. can do something to dramatically raise savings by a large amount, it is useless to talk about industrial policies. Current supplies of savings simply aren't adequate to finance any new industrial policy.

INSTITUTIONAL CHANGES

There are going to have to be institutional changes as well as efforts to increase the quantity of physical capital and the quality of human capital. Other successful economies are marked by aggressive investment banking—usually government backed. For all practical purposes the U.S. does not have investment banks. There are institutions, such as Morgan Stanley, bearing the name but none of them have major amounts of money that can be committed to long run investments. They are instead middle men between potential industrialists and investors.

The problem is now visible in the auto industry. Because of Japanese competition, auto producers cannot raise prices to finance needed investment. But without the new investment they won't be able to build a competitive car to fend off the Japanese. Unless some new technique can be found for infusing the industry with capital, it will simply go out of business. But autos are not a sunset industry that America can afford to discard.

Compare what is going on in the auto industry with what did go on at Mazda after the 1973-74 oil shock. Mazda had been gearing up to conquer the auto world with the rotary engine car. It might have succeeded but the price of gasoline went up and the one weakness of the rotary engine car was its bad fuel mileage. Suddenly the companies sales plunged and it was for all intents and purposes broke. What happened? The banking system (government) absorbed much of the losses on the economically obsolete rotary engine plants and the firm was lent billions of dollars to redesign and retool for a conventional piston engine car. After a number of years the company was able to turn the situation around and once again became a powerful competitor in the auto business. But during the interim period, the company was carried by the banking system. What would have happened to Mazda in the U.S.?

A similar problem is visible in steel. The steel industry probably should go out of business as a producer of hundreds of millions of tons of raw pig iron, but it ought to be rejuvenated as a high technology steel industry. The industry might be much smaller but it would still play an important role in the U.S. industrial life. How is this to come about in the context of foreign competition and a "big" steel industry that is clearly interested in getting out of steel. Mini steel mills will play an important role, but there is also probably room for a new integrated big steel mill to produce the products that cannot be produced in mini steel mills. If such a mill costs \$3.5 billion, how is it to be financed? U.S. Steel just put the money that it had set aside for a new steel mill into Marathon Oil.

The semi-conductor industry is on the edge of the same problem. The industry is shifting from low capital intensive technologies to much higher levels of capital intensity. At the same time it is in competition

with Japanese firms. The normal American way to finance the necessary shifts in technology would be to accumulate internal savings from current profits to finance the plants necessary to produce the products of the future. But with competition that holds prices down and does not need current savings to finance plants for future expansion, there is no way that the traditional American pattern can work. To rely on it is simply to give up the semi-conductor industry to the Japanese.

Consider robots. Why do the Japanese have two-thirds of all of the robots in the world? The answer is clear. One, they save enough to afford them but two, government has played an active role in promoting the use of robots. What problem do you have if you are a producer of robots? It is difficult to sell enough robots initially to get the overhead economies that permit low per unit costs. What problems do you have if you are a potential buyer of robots? You are not sure how productive they will be and if you can repair them. You want to buy one or two to experiment, but not very many. MITI and the Japanese banking system stepped into this situation to organize a government backed leasing company. The company guaranteed the producers sales of a certain level and leased the robots on a short-run basis to industry. No overt cost subsidies were given, but the leasing company took much of the risk. If robots had not worked, it would have been left with millions of dollars in unusable robots. Social actions were taken to reduce private risk. This is essentially the role that industrial policy should take.

Society should not subsidize the private sector, but it should take actions to lower private risks.

But the real case for private and public investment banks is not even that we need them, but that we are gradually creating an inefficient system of congressional investment banking. It should be replaced with a more efficient and overt system of investment banking that organizes a sharing of the risks without the political pressures of congressional special interest groups.

Think of recent congressional investment banking actions. Lockheed and Chrysler are two examples of congressional investment banking designed to bail out failing companies. The Alaskan natural gas pipeline act was an example of congressional investment banking designed to get a large project underway. Whatever you think about the rights and wrongs of these actions, it is clear that we need a different mechanism for dealing with the demands that led to those congressional actions.

To be against private and public investment banking is simply to be in favor of a highly politicized and inefficient congressional investment banking system. ●

VOLUNTEERING IN GOVERNMENT ACT OF 1982

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. EDWARDS of Oklahoma. Mr. Speaker, today I have introduced the Volunteering in Government Act of 1982, a bill to open more doors of opportunity for volunteers in the United

States. Along with my colleagues, Mr. CONABLE and Mr. TAYLOR, I am excited about the prospect of creating a thriving volunteer work force within the Federal Government.

Currently, Federal law prohibits the acceptance of volunteer services by the Federal Government, except in specifically exempted agencies such as the National Forest Service and the Federal Emergency Management Administration. This antiquated law, approved at the turn of the century, has been allowed to obstruct the volunteer spirit for too long.

No reasonable explanation exists to deny people the opportunity to volunteer in Federal programs, as long as their service is needed, their tasks are appropriate for voluntary action and protections exist for Federal employees. All three of these safeguards are expressed within the language of the Volunteering in Government Act.

The Volunteering in Government Act affords all executive agencies of the Federal Government permission to accept volunteer services. The bill limits the amount of funds which can be expended on behalf of these programs and also encourages agencies to consider voluntarism when awarding grants to private organizations.

One of President Reagan's goals for his task force on private sector initiatives is to identify areas in all aspects of American life where volunteer resources can be used or used more extensively. Joining this effort, businesses, foundations, charities, State and local governments, churches and civic organizations are aggressively working to expand charitable contributions and volunteer services. This vibrant effort on behalf of voluntarism has led to important discoveries. While we all knew that volunteers run fire departments and fold bandages at the Red Cross, we perhaps did not know that they also conduct research, provide financial counseling, tutor the young and the disabled, assist with health examinations, and operate computers. And, we have discovered that volunteers are attorneys, doctors, construction workers, teachers, artists, housewives, college students, and retirees.

By approving the Volunteering in Government Act, Congress will make it more possible for these and other Americans to contribute their time and talents on behalf of others through programs administered by the Federal Government.

In the coming weeks, I will be communicating to my colleagues in the House some further examples of the array of volunteer service opportunities which could be made available through enactment of this legislation.

On behalf of my cosponsors and myself, I urge the support of all Mem-

bers of this body for the Volunteering in Government Act of 1982.●

LOWER TAXES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. COLLINS of Texas. Mr. Speaker, lower taxes means more business, more progress, and more jobs. Incentive and profit from capital stimulates and puts money to work.

Time magazine summed up well the facts about "Risking Capital." When you cut taxes, business grows. Here is the Time article:

RISKING CAPITAL

In 1969 Congress increased from 25 percent to 49 percent the maximum tax on long-term capital gains—the profit made by an investor on the sale of stocks, real estate and other property. The effect was devastating. In 1969, \$171 million was amassed in venture capital. By 1975 the amount had fallen to just \$10 million.

In 1978, however, Congress rolled back the capital gains tax rate to 28 percent. With the potential payoff increased, investors were again willing to take a risk. Last year \$1.3 billion in venture funds was accumulated, more than 100 times the amount of only six years earlier.●

ROBERT M. EBERHARDT TO HEAD DUCKS UNLIMITED

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SHUMWAY. Mr. Speaker, it is with both pride and pleasure that I share with my colleagues the fact that Mr. Robert M. Eberhardt of Stockton, Calif., will assume the presidency of Ducks, Unlimited, Inc. an extremely worthwhile conservation organization which has literally worked wonders in the four decades of its existence. On May 19, in Reno, Nev., Bob Eberhardt will accept the gavel of responsibility which accompanies his new position. It would be difficult to find a more qualified man for the job.

As my colleagues may know, Ducks, Unlimited came into existence at a time when the Nation's resources and waterfowl in particular were experiencing abuse as a result of both man and nature. In 1937, the organization began its effort to rescue the dwindling numbers of ducks and geese from inevitable extinction. Ducks, Unlimited realized that the key to success would lie in providing appropriate habitat for waterfowl. Since more than 70 percent of all North American continent waterfowl originate in Canada, Ducks, Unlimited undertook the task of restoring and rehabilitat-

EXTENSIONS OF REMARKS

ing the wetlands in the Canadian prairie provinces. American sportsmen and conservationists provided the needed funding for this effort and, to date, Ducks, Unlimited has completed 1,585 wetland projects—projects which provide the added benefits of flood control and irrigation in addition to habitats for waterfowl. Ducks, Unlimited has made almost \$68 million available for wetland development throughout its history. Over 285,000 individuals belong to Ducks, Unlimited, which can truly be termed an international conservation organization.

Obviously, the man who heads such a program must be of the very highest caliber in the realms of leadership, decisionmaking, and financial management. Such a man is Bob Eberhardt, a native Californian who presently serves as president of the Bank of Stockton. A graduate of the University of the Pacific, Bob Eberhardt has a roster of civic and professional involvements which is far too long and impressive to itemize at this time. He has served as president of both the California Bankers Association and the Independent Bankers Association of northern California, and as director of the Western States Bankcard Association. He has also served as vice president of the American Bankers Association for the State of California. Outside of his own profession, Bob serves as chairman of the Board of Regents of the University of the Pacific, a position he has held since 1975. He is a member of the Stockton Sportsmen's Club, the Greater Stockton Chamber of Commerce, and has served as a commissioner for the Port of Stockton. He served on the Board of Trustees of the San Joaquin County Pioneer Museum, and was president of his alma mater's Pacific Athletic Association.

In 1976, Bob Eberhardt received the coveted "Mr. Stockton" award from the Stockton Board of Realtors, and in 1980, he was awarded the Rotary International Club's Paul Harris Fellowship Award. His involvements and memberships cover a wide range of interests, and his outstanding efforts and fine leadership have benefited groups from the Boys Club to the Credit Bureau, the Navy League to the Exchange Club.

Most importantly, however, an individual who heads Ducks, Unlimited must be a conservationist and an outdoorsman. Bob Eberhardt most assuredly qualifies! He has been actively involved with Ducks, Unlimited for an extended period of time, serving as area chairman of the San Joaquin Chapter of Ducks, Unlimited from 1971-75, and as California State chairman in 1975-76. From 1977-79, Bob Eberhardt served as South Pacific regional vice president of Ducks, Unlimited, and he has been senior vice president of the Pacific Flyway since 1979. He serves on Ducks, Unlimited's fi-

nance committee, as well as the development committee. In short, few men understand Ducks, Unlimited's goals and objectives as well as Bob Eberhardt, and few are as qualified to assume the leadership of this remarkable organization.

I congratulate the membership of Ducks, Unlimited for the wisdom they have demonstrated in selecting Bob as their leader, and I certainly congratulate Bob for his success. Hopefully, his tenure as president will be rewarding and fulfilling, marked by even greater accomplishment and preservation of our precious natural resources.●

SMALL BUSINESS WEEK

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. IRELAND. Mr. Speaker, this week is Small Business Week. I am pleased to be able to join with my colleagues to salute the true holders of the American spirit's flame—the small business community.

Small business is a combination of social values, a pattern of civic life, a free society, and a healthy competitive community. It is the small business person who is the foundation of his or her hometown's growth and development.

The small business person is in some respects in an enviable position. If one is to believe the folklore that surrounds small business, it has few enemies and most small business people are in fact some sort of heroes. For the small entrepreneur represents the independence, freedom, and perseverance that has long represented the American way of life.

Out of the group of small revolutionary producers of the 18th century rose the American dream. It was a dream of progress and freedom moving everyone toward new and higher fulfillment. At the center of this movement was the ideal of the liberty and equality of people who could own their own means of livelihood.

While businesses grew larger, the beginning of the 20th century saw new, more well-to-do captains of industry emerge as hero types. Through their audacity and ambition a new society was shaped. Unfortunately world war and severe economic depression set in. There followed a second world war. Large businesses, aided in part by the Government defense contracts, assumed a greater role and share of the economy. Recognizing that small business was suffering, the House of Representatives created a Select Committee on Small Business. Today that committee is a full legislative committee and I am proud to serve as the

chairman of its Subcommittee on Export Opportunities and Special Small Business Problems. As chairman, I have found that much needs to be done. Small business is up against it in many areas.

Other countries are ahead of us in helping small business. Belgium and Canada have Cabinet-level ministers for small business. France has designated financial institutions which may pay up to 90 percent of an invoice owed small business by the Government. West Germany permits capital assistance to small businesses. What other countries have done we can do too, and better, and we will.

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. America needs its creative entrepreneurs. Small business today is in a vise squeezed by the power of big labor, big business, and most all, big government. We must come to grips with the forces threatening small business. If America will save small business, small business will save America. ●

SUPPLY-SIDE ECONOMICS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SOLOMON. Mr. Speaker, with all the doom and gloom about budget deficits and the state of the American economy, I think we should look at it from another view.

Warren Brookes, one of the most respected economic analysts in the United States, recently noted that tax revenues for the fiscal year 1982 are coming into the Treasury a lot faster than anyone predicted. In fact, Mr. Brookes thinks the deficit for this year will be substantially less than the \$100 billion or so estimated by mainstream economists.

Although any Federal budget deficit is too much, the fact that it will be less than predicted seems to indicate that the basic assumption of supply-side economics is working. Tax rate reductions do not result in tax collection reductions. Or at least they do not have to.

I urge all my colleagues to read the following article, which was written by Mr. Brookes and distributed by the Heritage Foundation. It should give us all second thoughts as we consider whether or not to raise taxes.

WILL 1982 FEDERAL DEFICIT BE SMALLER THAN ADVERTISED?

(By Warren T. Brookes)

Barring a real depression, the federal deficit is going to be a lot smaller this year (1982) than the \$99 billion the administra-

tion is now predicting—perhaps as much as \$25-to-35 billion smaller.

That's the unmistakable message, not from the economists or the computer models, but from the actual trend in revenues and outlays for the first five months (October to February) of the 1982 fiscal year (See table).

This trend shows that while outlays have been running about 10 percent above last year (as projected), revenues have been rising at a steady 13-percent rate over 1981, despite both the tax cuts in place and the recession. That is nearly triple the 4.6-percent rate of growth forecast by the administration.

If this trend continues for the balance of the year, total revenues (even allowing for the \$9 billion to be lost through the July tax cut) could easily exceed \$660 billion, leaving a projected deficit of around \$65 billion—or not much more than the 1980 and 1981 figures.

Even if this revenue-growth rate (which has persisted right through the dismal month of February) were immediately cut in half, to about 6-percent, the deficit would still be in the \$75-billion range, some \$24 billion below administration estimates.

Put another way: in order for the revenues to fall to the level forecast by the administration, there would have to be no growth at all over the 1981 figures for the balance of the year. There is simply no modern precedent for such a sudden huge drop in the income growth rate.

Since inflation is still running about 6-to-7 percent, and personal income is still growing at a 9-to-10 percent rate, and Social Security is benefitting from a huge 1982 tax increase, it seems highly unlikely that the revenue gain for the last seven months will fall below the 7-to-8 percent range.

This automatically means a deficit of some \$25-to-35 billion below what both the Office of Management and Budget (OMB) and Congressional Budget Office (CBO) are now projecting for the current fiscal year, and a higher level of revenues this year could change all the deficit numbers down the line in 1983 and 1984—for the better.

So far, no one is willing to confirm or deny this pleasant possibility. We can't even get the Treasury or OMB people to talk about it. Congressman Jack Kemp (R-N.Y.) told us, "Federal revenues are definitely coming in at a faster rate than anyone had predicted. It is a reminder that in fact the real tax cuts have yet to take effect, and that the tax burden on the nation is still rising, not falling, despite all the protests."

Kemp's economic adviser on the Republican Conference, John Mueller, told us, "The Treasury officials we have talked to are surprised at the revenue growth so far. We're watching this closely, because if the trend continues, then the deficits will be smaller."

However, Merrill Lynch economics budget-watcher Joe Carson warns us that "the revenue uptick so far can be explained primarily in terms of higher corporate and excise tax revenues—both of which will fall because of the weak economy and lower oil prices. We expect this temporary lift to be washed away over the next seven months. Still, the five-month trend is puzzling."

"If the March and April figures continue this trend, then we could all be forced to change our estimates," Carson told us.

One point can be made without fear of contradiction: despite all the brouhaha over "massive tax cuts" and "massive spending cuts," the federal government's spending and taxing are still growing faster than the

annualized rate of inflation, by a huge margin. Since October the Consumer Price Index (CPI) has been rising at a 4.6-percent annualized rate. Spending is now double that rate; and revenues are growing at nearly triple the inflation rate. While both figures have been cut substantially from the simply monstrous increases of the Carter era, neither one reflects "austerity."

What is interesting is to speculate about the possibility that OMB and the administration well understand the implications of these higher revenue trends, and are waiting to tell us, along about June or July, that in fact the budget deficit will be much smaller than they predicted ("because of strong revenue growth"). And they will use this signal to help lower interest rates and "tone up" the economy for the fall elections.

In the meantime, there is another sinister view: the OMB faction within the administration which is pressing for higher taxes and big cuts in both defense and Social Security, are deliberately downplaying the positive revenue trends to keep pressure on both Congress and the president for compromise.

If that's the case it is a dangerous game, because in the interim the uncertainty is keeping interest rates high, and the economy perilously sluggish. If there is a chance that actual revenue trends are leading toward a smaller deficit, the administration had better own up to it now, and try to reassure the nervous nellys in the bond market.

FEDERAL DEFICIT TRENDS 1981-82

(Dollars in billions)

	Fiscal year—		Percent change
	1981	1982	
For February (actual):			
Outlays	\$53.75	\$57.82	+7.6
Revenues	38.13	43.04	+12.9
Deficit	15.62	14.78	-5.4
For first 5 months (October to February actual):			
Outlays	271.88	297.96	+9.6
Revenues	216.28	244.3	+12.9
Deficit	55.61	53.66	-3.5
Full year (projected):			
Outlays	657.2	725.3	+10.4
Revenues	599.3	626.8	+4.6
Deficit	57.9	98.6	+69.2

¹ Projection based on historical budget trends at the 5-mo mark, less allowances for further tax cuts (July 1982) and adjustments.

Source: Treasury, for actual data OMB for projections. ●

MICHIGAN 15TH DISTRICT POLL RESULTS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. FORD of Michigan. Mr. Speaker, as an indication of how concerned the residents of the 15th Congressional District are with the plight of the economy and how it and the severe cutbacks in the Federal budget have impacted their lives, I received more responses to my 1982 questionnaire than ever before. The input I have received from these questionnaires during the 18 years I have been honored to serve in the Congress has been

extremely useful in helping me gauge my constituent's positions on the issues before the House of Representatives.

By far the most compelling message I receive this year was the overwhelming concern throughout the district over jobs and unemployment. With Michigan's statewide unemployment rate at 15 percent and that in western Wayne County in the range of 20 percent efforts have been intensified to bring more jobs in southeastern Michigan and the rest of the State. Therefore, when I asked my constituents whether they believed more defense work should be directed to our State to provide more jobs and stimulate the economy, 86 percent responded affirmatively. To confirm their heightened interest, approximately one-third of the respondents independently listed unemployment as their top priority.

This year, I made a special effort to poll Government classes of high schools throughout the district. And the students' response was very similar to that of their parents with 95 percent agreeing that more jobs should be funneled into Michigan. More than half of the students listed unemployment as their foremost concern.

A 59-percent majority finds itself in worse financial shape after 1 year of Reaganomics, while only a small portion—11 percent—see themselves as being "better off." At the same time, 23 percent gage themselves as being in about the same position as they were last year at this time. A significant majority of those responding—75 percent—do not believe the administration's tax cut will help the economy recover.

Three-quarters of my constituents support legislative initiatives I have cosponsored to assist the ailing auto and steel industries. They agree with me that quotas should be instituted to limit foreign automobile and steel imports to the United States. They also feel strongly that a significant percentage of parts in automobiles should be made in the United States.

In the area of environmental protection, almost half of those polled believe we should retain the current level of environmental safeguards. One-third would intensify environmental protection, while 16 percent would recommend cutting back in this area. Polled on the same question, 61 percent of the students surveyed would increase efforts toward environmental protection.

Twice as many respondents do not think the State of Michigan or the local government can shoulder more of the burden of funding education programs without raising the State income tax or local millage levels, than those that do. And twice as many are opposed to the Federal Government withdrawing its commitment to

funding for elementary-secondary education programs and student financial aid.

Students, by large margins, supported Federal aid to college students and for elementary and secondary school programs.

The Federal Government should assist local communities in fighting crime according to 58 percent of those who replied, while 29 percent believed local officials should not be aided in this effort.

Crime control is of greater concern to the student population than their parents—71 percent of the students asked indicated they thought the Federal Government should be doing more to help fight crime locally, while 58 percent of their parents opted for this position. ●

SECRETARY-GENERAL'S ADDRESS AT INAUGURATION OF INSTITUTE FOR EAST-WEST SECURITY STUDIES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, it was my pleasure to participate in the inauguration of the Institute for East-West Security Studies which was held in New York City on April 21. I also had the honor of introducing His Excellency, U.N. Secretary General Javier Perez de Cuellar. Secretary-General Perez de Cuellar's remarks were dramatic evidence of the special talent and energy which he brings to the awesome assignment which is now his. I insert his address at this point:

Following is the text of an address by Secretary-General Javier Perez de Cuellar at the inauguration in New York this evening of the Institute for East-West Security Studies:

Let me first thank Congressman Derwinski for his kind words. I appreciate your inviting me to speak on this occasion and I extend sincere congratulations to the Board of Directors for the establishment of this Institute. It is an undertaking of great importance as it can help bring clarity to an area of international relationships which is crucial to the maintenance of peace.

I would like, in the beginning, to focus on the word "security" in the title of this Institute. National security has always been, and will continue to be, the foremost concern of Government everywhere. History has provided examples enough of instances when the neglect of security gave rise to war and subjugation. However, history does not provide an accurate guide for determining how security in this last quarter of the twentieth century can best be obtained. This, I presume, will be a major theme of the discussions that will take place and the papers that will be written here. There are two propositions I would like to stress in this regard.

The first is that the primary idea behind the establishment of the United Nations is

that there can be no assurance of national security without a system of collective security and that collective security, in turn, cannot be made to rest on the power factor alone. If we have learnt anything from contemporary political experience, it is that security is not to be viewed in purely military terms. For what, after all, is security? No matter how sophisticated our analyses might be and whatever be their context, there is no getting away from the fundamental fact that security means not only practical immunity for external aggression but also freedom from fear and confidence in the stability of the world order.

The workings of power politics have not brought security in this sense to any nation, great, medium or small. Two world wars had served to underscore the lesson that freedom from the apprehension of war can be assured only by the renunciation of the threat or use of force in international relations. Moreover, it was not an utopian idealism but a perception of the roots of conflict that made the framers of the United Nations Charter conjoin justice with peace. They knew what we are all too often prone to forget that only those adjustments of explosive international situations can prove to be lasting which are in conformity with the principles of justice and international law. It is a cornerstone of the Charter that all Members of the United Nations shall settle their international disputes by peaceful means in such a manner—and this is explicitly laid down—"that international peace, security, and justice, are not endangered".

This is a comprehensive—and I would add, the only viable—notion of security which takes into account the dynamics of international relationships. A vast gulf separates it from the fragmented view that regards security in terms of a mathematical relation between the weapons systems and military capabilities of one great Power vis-a-vis another. The kind of security which flows from a balance of power—or, more accurately, balance of terror—is inherently unstable. Thanks to modern military technology, the point at which deterrence of aggression is supposed to be gained through the acquisition and deployment of weaponry never remains stationary. The perpetual escalation of arms race demonstrates this truth most convincingly. It is because of the prevalence of the view of security as something that can be obtained by a superiority of military power, or even a parity of strength between two potential adversaries, that a steadily increasing proportion of the world's resources, desperately needed for development, is being squandered in the pursuit of an ever elusive and ever receding goal. Regardless of how we add to it, power alone fails to bring complete security. Even on a pragmatic view, therefore, a movement towards disarmament is an essential for strengthening peace and security.

I might recall here that the point I am making was the subject of an extensive debate at the United Nations during its twenty-fifth anniversary. At the conclusion of that debate, the General Assembly issued a Declaration on the Strengthening of International Security which amplified the relevant provisions of the United Nations Charter, without underrating the importance of the other pronouncements contained in it. I would like to quote two of its paragraphs which have special relevance to many of the pressing problems facing us today. I quote:

"Solemnly reaffirms that every State has the duty to refrain from the threat or use of

force against the territorial integrity and political independence of any other State, and that the territory of a State shall not be the object of military occupation resulting from the use of force in contravention of the provisions of the Charter, that the territory of a State shall not be the object of acquisition by another State resulting from the threat or use of force, that no territorial acquisition resulting from the threat or use of force shall be recognized as legal and that every State has the duty to refrain from organizing, instigating, assisting or participating in acts of civil strife or terrorist acts in another State;"

And I quote again:

"Affirms its belief that there is a close connexion between the strengthening of international security, disarmament and the economic development of countries, so that any progress made towards any of these objectives will constitute progress towards all of them."

The second proposition I would like to suggest is that, though what you call East-West security presents certain problems peculiar to itself, no conclusions of real value for peace can be drawn about it if it is viewed in isolation from universal security. Our age does not permit the luxury of insularity to any Power or group of Powers, least of all to the great. East-West relations operate in the context of international developments in which the medium and small Powers, including the non-aligned States, are also deeply involved. These relations affect, and are affected by, the general direction of world affairs. Moreover, I need hardly give examples here of diverse situations, initially of a limited scope, which have drawn the involvement of the great Powers. Efforts towards détente between the great Powers, therefore, have to be reinforced by, and have themselves to reinforce, efforts towards the resolution of the world's problems on the basis of the purposes and principles of the United Nations Charter. We most certainly need, and would wholeheartedly welcome, real détente between East and West. But we equally need détente among all the members of the community of nations. As long as there is inequity in international relationships, as long as legitimate demands are denied peaceful fulfillments, as long as recourse to violence or the threat of it remains the mode of asserting national interests, as long as human rights are subject to violations, as long as the world's majority remains economically dependent on forces which it cannot control, so long will the fabric of peace remain fragile and this fragility will, in one way or another, continue to tell upon the relations of the great Powers themselves.

Coming now to the other part of the title of this Institute. I am sure that by the use of the term, "East-West", you would not wish to encourage a world-view based on an oversimplification. We cannot regard the international scene in quasi-Manichean terms because we are not living in a bi-polar world. Any suggestion of a fundamental, irreversible division of the world along the East-West line, it seems to me, is incompatible with the idea of the United Nations. As far as the relationship of the two great-Power groupings is concerned, I believe that uncertainty on both sides as to ultimate intentions is perhaps the major impediment to the kind of confidence between them that would provide a basis for a meaningful reduction in arms, eventual denuclearization and greater co-operation in assisting global development.

Past history, differing ideologies and conflicting interpretations of international development have implanted doubts of such depth and endurance that they resist the effect of general assurances and declarations. It is this uncertainty more than national hostility that makes so difficult the development of a stable security relationship entailing less cost, less peril to humanity and less waste of the world's resources. Such a relationship has become an international imperative—a word I do not use lightly. If uncertainty as to ultimate intentions is an impediment to stability in this relationship, then it is desirable to establish as many specific areas as possible where intent is defined and confirmed by both sides. In this way, policy formulation on a "worst case" basis will be gradually precluded. Measures towards nuclear disarmament constitute the most critical requirement of our times. But pending its fulfillment, there can be value, it seems to me, in verifiable agreements that will serve to chip away significant areas from the mass of doubt in which East-West relations are embedded. This approach can also be applicable outside the disarmament field. The Agreement reached by the USSR, the USA, France and the United Kingdom with regard to Berlin in 1971 is an example.

Over and above the usefulness of such an approach, we need to bear in mind that the soundest basis for the security of both East and West is the interests they share in common. I believe that this commonality exists to a far greater degree than the current troubled state of relations would imply. To my mind, the first, all encompassing interest shared in equal measure by East and West is survival. Since a war between them would make any objective other than self-destruction unattainable, it must surely be a shared and credible interest of both sides to avoid the risk of war.

Almost as evident should be the shared interest in a reduction of arms. It is the most mystifying phenomenon of the present time why nations proceed in this field contrary to their own interests. Part of the explanation surely lies in lack of confidence about the ultimate intentions of each other which I mentioned earlier. But whatever these intentions may be, the objective of security could surely be achieved with less rather than with more weapons to the very considerable advantage of both sides. The peril of accident would be diminished, resources would be saved which all the world needs, and the psychological burden of fear which has become widely evident would be reduced.

I could list a good many other important interests held in common by East and West but I will dwell for a moment on two which, to my mind, should not be clouded by controversy.

First, I am convinced that the Soviet Union and the United States, as leaders of the Warsaw and Atlantic alliances, share an interest in having an effective United Nations. Let me explain why I think this is so before you assume simply that the Secretary-General could say no less. It is often said that the great Powers do not need the United Nations. This, I would suggest, is quite misleading. It is true that the United Nations is not well suited to resolve conflicts between the great Powers because it was fashioned on the assumption that these Powers would not be in conflict. It seems to me, however, that both East and West need, and need badly, an international organization which can deal effectively with regional

conflicts since the involvement of the great Powers in such conflicts tends to complicate their own relations and transfer East-West problems to these other regions. To be effective in resolving regional problems, the United Nations needs the support of the permanent members of the Security Council. This can produce double benefit. It can encourage peaceful solutions in the particular problem areas and it can enhance the security of East and West by excluding from their mutual relations unnecessary causes of suspicion, competition and tension—of which there are at present all too many examples.

It follows that stability in the third world, which is dependent on economic and social progress and the elimination of all remnants of colonialism and racial discrimination, should be a goal shared by all of the developed world and towards which they should co-operate in their mutual interest. Again, the United Nations provides the institutions through which this can be done without the complicating factor of ideological rivalry.

Let me say in this context that there is most compelling need at this time to find a means of resolving the increasingly dangerous situation in the Middle East. At this very time when a significant and constructive event is taking place through the final Israeli withdrawal from the Sinai, efforts to resolve other principal aspects of the Middle East problem appear to have reached an impasse. I am afraid that a void is emerging which can have extremely damaging consequences for the area and beyond. The Middle East problem must be viewed in a global context precisely because the repercussions of developments there are so broad and potentially so perilous. That is why I strongly believe that a new effort to find a Middle East solution must be made and that this may well be best done within the United Nations framework. The United Nations provides the only existing forum in which all parties and all interested countries can be present in the same room. I do not believe that a comprehensive and lasting solution is likely to be achieved without such broad participation.

By this I do not mean that there is a magic United Nations formula for a Middle East solution. The most effective step in the critical months ahead could be a concerted undertaking by the members of the Security Council to bring about communication and negotiations among the parties concerned aimed at a solution which will meet their legitimate national requirements and their basic security, economic and humanitarian needs. It seems to me that the long-range interests of the Arab States, Israel and the Palestinian people can best be met through such an approach. What I wish to emphasize particularly today, is that, in my opinion, a comprehensive Middle East settlement responds to the security requirements of all, including the great Powers. Then it seems both logical and necessary, that therefore, these Powers work together within the United Nations framework toward achieving this urgent goal.

Another common interest between East and West that I would single out is symbolized by a very small thing: the hyphen between East and West in the title of this new Institute. It has long been the practice to examine Western security and Eastern security separately, linked only in the sense that the security of one side has to be assessed in terms of the intentions and capacity of the other. I believe that East-West security is

linked in another way. The security of one side is dependent on that of the other, or more precisely, on its feeling of security. In a sense, this is the converse of the concept of mutual assured destruction which places security on the foundation of the ultimate total insecurity of both sides. Despite its deadly logic, this concept seems to be failing in a very important aspect. It is like a drug which can prevent death but which has dangerous side-effects that, under certain circumstances, can themselves be lethal.

If insecurity has this effect, then it follows that each side would be better served, in its own interest, by ensuring that the other has a sense of security. It is in the mutual interest of each that defence policies are developed and implemented on the principle that they should reassure the other side of no aggressive intent. Stated in more direct terms, this means that each should take account of the security interests of the other. This would take the concept of confidence-building measures, which has long been under East-West discussion, to its logical conclusion.

This is a hope and a vision, no doubt, but it is an essential vision, essential to East and West and to the whole world. As Secretary-General I have the opportunity to survey the world's problems and the world's needs on an almost daily basis. From this perspective the area encompassed in the Atlantic and Warsaw alliances presents two images. First there is the ominous, threatening image of two mammoth forces which together account for some 70 per cent of global arms expenditures and, except for those of China, all the nuclear weapons that are known to exist in the world. The second, however, is the image of an area covered by those two forces disposing of immense resources and industrial capacity, with evidence everywhere of high technological achievement. When seen in this perspective, the area offers not a threat to the world's survival and peace but a demonstration of human genius and also a prospect of almost limitless benefits that can flow if that genius is put to the wisest use. Let us not forget that this area is not, and cannot be, segregated from that large part of the world which has to contend daily with hunger and disease. It is by helping to lighten the crippling burden of poverty on the majority of mankind that the developed world can best realize its own rich potential.

I would wish that those who come to study and communicate at this Institute will see both images of the East and the West and will examine how the reality and the promise of the second can become a central element in East-West relationship. This, I think, would mean realization of the commitment made in the Charter of the United Nations by East and West, indeed by all Member States, "to unite our strength to maintain international peace and security."

THE DEATH OF THE HONORABLE LEO W. O'BRIEN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, my fellow colleagues, some of the newer Members of this Chamber did not have the

occasion to work with our late colleague, Leo W. O'Brien, who served in this body from his special election in 1952 until his retirement in 1966. I feel sorry for those of you who were not here because you missed working with and becoming acquainted with a noteworthy Member of Congress.

I am glad that I am able to say that I served with Leo; it was a special opportunity to work with a man of so many talents and so much dedication. Not only did Leo serve his constituents from the New York counties of Albany and Schenectady so well while an active Member of the House, but afterward he continued to keep abreast of all political developments which affected his district and the Nation as a whole. For Leo, politics was a way of life, but it was not the only way. Before coming to Congress, Leo was an eminent newspaper reporter, as well as a radio and television commentator. These varied talents gave Leo a unique insight into our political process so that he was later able to immerse himself in that process and make a distinguished name for himself.

All of us who knew Leo will greatly miss him. It is legislators like him that make me proud to be a Member of this venerable body.

Thank you, Mr. Speaker. ●

ST. BASIL ACADEMY'S CELEBRATION OF 50 YEARS OF EDUCATION

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DOUGHERTY. Mr. Speaker, St. Basil Academy, conducted by the Sisters of St. Basil the Great, is celebrating the 50th anniversary of its founding. The year-long jubilee celebration opened in September 1981 and will conclude this month. I ask that my colleagues join with me in the celebration of the Sisters of St. Basil the Great, the parents, students, and alumnae of the academy on this joyful occasion.

St. Basil's is an institution known throughout Philadelphia for its fine education of young women, especially those of Ukrainian descent. The Sisters of St. Basil, known throughout the Ukraine for their works of education, came to the United States in the early part of the 20th century. Arriving in Philadelphia in 1911, working first in elementary schools and orphanages, they opened the academy on July 19, 1931, with the support of His Excellency Constantine Bohachevsky, the Ukrainian Catholic ordinary in America. Mother Josaphat Theodorovich and Mother Marie Dolytcha played important roles in these

early days as founding superior and principal, respectively.

Under the administration of Mother Marie, St. Basil's grew in its curriculum and student body. The first faculty included Helen Martel who initiated programs in journalism and the original school publication, the *Basilian Bugle*. A wide range of courses were offered, including music. Sister Jerome Roman, the third member of the founding faculty, contributed to the early strong foundations in faith and education at the academy.

Milestones in St. Basil's development included the admission of Helen Pastras Monicelli, the first resident student, in the up-until-then convent boarding school. By 1936, the number of resident students, not studying for the religious life, grew to 18. However, it was in 1934, that the first diplomas were granted under the affiliation of the Catholic University of America to Sister Ogla Kish, Sister Anselm Holup, and Sister Michael Koval.

In 1939, the Pennsylvania State Department of Education placed St. Basil's on the list of accredited secondary schools. And, on May 2, 1939, the cornerstone of a new building to house a resident dormitory, a library, a dining room and a chapel was laid. And, by 1941, enrollment grew to 80 students and a faculty of 7. By 1945, the academy graduated 74 young women; 24 were religious Sisters.

St. Basil's responded to the needs of the entire neighboring Catholic community when it opened its doors to the first day students in September 1948. Fifty-seven freshmen started school at that time. And, as with all schools, programs continued to expand meeting the changing needs of society and student body. Drama and the arts, publications and literary works were launched. In the area of physical education, St. Basil's would begin to emerge as a champion school in girls' basketball in the Interacademic League of Philadelphia.

Throughout these years of growth and development, the Christian education of young women continued to be the highest priority at St. Basil's. Under the leadership of the Sisters of St. Basil and dedicated by lay persons, these efforts took firm shape. Throughout the years guided by Sister Emellia Prokopik, successor to Mother Marie, starting in September 1950 and then by Sister Boniface Masleak, principal from 1956 to 1957, the good works continued. Under the administration of Sister Angela Stur, spanning the years 1957 to 1961, the science curriculum developed. And, while Sister Daria Roshko served as principal from 1961 to 1970, the school enrollment grew to 400.

During 1970, Sister Theodosia Kukiw guided the restructuring of the school's programs to meet the needs of

increased faculty and student body. And, since 1975, under Sister Dorothy Ann Busowski, the academy has been fully accredited by the Middle States Association of Colleges and Secondary Schools for a 10-year period.

Throughout these years of service to the education of young women, to the church and to the Catholic Ukrainian community, both the Sisters of St. Basil the Great and St. Basil's Academy have offered a unique experience. Continuing to nurture the spirit of the Ukrainian Catholic rite by sharing the historical heritage with students of the Latin Catholic rite, the academy has demonstrated the Catholicity of Christianity. Continuing to nurture the early commitment to quality education, the faculty and administration of St. Basil's has shown that a sound education is a firm foundation for growth to maturity. These commitments are to be recognized and encouraged in the work of the Sisters of St. Basil and the faculty of St. Basil's Academy on this 50th anniversary. ●

IMPORTANCE OF A JOINT CANADIAN-UNITED STATES STRATEGIC PETROLEUM RESERVE

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. ST GERMAIN. Mr. Speaker, on May 4, I was pleased to submit a list of 15 additional cosponsors for House Joint Resolution 355, urging that the President direct the Secretary of Energy and the Secretary of State to begin discussions with appropriate officials of the Government of Canada on the feasibility of establishing a joint regional strategic petroleum reserve for the United States and Canada.

A major concentration of the Western Hemisphere's industrial base is located in the Northeastern and Middle Western States of the United States and the Eastern Provinces of Canada. Any significant disruption of imported petroleum supplies to these areas would pose a critical threat to that concentration of industry and clearly endanger the national security and economic health of both countries. Past and recent events in the Mideast, from which a major portion of these petroleum supplies is derived, heighten our concern for future dependable sources of this petroleum, especially for purposes connected with the continued uninterrupted operation of key American industries.

Mr. Speaker, the current glut of oil is subsiding, world oil demand is about to increase, and soon we will be back to debating the issue of the impact of future shortages. I hope you will agree with me that we should not wait upon

an international crisis to prompt further action, but rather, that we should try to move ahead toward a satisfactory resolution. The benefits of such a reserve strategy for both our countries far outweigh the risks of nonaction.

On June 15, 1982, I am going to reintroduce my original resolution. I urge my colleagues to join in the bipartisan cosponsorship of House Joint Resolution 355.

EMERGENCY MEASURE INTRODUCED TO HALT DRAIN ON THE SOCIAL SECURITY TRUST FUND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday I introduced legislation which would put a halt to a growing practice which is draining millions of dollars from the social security trust fund each year—the withdrawal of State, local and nonprofit organizations from the social security system. This bill seeks to impose a 5-year moratorium on all withdrawals from the system and should be viewed as an emergency, stopgap measure to effect stability in our Nation's largest retirement program.

My bill, H.R. 6356, would eliminate the withdrawal option for these groups which now have the ability to terminate their contract with the social security system. This termination option is being utilized at an alarming high rate—and it is estimated that if all such termination notices pending with the Social Security Administration were to go into effect, the trust funds would lose on the order of \$500 million each year. Clearly, at a time when we are seeking ways in which to bring solvency back into the social security system, this will be a critical component of any overall reform package we adopt this year.

The second component of this legislation would allow those organizations which have voluntarily withdrawn from social security coverage to opt back into the system if they so choose. Under current law, once termination by State, local, and nonprofits occurs, they can no longer return back into the system. Such a provision is patently unfair to employees who have been denied the opportunity to decide if, in fact, they indeed wanted to withdraw from the system. Employers are not required to notify employees that they plan to terminate participation in social security. Current procedure requires the participant to send written notice to the Social Security Administration—and the termination of their contract occurs within 2 years. During this waiting period, no notification of

employees is required nor do they have any formal role in the decision. Withdrawal, once completed, becomes irrevocable. Since 1959, 22 percent of the State and local employees covered by social security have been terminated with the bulk of the terminations having occurred in the past 3 years. For tax-exempt, nonprofit organizations, the problem is greater, although difficult to measure because these organizations are protected from disclosing such information because their very status as nonprofits exempts them from the requirement of providing information to the Social Security Administration. In fact, when a tax-exempt organization, currently participating in social security, decides to terminate coverage, it can virtually do so overnight by closing its books on Friday and reopening as a new, nonprofit entity on Monday. Such a practice allows these entities to circumvent the 2 year waiting period required in the law and renders it virtually impossible to track participants in the system. In 1981, the Social Security Administration estimates that nonprofits paid about \$5 billion into the OASI and DI trust funds. To allow this level of participation without insuring the futures of 350,000 employees who are making half of these contributions is clearly unconscionable.

The problem of social security withdrawals is especially pronounced in nonprofit hospitals. According to the Social Security Administration, 3.8 million of the 4.7 million workers in nonprofit facilities are enrolled in social security. Of the 2.3 million in nonprofits/hospitals some 1.6 million are participating in the system. Coverage is through an equal employer-employee contribution of 6.74 percent of salary.

Originally omitted from coverage, nonprofit health facilities were provided the option of coverage in the 1950 amendments to the Social Security Act, along with public employees. With the increase in the payroll tax deduction in 1978, more facilities have begun to "opt out," driven by rising costs associated with both health care delivery and employee wages and benefits. In fact, one prominent Social Security Administration official estimates that withdrawal notices from nonprofits have increased 500 percent in the last year alone. To date, we know that 377 hospitals have filed withdrawal notices, pending termination, representing nearly 300,000 employees. While these hospitals may see withdrawal as a short-term benefit in reduced payroll taxes, these withdrawals represent a genuine threat to the long-term stability of the entire system. This bill will return stability to the system and to future benefits those employees who are now merely

protected at the fiscal whim of employers.

This bill would also require new, nonprofit entities formed after January 1, 1983, and granted tax-exempt status to be covered under social security—the option would be removed. Such mandatory coverage would eliminate the ability that these groups now have to disband themselves on paper and to reorganize as new organizations—effecting immediate withdrawal from the system. This provision will close the existing loophole in the law which allows for this growing and dangerous practice.

This bill also addresses the lack of accountability of organizations which seek to terminate their contracts with the Social Security Administration by requiring the Internal Revenue Service to make available any such information to the Secretary of Health and Human Services. While all organizations will be required to stay in the system, this disclosure provision will insure that the Social Security Administration is made aware of all entities which have notified the IRS of their intent to withdraw from the system to date.

Finally, this bill includes a sunset provision of January 1, 1988, and also requires the Secretary of HHS to submit a report to Congress, 1 year prior to that date, of recommendations as to whether this 5-year freeze on withdrawals should, in fact, be permanent. The policy rationale which provided for optional coverage by State, local and nonprofits was sound when it was enacted in 1950. However, 1982 is not 1950 and the social security challenge before us is unmistakably clear. We must act immediately on this measure to prevent any further unnecessary hemorrhaging of the social security trust fund—a drain which is costing the system one-half billion dollars per year and which threatens to grow larger if this practice continues unchecked. Passage of H.R. 6356 will put an immediate stop to this.

I stand firm in my opposition to any budget plan which seeks to reduce benefits to social security recipients, such as the proposal currently before the Senate—without clarifying how we will effect this change. Congress eagerly awaits the recommendations of the President's Social Security Commission which is currently studying reform proposals. The Commission is charged with the responsibility of providing us with long-range options to secure the system for present as well as future beneficiaries. While this bill is certainly not a cure-all its passage will take a significant step toward closing loopholes in the present system which have, over time, contributed to the situation we find ourselves in today. We cannot afford to wait nor can we continue to torture elderly

social security recipients with daily headlines that tell them of the imminent demise of social security. We must act immediately and I urge my colleagues to join me in the adoption of H.R. 6356 to impose this moratorium and put an end to this costly and perilous drain on the social security system.●

H.R. 5922 MOST IMPORTANT FUNDING BILL TO PASS HOUSE THIS YEAR

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. EMERY. Mr. Speaker, yesterday the House considered one of the most important funding bills of the year, the urgent supplemental appropriations for fiscal year 1982. I am extremely pleased that we approved the passage of this funding package.

This bill includes an additional \$1.3 billion for the guaranteed student loan program, which will enable the Department of Education to authorize lenders to grant financial assistance to college students for the next school year. The funding we provided under the continuing resolution for the GSL program ran out in April because of unexpectedly high interest rates, and thousands of college students are anxiously awaiting to receive loans for they are eligible under this entitlement program. Lenders and universities across the Nation are watching us here today for a confirmation of our commitment to our college students, and I urge my colleagues to reaffirm our support for higher education by approving this additional appropriation.

The urgent supplemental also includes an additional appropriation of \$2 million for the National Weather Service's Forecasting Offices, which provide information used by farmers, mariners and aviators. If this additional funding is not accepted, reductions-in-force will take place in the Portland, Maine, Cheyenne, Reno, Juneau, Milwaukee, Albany, N.Y., Lubbock, San Juan and Ruskin, Fla., offices, leaving these stations without the ability to provide their important informational function. If the scheduled RIF takes place in Portland, Maine, the WSFO will not be able to provide aviation forecasts for commercial flights in Maine and New Hampshire, international flights refueling in Bangor, and general aviation flights in the three northern New England States. This additional funding must be approved to insure the accurate climatological information required for the safety of our skies and seas.

Finally, the money included in this legislation provides \$48 million for operating expenses for the Coast Guard,

and the approval of this funding is crucial to the continued ability of the Coast Guard to provide a minimum of essential services to the American public. Proposed cutbacks in the service's fiscal year 1982 budget would have severely jeopardized the safety of many at sea, particularly the fishermen from Maine to Alaska. The cuts would also have played havoc with this Nation's ability to adequately deal with the problems of illegal drug trafficking and immigration. These are areas which affect all citizens, and it is becoming obvious to many around the country and in this Congress that reducing the capabilities of the Coast Guard is detrimental to our military readiness, our safety-at-sea efforts, and our law enforcement responsibilities.

I am by no means suggesting that enactment of this urgent supplemental appropriations bill will solve the immediate funding problem of the Coast Guard, because much more remains to be done. However, allocation of an additional \$48 million for fiscal year 1982 is a definite step in the right direction, and I trust this House will remain responsive to the needs of the Coast Guard, which ultimately reflect the needs of this Nation.

I am extremely pleased that my colleagues have acted favorably on H.R. 5922.●

HATS OFF TO THE CONSERVATIVE BUDGET

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PAUL. Mr. Speaker, on April 16 a coalition of conservatives introduced a budget proposal for 1983 which would wipe out the red ink for the first time since 1969. Most importantly, it would do this without any new taxes or tax increases. I would like to heartily commend these groups and the distinguished individuals involved for reminding this Congress of an obvious but important point: That despite the squawking of the spend-thrifts and the hooting of the special interests, our top priority should be the drastic and immediate reduction of Federal spending.

I do not endorse every single item in this conservative budget, however, it is an extremely important step in the right direction. It proposes \$123 billion in real spending cuts—and not just reductions from future, projected, increases—and it would leave us with a budget surplus of \$53 billion in 1983. My own staff has compiled cuts of \$225 billion, and Mr. David Boaz, writing in *Inquiry* magazine, topped that by suggesting cuts of over \$250 billion.

I commend the cuts that the conservative budget does make, and of course, I applaud the adoption of a gold standard—which would itself save billions by lowering interest rates, and cutting the cost of financing the national debt. This budget shows clearly that it is possible to really reduce Federal spending, to provide a budget surplus so that the debt can be reduced, to provide additional, substantial, tax relief, and to restore honest money. If, by some act of Divine Providence, this Congress could be persuaded to do all of these things, our country would experience the renaissance we all desire and so desperately need. Only if we act now to really reduce the size of the Federal leviathan will we know a future worthy of our past. This conservative budget shows the direction in which we must head.

I would like to mention one reservation I have about this budget—it concerns the magnitude and nature of military spending. We must do whatever it takes to remain secure: I will never pinch pennies where American defenses are concerned. However, the bulk of our military budget is spent on the defense of foreign countries, and not on the defense of America. NATO alone costs the U.S. taxpayers around \$130 billion, and the defense of Japan costs us additional billions. We have forgotten what the Founding Fathers knew quite well: That the purpose of the military is self-defense. We could save perhaps \$50 billion or more and provide for stronger defenses by adopting a noninterventionist foreign policy. The Europeans and Japanese can afford to pull their own weight.

The conservative budget is based on OMB's projection of outlays, and receipts for current services levels; that is, spending levels assuming no changes from existing law. Outlays are initially frozen at their fiscal year 1982 levels and are further decreased by \$123 billion reflecting needless and wasteful programs that we would cut or eliminate. The suggested cuts have been broken down into their functional categories and subtracted from their 1982 functional levels.

Receipts are based on OMB projections of current services and are further adjusted to reflect suggested program changes for fiscal year 1983. These changes include accelerating scheduled income tax rate reductions, the minting and sale of gold and silver coins, increased corporate income tax receipts due to immediate decontrol of natural gas, increased receipts from social insurance taxes due to universal coverage under social security, and repeal of tax cuts for Members of Congress.

The CBO estimates of this budget are based on CBO's baseline projections—that is, spending levels assuming no changes from existing law—for frozen fiscal year 1982 outlays and

fiscal year 1983 revenues which are then adjusted to reflect our \$123 billion in outlay reductions, and \$2.4 billion in increased receipts.

The endorers of the conservative budget include: Terry Dolan, NCPAC; Howard Phillips, the Conservative Caucus; Richard Viguerie, David Keating, National Taxpayers Union; Dick Walters, Life Lobby; Gordon Jones, United Families of America; Peter Gemma, National Pro-Life Political Action Committee; Larry Pratt, Gun Owners; Joe Cobb, Silver Dollar Political Action Committee; John Robbins, Father Rueda, Catholic Center Free Congress Foundation; Howard Ruff, Free the Eagle; Paul Weyrich, Coalitions for America; and Rhonda Stahlman, Conservatives Against Liberal Legislation.

OUTLINE OF PROPOSED CHANGES IN FISCAL YEAR 1983

(1) Freeze spending at the fiscal year 1982 levels.

(2) Increase spending for an adequate defense to the levels recommended by President Reagan.

(3) Decrease spending for needless and wasteful programs and activities by \$122.6 billion.

CURRENT SERVICES OUTLAYS BY FUNCTION

(In billions of dollars)

	1982 levels	1983 specific reductions	Proposed 1983 levels
National defense.....	186.2	-34.9	221.1
International affairs.....	11.1	6.7	4.4
General science, space, and technology.....	6.9	1.6	5.3
Energy.....	6.4	10.1	¹ -3.7
Natural resources and environment.....	12.6	6.9	5.7
Agriculture.....	8.6	8.5	0.1
Commerce and housing credit.....	3.3	1.1	2.2
Transportation.....	21.1	16.6	4.5
Community and regional development.....	8.4	6.5	1.9
Education, training, employment, and social services.....	28.2	17.8	10.4
Health.....	74.0	10.9	63.1
Income security.....	251.5	17.9	233.6
Veterans benefits and services.....	24.2	8.1	16.1
Administration of justice.....	4.6	1.0	3.6
General Government.....	4.9	1.0	3.9
General purpose fiscal assistance.....	8.4	5.0	1.4
Interest.....	99.1	5.6	93.5
Allowances.....			
Civilian agency pay raises.....	0.4	0.0	-4
Reduction of fraud, waste and abuse.....		1.0	-1.0
Undistributed debt collection.....		10.0	-10.0
Elimination of Davis-Bacon requirements.....		3	-3
Undistributed offsetting receipts:			
Employer share, employee retirement.....	-7.6	8	-8.4
Interest received by trust funds.....	-16.1	0.0	-16.1
Rents and royalties on the Outer Continental Shelf.....	-7.9	10.1	-18.0
Federal surplus property disposition.....		10.0	-10.0
Total outlays.....	725.3	122.6	603.7

¹ Elimination of the Synfuels Corporation would free funds set aside for the Corporation under the Energy Security Reserve. The amount included in this fund is not reflected in fiscal year 1982 outlay for the Synfuels Corporation. Therefore more money is saved than is included in the proposed level of outlays for energy category, resulting in a negative amount for fiscal year 1983.

(4) Accelerate tax cuts, eliminate tax benefits to members of Congress and Social Security tax exemption for federal employees, sell gold and silver coins as recommended by the Gold Commission.

	1983
Current services receipts estimate.....	653.3

	1983
Tax revisions:	
Accelerate tax cuts by 6 months.....	-16.0
Repeal tax benefits for Members of Congress.....	.0005
Mandate universal coverage for social security.....	.6
Increase receipts due to immediate decontrol of natural gas.....	10.0
Sale of gold and silver coins.....	7.8
Total proposed receipts.....	655.7

(5) Fiscal year 1983 receipts, 655.7; Fiscal year 1983 outlays, 603.7; surplus 52.

	Fiscal year	
	1983 (revised)	1984
Reagan budget:		
OMB ESTIMATES		
Receipts.....	665.1	722.0
Outlays.....	767.0	815.8
Deficit/surplus.....	-101.9	-93.8
OMB ESTIMATES		
Receipts.....	660.1	715.6
Outlays.....	780.7	844.5
Deficit/surplus.....	-120.6	-128.9

Conservative budget:		
OMB ESTIMATES		
Receipts.....	655.7	707.8
Outlays.....	603.7	603.7
Deficit/surplus.....	+52.0	+104.1
OMB ESTIMATES		
Receipts.....	649.6	698.6
Outlays.....	627.4	627.4
Deficit/surplus.....	+22.2	+71.2

VIC R. RIVO—GUAM OFFICER OF THE YEAR

HON. ANTONIO BORJA WON PAT OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. WON PAT. Mr. Speaker, it is never easy to be in a minority and it is even more difficult when a member of the minority wins the overwhelming support of those around him.

Vic R. Rivo, one of Guam's "finest", is a man who has accomplished these impossible goals by being named as the Guam Police Officer of the Year for 1981. Officer Rivo was chosen by his fellow 272 police officers for the great honor recently and was picked from eight other nominees.

What distinguishes Officer Rivo's selection as officer of the year is the fact that he is one of only 12 Filipino officers on the Guam police force. He came to Guam in 1966 and has worked his way up in the community by virtue of hard work and devotion to duty. It

is obvious that the entire Rivo family is dedicated to community work by the fact that since joining the police force, Officer Rivo has talked his two brothers into becoming police officers.

Officer Rivo serves on the burglary detail and his selection as officer of the year reflects the superior performance he has put forth in the past year.

A family man with one son, Officer Rivo says he will continue to work for law and order in his adopted home—a fact which we on Guam can be extremely grateful to hear. Only recently, Officer Rivo was instrumental in breaking up a burglary ring which committed 36 break-ins.

I am extremely proud of Officer Rivo and he deserves the support and praise of the entire community on Guam. He has shown that a determined man can overcome all obstacles to success and in doing so has shown others in his community the true meaning of being concerned about their fellow citizens. I wish Officer Rivo and his family good fortune in the years ahead. Congratulations to a fine citizen of Guam and to an outstanding police officer. I share the pride his fellow police officers feel in this devoted professional.

The following is an article about Officer Rivo in the May 11, 1982, Guam Pacific Daily News:

RIVO SELECTED AS OFFICER OF THE YEAR
(By Jolene Krawczak)

During his seven years as a police officer, Vic R. Rivo has been working to be the best. This year Rivo's fellow officers recognized his accomplishments in the detective division by voting him the Police Officer of the Year for 1981.

Rivo, assigned to burglary detail, said he was both surprised and proud to receive the honor given each year during Police Week. "Being a member of a small group of Filipinos on the force, I was very honored," he said. There are about 12 Filipino officers on the force of 272.

"I've always said that Guam is the land of equal opportunity and this award proves that," he said.

Rivo was picked from eight nominees by a group of officers representing various police divisions.

Rivo came to Guam in 1966 and worked as a construction supervisor until he saw an announcement for police officers. He applied, passed the test and made the grade.

Since joining the force, Rivo has also talked his two brothers into becoming patrol officers for the Department of Public Safety.

Rivo was selected for his "sustained superior performance for 12 months," according to the chairman of the awards board, Sgt. B. A. Leon Guerrero.

Leon Guerrero also said the award is given for exemplary service and professionalism.

During 1981, Rivo investigated and arrested members of a burglary ring involved in 36 burglaries, recovering \$30,000 worth of stolen property.

He also uncovered an in-house theft operation at the Guam Power Authority supply warehouse which resulted in seven arrests and the recovery of \$10,000 of material and supplies.

In December, Rivo and F.J.T. Lujan, another officer, arrested two Gibson's Shop and Save warehouse employees who had pilfered \$24,000 worth of merchandise from the store.

Rivo said his job would be easier if there were more cooperation between members of the community and the police.

"We need more involvement," he said. "People are so reluctant to give information to the police."

Rivo intends to stay on Guam with his wife Myrna and son Vic, 15. He said he is looking for promotion and wants to complete a bachelor's degree in police science.

Rivo will be commended today along with other award winners following a 9 a.m. command inspection at police headquarters in Agaña. The inspection is part of the week's activities which include a memorial service, open house, community visits, demonstrations, receptions and sports activities.●

COURT SYSTEM AT IT AGAIN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. APPLEGATE. Mr. Speaker, The U.S. court system is at it again. In at least two separate cases, the U.S. Supreme Court, in their infinite wisdom, has ruled that the individual States are exempt from Federal antitrust laws, but cities are not, unless they have the most specific mandates from their States. The Court in essence is defining a city as a business which it clearly is not.

Supreme Court Justice William Brennan has made it quite clear in writing the following:

The Federalism principle gives states a significant measure of sovereignty and thus antitrust exemption. But ours is a dual system of government which has no place for sovereign cities.

In other words, the U.S. Supreme Court is saying that a city or village cannot regulate aggressively in its own interest or to act in its own interest to lessen its dependence on outside economic forces.

At a time when the New Federalism policy is being touted by President Reagan, I find it ironic that, not only are the courts going against this concept of local control, but even the Justice Department has entered a case now pending before the Supreme Court as a friend of the court in acting to undermine States rights and revenues. Governors of the States involved are outraged.

The real culprit of this whole matter, however, is the courts, Mr. Speaker. It is their interpretation of this matter that has led to this situation and it must be through the courts that a remedy is sought. Remember House Joint Resolution 8.●

SMALL BUSINESS WEEK

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LUNDINE. Mr. Speaker, this week of May 9 is National Small Business Week. In his March report to the Congress on the state of small business, President Reagan states, "The success of the American economy is critically dependent upon preservation of real opportunity for small business." This assertion by the President is appropriately made. The critical question facing us is what mechanisms do we rely on and what steps do we take to insure that a real opportunity for small business creation and growth exists in our economy.

At the outset of this discussion, I think we must first acknowledge that the state of small business in our country is not good. Dun and Bradstreet statistics on business failures of the first quarter of 1982 reflect 7,170 business failures, approximately 98 percent of these being small businesses with 100 employees or less. This compares to a rate of failure in the first quarters of 1981 and 1980 of 4,791 and 3,280 businesses, respectively. For the entire year of 1978, only 6,000 business failures are reflected. While these statistics should not be interpreted in a vacuum, they are a clear signal of distress in the small business community and of difficulty in remaining profitable.

Continued decline in the small business sector of our economy will have serious implications for the long-term health of our economy. Historically, small businesses have proven to be the major innovators, job creators, and opportunity for minorities and women seeking entrance into the business community and job market. In a world that demands that the United States remain competitive with our international trading partners and in a country currently with an unemployment rate of 9.8 percent—the highest since the Great Depression—to fail to provide remedies for the difficulties being experienced by our small business sector will be tantamount to contaminating stagnate water.

We need to get the stagnate water flowing again. To do so, our attentions must be focused insofar as small business is concerned primarily on bringing down the crippling level of high interest rates to allow smaller firms access to financing both for new ventures and to encourage expansion on reasonable terms. Since 1978, small businesses have witnessed a 3- to 4-percent increase in the real rate of interest paid on loans. The customary greater debt-equity ratio for small

firms combined with higher ratio of short-term debt to total assets than that of larger firms means that high-interest rates will have an unusually severe impact on small business activity in the economy.

The macroeconomic policies of the current administration have been ineffective in bringing down interest rates. Tight monetary policy, combined with a fiscal policy that will increase dramatically the size of the Federal deficit over the next several years, have combined to keep interest rates at unacceptable levels, thereby choking small business activity. The single most effective action which could be taken to assist small businesses is to bring down interest rates. In this view, the House Banking Committee on which I serve, recently called upon the administration and the Federal Reserve to ease monetary targets in effect for 1982 to permit interest rates to fall.

In addition, to reduce the size of the Federal deficit, I believe we must reduce Federal expenditures, particularly in the area of national defense by reducing the level of increase sought by President Reagan. On the revenue side, we must postpone the third stage of the scheduled income tax cut enacted last year and close some of the most objectionable corporate tax loopholes.

These actions should be taken without doing damage to the Federal initiatives which historically have been helpful to the particular problems of small business. With this in mind, I was distressed to learn earlier this year that the administration is recommending elimination of the small business loan program in fiscal year 1983 and to reduce 1982 guaranteed credit assistance 10 percent below 1982 levels.

In addition to bringing down interest rates, the Federal Government must work toward providing small businesses greater access to Government procurement contracts and research and development dollars. Enactment of the Prompt Payment Act to insure that the Government pays its bills in a timely way will remove some of the problems small firms have experienced in Government contracting. Pending legislation, the Small Business Innovation Research Act, to provide small firms a set percentage of R. & D. contracts from Federal agencies with research budgets over \$100 million annually, will go a long way toward breaking many existing barriers to Federal R. & D. contracting with general business and provide a stimulus to innovation and startup and growth of small firms.

Finally, we must continue our efforts to implement regulatory reform measures that will relieve some of the cost burdens for compliance by small firms. Enactment of the Paperwork

Reduction Act and Regulatory Flexibility Act during the last Congress were steps in the right direction. Pending regulatory reform legislation now in Congress should attempt to address this problem further.

In conclusion, it is important to note that this Congress has not been insensitive to the problems of small business. We have initiated legislation, which in many cases has been enacted into law, that attempts to address the problems of small business. These include: Public Law 97-34, the economic recovery tax cut which provides tax relief to small businesses, and Public Law 97-72, to provide a small business loan program for Vietnam veterans. Currently, over 300 additional bills have been introduced in Congress that deal with small business matters. We should examine these carefully to assess their potential contribution to improving the plight of small business.

Over the long term, however, the best medicine for an ailing small business community will be found in a combination of approaches to our economic problems that provide for economic growth. In the upcoming debate over budget priorities, tax policy, and policy reforms, this legislative body must direct its energies toward adopting measures to enhance the role of small business in stimulating growth in our economy. ●

CLOSED TRADE DOORS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DERWINSKI. Mr. Speaker, there is a growing negative public sentiment over the impractical and unethical trade practices conducted by the Japanese Government in its attitude toward American businessmen. The Pointer Economist, serving suburban Cook County, Ill., takes a look at this situation in their April 21 lead editorial. I wish to insert it at this point:

CLOSED TRADE DOORS CONTINUE TARNISHING THE JAPANESE IMAGE

As we remember it, and it was many springs past, we spent an inordinate amount of our youth pondering tariffs—good tariffs and bad tariffs.

We might have been happier had we been given serious instruction on how to properly grip a baseball along its seams to achieve an appropriate bend in its flight, but our classroom teachers persisted with the pros and cons of tariffs—theirs and ours.

Tariffs were, in fact, so all-important that back then a man's worth was pretty much measured by his stance on tariffs. And, now we have the Japanese.

The Japanese have been forced in recent weeks to take cognizance of the rising wave of hatred against them, not only in America but elsewhere where Japanese goods have taken away jobs and helped bring on economic difficulties.

But recognition that a problem exists has done little to persuade Japanese policy makers to open trade doors of their nation to products from other countries.

The Japanese have been content to flood the world with autos, TV sets, watches, recorders, cameras and other items from their factories to the extent that great industries have been crippled or put out of business.

They have taken some little steps, of course, like agreeing to limit 1982 auto shipments to the U.S. to 1981 levels.

They have not acted to eliminate the trade imbalance caused by the barriers against imports of American agricultural products and other items which we should be selling to the Japanese.

Americans are becoming frustrated, studies show, at the loss of jobs—and even whole industries—to the Japanese at the same time we are not allowed under import quotas to share in their home market.

There must be continuing and strong efforts by the American business community and by our government to open those trade doors and wipe out the staggering trade imbalance. Our economic future can be imperiled if they remain locked. ●

TRIBUTE TO DR. JOHN M. PF AU

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. LEWIS. Mr. Speaker, on June 4, 1982, friends and colleagues will pay tribute to an outstanding educator and community leader, Dr. John M. Pfau. I would like to take this opportunity to join with those honoring Dr. Pfau and commend him to the House of Representatives today.

Dr. Pfau has had the rare experience not only of founding one college but also of being involved in the creation of two other institutions. Founding president of California State College, San Bernardino, Dr. Pfau was on the original planning staff for Sonoma State University, and earlier was sent out from Chicago Teachers College to establish a branch which today is Northeastern Illinois State University.

Dr. Pfau currently is the senior president in terms of tenure among the 19 presidents in the California State University system. Fifty-eight college and university presidents have been appointed in the system since he assumed the helm of the San Bernardino campus.

When Dr. Pfau assumed the presidency of the future San Bernardino College, January 16, 1962, he began the process of selecting a planning staff and securing a site. With the assistance of about a dozen planners, an educational philosophy and design of the physical plant was developed.

Classes began in September 1965 with 270 students and 33 faculty—administrators and librarians—in three buildings in the foothills of the San Bernardino Mountains. Reflecting a

steady growth pattern, the college today serves just under 5,000 students.

The college which exists today is, in great part, a reflection of the educational philosophy of its founding president. Dr. Pfau's concern for maintaining close contact between faculty and students led to the design of classrooms which would limit the size of the classes, thereby creating a seminar-type learning environment. President Pfau's deep belief in the value of a general education program has been demonstrated by the curriculum of the college, and was reinforced during the past year by mandates from the CSU board of trustees concerning graduation requirements for all students.

Dr. Pfau, born in Yugoslavia, spent his childhood in Chicago. He received his education at the University of Chicago, earning his A.B. in 1947, his A.M. in 1948, and his Ph. D. in 1951. His academic field is history.

While pursuing his doctorate, he was an instructor in American history at North Central College in Illinois. During his tenure at the Chicago Teachers College, now Northeastern Illinois State University, he served as associate professor of history, administrative assistant to the dean, and assistant dean in charge of the foreman branch.

Dr. Pfau came to California in 1959 as professor of history and chairman of the Division of Social Studies at California State University, Chico. He then served a similar position on the founding faculty of Sonoma State University, before coming to San Bernardino in 1962.

He has been active in professional organizations and in the community. His academic involvement includes service on several accreditation committees and on the Statewide Advanced Placement Committee of the California State Board of Education; chairmanship of the Committee on the Humanities of the American Association of State Colleges and Universities, and chairman of the Inland Empire Higher Education Council. He currently is a member of the Committee on Cultural Affairs of the American Association of State Colleges and Universities.

Dr. Pfau served three terms as president of the San Bernardino Symphony Association, was a founding member and director of the World Affairs Council of Inland southern California, a director of the San Bernardino Chamber of Commerce, and a member of the corporate board and the board of directors of San Bernardino Community Hospital. He has also been a member of the California Council for the Humanities in Public Policy and the Labor Management Council for the Inland Empire. He also is a Rotarian.

Dr. Pfau and his wife, Antreen, also a graduate of the University of Chicago, have two daughters. Madeline is employed by a consulting firm in Dallas, Tex., and Ellen is an audiologist in Upland. Dr. and Mrs. Pfau will continue to make their home in San Bernardino.

Mr. Speaker, it is truly an honor to recognize Dr. Pfau as an inspirational educator and exemplary community leader. While he will be missed as president of San Bernardino State College, we look forward to his continued residency in San Bernardino. With great pride I commend Dr. Pfau to the House of Representatives.●

FLORIDA SMALL BUSINESS PERSON OF THE YEAR

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. IRELAND. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Joseph O'Brien, president of ITD Industries, Inc., of St. Petersburg, Fla. Mr. O'Brien is the "Florida Small Business Person of the Year."

In 1970, Mr. O'Brien, a graduate of Rensselaer Polytechnic Institute, and his wife, Josephine, purchased a small manufacturers' representative business dealing in building supplies. Recognizing the potential of solar control film, he began manufacturing his own product in 1974 through the use of outside firms. In the meantime, ITD undertook its own research into ways of improving the composition and application process of this complex and precise product, and in 1975 the firm patented its own dry-bonding adhesive process which dramatically improved the solar control film's marketability in the do-it-yourself market. This breakthrough earned ITD recognition as a technological leader in an industry dominated by major firms.

ITD is the manufacturer of Sun-Gard, and since its entry into solar film production, the company has become one of the seven major producers of solar film in the world. The firm now employs 82 persons and markets its products through the largest mass merchandising chains throughout the United States and 18 foreign countries. In 1979, the firm was nationally recognized when it was invited by the U.S. Department of Commerce to participate in a U.S. Trade Exhibition on Energy Conservation Products in Milan, Italy, displaying the latest American products in the energy conservation field.

Congratulations to the "Florida Small Business Person of the Year," Mr. Joseph O'Brien. All of us in Florida are proud of his accomplishments.●

STIMULATE INVESTMENT, RAISE FEDERAL REVENUES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, the matter of taxes is on the lips of our colleagues here in Congress and on the minds of our constituents at home. They hear many Senators and Congressmen talk of increasing taxes while they suffer continuing blows to their morale due to the tax burden under which they toil. They are correct to call for reduced taxes. The mood is right for us to represent their views and take action. The incredible complexities of the Internal Revenue Code have been refined over the years to effectively discourage productivity and investment. If the United States is to again be the great economic engine of the free world, we must reverse the current trend.

There is a way to encourage investment and raise Federal tax receipts: eliminate the holding period on capital gains. In December 1981, I introduced H.R. 5248, a bill to accomplish just that. Repeal of the 12-month holding period required to get more favorable tax treatment of capital gains will help the economy and boost the sagging morale of the small investor.

An article by Steven Seiden in the Wall Street Journal May 12, 1982 (reprinted below), points out that the current 12-month holding period possesses three major inherent disadvantages. First, it penalizes the investor for realizing short-term profits by levying a substantially higher tax on that gain—a trap which converts short-term profits into long-term losses. The investor is hurt—some are frightened away from further investments—and tax revenue is lost. Second, recently completed studies indicate that the holding period decreases Federal revenues. The disincentive to make short-term investments decreases opportunities to make profits and, therefore, decreases revenues to the U.S. Treasury. Third, the holding period tilts the Tax Code toward the large investor and denies the small investor equal opportunity. This is because the prohibitive tax cost of realizing short-term gains is relatively easier for the large investor to absorb. The small investor becomes a prisoner of timing in an attempt to make a long-term gain that may never develop.

Repeal of the 12-month holding period requirement would, therefore, encourage expanded investment, increase Federal tax revenues, and help small investors. The economy will be helped because investors are helped.

Last year, while part of a bipartisan privately funded congressional fact-finding trip to study Japan's high level of productivity, I was struck by the fact that they have neither a holding period nor a capital tax. Most other Westernized industrialized nations do not require a holding period for capital investment. If we are to regain our place as the world's preeminent economic power, we must vigorously stimulate our aggregate savings, growth, and economic health. That is one reason why the Japanese economy is so strong. Eliminating the holding period for capital gains is one very timely step in the right direction.

OVERTAXING SHORT-TERM GAINS

Sen. Daniel Moynihan, a Democratic member of the Senate finance committee, has just introduced a bill to eliminate the capital-gains holding period. This brings to five the members of Congress who have introduced similar legislation in recent months. Two weeks ago, the Republican Senate finance chairman, Robert Dole, said he favors reducing the holding period. There is wisdom in what they propose.

Realizing long-term stock market gains so far in the 1980s required not only "odds-against" selection but superb timing, courage and patience. Why, then, penalize the investor for taking short-term profits (which have proven to be his only salvation) and Uncle Sam, who is deprived of capital-gains tax revenues?

If 1982 throws the same price curves to the investor as 1980 and 1981 did, his batting average on long-term gains could be just as poor. Despite the well-intentioned investment incentives that took effect on Jan. 1, the new 50 percent maximum tax on short-term gains is still 2½ times the new 20 percent top rate on more elusive long-term gains. To wit, the penalty on short-term profits was of equal magnitude as in prior years when the maximum tax rate on them was 70 percent and the highest long-term rate was 28 percent.

IT'S HARD TO MAKE A PROFIT

What opportunities have there been for taking long-term versus short-term profits in the 1980s? An investor who bought the Dow Jones industrials in the low 800s in January 1979, hoping to realize a long-term gain in 1981, would have just about broken even. In the interim, he missed two short-term profit opportunities: the April '79 high of 884 and the October top of 904.

Let's assume our Dow investor was astute enough to pick the May '79 low of 815. How much long-term profit would he have made? Not much. A year later the Dow bottomed again near 840, affording him an annual gain of only 3 percent. In the meantime he missed not only the aforementioned October peak, but an even higher short-term top when the averages reached 918 in February 1980. Unless the investor was smart enough and quick enough to buy the Dow under 800 in either November 1979 or in the spring of 1980, major long-term gains eluded him. Moreover buying the Dow stocks much past mid-1980 wound up costing the long-term investor dearly. Even buying them at their fall 1980 low of 894 in December resulted in a long-term loss.

What must have exasperated the investor is that while waiting out the holding period not only did he forfeit a 136-point short-term gain when the Dow went to 1030 in

April 1981, but that he could have made money by selling at any point within 18 weeks of the time he hoped his paper profit would go "long-term"!

The price action of the Dow average typifies that of many widely held U.S. companies. Of course long-term gains were attainable, provided the investor had been willing to maintain his position for several years. However, the longer a security is held in order to achieve a profit, the less the annualized return on the investment.

In short, the 12-month holding period has become a trap during which short-term unrealized profits have been turned into long-term realized losses. As a result, not only has the investor suffered but so has Uncle Sam, at the very time when "revenue enhancements" are crucial.

In fact, in an up market the government is the investor's "general partner," since it shares in every dollar of capital gain. But in a down market—since only \$3,000 of net loss is deductible against ordinary income—the government is the investor's "limited partner" and is insulated against what would otherwise be an equivalent reduction in tax revenue. It seems only logical that reducing the holding period will increase tax revenues.

That view is supported by a statement in a National Tax Journal article by Anita Wells. Commenting on the 1942 cut in the holding period from 18 to 6 months she reported, "In justification of this drastic change, the [Senate finance] committee stated that the realization of capital gain is entirely a matter within the discretion of the taxpayer and shortening of the holding period would have the effect of encouraging the realization of capital gains and thereby result in added revenue to the Treasury."

Further support for this argument appeared recently in a National Bureau of Economic Research working paper, "The Holding Period Distinction of the Capital Gains Tax," in which Steven Kaplan suggests "that the holding period distinction is not very effective in deterring speculation and does not increase government revenues; in fact may decrease them."

The investor looks to 1982 and beyond mindful of the pitfalls of seeking long-term gains, recalling a dismal 1981 in which only one-third of all NYSE and Amex issues registered gains more than 10%, and aware that any short-term profits he makes will be taxed at ordinary rates plus those levied by states and cities. With good reason, then, might he consider joining the many others who have long since taken refuge in the debt market. That couldn't happen at a worse time. The very "smokestack" companies whose debt ratios are at an all-time high and which need equity financing the most display compressed stock cycles that are more conducive to short-term rather than long-term profit-taking.

Moreover a just-published study by the Securities Industry Association, based on a recent survey by Opinion Research Corp. revealed that more than half the respondents said they would make new investments or increase existing investments in one of 11 alternative investment vehicles if the holding period were reduced.

So why not shorten or eliminate the holding period if doing so would enhance capital gain tax revenues, attract investors back into the equities markets and benefit companies whose balance sheets are overlaid with debt?

The answer dates back to 1921. Congress was then considering a bill which, for the

first time, would provide for a lower rate on capital gains than on ordinary income. Just before passage, Sen. Walsh of Massachusetts argued that unless a two-year holding period was established to qualify for such preferential treatment, the new law would encourage speculation rather than investment in American industry.

MORAL BIAS AGAINST SPECULATION

It's a view I've heard espoused in Washington even today. There is no economic logic to this notion for one inescapable reason: Once the public's money has already been invested in a company via a stock underwriting, it represents premanent capital to that business no matter how frequently those shares are traded in the aftermarket. So the bias against speculation in the form of a holding period is purely a moral one.

Interestingly, the holding period puts the small investor at a disadvantage. A wealthy investor faced with a paper loss can commit other funds to an attractive new investment, but the investor with limited capital often finds himself locked-in.

Reducing or eliminating the holding period is not without precedent. Belgium, Canada, France, Italy, the Netherlands, the United Kingdom and Japan do not require one to qualify for capital-gains treatment. Of these countries Japan possesses the best record of individual savings as a percentage of after-tax income followed by France, the United Kingdom, Canada, and trailed by the U.S.

Perhaps some day students of history will be amazed to learn that there once existed such ancient economic injustices as guillotining short sellers, debtor's prisons and tax penalties on short-term profit-taking. ●

NATIONAL SMALL BUSINESS WEEK

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HORTON. Mr. Speaker, this week, designated as "Small Business Week" affords the Members of the House and Americans all across the United States the opportunity to pay homage to what is the backbone of the American economy. The men and women who constitute our small business community have made innumerable contributions to our Nation's growth, prosperity and standard of living.

While large corporations tend to gain the widest attention in the press and elsewhere, it is well to remember that a majority of new jobs is created by firms with less than 20 employees. Equally impressive as that statistic may be consider the following: Small businesses comprise 97 percent of all firms; 43 percent of the gross national product, 73 percent of all retail sales, and 58 percent of employment of the private nonagricultural work force.

Small business having contributed so greatly to our Nation's outstanding record of achievement and innovation is not immune to the economic strains

of today. High interest rates and the uncertainty that characterizes the immediate future are serious undermining threats to this sector of the economy. It is therefore of vital importance that as we in the Congress formulate the fiscal policies of the Federal Government which play such an important role in the market place we keep foremost in our minds the concerns of small business.

As a former member of the House Committee on Small Business and as chairman of the former Commission on Federal Paperwork, I am well aware of the overriding need to recognize the significant impact small businesses have had and will have on our economy. Through enactment of legislation such as the Prompt Pay Act and other specific measures that acknowledge the Federal Government's relationship to small business, we can help move our Nation toward economic recovery. Obviously, other steps must be taken. Reducing the size of the Federal deficit, cutting back on Federal spending, and consideration of the special problems confronting small business. During this week and all future weeks, let us remember the many contributions this group of men and women have made to the greatness of our country.●

HOUSE BUDGET AGAINST ECONOMIC RECOVERY

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARTIN of North Carolina. Mr. Speaker, the budget submitted to the House by the House Budget Committee is an atrocity on the revenue side. It will abort economic recovery. It is unique in history in that it must have both Adam Smith and John Maynard Keynes turning over in their graves.

The committee's budget extravagantly increases taxes at the very point at which inflation has been curtailed, durable goods orders are rising and consumer demand, represented by retail sales has moved upward. There is no way to meet the committee's revenue targets without considerable increases in individual income taxes.

By way of background it must be noted that under present law, using Congressional Budget Office numbers, even after the 1981 tax bill, tax revenues will rise considerably over the next few years. Present law provides revenues as follows:

	Billion
1981	\$599.3
1982	623.0
1983	645.0
1984	702.0
1985	780.0

That represents revenues for 1985 that are 27.3 percent higher than for 1981. The annual increases run 4 percent in 1982 over 1981, then 3½ percent, 8.8 percent, and, in 1985 over 1984, 11 percent.

Those are significant increases that will occur even if the Congress does nothing, not even what the President proposed in February.

Now, with the revenue increases proposed in the President's February budget, revenues would rise considerably faster, to \$665 billion in 1983, \$722 billion in 1984, and to \$796 billion in 1985; that latter figure represents an increase of 33 percent over 1981. That is an increase well ahead of anyone's inflation prediction.

The committee's recommendation carries those figures up dramatically: to \$676 billion in 1983, \$753 billion in 1984, and \$846 in 1985. That last figure is a 41-percent increase over 1981. That 41-percent tax increase should be compared to an anticipated 30-percent change in price levels over the same period. That's a very large increase in the tax burden in real terms and it can only be economically damaging.

Last year, this Congress did not cut taxes in any real sense of the term. Neither the Ways and Means Committee's bill, nor the substitute bill which did pass—and they were almost identical in revenue effect—did that. Rather, they cut the increase in taxes, down roughly to the expected inflation rate, providing increased dollars, of only slightly rising value. That is what the American electorate voted for in 1980.

Over the 3 fiscal years we are dealing with—1983 through 1985—the Budget Committee's bill will wrench out of the economy \$91 billion more than would be taken under the President's proposals and \$148 billion more than under present law. This, at a time when we are seeing the feeble signs of a beginning to the end of a recession is a prescription for an aborted recovery.

On the spending side of the equation, in spending function after spending function, the Budget Committee chairman has produced spending recommendations that differ from the recommendations of the President and of the Budget Committee of the Senate, but which are susceptible of compromise in a conference, even if both were to pass in their respective Houses without amendment. For this, a debt of gratitude is owed to the chairmen of the House and Senate Budget Committees.

But, here on the revenue side, we find in the House Budget Committee more of Robin Hood running amok. The only way to meet these figures is by penalty taxes on middle class taxpayers on their way up, in order to keep them from moving up. Signifi-

cantly, on the credit budget side, we do not touch the giants of industry, including those in the synthetic fuels business, with their huge subsidized and guaranteed loans—running at \$225 billion—that, more than the deficit, crowds out would-be homebuyers and farmers at the loan window.

Even after a heavy round of loophole closings and taxes on consumption items and reforms of tax benefit leasing and all those nice things that make for laudatory editorials, the House is being asked implicitly by the Budget Committee to put us back where we were, with individual tax rates rising 16 percent for every 10 percent rise in income. Implicitly, we are being asked to stifle initiative, to keep the middle class in its place.●

IS COAL SLURRY PIPELINE LEGISLATION NECESSARY?

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. MARRIOTT. Mr. Speaker, it was my pleasure recently to address the annual national convention of the American Mining Congress about a critical component of our drive toward energy independence—coal slurry pipelines. As the ranking minority member of the House Interior Mines and Mining Subcommittee, I have been closely involved with legislation to make slurry pipelines a viable part of the coal industry to the betterment of the industry and the Nation as a whole.

The following is the text of my remarks for the consideration of my colleagues and all those interested in this crucial matter:

[1982 American Mining Congress Coal Convention, St. Louis, Mo., May 11, 1982]

IS COAL SLURRY PIPELINE LEGISLATION NECESSARY

(By Dan Marriott, U.S. Representative from Utah)

INTRODUCTION

It's an honor for me to be among my friends today at the American Mining Congress and to address one of the most crucial issues facing America today, and that is coal and its long term development.

Crude oil remains as our largest imported energy source at 8.9 quads in 1981. This figure, however, represents a significant decline from the decade's high of 14 quads in 1977.

This decline may be attributed largely to two factors: (1) the steady conversion of electric utilities from the use of petroleum to coal as their source of fuel over the last decade, and (2) conservation resulting in a decline of overall U.S. consumption of energy since 1973.

Largely due to our dependence on imported crude oil, this Nation's energy trade balance was a whopping \$71 billion in 1981, roughly only \$4 billion less than the dec-

ade's high of \$75 billion reached in 1980. When offset by our overall positive trade balance of \$43.5 billion in other areas, the deficit trade balance was still \$27.5 billion for 1981. The export of domestic coal contributed nearly \$6 billion toward diminishing our balance of trade deficit, an increase of \$1.3 billion from the previous year.

Domestically, consumption of petroleum and natural gas have decreased while coal consumption has increased since 1973, indicating coal has become more competitive with oil and gas as conversion of electric power plants to coal has taken place. Correspondingly, domestic coal production has increased steadily while the domestic production of oil and natural gas has declined somewhat.

We have reached the point now where today approximately 82 percent of all coal used in the United States is burned by utilities to produce electricity while more than half the electricity used by Americans is generated from coal.

These trends toward a greater domestic use of coal and an increased demand for the export of coal, must continue if this Nation is to maintain a strong and respectable economic and energy position in the world. That means we must develop our coal resources to the fullest for domestic use and for export and, in order to develop them to the fullest, we must do all we can to make U.S. coal competitive both at home and abroad.

COAL'S COMPETITIVE SITUATION

As coal prices have finally stabilized after a decade of rolling in environmental and health and safety regulations and massive capital investment, coal has become increasingly competitive with oil and gas in terms of cost of production. We are beginning to see realistic market competition among these three energy sources. In short, we are approaching healthy competition among energy sources, which is a development that can only be healthy for America.

Still, coal suffers from a major competitive disadvantage which may seriously compromise national goals to offset our unfavorable balance of trade with the export of coal and domestic conversion to coal use where feasible.

THE PROBLEM

With production costs of coal stabilized, the most volatile factor affecting its competitiveness in the market is the cost and means of transportation. With the deregulation of rail carriers under the Staggers Rail Act and the lack of competition in coal transportation in the West, domestic utilities and foreign importers who are interested in using coal cannot make a rational business decision because the factors of assured delivery and transportation costs are currently destabilized.

I sometimes wonder where we would be today if we were still delivering oil in barrels rather than by pipeline.

Surely not the least of the attractions of oil and gas for energy users is the fact that pipeline delivery of these energy forms is continuous, and therefore convenient as well as reliable and economical.

Energy users are well aware that reliability and continuity of supply are important, along with direct ton/mile costs, storage costs and all the other economic considerations that shape their decisions on which energy form to employ. If we are to make the decision for coal an attractive choice, to in fact encourage its use, we ought to be striving to make its delivery as convenient and stable as possible.

I am not talking about delivering all coal by pipeline. What I am talking about is some healthy competition where it does not now exist.

Today—65 percent of total U.S. production moves by rail, 98 percent of Western coal moves by rail. No inland waterways for barge traffic (NCA).

Eighty-five percent of all coal produced in United States and shipped via rail was captive (NCA study, May 1979).

Ninety-eight percent of Western coal is captive to rail shipment.

Current transportation costs roughly double the price of delivered coal. Some domestic users, particularly in Georgia and Florida, find it cheaper to import coal to the United States than to use domestic coal.

The decision to convert to coal-burning powerplants is also affected by the delivered price of coal and the cost of transportation is often critical in making that choice. Reportedly, the high cost of transportation resulted in decisions by a large chemical company and utilities in Tampa, Florida, and Corpus Christi, Texas, not to convert to coal or else to import it.

The recently enacted Staggers Rail Act gave railroads the right to enter into contracts with shippers, cut ICC regulation (over prices especially), ICC now considering whether to deregulate prices for transportation of coal bound for export (which is critically price sensitive).

Fallout from Staggers Act—overall increase in price of coal transportation by rail, especially in the West where there is no effective competition. Price of transporting coal from the Powder River basin to Minnesota in one instance increased 80 percent over the last 16 months.

In contrast, the only coal pipeline now in operation (the Black Mesa) runs from Arizona to Nevada and carries 4.8 million tons a year at a cost estimated at less than half the comparable rail shipment.

COMPETITIVENESS IN INTERNATIONAL MARKET

The inability to deliver coal at a competitive price may result in losing the opportunity to capture more of the international market for coal.

Coal is forecast to become our leading export commodity within 20 years but it must be competitively priced to fulfill this forecast.

Yet some forecasters contend that increases in the price of export coal due to deregulation of rail transportation could reduce U.S. overseas coal sales by 30 percent—or 450 million tons—between 1983 and 1990.

The projected foreign market for U.S. steam coal is immense. In Europe, coal use is projected to increase from 46.1 million tons in 1979 to 122.2 million tons in 1990—an increase of almost 265 percent in 10 years.

In Japan, Korea, and Taiwan, the estimates are that steam coal use will grow from 13.9 million tons in 1979 to 80.5 million tons in 1990—an increase of almost 600 percent in the same 10-year period.

But U.S. coal currently suffers from price disadvantages of 15 to 40 cents per million Btu's in the European market and 30 to 60 cents per million Btu's in the Pacific market in comparison with our South American and Australian competitors.

Thus, for the present, the security of the United States as a source of coal and the desire of Europeans, who are planning a decade ahead, to establish buying power here early, have offset successfully our higher delivered cost of coal.

But how long can this continue?

Importers are becoming increasingly concerned about the lack of competition in the transportation of coal.

On September 19, 1980, Dr. Carrol L. Wilson, director of the World Coal Study, testified before the Energy and Minerals Resources Subcommittee of the Senate Committee on Energy and Natural Resources in a hearing on coal exports. In reporting on the concerns about the United States expressed by steam coal importers in Europe and the Far East, Dr. Wilson reviewed some of the fears that had been expressed to him, stating:

"They also see a rail domination which would exclude supply by alternative systems such as slurry pipelines." (P. 262 of the transcript.)

Concerns about railroad pricing strategies under the Staggers Rail Act and the general dominance of U.S. coal transportation by the railroads were expressed by several of the European witnesses who testified before the same subcommittee on November 10, including particularly the witnesses from Belgium, France, Finland, and Italy. Similar concerns were expressed on December 1 by witnesses from the Pacific rim countries.

What assurances must we provide importers in order to secure a sizeable share of the international market for the long-term?

My Answer is that we must create a climate conducive to healthy competition in the delivery of coal. We must enable coal slurry pipelines to compete with railroads and barge transportation for the delivery of domestic coal.

THE NEED FOR LEGISLATION AND THE COAL PIPELINE ACT OF 1981 (H.R. 4230)

H.R. 4230 passed the Interior Committee on Dec. 7, 1981, by a vote of 21-20. It passed the Surface Transportation Subcommittee on Public Works by 17-14. Hearings are now being conducted in the Senate. The administration's position on the legislation is unclear, although Secretary Watt testified before our committee against the bill as a State's right on the ground of a State's rights issue.

In H.R. 4230, the Congress finds that the construction of coal pipelines is a beneficial public use that justifies granting Federal eminent domain for certified pipelines.

The bill specifically provides that coal pipelines certified by the Interstate Commerce Commission as serving the public interest may acquire rights-of-way over private lands by exercise of the power of eminent domain in Federal or State court. (State and Indian trust lands are excluded.)

Rights-of-way over Federal lands may be granted by the Secretary of the Interior but no right-of-way may be acquired over land which is part of a historic site, wilderness, or wildlife refuge unless there is no feasible and prudent alternative.

Pipeline carriers holding certificates from the ICC must be common carriers, providing service on reasonable request and not discriminating in its contracts.

The Secretary of Transportation is empowered to issue regulations establishing Federal standards for safe construction, operation, and maintenance of coal pipeline facilities.

WATER—WATER LANGUAGE IN H.R. 4230

In acting to provide coal slurry pipelines the right of eminent domain, we in Congress have been especially careful to assure that the States retain complete authority over the appropriation of water for pipeline use.

I have been particularly active in advocating water language in the proposed legislation to protect States rights.

The water provision that I helped draft is in H.R. 4230 which passed the Interior Committee in December:

It states that the granting of a certificate of public convenience and necessity for a coal slurry pipeline by the Interstate Commerce Commission will not convey with it any right or claim to water rights.

Water rights must be obtained in accordance with State substantive and procedural law.

Further, it explicitly states that the granting of the Federal right of eminent domain will not in any way affect State law or interstate compacts.

The water provision is designed to prevent the Interstate Commerce clause of the Constitution from being invoked to prevent a State from conditioning permits or terminating rights to water once a pipeline has begun operations across State boundaries.

In my view, and in the view of attorneys who have examined this language, no stronger or clearer language could be devised to preserve the States' prerogative than that which is in this provision. Secretary Watt also expressed this view in his testimony before the House Interior Committee.

The only weakness in the water provision of H.R. 4230 is that which is common to any piece of legislation. Congress may at any time change its mind, amend the law and invoke the Interstate Commerce clause under the Constitution to regulate or claim water rights in place of the States. Only an amendment to the Constitution can change this fact.

With each State in full command of its water resources, in cooperation with other States, and without Federal interference, I believe the agreements hammered out between the States and private enterprise with regard to water still have the best potential for meeting the needs and protecting the interests of our citizens both locally and nationally.

THE NEED FOR LEGISLATION—STATE LEGISLATION NOT SUFFICIENT

Twelve States, including Utah, have specifically granted coal slurry pipelines the necessary eminent domain authority. But even if all States passed such legislation, the eminent domain problem may still not be solved. (States with eminent domain legislation: Florida, Louisiana, Arkansas, North Carolina, North Dakota, Ohio, Oklahoma, Texas, Utah, West Virginia, Wyoming, and Colorado.)

In some States, it is not clear whether a coal slurry pipeline can meet the "public use" standard, which is a prerequisite to the exercise of eminent domain, if the pipeline would merely pass through the State and not supply coal to utilities in the State or serve coal mines within the State.

Our previous experience indicates that this legal deficiency in State legislation once presented an insurmountable problem to natural gas pipelines (as it might for coal slurry pipelines) even though the 1938 Natural Gas Act provided for certification of natural gas pipelines by the FPC that they would serve the public interest. The 1938 act had to be amended by Congress in 1947 in order to provide for full eminent domain authority to interstate natural gas pipelines which did not serve every State which they passed through.

In order to have a national network of natural gas pipelines, Congress had to step

in at the Federal level just to remove the legal difficulties encountered in dealing with various States with individual statutes containing special requirements, many of which are often times inconsistent with those of neighboring States.

LITIGATION COSTLY

It was just such a situation that gave rise to the Commerce Clause of the U.S. Constitution. Congress was given the power to regulate commerce among the several States so it could step in and resolve interstate transportation and trade conflicts where it was in the national interest to do so.

That preeminent authority is there to be used especially when it is clear that the costs in terms of time and money of dealing with the several States and local and private interests on their own terms outweigh the public benefit which would be reaped by congressional action.

Well, we have followed a policy of congressional restraint on coal slurry pipeline legislation. We have waited to see if interstate coal slurry pipelines could not make their own way through the bevy of parochial interests without interference from the Federal Government.

What do we have to show for it? We think we might now have the ETSI Coal Pipeline from Gillette, Wyo., to Little Rock, Ark., and Baton Rouge, La.—at least as far as rights-of-way are concerned. But at what cost? Seven years of litigation and 65 lawsuits at a cost which will be ultimately paid by the consumer.

Now that ETSI has established court precedents, what need is there for Federal legislation? The sad fact is that in the ETSI cases, ETSI simply obtained the right to negotiate with the owners of the property to be crossed for subsurface easements where railroads had only surface easements. These precedents will not serve to overcome railroad resistance to granting rights-of-way across rail lines in the West where railroads own the land in fee or in the East where they own their rights-of-way. The ETSI cases do not, therefore, resolve the problem caused by private interests in refusing to grant rights-of-way nor do they reduce the amounts of time and money which can be anticipated in obtaining rights-of-way through numerous States.

PRECEDENT FOR FEDERAL EMINENT DOMAIN

What is at issue here is whether coal slurry pipelines should be accorded the kind of treatment that fostered development of all other modes of energy transport—positive action by the Federal Government to clear away obstacles to the construction of an interstate delivery system.

SURFACE TRANSPORTATION

The Nation's railroads were fostered by massive Federal assistance, in their early years by grants of land for rights-of-way, today by subsidies, loan guarantees, and other incentives.

The three land-grant railroads, in addition to gigantic holdings of land in fee, received a specific grant of Federal eminent domain in the 1860's.

Trucks use Federal highways. Barges operate on waterways built and maintained by the Government.

Coastal shipping is protected by U.S.-flag law and calls at ports developed and maintained by Federal funding.

SUBSURFACE TRANSPORTATION

Back in 1941, with passage of the Cole Act, the Congress granted the right of Federal eminent domain to oil pipelines, per-

sued that this was the only way long-distance petroleum transport by this efficient, reliable, continuous mode could be realized. In 1947, the Congress extended Federal eminent domain to natural gas pipelines.

Finally, the transportation of electricity: Certain long-distance electric transmission lines also are covered by Federal eminent domain.

In short, every mode of transportation for every form of energy has been covered by Federal law and/or assisted by Federal policy—except coal slurry pipelines.

COAL SLURRY AND RAILROADS

Let me address the railroad/coal slurry controversy by making the point that I consider myself pro rail. I want a strong, viable, competitive, and profitable railroad system. I believe, however, that in the long run, the combined efforts of deregulation and more competition will be healthy for railroads.

Some rail carriers fear that creme-skimming by pipelines operating along choice routes will occur and that railroads will lose revenue from competition. Loss of these revenues will threaten financial viability due to their large fixed investments.

I believe, however, that expanding markets will support both railroads and pipelines and the public will benefit by healthy competition.

It is now projected that coal shipments will approximate 1.4 billion tons in 1990.

As of 1980, the railroads were moving about 500 million tons of coal per year. Today, the figure is closer to 550 million tons.

By 1990, the railroads are expected to be moving between 700 and 800 million tons of coal which is roughly the total coal production in the United States today. (NCA.)

Eight major coal slurry transportation projects are in various stages of development: six of which are in the West. These are projects that have been publicly announced, with routes at least generally defined and annual capacities projected, and backed by companies that have invested substantial amounts of time and money in feasibility studies.

Assuming that all presently planned and existing slurry pipelines are operating at their maximum projected capacities, in 1990, they would be handling approximately 170 million tons.

Further assume that coal hauling by trucks and barges, which in 1979 accounted for approximately 260 million tons, increased by 50 percent by 1990, to 390 million tons.

The coal shipping situation in 1990 would then be: Total coal shipped—1,400 million tons; by pipeline—170 million, by trucks/barges—390 million (560 million tons); railroad potential—840 million tons.

Thus, assuming all of this, railroad coal hauling would increase by 355 million tons. The increase for railroads would be more than twice the total handled by coal pipelines.

In 1990, coal pipelines would account for—at most—12 percent of all coal shipped in the United States. Railroad could handle at least 60 percent.

I don't believe that coal slurry pipelines will displace railroads as America's principal transportation system for coal in the foreseeable future—or indeed, at any point.

Health competition in the transportation of coal can only benefit the public. With deregulation now of railroads, railroads can compete without disadvantage.

CONCLUSION

The bottom line is—we need to set our sights on national priorities and one of those priorities is energy independence achieved within the context and with all the resources of a competitive free enterprise system.

In pursuing this goal, we cannot afford to allow parochial interests impede healthy competition which is in the national interest.

"Hell hath no fury like a vested interest masquerading as a moral principle."

It is our responsibility in Congress to rise above those forces which would compel us to side with one interest or another which naturally seeks its own advantage. Rather, we must seek the long-term, best interest of the American people holding in trust, as we do, their future security and economic well-being. In seeing to it that economic competition proceeds fairly, ever moving toward the best interest of the American people as a whole, I believe we in Congress will have discharged that duty faithfully with passage of the Coal Pipeline Act of 1981.●

FINANCIAL STATEMENT—1981

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. STUDDS. Mr. Speaker, I insert in the RECORD a copy of my 1981 financial statement:

PART I—SUMMARY OF 1981 INCOME

Salary.....	\$60,662.50
Dividends—See Part II for detailed explanation.....	1,116.47
Interest—See Part III for detailed explanation.....	795.60
Newspaper fee—Los Angeles Times, for column written.....	150.00

Total income..... 62,724.57

PART II—DIVIDEND INCOME, 1981

Security (Number of shares or face value):	Income derived
40 Burlington Industries.....	\$60.80
347 Exxon.....	1,040.00
\$402 Tucker, Anthony Cash Management Fund.....	15.67

Total..... 1,116.47

PART III—INTEREST INCOME, 1981

Bonds:	Income derived
\$3,100 Loew's Theater 6% Debenture.....	\$213.13
\$3,333 U.S. Treasury 12%, due 5/15/87.....	464.58
Savings	
First National Bank of Cape Cod.....	36.33
Cape Cod Five Cents Savings Bank.....	41.35
First National Bank of Boston..	40.21

Total..... 795.60

PART IV—ASSETS

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own

one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust.

Colin A. Studds III, Trustee Beatrice Studds Irrevocable Trust, Under Agreement Dated Aug. 1, 1973

(Market value as of May 5, 1982)

Security (Number of shares or face value):	
\$5,000 U.S. Treasury 13.875% note, due 11/15/86.....	\$5,000
\$3,333 Wang Labs 10% Conv. Deb., due 11/15/2006.....	3,466
Common stocks:	
133 West Point Pepperell.....	3,059
66 Xerox.....	2,310
100 Square D.....	2,800
60 Gulf Oil.....	1,860
67 W. R. Grace.....	2,680
100 Middle South Utilities.....	1,350
50 General Motors.....	2,150
50 IBM.....	3,250
200 Washington Energy.....	2,800
40 A.T. & T.....	2,200

(50 Dupont sold 11/16/81 for \$1,916; 60 International Paper sold 10/9/81 for \$2,362; 50 General Electric sold 8/7/81 for \$2,977; \$3,333 U.S. Treasury 8% note, due 8/15/2000, sold 8/7/81 for \$2,063.

2. I own the following securities:

(Market value as of May 5, 1982)

Security (Number of shares or face value):	
Bonds:	
\$3,100 Loew's Theater 6% Debenture.....	\$1,705
\$3,333 U.S. Treasury 12%, due 5/15/87.....	3,166
(\$1,666 U.S. Treasury 7%, due 2/15/2007, sold 8/11/81 for \$993.13)	
(\$3,333 U.S. Treasury 8%, due 5/15/88, sold 8/11/81 for \$2,452.08)	
Common stocks:	
40 Burlington Industries.....	920
347 Exxon.....	10,069
Tucker, Anthony Cash Management Fund.....	402

3. Our family home in Cohasset, Mass., with an estimated market value of approximately \$115,000 is owned jointly by my brother, my sister and me. My interest in the house, therefore, is roughly..... 38,333.00

4. Savings Accounts:

a. NOW account, First National Bank of Cape Cod.....	374.73
b. Savings account, Cape Code Five Cents Savings Bank.....	143.00
c. NOW account, First National Bank of Boston.....	1,260.00

5. One bedroom cooperative apartment, Washington, D.C., estimated market value..... 175,000.00

6. 55% Share in undeveloped lot, Provincetown, Mass, estimated market value..... 47,000.00

7. Two room condominium apartment, Provincetown, Mass., estimated market value.. 85,000.00

8. 1975 Chrysler Newport Sedan.
9. 1974 Saab.

PART V—LIABILITIES, 1981

1. Mortgage, one bedroom cooperative apartment, Washington, D.C., approximately.....	\$17,800.00
2. Secured loan, Rockland Trust Co., Rockland, Mass., approximately.....	46,600.00
3. Mortgage, condominium apartment, Provincetown, Mass., Cape Cod Five Cents Savings Bank, approximately.....	46,400.00
4. Home improvement loan, Cafritz Co., Washington, D.C., approximately.....	1,200.00
5. Secured "bridge" loan, Rockland Trust Co., Rockland, Mass.....	44,000.00
6. Loan, Sergeant-at-Arms Bank, House of Representatives.....	13,200.00

PART VI—1981 TAXES PAID

1. Federal income tax.....	\$7,352.00
2. Massachusetts income tax.....	1,872.00
3. Local property taxes.....	2,806.99
4. Automobile excise and personal property taxes.....	66.00

Total taxes..... 12,096.99●

EASTERN CONNECTICUT'S OUTSTANDING SCORE VOLUNTEER

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GEJDENSON. Mr. Speaker, this week was proclaimed "National Small Business Week" so that we can show our due appreciation to the men and women who employ millions of Americans, who provide the innovation needed to fuel our production capacity, and who comprise the basic structure for economic growth.

In the spirit of this special week, I would like to call my colleagues' attention to Mr. Edward McClory, a resident of Uncasville, Conn., who gives his total energy and talents to the betterment of his fellow man, his community, and society.

As chairman of the SCORE/ACE chapter in Norwich, Mr. McClory heads a group of retired and active business owners who volunteer their services to residents of eastern Connecticut. The SCORE/ACE team offers, on a continuing basis, the background experience and technical know-how needed to assist owner-managers of small businesses in identifying basic management problems and their causes. With the help of these volunteers, businessmen are able to develop solutions and to achieve efficient, profitable business operations.

In addition to his outstanding services as chairman of SCORE/ACE, Mr. McClory conducts workshops, on a monthly basis, at Mohegan Community College. These workshops deal with topics of interest to the area's small

business, and several hundreds of people have benefited from his effort.

After a career in the armed services, Mr. McClory retired as colonel, USAF, in 1965. Since his retirement, he has pursued a long and meritorious record of service to the community. In addition to his work with the SCORE/ACE chapter, Mr. McClory serves as selectman in the town of Montville, Conn.; he is a member of the board of directors of the Southeastern Connecticut Tourism District; he is on the board of directors of the Community Service Credit Union in Groton, Conn.; he is active with the Easter Seals Society.

Edward McClory contributions to the small business community—and indeed to all residents of eastern Connecticut—are immeasurable. Small business is characterized by service and progress, both of which are exemplified by the work of this outstanding citizen.●

SHALES INTERVIEW

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. PHILIP M. CRANE. Mr. Speaker, a transcript of a recent WRC-Radio show conducted by Pat Buchanan and Morton Kondracke has been brought to my attention. The two newsmen interviewed Washington Post TV critic Tom Shales relative to his review of the Bill Moyers' "People Like Us" on CBS.

In his Washington Post review, Shales contended the "People Like Us" show had the effect of altering "one's image of President Reagan from that of a well-meaning boob to something more along the lines of a callous cad." One wonders why this political observation wasn't on the Washington Post editorial page rather than in the section covering television. During the interview, Shales conceded he did not check with the White House to give the administration an opportunity to respond or to attempt to explain the administration's viewpoint.

In the course of the WRC-Radio interview, Shales was asked about the factual accuracy of the Moyers show. He sidestepped this question with the incredible reply that something called "emotional truth" overrides the facts. Now I must confess that the plain truth can at times be fairly elusive, but this new critter, "emotional truth," for all the world appears to be an early installment on Orwellian Newspeak. Mr. Speaker, I think the time has long past when we should set aside both partisanship and "emotional truth." The news media has an obligation to present the facts so that the

public can arrive at something close to the truth. But in the case of "People Like Us," any reasonable observer would be offended by the tendentious arguments put forth. The plain fact of the matter is that Ronald Reagan is neither responsible for the plight of the poor in this country nor has his economic program added to their misery. To imply otherwise, as does this TV show and its review in the Washington Post, is an exercise in what is at best misinformed—and at worst malicious—mendacity. Mr. Speaker, I include the transcript of the Shales interview in the RECORD:

[From the Washington Post, Apr. 21, 1982]

TV PREVIEW: THROUGH THE SAFETY NET—THE VICTIMS OF REAGAN'S ADMINISTRATION
(By Tom Shales)

Tonight's edition of "CBS Reports," "People Like Us," could mark a turning point in American public opinion toward the Reagan administration and its cavalier treatment of the poor. This could be the most influential network documentary since "Teddy," the 1979 Roger Mudd interview that effectively killed Sen. Edward M. Kennedy's chances for the Democratic presidential nomination the following year.

Though probably not intended as a direct attack on administration policies, the effect of "People Like Us" is to alter one's image of President Reagan from that of well-meaning boob to something more along the lines of callous cad.

Neither Reagan nor any of his army of gray spokesman and ax-wielding henchmen is seen on the report—at 8 on Channel 9—but it is difficult to watch the program's four stories of hardship and destitution and not invoke the visual memory of the president romping in the surf outside Claudette Colbert's house in Barbados, and the distressing symbolism that goes with it: The president splashes about in the lap of luxury while Americans go hungry. Even the people on this program, victims of Reaganomics all, are reluctant to say a word against him, but the program leaves one feeling that a very fragile bubble is just about to burst.

"These are people who have slipped through the safety net and are falling away," says correspondent Bill Moyers in his introduction. "In the great outcry about spending, some helpless people are getting hurt. No one knows how many." But the number of people isn't the issue. What is happening to those profiled shouldn't be happening to anybody, anywhere, and most of all, not here.

This program is a killer. Perhaps some of official Washington will be able to tear itself away from its white wine long enough to watch it. It tells its four stories eloquently and powerfully.

The first is about a man with cerebral palsy who lives with his wife and four children in Ohio and was dropped from the Social Security disability rolls, as part of Reaganesque cost-cutting measures, last year; bureaucrats decided without examining him, that he was suddenly fit to take a desk job. The man almost weeps as he vows to Moyers that he will not give up his home in spite of the new crisis. In one heart-wrenching sequence, the camera captures the humiliation and degradation in the faces of the man and his wife as they sit quietly while a welfare worker phones a

local charity in an effort to get them some hand-out food.

In New Jersey, a Hispanic woman who works part time, and who has a 13-year-old son who needs major surgery to avoid developing cancer, has been dropped from welfare and Medicaid as part of the new Reagan blood bath. The woman finds she is actually going to be penalized under revised rules for having gone back to work, so she is forced to quit her job and go back on welfare full time.

In Wisconsin, Moyers talks to the mother of a 13-year-old girl who has suffered two strokes and lies speechless in a coma. Because of Reagan-mandated changes in Medicaid rules, the girl must be taken from her home and the care of visiting nurses and placed in an institution. The camera is there on the day the child is taken away, as the mother cries, "I just can't take it." A nurse says of the insensitivity that caused this tragedy to occur, "It's going to make enemies out of our own people."

Finally, in Milwaukee, Moyers visits a church which provides food for the down-trodden and has seen the demand for such charity double in the past year. This would seem an example of Reagan's oft-invoked private sector moving into the breach left by the government's abdication of responsibility to the disadvantaged. But a volunteer at the church notes of the Reagan economic czars, "They're asking the wrong people to sacrifice."

Father Steve Gliko, who supervises the volunteer program, tells Moyers, "It's unfair to put any poor person in the precarious situation of having to depend on the generous whims of the wealthy." Moyers quotes the Reagan contention that the "truly needy" are being provided for. "The American citizen who can say that," Gliko responds, "is blind."

The program also puts the lie to the pet Reagan myth that if we can just eliminate welfare cheating, everything about the economy will be hunky-dory (and we'll be able to afford Reagan's trillion-dollar defense budget). Moyers says far more revenue is lost through under-reporting of income to the IRS than through welfare cheating, that the government is bilked out of seven times the welfare budget by tax cheating each year. A lawyer retained by the Ohio man with cerebral palsy says of welfare money, "The people who are the so-called cheats are the ones that are still getting it. They are the ones who know how the system works."

Moyers is such a skillful and resourceful journalist that it is difficult to pinpoint his strongest suit; he wrote the script for the program with producer-director Judy Towers Reemtsma. But where he shines most is probably in the interviews with the victims, whom he never patronizes. Moyers has his detractors, and even his failibilities, but damn, he's good. He may be The Best.

"People Like Us" was brilliantly shot by Tom Spain and Rick Thompson, and edited by Merle Worth. This documentation of a shameful moment for America constitutes another proud hour for CBS News and, especially, "CBS Reports."

PROGRAM: BUCHANAN AND KONDRACKE

STATION: WRC RADIO

SUBJECT: TOM SHALES

Date: April 22, 1982, 6:35 p.m., Washington, D.C.

PAT BUCHANAN: Tom Shales, Washington Post yesterday, Wednesday, April 21st said,

coming away that program leaves one feeling that a very fragile bubble is just about to burst. The bubble being, I guess, the Reagan Administration or Mr. Reagan's reputation is an amiable boob.

Right now let's talk to the man who made that statement, Tom Shales.

Are you there, Mr. Shales?

TOM SHALES. Yes.

BUCHANAN. Good to talk with you.

Did you watch it again last night?

SHALES. No. I'd like to see it again some time but I didn't see it last night.

BUCHANAN. Do you still think 48-hours—or, I guess 24-hours after you wrote that it's going to have all that dramatic an impact?

SHALES. Well, it may, Pat, because of the White House reacting so strongly to it. The overnight ratings showed that the program did no better than most documentaries, which is not very well at all.

BUCHANAN. It came in about 65th or something like that?

SHALES. Yeah. Well, we don't know yet the national ratings. We just have city overnights and it got a 12 share. Well, a 30 share is considered good. So you see how badly it did.

MORT KONDRACKE. Well, if the White House—if this is Mort Kondracke—if the White House's reaction is accurate, CBS seems to be guilty of at least two-thirds lousy journalism. I mean they—David Gergen said that the first case, that of the man—that he was a victim of a policy that had nothing to do with Pegan. The second—there was a girl who was a victim of a policy that was not a result of any Reagan change. And in the third case, the Hispanic woman was actually benefited by the safety net there . . .

[Unintelligible statement by Buchanan]

KONDRACKE. That it works.

So—

SHALES. Well, I don't know. I can't argue that because I can't go out and report it all again for myself. I have to take CBS News and Bill Moyers at their word and their . . .

KONDRACKE. Why?

SHALES. Because they're certainly as reputable as you can get.

KONDRACKE. But why do you have to take them at your word—at their word? Why couldn't you have taken the transcript or a cassette over to the White House and said, what's the truth about . . .

BUCHANAN. What's your answer on this? I mean ask the White House that.

SHALES. That's not—I don't mediate disputes between the White House and CBS. That's hardly my job. My job is to report on my own reactions to something I see on the air and to pass those along to people in the hope that, you know, it'll inspire some other reactions.

BUCHANAN. Let me ask you this, Mr. Shales. You basically agreed with the thesis that Reagan is an amiable boob. Is that right? I mean, you said on your show—you said in your column, you did, now he's going to come off as a callous cad. I mean didn't you come into this with your own sort of Washington Post opinion about Reaganomics and the Reagan Administration? And did this not sort of confirm what you think editorially?

SHALES. I came into it with opinions but they're not Washington Post opinions. I don't have any Washington Post opinions that I know of. You know, I was born with a . . .

BUCHANAN. But you came into it with a bias against Ronald Reagan and his program, right?

SHALES. I like Reagan personally. I have no political affiliations myself. I don't belong to any party. I was aware of other reports that made it look like this indeed is a government of the rich. And we're all aware of these reports. I mean, there've been lots of stories over the months and weeks.

BUCHANAN. What would you say if what Mr. Gergen told us true that, the first example, the fellow with the palsy—if anything happened to him it was the consequence of a decision taken by a Democratic Congress in the Carter Administration, not Mr. Reagan?

SHALES. Yeah.

Well, I'd say it was terrible no matter who did it.

And I also think that the documentary works kind of as a portrait of people caught in the wheels of bureaucracy and it doesn't really matter who's the president except that . . .

BUCHANAN. I think that's a very valid point.

I think if Moyers had gone and showed—he said, look, despite the fact we've got a giant welfare state, here are three people who dropped through the cracks of bureaucracy.

But you would agree that that thing was targeted at Ronald Reagan?

SHALES. No, I said that in my review that I didn't think it was. I don't think—

BUCHANAN. You said it in your review but you don't think it was?

SHALES. I said I didn't—I think that's the way it would be perceived but I don't think it's the way it was intended. And there's a difference. It's the difference between implication and inference.

So I reported on how I reacted and the emotional responses that this program brought out in me. And I don't think necessarily that they sat down—I don't think at all they sat down and said let's get Reagan. I think they sat down and said, look at all these statistics. Why don't we go in and show the human side. Let's find people who illustrate . . .

KONDRACKE. OK.

The fact of the matter is that in the documentary the only public official that you have is Ronald Reagan on the whole program. You don't have Tip O'Neill standing there defending . . .

BUCHANAN. Right.

Let me ask you this, Mr. Shales—

SHALES. But that's boring television. Believe me. Spokesmen . . .

BUCHANAN. Well, who cares about—it might be exciting to nail Reagan—let's take it—Mr. Shales—let's take Mr. Shales, an honest, open-minded fellow looking at this report and he comes off and saying, look, your impression of Reagan is an amiable boob, the guy comes off as a callous cad.

Now if Moyers had put material in there that is basically not accurate—it reflects decisions taken in the Carter Administration and things like that—and if they'd used information and material which is not complete or in some cases not true, to create the reaction with you about Ronald Reagan they did, is that not grossly unfair?

SHALES. Well, you're making a lot of suppositions there, really.

BUCHANAN. Yeah, I'm making the supposition that what the White House told us was the truth.

SHALES. Yeah.

The truth I don't know. And I mean any news report of any kind eliminates facts. You can't tell everything and you don't put everything in.

And the good thing about CBS Reports now is that they're doing shows with a point of view. The Defense of the United States had a point of view. And—I don't—if a point of view comes out of a partisan motive—a partisan political motive, then I agree with you. I think it's despicable.

BUCHANAN. Well, if—

SHALES. What I'm doing is I'm taking them on faith that they don't have such motives. You assume they do. I kind of assume they don't. So obviously our reactions differ.

KONDRACKE. But you know, what do you make of the argument that there was no opportunity for the Administration to even see this thing in advance or to respond to, or to attempt to explain what the Administration viewpoint was on this?

SHALES. Well, come now, Morton, if you were writing a piece about the Administration and they called up and asked to see it you sure wouldn't show it to them?

KONDRACKE. But I certainly would consult them.

SHALES. Read it.

KONDRACKE. I would certainly go and interview them to find out what their argument was about they were—about what they felt they were doing.

SHALES. No, it wasn't that kind of a show. It was a show about people, about specific people, specific case studies. It was not a show about policies or Administration spokesmen. And for good reason, because, as I said, that's deathly to watch on TV.

BUCHANAN. Now look—

SHALES. Administration spokesmen—

KONDRACKE. But what is the purpose?

BUCHANAN. Wait a minute now. He says—wait a minute. You say yourself, Mr. Shales, this documentation is of a shameful moment for America.

SHALES. Well, so it seems from that report.

KONDRACKE. Well, doesn't—doesn't documentary television have some obligation to try to represent the facts of the world as they are in whole? This—emotionally this program said that the government of the United States is screwing poor people. And the—

BUCHANAN. And Reagan is responsible.

KONDRACKE. And by implication Reagan is responsible.

Now if this is journalism and not show business and some sort of emotional jolt [?] vision is there not some obligation to try to get some facts into this thing about what the whole context is in which this drama takes place.

SHALES. Are you sure there was no context of that kind?

KONDRACKE. Where was the—

BUCHANAN. I didn't see it.

KONDRACKE. Administration reaction? Where was the attempt of the government to try to explain what the policies actually are?

BUCHANAN. That's what Mr. Shales—go ahead, Tom.

SHALES. Well, I can only review what I said. It was a broadcast with a point of view and there was no real reason to have Administration spokesmen on the show. I just don't see how it fits in with what they were doing.

I mean television does appeal to emotions, it's not like newspapers. It is different.

I was talking to the producer of the documentary "Middletown" and I said on one episode, I said, now look, did these things happen exactly in this order? Because it looked kind of funny to me. He said, well, we're dealing with emotional truths here.

Now maybe that sounds like a buzz word but I think emotional—

BUCHANAN. Sounds like Costa-Graves.

KONDRACK. Sounds like propaganda.

SHALES. Yeah. No, no, no. I think there is such a thing as an emotional truth, especially when you're dealing with a volatile medium called television and it is a manipulative...

BUCHANAN. OK. Let's let Tom—you want to get the last—go ahead, Tom. We have to take a break. I'm sorry.

SHALES. OK.

BUCHANAN. Thanks very much for taking the call.

SHALES. Pleasure.●

NEW DEFENSE IDEAS IN VISTA 1999

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GINGRICH. Mr. Speaker, the national press has taken notice of the ideas in the National Guard's VISTA 1999 Report. No wonder, since the ideas in the VISTA 1999 Report could offer a significant and prompt improvement in our military strength.

Charles Mohr's article in the New York Times, reprinted below, highlights one of those ideas. The Guard report, he observes, argues that the best force multiplier is more forces. This challenges the prevailing idea that smaller but theoretically more capable forces can cope with a large and well-armed opponent.

This point raised in VISTA 1999 is important for us to think about as we confront the defense debate in the House. We must decide whether we are better defended with a high cost force with shrinking numbers, or with a lower cost force with expanding numbers. The problem is, how can we know?

The VISTA 1999 Report's ideas ought to be closely looked at by us in Congress and by the Department of Defense. Only then will we know whether we are on the right or wrong path in our defense buildup.

I urge my colleagues to read Charles Mohr's article and to read the VISTA 1999 Report.

REPORT CRITICIZES U.S. POLICY ON ARMS

(By Charles Mohr)

WASHINGTON, April 14—A committee of National Guard officers has recommended a major shift in the nation's philosophy of weapons acquisition, away from complex and highly sophisticated systems and toward greater numbers of simpler weapons.

A debate has been underway among American military specialists and officials for several years on the issue of complexity versus simplicity in weapons. The advocates of complex weapons, who prefer to describe the issue as one of "quality versus quantity," have generally prevailed, as illustrated by high-cost weapons designs, such as the F-15 fighter plane and the M-1 tank.

The proponents of larger quantities of simpler, less costly weapons were seemingly

reinforced by the conclusions and recommendations of a study group of 15 general officers of the Army and Air Force National Guards.

In December 1980 the Defense Department's National Guard Bureau asked the officers to examine the best way for the Guard to fulfill its role in any future military operations through the end of the century. The 77-page report, entitled "Vista 1999," was submitted to the Pentagon March 8 and was made public recently. The chairman of the Vista committee was Maj. Gen. Francis R. Gerard, chief of staff of the New Jersey National Guard.

FIGHTER PLANE CRITICIZED

The committee's report, which covers a wide range of subjects, including personnel and training policy, was especially provocative in the subject of weapons selection. It said the Air Force's A-10 air-to-ground fighter-bomber was too expensive, at \$10 million to \$12 million a plane, to permit an adequate battlefield force and was "too big, too slow."

The Guard officers said design studies by aerospace corporations showed that "a more lethal, more agile, more survivable" plane could be built for less than \$3 million each. The committee said that such a plane should be very light, small and agile, as well as capable of great acceleration but not necessarily a high cruising speed.

The report also recommended that such a plane be armed with a relatively simple, rapid-firing 30-millimeter cannon rather than expensive and sophisticated missiles, such as the new infrared Maverick antitank missiles, which have been criticized as inaccurate. The Guard officers said that the 30-millimeter cannon was more lethal to tanks.

The report also called for the production of relatively simple air-superiority fighter planes, saying there was no need for radar-guided air-to-air missiles. In future conflicts, it contended, the so-called rules of engagement imposed by commanders would not allow pilots to fire long-range missiles at aircraft "beyond visual range." The F-15 and the Navy's F-14 are currently armed with such missiles.

HIGH COSTS ARE CITED

One argument advanced by the panel was that the ever-increasing costs of sophisticated aircraft made it impossible for the United States to purchase enough weapons to adequately equip the Guard units that would be mobilized in case of a major war in Europe or elsewhere. By ordering simpler weapons, the committee said, it would be possible to buy 750 attack planes and 670 air-to-air fighters for the Guard.

The report challenged the Air Force's rationale for selecting "quality" complex aircraft, at the cost of fewer numbers. It said that numerical inferiority would not be solved by high-technology "force multipliers," but rather by more "friendly fighters."

In recommendations pertaining to the Army National Guard the report made a similar case, criticizing what it called "the current trend of purchasing high cost, high-technology systems that have uncertain reliability and significant difficulties of maintenance above the operator level." It called for greater numbers of lower-cost weapons with proven 'here and now' effectiveness.●

H.R. 6046—THE EXTRADITION ACT OF 1982

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. HUGHES. Mr. Speaker, on March 24, 1982, the Subcommittee on Crime, which I chair, reported to the full Judiciary Committee my bill, H.R. 6046, the Extradition Act of 1982. This bill represents the first comprehensive reform of the extradition laws in over a century. As it is with many attempts at comprehensive reform, this bill has generated a fair amount of controversy. I have previously included in the RECORD a brief description of the important features of the bill. See CONGRESSIONAL RECORD, December 15, 1981, at 31656. However, because of the large volume of mail from constituents of many Members on this bill, I felt it would be appropriate to answer some of the questions that come up most frequently.

What is the basic purpose of the bill? H.R. 6046 creates a modern and coherent set of procedures for the executive branch and the courts to use in processing requests by foreign governments for the return of persons accused of committing crimes in foreign countries. The United States has a treaty obligation to extradite such persons if the requirements of the treaty and international law are complied with.

Why is such legislation necessary? The current Federal law has not been comprehensively reviewed in over 100 years. Current law contains a large number of antiquated provisions and anomalies. For example, under current law neither the person being sought or the government can appeal an extradition decision. The bill cures this and other defects of current law in a manner that is generally acceptable to the Departments of Justice and State as well as to persons representing persons being sought for extradition.

Does the United States have a treaty obligation to extradite persons who are being sought for political offenses? All of the extradition treaties to which the United States is a party contain an exception to the extradition obligation for persons who have committed or are being sought for a political offense. This so-called political offense doctrine serves to guarantee that our Government will remain neutral with respect to the internal political disputes of foreign countries. Just as it would have been inappropriate for France to return George Washington to England for a criminal trial during the Revolutionary War, we should not be forced to take sides in another country's civil war. As a general

matter, the political offense exception has been defined by the courts to include both free speech or political advocacy crimes as well as certain crimes of violence that are politically motivated.

Who decides whether a person is being sought by a foreign state for a political offense? Under current law this decision is left to the discretion of the courts. Under the provisions of H.R. 6046, as well as its predecessor bill, H.R. 5227, this question will be decided by the Federal courts. Current law is improved by the addition of legislative guidance as to the meaning of the concept of a political offense.

H.R. 6046 retains current law because the subcommittee concluded that there was a strong showing that the detachment and neutrality of the judiciary is necessary to preserve the political and human rights of persons being sought for extradition. Because extradition involves removal of a person, including U.S. citizens for trial in a foreign country upon a mere showing of probable cause, we felt that some rudimentary due process protections should be required.

The position of the administration on this issue is that the Secretary of State should decide—without any judicial review—whether a person being sought for extradition has committed a political offense. This position is embodied in S. 1639, and S. 1940, as introduced, by Senator THURMOND.

What relationship does the legislation have with a pending extradition treaty with the Philippines? The administration has negotiated, but has not yet officially sent to the Senate, an extradition treaty with the Republic of the Philippines. One of the provisions of the proposed treaty is that political offense questions are to be decided by the Secretary of State. Any conflict between this treaty provision and any domestic law would be decided according to which act occurred later in time. The administration has indicated to me informally that in the event that the House version of the Extradition Reform Act passes that the proposed extradition treaty with the Philippines will not be submitted until the decisionmaking authority on the political offense question has been changed to preserve the role of the courts.

What is the status of the legislation? H.R. 6046 has been successfully reported by the Subcommittee on Crime and is awaiting action in the full Judiciary Committee. S. 1940 by Senator THURMOND has been reported (see S. Rept. No. 97-331) and on April 19, 1982, was sequentially referred to the Senate Committee on Foreign Relations for 30 days. The Senate version of the Extradition Reform Act provides that the political offense question shall be decided by the Secretary of State using the legislative guidance

as is found in the House bill. Unlike the original Senate bill, the bill as reported provides that the decision of the Secretary of State on the political offense question is judicially reviewable by an appropriate U.S. Court of Appeals using a substantial evidence test.

What other controversial issues are raised by this legislation? Some of the constituent mail has raised questions about three other issues relating to extradition. One concern relates to the potential unfairness of the criminal tribunal that the person will be returned to. Under a well-established rule of law, American courts have refrained from inquiring into the fairness of the court procedures to be applied in the foreign country. *Neeley v. Henkel*, 180 U.S. 109 (1901); *Gallina v. Fraser*, 278 F. 2d (2d Cir. 1960). This is not to say, however, that the person being sought has no protection from abusive treatment by the foreign country. First, we should enter into extradition treaties only with those countries with legal systems that provide some fundamental fairness. For example, we do not have an extradition treaty with the Soviet Union. To the extent that we have existing extradition treaties with countries with a less than perfect record concerning the protection of human rights, there are two other steps that can be taken. First, we can renegotiate such treaties, or if that is not possible, terminate the agreement. Second, the Secretary of State has broad discretion in deciding whether to proceed with the extradition request. Moreover, even if extradition is permitted by the courts, the Secretary can condition such person's return upon an agreement by the foreign country to treat the person in a particular fashion; for example, no trial by any ad hoc court.

H.R. 6046 preserves the current rule of noninquiry into the procedures used in the foreign state, but in light of the other safeguards, this approach remains viable. Any significant departure from this rule of noninquiry would inappropriately involve American courts in evaluating the fairness of other countries legal systems. Such a result would be nearly impossible to achieve without both embroiling our country in sensitive political judgments about the relative merits of other countries laws and mores. Decisions about whether or not to have an extradition relationship with a foreign state are best left to the treaty ratification process and the discretion of the Secretary of State.

Another concern raised in some constituent mail relates to the question of whether the courts should have some role in determining whether the person is being sought by the foreign country based upon political motives. A similar set of considerations apply here as with the rule of noninquiry.

Judgments about the political context or motivation of the requesting state in making the extradition request have traditionally been left with the discretion of the Secretary of State. Unlike the political offense exception, which usually involves a subjective assessment of the state of mind of the alleged offender, the question of the motive of the requesting country involves a subjective evaluation of the state of mind of a foreign government. This type of judgment is not appropriate for judicial assessment. It is one thing to ask the courts to look into the motive of an individual offender, it is quite another matter to require them to make what are essentially foreign policy judgments. *Abu Eain v. Wilkes*, 641 F. 2d 504 (7th Cir. 1981), cert. denied, — U.S. — (1981); *Garcia-Gullerín v. United States*, 450 F. 2d 1192 (5th Cir. 1971); *In re Lincoln*, 228 Fed. 70, 74, aff'd per curiam, 241 U.S. 651 (1916).

What is the position of the administration on the House bill? The administration prefers to have the question of whether a person committed a political offense to be decided by the Secretary of State without any judicial review or jurisdiction.

The only other issue raised by the Justice Department relates to release pending an extradition hearing. Under current Federal law there is no statutory right to release pending an extradition hearing. The courts have pointed to their inherent power to justify the release of persons based upon a showing of special circumstances. *Wright v. Henkel*, 190 U.S. 40, 62-63 (1903). The subcommittee concluded that the standards for release under current law should be clarified. As a result the provisions of H.R. 6046 permit a person being sought for extradition to apply for prehearing release. The bill recognizes the fact that the United States may not have sufficient information about the person being sought at the time of the initial request because the de jure complainant is the foreign government. Thus, for the first 10 days after arrest, the burden of proof is on the person being sought to establish that he or she can be released without risk. After the expiration of 10 days, or the receipt of a complete set of information from the foreign government, the burden of justifying detention is on the government.

H.R. 6046 does not apply the same bail rules or procedures as are used in domestic criminal cases. Our treaty obligations impose a legal duty on the United States to make our best efforts as securing the return of alleged fugitives. The failure to return such persons because of flight from an extradition hearing could have deleterious consequences both in terms of treaty compliance and—as a practical mat-

ter—with respect to subsequent American extradition from that foreign country.

The differences between extradition cases and domestic criminal cases is recognized in the legislation in two important ways. First, the bill provides for a shifting burden of proof based on the likelihood of information being available. Second, the courts are instructed not to release a person being sought for extradition if such a person is: a flight risk; a danger to the community; or such release would jeopardize an extradition treaty relationship with a foreign state.

The Department of Justice apparently would prefer to have the burden of justifying release always remain with the person being sought for release. This preventive detention approach seemed to the subcommittee to tip the balance of liberty considerations too far against the individual. In addition, the subcommittee felt that the release considerations outlined above sufficiently took into account the unique nature of extradition proceedings. Finally, the inclusion of a Government right to appeal release decisions should eliminate the possibility of erroneous release decisions.

What are the differences between the bill as originally introduced, H.R. 5227, and the bill as reported by the Subcommittee on Crime, H.R. 6406?

First, a new section 3197 on transit extradition has been added at the suggestion of the Justice Department. This section provides that the United States may cooperate with the movement of persons through the United States to assist extradition to a third country.

Second, a new subsection (f) is added to section 3199 to authorize the Supreme Court to issue rules of practice and procedure.

Third, several minor changes are made to make clear the intention of the drafters that the Secretary of State has an adequate period of time to evaluate claims that a person found extraditable by the court should nonetheless not be extradited for some other reason.

Fourth, the requirement of dual criminality is amended to provide that, in addition to requiring that an offense that is the basis for an extradition request is a violation of the criminal law of both countries, the alleged criminal conduct must also be the subject of serious penal treatment. The amendment requires that the crime for which extradition is being sought be punishable by more than 1 year in jail—when the person is to be prosecuted—or 6 months in prison—if the person has already been convicted and is being returned to serve a sentence.

Fifth, an amendment to limit the use of provisional arrests to 60 days, regardless of whether the extradition treaty provides otherwise.

Sixth, three amendments are made to improve the procedure for decision-making with respect to determinations on the political offense exception: To allow either party to move to have such cases decided only by the district court; to preclude the introduction of political offense exception evidence until the person being sought is found otherwise extraditable, and to place the burden of proving the application of the political offense exception on the person being sought by a preponderance of the evidence.

Seventh, an amendment to set forth criteria to be used by the Secretary of State in assessing the order of priority to give to competing extradition requests for the same person.

Eighth, an amendment to the general provisions, section 3199, to clarify the statutory release criteria for persons awaiting an extradition hearing.

Any Member wishing to obtain further information on this bill should contact the staff of the Subcommittee on Crime; majority—51695, 207 Cannon or minority—57087, 111 Cannon.

The description referred to follows:

EXTRADITION REFORM

Mr. HUGHES. Mr. Speaker, today I am introducing a bill to reform the laws of the United States with respect to extradition. Current extradition laws have been on the books for well over a century and have never been reviewed in a comprehensive fashion. According to both the Departments of Justice and State and leading practitioners and academics, these provisions are not adequate in dealing with international crime control. The bill I am offering for introduction is designed to facilitate reform in this area. The Subcommittee on Crime, which I chair, will hold a hearing on this bill in the near future.

Increased ease and frequency of international travel has created international law problems that were unforeseen by the Congress of the 19th century. In recent years there has been a dramatic increase in the number of extradition requests made by foreign countries for terrorists and for persons involved in drug trafficking. Improved international cooperation in prosecuting these types of offenses will very likely produce an even greater level of extradition demands in the future. The current procedures carry forward the anomalies of a bygone era. The inconveniences caused by these statutory deficiencies are relatively minor now, but are likely to cause major problems in the future.

In addition, the United States has undertaken negotiations and executed new extradition treaties that cannot be fully implemented under present law. The modernization of extradition procedures would be an important step forward in implementing these international obligations.

This bill has been developed with the assistance of the Departments of Justice and State. Many of the ideas for reform in this area have come directly from their suggestions. Among the suggestions made by the administration that have been incorporated are the following:

First, require that the Attorney General act as complainant in extradition matters. Under current law a foreign government—or

someone claiming to be acting on behalf of such government—can initiate an extradition proceeding. The suggested change is recognized practice in virtually every other country. The proposed change will also avoid foreign policy problems that arise under current law.

Second, permit an arrest warrant to be issued when the location of the fugitive is not known. This procedure will facilitate the efforts of law enforcement in locating persons sought for extradition, including suspected terrorists.

Third, permit the commencement of extradition proceedings upon the issuance of a summons. This procedure is appropriate when the fugitive's location is known and the risk of flight is small. This procedural device will also save money.

Fourth, set standards for the release of a person sought for extradition. Under current law there is no explicit treatment of the question of when and whether to release a person sought for criminal activity by a foreign government. The absence of statutory criteria for use by the courts has produced some inappropriate results. The proposed release criteria takes into account the dangerousness of the accused person, ties to the community, seriousness of the offense, and the need to honor our solemn treaty obligations.

Fifth, permits fugitives to be temporarily extradited to the United States for trial and sentencing. This change will assist law enforcement by allowing timely disposition of violations of American law. Under current law we would have to wait until any foreign sentence was served.

Sixth, establishes the right to counsel of accused persons and authorizes the appointment of counsel for indigents.

Seventh, clarifies the requirements of double criminality. International law and our extradition treaties require that the offense that is the subject of the proceeding be an offense in both the requesting State and the United States. The bill clarifies current law by providing that the alleged offenses must be an offense similar to a crime against: A majority of the States or the United States; the United States; or against the laws of the State in which the suspect is found.

Eighth, permits either party to appeal the decisions of the district court. Under current law neither side may appeal. As a practical matter, however, the defendant can obtain review through habeas corpus proceedings, and the Government by commencing a new proceeding. Direct appellate review will be more efficient.

Ninth, clarifies or codifies current extradition practices and sets forth clear procedures for use by the courts and the Attorney General.

There is one area where the bill differs from the previous recommendations of the Departments of Justice and State; treatment of the political offense exception and the application of defenses to extradition. Under current law virtually all of our extradition treaties provide that the United States does not have an obligation to return an alleged offender who has committed a political offense. The Federal district courts generally make this determination under current law. The administration wants to change this practice to vest these determinations in the discretion of the Secretary of State.

The bill I am introducing leaves the authority for making decisions about political offenses with the independent judicial

branch. While there are legitimate concerns about the possible adverse consequences of the current practice on the political offense question, I believe they are adequately addressed in the bill. The bill sets forth for the first time in Federal law clear statutory criteria for the courts to use in determining a safeguard against possible abuse by guaranteeing the Government the right to appeal. These two changes should resolve most of the objections the affected agencies have to current law. If the witnesses at our forthcoming hearings offer persuasive reasons for modifying the current law, then such a change in the bill will be made. I am confident that any bill that emerges will fashion an appropriate balance between the rights of the accused and the foreign policy needs of our Government.

I extend an invitation to interested parties to comment on this bill. Comments or requests to testify should be made to the Subcommittee on Crime, 207 Cannon House Office Building, Washington, D.C. 20515 or telephone: 202/225-1695.

SCOUT MEDAL OF HONOR PRESENTED TO FREDERICK (PETE) VEY III

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. CHAPPELL. Mr. Speaker, this Saturday I will have the privilege of presenting a Scout Honor Medal for Lifesaving to Frederick (Pete) Vey III, who resides in my district, and I would like to share with my colleagues the great courage and bravery exhibited by this young boy.

On December 14, 1980, Pete started out for school, walking with his grandmother, Mrs. Gertrude Marsh, and her small poodle. As they reached the schoolbus stop, a large German shepherd suddenly began to attack the poodle, which Pete's grandmother was holding in her arms. Immediately, young Pete jumped between the attacking dog and his grandmother and kept the German shepherd from causing her harm. Peter risked his own life in order to protect the life of another and fulfilled the Cub Scout motto which says, "Do your Best." The Scout Honor Medal for Lifesaving has only been presented three times this year by the Boy Scouts of America and is the first to go to a Floridian in more than 2 years. Saturday, Pete will receive this special honorary medal and will be the highlight of "Scout World '82" at the Naval Air Station in Jacksonville, Fla.

Today we are painfully aware of the difficulty in getting people to lend a hand to their fellow citizens. We are constantly being told that the American people have grown apathetic and do not believe that a lone individual can change the course of events. However, I believe that this 9-year-old boy's courage and bravery represents the true and valor that breathes in the

hearts of all Americans, regardless of age. We are, indeed, a fortunate country when we are blessed with young people such as Pete Vey. His action stands as a source of inspiration for his parents, community, fellow Scouts and classmates and will certainly continue to serve as an example for us all. ●

NATIONAL POLICE WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BIAGGI. Mr. Speaker, once again another "National Police Week" is drawing to a close with very little public notice. As a 23-year veteran of the New York City Police Department, I am deeply grieved by this fact, because plain and simply, our Nation's police officers deserve better.

At a time when our Nation's 528,000 law enforcement officers are being asked to strengthen the front line of defense against our growing crime problem—all too often at the expense of their own lives—they deserve the support and recognition that "National Police Week" was intended to provide.

Clearly, no such occasion could fully acknowledge the supreme sacrifice unselfishly made by the law enforcement community, particularly by those 1,147 police officers who were killed in the line of duty during the past decade. However, we can and should * * * express our gratitude for the vital services they have provided * * * pay tribute to those who have died * * * and focus attention on the need to better protect those who continue to protect us.

Earlier this year, we were informed that the U.S. crime rate leveled off in 1981 for the first time in 5 years. This included an 8-percent drop in arson crimes, a 4-percent decrease in motor vehicle thefts, a 3-percent murder rate decline, a 2-percent drop in aggravated assaults, and a 1-percent decrease in the number of rapes and burglaries.

Mr. Speaker, as the front line of defense against crime, our Nation's law enforcement community deserves a great deal of the credit for these favorable statistics. Especially significant is the fact that these dramatic achievements were being made at a time when many police departments around the country were being forced by budget considerations to cut back on manpower levels.

Much of this success is largely attributable to improved crime prevention techniques and a well-trained, highly professional police force.

Tragically, no matter how low the crime rate, or how well trained the law enforcement officer, history tells us

there will always be police deaths. It is the supreme sacrifice that all law enforcement professionals potentially face each and every day on the job.

As our Nation prepares for "Police Memorial Day" on Saturday, May 15, I wish to pay a special tribute to the 91 courageous law enforcement officers who lost their lives in the line of duty during 1981. The include:

ROLL CALL OF HEROES—1981

Terry Lee Baker, Gerald Lee Morris, Lawrence Dale Coker, Wilson C. Elms, William H. Pogue, William Ray Tate, Theron A. Burnham, Charles B. Smith, Robert E. Walsh, George Leeland Claypool, Mark Wayne Griffen, Patrick Stephen Runyon, Ray R. Clark, Greg Mullinax, Tony E. Swartzlander, John Thomas McCarthy, Ben L. Green, Henry David McCall, and Larkin V. Pettit.

Paul H. Mueller, Dennis J. Roberts, Robert Wesley Martin, Philip Carl Metz, Michael Francis Hurley, Kathleen Garcia, William Larry Whitwell, Robert Patrick McDermott, William Rankin Hickman, John G. Scarangella, Richard J. Helbush, Jan Brinkers, Leon G. Garrett, James N. Mason, Clarence P. Cox, Jr., Robert T. Jordan, Rosalyn Suarez, Jr., Thomas J. Szafranski, William T. Whitehead, Kenneth Bateman, and Harry K. Tiffany.

Ronald R. Ebeltoff, William J. McGuirk, Ray Brown, Gerald L. Horn, Eddie R. Duncan, Delbert J. Roush, Sr., Fasiolepla F. Taase, Debra Sue Corr, Michael J. Faulkner, Ferdinand F. Pribbenow, Wayne R. Rice, Michael W. Hoing, Ronald L. Tracey, Gerald A. Rauff, Grant L. Wilson, and Ronald D. Oliver.

Darrell L. Phelps, George Yaros, John E. Johnson, Richard P. Miller, Nathaniel Broom, Charles R. Carrington, David I. Rucker, Jesse Henderson, Tommy L. Thedford, Johnny R. Martinez, Enrique Carrisalez, Justico Santiago Surillo, Peter F. Egnor, Edward O'Grady, Waverly Brown, and Anthony J. Johnson.

John Litch, Jr., Robert R. Lawson, Donald C. Benson, Michael D. Avila, Dennis Q. Enevold, Edmond C. Cannon, George S. Watkins, Robert L. Kirby, Jose Luis Troche-Vargas, George U. Darnell, Daniel Faulkner, Michael Wayne Ritchie, Paul J. Harmon, Anthony Abruzzo, Phillip J. Lamomaco, John Alan Machajewski, Charles S. Mehlberg, Daniel Thomas Maloney, and Billy Morris Langham.

Mr. Speaker, in honor of these 91 brave men and women, and the thousands of other law enforcement officers who have lost their lives in the line of duty, I introduced legislation today that would establish a national police memorial in our Nation's Capital. This measure, which is cosponsored by over 20 of my House colleagues, would authorize a "National Law Enforcement Heroes Memorial" to be built on Federal grounds near the FBI headquarters in Washington, D.C. With good reason, we have honored those who have lost their lives in foreign wars. A similar national monument is needed to honor those brave men and women who have lost their lives at home in the war against crime.

No Federal expenditures would be required to build the monument. In-

stead, the measure authorizes the Secretary of the Interior to "accept and use" private contributions to pay the entire cost of planning and constructing the memorial.

In addition, an advisory panel, composed primarily of active or retired police officers, would be appointed to develop recommendations on the design and precise location for the monument. The Interior Secretary would be in charge of constructing the memorial once plans have been completed and adequate funds have been raised.

Recognizing the extreme difficulties faced by the survivors of a slain police officer, I was proud to be a leading sponsor of a 1976 law that established a \$50,000 lump sum death benefit to the survivors of public safety officers killed in the line of duty.

Another similar measure I authored this Congress would provide college scholarships for the surviving children of public safety officers killed in the line of duty.

Clearly, however, there is also much we can do to prevent future police deaths—to better protect those who continue to protect us. Acting in this belief, I have authored a number of measures this Congress aimed at achieving this goal. They include:

H.R. 5437—to outlaw a small class of handgun bullets being specially made to penetrate the bulletproof vests worn by police officers. Currently, there is no Federal restriction against such ammunition.

H.R. 4978—to require the licensing of bulletproof vest dealers, and require that anyone wishing to purchase a vest must first be screened by local police authorities in order to prevent criminals from easily obtaining these vests.

H.R. 5559—to establish a mandatory, minimum prison sentence of 1 to 10 years for any person wearing a bulletproof vest in the commission of a crime.

H.R. 5560—to encourage States to establish the death penalty for any person convicted of willfully killing a law enforcement officer.

Other measures I have authored this Congress in an effort to better serve our law enforcement community include:

H.R. 3596—to encourage all States and localities to adopt a "Law Enforcement Officers Bill of Rights." Specifically, this would insure that police officers are treated fairly by spelling out the rights an officer is entitled to during intradepartmental investigations.

H.R. 6301—to exclude from taxation the retirement income received by a police officer or firefighter.

Mr. Speaker, our law enforcement community performs a very difficult, yet vitally important task. We must provide whatever assistance we can. I

believe the legislation I have introduced is an important step in that direction. However, there is much more that is being and can be done.

A major supplement to police work in recent years has been increased community cooperation with law enforcement. Certainly, this trend must be encouraged.

Finally, I wish to focus attention on yet another major improvement in our Nation's crime prevention effort—a crackdown on career criminals. At this time, I would like to insert a recent article on this issue which appeared in the Wall Street Journal:

STREET-CRIME DRIVE: D.A.'S SPECIAL TEAMS WIN STIFFER SENTENCES FOR "CAREER CRIMINALS"

(By Robert E. Taylor)

LOS ANGELES.—When Deputy District Attorney Dan Murphy saw Charles W. Conley's criminal record, he told Conley's attorney to forget about plea bargaining. "We're going to the wall with this guy," Mr. Murphy said.

Conley, 49 years old, was charged with a series of robberies and rapes, but some of the distraught victims couldn't even identify him. Normally, a prosecutor might have considered letting Conley plead guilty to lesser offenses and draw perhaps 10 years behind bars.

But Mr. Murphy openly set out to lock up Conley "for the rest of his life." He spent hours coaxing one victim to return from Wisconsin to testify. He had a crime-scene photograph enlarged to reveal a boot print similar to Conley's. With charts and careful measurements, he showed that Conley could have committed the crimes just before and after work, disposing of the alibi that Conley was on the job. The jury found Conley guilty on all counts. The judge gave him the maximum term, 60 years in prison.

Why so tough? Conley had prior convictions for assault, kidnapping and robbery. This targeted him for the relentless treatment that is provided by lawyers like Mr. Murphy in this city's Career Criminal Prosecution Unit.

DESIGNED FOR CRACKDOWN

Career-criminal units—also called habitual-offender units, among other names—are designed to crack down on a relatively small number of repeaters who are blamed for committing a huge proportion of street crimes. Generally, the units gather the most experienced prosecutors, give them more time for each case, and tell them to spurn plea bargaining and to seek long prison terms.

Mounting evidence shows that the units put more of their defendants behind bars, and put them there longer, than do other prosecutors. "The surest way to a state prison term in California today," says a state study, "is to be prosecuted and convicted by the Career Criminal Prosecution Units."

The idea was pioneered in New York City's Bronx and in San Diego, Calif., in the early 1970s. Briefly spurred by federal dollars, it has been adopted by more than 100 prosecutors' offices nationwide, and its emphasis on repeat offenders is spreading to other areas of law enforcement.

Last September, for example, the New York City police department singled out almost 6,000 suspected career criminals who had prior robbery arrests for added investi-

gation if they are arrested again. Chicago has set up special Repeat Offenders Courts, known as "the rock," to dispense swifter justice to career criminals and avoid plea bargaining. And although the idea of providing for or requiring longer terms for repeat offenders isn't new, the number of states with such laws has risen to 45; and 28 have a possible life term usually after the third felony conviction.

SPURRED BY FINDINGS

The focus on habitual offenders stems from criminologists' findings. In one study by Prof. Marvin Wolfgang of the University of Pennsylvania, only 18% of the criminals committed more than half the crimes of the whole group. Another study of 243 drug addicts in Baltimore concluded that they committed more than half a million crimes in their lifetimes.

The best evidence that the special prosecutions work is a 27-month study of 12 career-criminal units in California. It found that although they only slightly increased the conviction rate overall, they increased convictions on the most serious charges to 85% from 60%. And their average prison sentence was five years and four months, almost a year longer than in similar cases handled through normal channels.

Some question these statistics. Los Angeles's public defender, Wilbur Littlefield, says the units "usually pick the sure winners—aces, straights and cinches." Rand Corp. researcher Peter Greenwood remarked last year that "with a little careful screening you can achieve whatever performance levels you want."

But prosecutors strongly deny such manipulation. And they have converted Mr. Greenwood, who today joins many criminologists in arguing that the units do curb crime.

TOO MUCH TOO LATE?

Some street-smart people agree. Upon their arrest, three persons here have begged police to keep their cases away from the career-criminal unit. And generally, the units are popular with prosecutors. Only a few units have been dropped in the past three years as federal aid for them has dried up.

The programs' strongest criticism comes from criminal experts who say they may be cracking down on criminals too late in life.

Several studies have shown that burglars, for instance, are most active between the ages of 15 and 22. Yet they aren't likely to be singled out as career criminals until late in that period. Why? Because even incorrigible juveniles seldom draw long sentences, and when they become adults, they generally start out with a clean criminal record. By the time they acquire a record long enough to be singled out, their criminal career is likely to be waning.

"The criminal-justice system is more likely to punish an older and often worn-out offender than a young and very criminally active one," argues Barbara Boland of the Institute for Law and Social Research here.

(Several states are allowing more juveniles to be prosecuted as adults for serious crimes; Vermont allows murder trials for 10-year-olds. A few states also are giving juvenile records to prosecutors so that young career criminals can be spotted sooner.)

Some laws that require longer terms for repeat offenders also stir controversy. Norval Morris, a professor of law and criminology at the University of Chicago, says such statutes "very rarely work well" because they require long terms for "too many

minor offenders." In one case, recently upheld by the U.S. Supreme Court, Texas courts gave a man a life sentence for three fraudulent transactions netting him a total of only \$229.11.

Alvin Bronstein, the head of the American Civil Liberties Union prison project, calls it "inherently unjust" to impose a longer sentence because of prior crimes for which an offender already has served time. "You're punishing a person two times for the same offense," he argues.

Shrugging off such qualms, the Rand Corp.'s Mr. Greenwood says that attempts to rehabilitate criminals or deter them haven't been effective. He contends that the only proven way to curb crime is to lock up the most incorrigible offenders, and criminologists generally agree.

Won't that overburden already jammed state prisons? Not necessarily, says Mr. Greenwood. He maintains that California could cut its prison population of robbers by 5 percent while reducing the robbery rate by 15 percent. The answer, he says, is to stretch terms for habitual offenders while shrinking them for others.

Critical to such estimates are the criteria used for singling out persons for career-criminal prosecution. These vary, but generally rely on evidence of prior offenses.

Los Angeles, like most communities, stresses burglary and robbery—troublesome offenses that normally are likely to be subject to plea bargaining even for repeaters. It prosecutes as a career criminal anyone charged with three or more such crimes and anyone previously convicted of either one serious offense, such as armed robbery, or two lesser charges, such as receiving stolen goods. In addition, the unit handles many murders.

EFFECT IN THE BRONX

By directing heavy prosecution efforts at a specific crime, some career-criminal units claim to have cut the incidence of that crime quickly. The Bronx initially used its unit, according to director Sheri Roman, to sharply reduce robberies of taxi drivers and fast-food restaurants. Other units emphasize sex crimes, murders or drug trafficking.

A strong argument for the units is that they can obtain long sentences against some criminals who otherwise escape lightly. "Largely numbers of people with very serious criminal histories are serving only three months or six months" in jail, largely because of plea bargaining, says Kenneth Conboy, New York's deputy police commissioner.

Two who once got off lightly here were Glenn Alderson and Clyde Stevens. Both had extensive juvenile records and were convicted of robbery and burglary, respectively, shortly after becoming eligible for adult-court prosecution. Yet instead of prison, they drew a few years each in the California Youth Authority, a juvenile institution.

Less than a year after release, they pulled a series of holdups and shot a grocery-store butcher. The career-criminal unit got them convicted of assault and multiple armed robbery. The judge sent Alderson to prison for 12 years and four months, and Stevens for 14 years—both the maximum available sentences.

Mr. Murphy, the prosecutor, tried to get the men locked up even longer for attempted murder, but the charge was rejected. "These guys have a history of violence," he says. "We believe that if you let them out, they'll be at it again."

NO ASSEMBLY LINE

One reason for the success of career-criminal prosecutors is that they work as individual craftsmen instead of assembly-line workers. Ordinarily in most big-city prosecutors' offices, several lawyers each work on a different stage of the case. "Some of these prosecutors don't know a thing about the case until they get into court," says William Turner, a defense attorney in Los Angeles.

"A lot of information gets lost," says Robert Heflin, the chief of the career-criminal unit in Los Angeles. Witnesses disappear. Evidence or criminal histories are misplaced or ignored.

But career-criminal prosecutors follow their defendants from arrest through trial. They work more closely with police and other prosecutors. They are supposed to handle about 15 cases at a time, half the normal load, and they make more-detailed sentencing reports. "This is the way we really should handle all our cases," Mr. Heflin says.

Longer terms for hardened criminals are generally popular, and the federal government, too, is considering adopting career-criminal concepts.

Rudolph Giuliani, an assistant attorney general, talks of using federal prosecutors like career-criminal units—to crack down on repeat state-law offenders who violate federal laws. Two researchers at the Institute for Law and Social Research say they can predict with 86% accuracy which convicts will be rearrested within five years. The researchers, Charles Wellford and William Rhodes, estimate that 2,000 persons prosecuted each year in federal courts are career criminals.

Sen. Arlen Specter, a Pennsylvania Republican who was Philadelphia's district attorney for eight years, proposes providing federal career-criminal sentences of 15 years to life for anyone found guilty of a robbery or burglary with a handgun on top of two similar convictions. The Reagan administration has endorsed the idea, though some view it as an infringement on state and local responsibilities.

Sen. Specter contends that the threat of speedier sentencing in federal courts to longer terms would spur local judges to tougher sentencing, deter some crime and supplement local efforts against career criminals. "These guys are the central part of violent crime in this country," he says. "I think the federal government ought to take responsibility for helping to prosecute and incarcerate the worst of them."

CALL TO CONSCIENCE VIGIL: VIACHESLAV ROYAK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. DOUGHERTY. Mr. Speaker, I have once again this year joined the Congressional Call to Conscience Vigil to draw attention to the inhumanity of the Soviet Union toward its Jewish citizens. I would like to thank my colleague, Congressman NORMAN LENT of New York, for taking the time to organize this event.

In the 3 years that I have participated in the Vigil I have been working on

behalf of Viacheslav Royak, a mathematician, and his family, who since 1977 have tried to emigrate to Israel. Over 5½ years have passed since Slava, Irana, his wife, and their two daughters first applied for an exit visa. In addition, Slava has suffered recrimination upon recrimination because of his Jewish heritage.

When President Franklin Roosevelt negotiated the agreement by which we officially recognized the Government of the Soviet Union, the Soviets agreed to foster religious freedom in their country. However, 40 years later, we are still witnesses to a complete lack of religious toleration in that country. The Royaks are victims of the same tyranny that the Soviets promised to end two generations ago.

While the Call to Conscience Vigil serves very well as a reminder to the world that the United States does value the freedom of others, we must express our commitment to these values. The President has taken several steps toward expressing that commitment. Technological sales and capital equipment can serve as valuable sources of leverage against the Soviet Union. It is my hope that we will continue to express our commitment to human rights by exercising these tools properly.●

COMMENTS ON THE SUPPLEMENTAL APPROPRIATIONS BILL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SIMON. Mr. Speaker, yesterday, due to House Budget Committee markup, I was unable to be on the floor during debate on the supplemental appropriations. I would like to address two items in that bill.

First, I would like to voice my support today for the supplemental appropriations for the WIN program—the work incentives program. This program was established by the Social Security Amendments of 1967 to help recipients of AFDC—Aid to Families with Dependent Children—move off the welfare rolls into productive jobs.

WIN provides a number of services related to securing employment: Direct job placement and training, job search instruction, transportation, counseling, and other supportive services such as day care. The different WIN offices throughout the country provide a mix of these services.

The WIN program has been moderately successful in helping AFDC recipients secure jobs. Approximately 15 to 20 percent of the WIN participants secure employment each year, with a savings of \$760 million. Although this

percentage could be higher, we now know from U.S. Department of Labor research which elements of the program are the most successful. WIN offices which have the highest rate of placing AFDC recipients into steady jobs did the following two things: First, they provided systematic individualized job search training, including followup counseling.

Second, they actively incorporated a rich mix of supportive social services for their clients, including child care, extensive counseling, home visits, emergency transportation or money, and household management.

The point is that moving out of poverty and welfare dependency can be extremely difficult, and solutions do not come easily. The WIN program not only has helped thousands of people find jobs. It has also helped policymakers identify viable solutions for helping people become more self-sufficient.

I believe the WIN program should be applauded for its efforts and for the information we now have regarding the promotion of self-sufficiency. I urge the passage of the supplemental appropriations.

Second, I would like to call attention to the supplemental appropriation for the Bureau of Labor Statistics. This supplemental appropriation is vital.

At this point in time, the Bureau of Labor Statistics has reduced its budget by 12 percent last September after the President requested an across-the-board 12-percent cut. Last December with the passage of the continuing resolution, the Bureau of Labor Statistics budget was reduced by an additional 4 percent, bringing the total cut to 16 percent.

The BLS has made a number of changes in its data collection and analysis activities in order to meet the 12-percent reduction. These changes have included a hiring freeze, the elimination of 200 positions, and a freeze on certain travel. The Bureau has also reduced its publication rate.

More importantly, the BLS has had to reduce or eliminate a number of surveys which I believe are of utmost importance to the Nation. According to a recent report from the Congressional Research Service, at least 19 surveys are being affected. To highlight a few:

First, the Current Population Survey, which provides statistics on employment and unemployment has had to reduce its sample size from 66,000 to 60,000 households, a move which will make employment data on small States and cities, and minority populations less precise.

Second, research to improve methods for estimating unemployment in local areas has been eliminated, despite the recommendation from the National Commission on Employment

and Unemployment Statistics that this research be conducted.

Third, the Consumer Price Index needs to be rebased from the 1967 population characteristics to the 1977 population characteristics. This has been postponed.

These are just a few examples of how the 12-percent budget reductions are affecting the quality and timeliness of employment data of national importance. Therefore, I believe that it would be unconscionable to maintain the additional 4-percent cut which occurred last December.

BLS Commissioner Norwood believes that any further reductions past 12 percent in the BLS budget will seriously impair the core statistical programs of the Bureau. At a time when the Congress and the administration are making unprecedented decisions about the Federal budget, we cannot afford to impair the key Federal bureau which provides important information on the implications of our decisions. I strongly urge the support of the supplemental appropriations for the Bureau of Labor Statistics.●

THE RESPONSIBILITY OF REMEMBERING THE HOLOCAUST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. SOLARZ. Mr. Speaker, I rise today to bring to the attention of my colleagues a moving address recently delivered by Ms. Eva Fogelman at a commemoration of the Warsaw Ghetto uprising. Ms. Fogelman, a psychotherapist and doctoral candidate at New York University, is an auxiliary member of the U.S. Holocaust Memorial Council and a founding member of the International Network for Children of Jewish Holocaust Survivors.

Her remarks poignantly portray the terrible responsibility survivors of the Holocaust bear to speak out about their experiences, no matter how terrible, and to bear witness not only to the cruelties of the Nazi death machine, but to the courage and bravery of those Jews who actively resisted the Nazis even in captivity. We must also remember the efforts of others who risked their own lives to enable thousands of intended victims to escape abroad.

The world needs to know what happened during the Holocaust, and survivors must help us to understand, not only what happened in Europe, but what can be done to insure that such a campaign of death and destruction will never happen again.

National and local observances such as the Days of Remembrance suggested by the National Holocaust Memorial Council and commemorations of

particular events, such as the Warsaw uprising, provide us with an opportunity to reflect on what blind hatred and militant fanaticism can do if unchallenged.

Mr. Speaker, I ask that Ms. Fogelman's remarks be included in today's RECORD.

SPEECH PRESENTED AT A HOLOCAUST COMMEMORATION, APRIL 18, 1982, EVA FOGELMAN

It is with pleasure that I share this platform with Congressman Stephen J. Solarz whose actions have helped to insure the continuity of the Jewish people and freedom for all those who are still oppressed.

I speak to you today, at this Yom Hashoa commemoration, as a child of survivors, whose parents have instilled in me a sense of responsibility . . . to remember, not only my own relatives who were murdered by the Nazis, but also the millions of others who do not have anyone to say Kaddish (Mourner's Prayer) for them.

Memories of "the war" are part of your consciousness, as if it happened yesterday. I do not have to remind the people sitting in this audience. Rather, what I would like to share with you is what to do with your memories and why.

In recent years we have witnessed a paradoxical phenomenon. The media, schools and even the United States government are developing programs, curricula and permanent institutions like the United States Holocaust Memorial Council which is establishing a museum in Washington, D.C. On the other hand, over one hundred books have been published denying that the Holocaust, in particular the murder of six million Jews actually occurred. These "experts" theorize that the Holocaust is Zionist propaganda designed to insure the existence of the state of Israel. For many who did not suffer the atrocities perpetrated by the Nazis, whether the Holocaust is fact or propaganda becomes an intellectual exercise.

Without knowledge people ask naive questions like, "Why didn't the Jews resist?" and "Why were they so passively complying with the executioners?". Blaming the Jews for their extermination, unfortunately, becomes the lesson which is transmitted. Those of you who were there know better. My own father, who is sitting in this audience, was in the Ilyia ghetto from which he escaped when the Nazis evacuated the Jews and transported them to concentration camps. As the Nazis followed five of them with their machine guns into the woods, only two survived. They were wandering in the woods for six months and managed to live with the food and warnings of Gentile farmers in the area. They then joined a partisan unit known as "Maschetel" (Revenge). They blew up trains, set mines on railroad tracks and blew up German police stations. And who says there was no resistance when it was humanely possible.

Before long there will be few survivors left to bear witness. . . . Only the pictures and words will remain. Elie Wiesel who began to bear witness before anyone would listen to him pleads with the survivors,

"We must tell the tale . . . and we want to tell it not to divide people but, on the contrary, to bring them together, not to inflict more suffering but, on the contrary, to diminish it, not to humiliate anyone but, on the contrary, to reach others to humiliate no one. This is why we bear witness . . . not for the sake of the dead. It is too late for

the dead. Not even for our own sake. It may be too late for us as well.

"We speak for mankind."

President Ronald Reagan, who spoke last year at the Holocaust Commemoration in the White House, expressed the importance of remembrance:

"Today, yes we remember the suffering and the death of Jews and all those others who were persecuted in World War II. We try to recapture the horror of millions sent to gas chambers and crematoria. . . .

"The hope of a ceremony such as this is that even a tortured past holds promise if we learn its lessons. . . . It is up to us to ensure that we never live it again."

For many survivors, speaking out may seem like an overwhelming responsibility. As a psychotherapist and researcher who has worked with survivors and their children I would like to suggest some personal reasons for communicating about the Holocaust. For one, bearing witness helps the survivor resolve a certain inner struggle which has been poignantly described by Terrence Des Pres in his book, "The Survivor":

"Through the survivor as witness the silence speaks and the new spirit of resistance stays loyal to the suffering which was its birth. The conflict between silence and the scream so prominent in Wiesel's novels is in fact a battle between allegiance to the dead and care for the living which rages in the survivor and resolves itself in the act of bearing witness."

It is not easy to explain what it was like to experience the depth of man's inhumanity and to lose parents, siblings, grandparents, aunts, uncles, cousins and friends all at once. After sharing his story, the survivor is at a loss for words, feels misunderstood and has sleepless nights. Therefore, why not spare the listener and the survivor? Because despite the pain, many survivors feel a sense of emotional relief when they find someone who cares and who wants to know.

And then, there are the children. Many survivors ask me, "Why tell my children what happened? I suffered enough. They should be spared the horrors and enjoy a happy life in America or Israel. If we talk about the war still affecting us, it is as if we are giving Hitler posthumous victory. We must be strong. Besides the children, like other listeners, will find it incomprehensible."

From my therapeutic work with survivors' children, whether you, the parents, speak or not the children feel your pain. They will understand you better if you share your experiences. You may be one of those parents who found that your children did not ask you questions or didn't want to know. This often happens when the child wants to protect their survivor parent from remembering. They want to spare themselves the pain and be like everyone else who doesn't want to know about the past. But like the story of Exodus it must be told.

At the Passover Seder there are always questions that repeat themselves. From the first time we hear them we are never satisfied with the answers. Like the first time you give a child bitter herbs to taste and she says "yeck" and immediately asks the appropriate question, "why do we have to eat this?" and when it is served again the next year, they ask "why keep repeating it year in and year out?"

The continuity of the Jewish people, their history and culture, must include the joy as well as the sorrow. In telling your story you should include the Jewish culture you experienced before it was destroyed. Your lives did not begin with the war and thus your story nor Jewish history should begin with World War II.

Many children of survivors experienced their parents as overprotective and worriers. They would worry about everything. At times this became a burden to the children. They felt that their parents were different from their American peers whose parents took them to baseball games and the Boy Scouts. When children hear their parents' war traumas, the overprotectiveness is no longer misunderstood. Their fears are based in a reality beyond the comprehension of most Americans. For example, many sole surviving family members recall a familiar experience,

"My brother went out in the middle of the night to find some bread for us and never returned. The next night, my older sister went out and she never returned. We then almost starved to death because my parents wouldn't let me go out. They didn't want to lose their only child. The Nazis came and we were deported to a concentration camp. My parents were gassed there and I was left all alone in the world."

When a child of survivors hears such a story, the parents' overprotectiveness takes on a different meaning. Thirty seven years after, the survivors and their organizations are just beginning to get the support and understanding they deserve. Similarly, the Torah teaches that the generation that left Egypt was permanently scarred by slavery, but the message carried on by their children liberated humanity and changed not only Judaism, but the world. And in fact this is what has happened in recent years. The children have been called upon to tell the story. The children carry a special pain precisely because of the Holocaust. Being born to a survivor doesn't mean you have to spend your life witnessing the Holocaust. However, like any other background, you can accept your past, and integrate it into your own destiny and identity. Or, one may flee from it as Jonah did. Or, one may remain indifferent. In essence we each face the same choices that existed during the Holocaust: to be part of the ongoing victimizing effort, part of the defense against forgetting or a bystander. The world needs to know. Unless children of survivors and others are told by those who experienced it first hand, they will not be able to carry on their mission to remember.

What to do with the memories? Some survivors are writers, poets, filmmakers, musicians. They should record their experiences in whatever creative means they have at their disposal. Others can be interviewed and have their documentation recorded in Holocaust archives in the U.S. and Israel. Those who have public speaking ability should make themselves available to public and religious schools who teach this part of world history. Children will remember your faces better than any words they read. Aside from the more public form of sharing your experiences, each survivor should have a recording for his own family for generations to come.

Rabbi Irving Greenberg reminds us, "The Torah teaches us that the righteous are more powerful after their death and will hopefully liberate humanity from another Holocaust." This can only be accomplished if the survivors as well as all of us no longer maintain a conspiracy of silence.●

LISTEN AMERICA, SMALL BUSINESS IS SPEAKING

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROTH. Mr. Speaker, as a former member of the Small Business Committee and former small businessman myself, I join in celebrating National Small Business Week. The small business man or woman is the consumer's best friend. We supply the services and deliver the goods to virtually every farm, village, town, and city in our country. We are today, as we were in the past, representative of the varied and unique citizens of America. I ask my colleagues to listen, small business is speaking and should be heard.

The economic impact, jobs creation and community leadership generated by small business today is impressive. The very nature of small business is the ability to respond quickly to changes within our society. Small business takes the lead in innovative consumer products, opportunities for women and minorities, jobs for more than half of America's workers. If each small business could employ just one more worker, we would eliminate the 10 million Americans on the unemployment rolls today.

It is important that we continue along the road to success taken by this administration and this Congress. The Economic Recovery Act includes important provisions for the preservation of the family business and the family farm. Regulatory reforms further promote the free market forces. The Small Business Innovation Development Act which will come to us for passage later this week will expand the initiative and potential of this established and vital sector of our economy.

Listen, the small business man and woman are making their voices heard in Washington. Recently, a new member with business background was named to the Federal Reserve Board. A number of us have already cosponsored a resolution urging the President to include the head of the Small Business Administration on his Cabinet Council of Economic Affairs. I can think of no one more responsive and representative of the 97 percent of American businesses who should serve on the Council. This working group includes the Secretaries of Commerce, Labor, Transportation, Treasury, Office of Management and Budget and Office of Trade Representative. I would like to see small business not only recognized, as we are doing this week, but represented in the strategic

planning sessions for our economic affairs.

What's good for small business is indeed what's good for America. In addition to this tribute to these fine men and women, let's roll up our sleeves and tackle the job ahead. Let's maintain the new tax incentives, unleash the final restraints of regulation, set aside funds for innovation and development and listen to the voices of the spirit of our free enterprise system, the small businessmen and women of America. ●

CASTING FUSION ADRIFT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. STARK. Mr. Speaker, I have come before this body on numerous occasions to stress to you the importance of continuing a strong magnetic fusion effort here in the United States. In a recent edition of the Christian Science Monitor, Mr. Edwin E. Kintner, former Director of the Department of Energy's Office of Fusion Energy, explained the severe situation we are facing with the cutbacks to fusion energy research and development funds. Those of us who are dedicated to preserving the future of fusion energy must speak up now in defense of this invaluable program.

MUST FUSION FAIL?

(At a time substantial progress has been made toward harnessing hydrogen fusion, the process that powers the sun and stars, as a practical energy source, budget cuts are crippling the U.S. fusion program. Here the former director of the Department of Energy's Office of Fusion Energy explains why he felt compelled to resign in protest earlier this year.)

(By Edwin E. Kintner)

The development of [hydrogen] fusion energy has reached a critical point. There is now a consensus: We can safely assume our ability to generate and contain plasmas [the hot gas of electrically charged hydrogen nuclei and electrons in which fusion takes place] under conditions we believe will make possible commercial energy production. We should now proceed in earnest to develop the engineering technology required to refine this scientific achievement for practical use.

But ironically, that judgment has been reached in the U.S. just when federal discretionary funding, especially for energy research, is being sharply restricted. As a result, the technological development of fusion, although already planned by the Department of Energy and mandated by Congress, will be delayed indefinitely. . . .

Though fusion energy is many years away, our investment in the strong, aggressive program begun during the crisis of the oil embargo of 1973 has brought significant returns. The United States has assumed prestigious world leadership in this advanced scientific field, a leadership held until 1973 by the Soviet Union. This effort

has resulted in new developments in many areas in addition to high-temperature plasmas, including superconducting magnets [whose coils are cooled to such a low temperature they lose resistance to electric currents and hence have very low energy losses]; high-temperature, irradiation-resistant materials; high-voltage, high-power electrical equipment; and mathematics and computational techniques. This advanced work has already yielded valuable industrial spinoffs that have helped maintain US technological leadership and economic strength, and fusion research and development will continue to have this kind of payoff in the future. In fact, no other energy or defense program contributes as strongly to broad, long-term research needs—the kind of support provided in past years by nuclear energy, radar, and space research. This continued leadership has substantial practical value for the United States, especially in a period when the country's technological position seems to be eroding. . . .

The Department of Energy [encouraged by earlier studies] chartered another thorough scientific review of the magnetic fusion program [called "magnetic" because magnetic fields confine the plasma] later in 1980, this time by a panel headed by Solomon J. Buchsbaum, vice-president of Bell Telephone Laboratories, who was then chairman of the DOE's Energy Research Advisory Board. A broadly experienced group of scientists and engineers, the Buchsbaum panel has been called "the most powerful group of its kind ever assembled for a scientific program review." Its major recommendation was that "a broad program of engineering experimentation and analysis under the aegis of a Center for Fusion Engineering" to be established to achieve economically feasible magnetic fusion.

A key element of the program would be construction of a Fusion Engineering Device to "provide a focus for developing and testing reactor-relevant technologies and components" and to help "explore and firmly delineate problems of operator and public safety." Such a device should be in operation within 10 years, the Buchsbaum panel said, and the cost was estimated at "not more than" about \$1 billion (in 1980 dollars). Achieving these goals, said the Buchsbaum panel, would require "a doubling in the size of the present fusion program in five to seven years."

Following this report, the US Congress enacted the Magnetic Fusion Energy Engineering Act of 1980, which declared that US policy is "to accelerate the national effort in research, development, and demonstration activities related to magnetic fusion energy systems. . . . To ensure the timely commercialization of (such) magnetic systems, the United States must demonstrate at an early date (their) engineering feasibility." The act recommended 25 percent increases in magnetic fusion budgets in each of the first two years of the new program. . . .

Recent implicit and explicit decisions have dimmed the prospects that the strategy and timetable mandated by the Energy Engineering Act can be carried out.

The initial budget request by the Magnetic Fusion Program Office for 1981-82 was \$525 million. This included strong support for two new projects in the scientific program [to evaluate toroidal devices in which magnetic forces confine the plasma in doughnut-shaped tubes] . . . It also included funds for construction of a Fusion Materials Irradiation Test (FMIT) Facility, the only project anywhere in the world capable of ir-

radiating materials at the high neutron energies and fluxes of fusion reactors, and \$33 million to establish a Center for Fusion Engineering and begin in earnest the design of the Fusion Engineering Device.

The Office of Management and Budget reduced this request by \$18 million before it went to Congress as part of President Carter's 1981 budget, and it was later further reduced by the Office of Management and Budget to meet the Reagan administration's guidelines. Thereafter, a series of step-by-step reductions in fusion budget plans for 1981-82 and 1982-83 made it clear that the strategy and timetable for fusion set forth by the 1978-80 studies could not be maintained. The amount available in the 1981-82 budget for the Center for Fusion Engineering was cut to \$9.1 million, allowing only for organizational expenses and conceptual design activities. The new proposals effectively canceled the Fusion Materials Irradiation Test Facility, despite the fact that materials development has been recognized for years as the most difficult, longest-term technological problem in fusion. . . . [A] new initiative in toroidal confinement was [also] canceled. Congress reinstated \$14 million for the FMIT, and the 1982 fusion budget was settled at \$456 million.

The initial request by the fusion program office for 1982-83 was for \$596 million. At this level, all the steps required by the Magnetic Fusion Energy Engineering Act could have been modestly reinstituted, including establishing the Center for Fusion Engineering, beginning the long-term research to obtain competitive designs for a Fusion Engineering Device, and continuing a strong physics program.

The Department of Energy's review of these proposals in June 1981 continued to embrace the goal of determining "the engineering feasibility of fusion energy during the next decade." But it was understood that while DOE would do engineering work, it was "not prepared to commit to the construction of a Fusion Engineering Device at this time." Accordingly, a 1982-83 budget of \$557 million, about 10 percent above the 1982 budget, was proposed—the minimum required to hold to the basic strategy of the Magnetic Fusion Engineering Act, although at a much reduced pace. The large increases in expenses visualized by the act were delayed beyond FY 1985. As the program director, I believed that this proposed 1983 program balanced the need to reduce expenditures with the strong program recommendations made by the review panels and enacted by Congress.

Now, however, with no formal hearings between the Department of Energy and the Office of Management and Budget [OMB], the 1983 budget has been presented to Congress with a total of \$444 million for the fusion program. This is 25 percent less than the 1977 budget in real terms.

That amount allows for continuation of present laboratory activities, including the tokamak [advanced toroidal device] at Princeton. Indeed, most existing experimental efforts and many activities in the plasma physics program may be overfunded. But the \$444 million does not provide for the broadening of activities recommended by [an earlier study] committee nor the engineering initiatives recommended by the Buchsbaum panel and authorized by Congress. The 1983 budget . . . puts the Fusion Materials Irradiation Facility "on the shelf," although over \$60 million has already been spent for its design and develop-

ment, and there are no funds to actively plan for the establishment of a Center for Fusion Engineering or a Fusion Engineering Device.

Finally and most important, the 1983 budget removes \$25 million from the funding profile for the major mirror machine. [This is a device in which plasma is contained in a straight tube. Strong magnetic fields at each end turn back plasma particles that would escape as though reflecting them from a mirror. It is an alternative to the toroidal devices.] If similar amounts are removed over the next two years as well, as implied by OMB action, the mirror machines will be delayed by almost three years.

Two fundamental program decisions are implied in these changes. The first is to forego, for an undetermined but extended period, the strategy and schedule recommended by the Buchsbaum panel and incorporated in the Magnetic Fusion Energy Engineering Act of 1980. (Senior officials in the Department of Energy characterized this act as "permissive" and "a silly piece of paper.") The second is to delay the major mirror facility by up to three years and, therefore, to postpone by at least that long the comparison between toroidal and mirror systems.

Those decisions leave the fusion program without a strategic backbone—it is a collection of individual projects and activities without a defined mission or timetable . . .

In sum, these budgetary actions redirect fusion research entirely away from the practical engineering developments that could prove critical when fossil-fuel reserves are exhausted.

Why this sudden reversal in national policy? The obvious answer is that proceeding as planned requires a mortgage on the future at a time when the administration's overriding objective is to reduce such commitments. But there are gross inconsistencies between this thrust and the administration's stated energy policies. The National Energy Plan as forwarded to Congress by President Reagan says: "There is an appropriate federal role in certain long-term research . . . [to bring] promising technological innovations to the point where private enterprise can reasonably assess their risk. . . . The federal government recognizes a direct responsibility to demonstrate the scientific and engineering feasibility of fusion."

The administration's recommendations for other research programs in the Department of Energy (high-energy physics, basic energy sciences, and nuclear physics) generally were consistent with this policy statement. Only the technology programs—solar, synthetic fuels, fusion, and others—have been grossly weakened.

These budget reductions would be more readily understandable if the magnetic fusion program were failing, but the last several years have seen rich experimental and theoretical advance, with more promise for the achievement of practical fusion energy than ever before. These advances represent the start of an invaluable return on the investment the United States has made since 1973. A doubling of the present fusion budget from \$400 million to about \$800 million annually over a five-to-seven year period seems a modest investment considering past progress and the historic implications of fusion.

What are the consequences of this decision to turn away from a comprehensive program for the development of fusion as a practical energy resource?

Strong US leadership in the world's fusion program will be seriously weakened. The U.S. program, although only one-third of the world effort, exerts significant leverage on the remaining two-thirds. The effectiveness and confidence with which the United States has carried out its program since 1973 has stimulated fusion research everywhere, especially in Japan. With the possible exception of the Japanese, world programs will slow down in response.

Divisive forces will surface with the U.S. program: one confinement concept vs. another, one laboratory vs. another, science vs. engineering, industry vs. national laboratories, national vs. international objectives. In a time of consensus, competition is a source of strength. But in a time of restricted funding, it may become a point of controversy.

With their strategic plan abandoned and additional budget cuts, researchers will be hard pressed to maintain morale and progress even toward reduced goals. The diminished short-term industrial payoffs from fusion development will likely lead to additional attempts to restrict the fusion program's objectives to science-oriented activities.

Most important, the day when fusion can make a significant contribution to world energy resources will be delayed indefinitely.

WHAT IS NEEDED FOR FUSION SUCCESS

Given present constraints, what should be done to assure an effective program to assess and develop the future contribution of fusion to world energy needs?

The following six steps are essential:

A wider public understanding of our present and likely future energy situation, and the significance of fusion within that context, must be encouraged. Such public understanding can be developed only with the active participation of all media and by unremitting efforts of knowledgeable citizens in all parts of society. It is surprising and troubling that fusion has no vocal proponents at influential levels of American life.

A new strategic timetable for fusion development, dictated wholly by technical objectives and not short-term political considerations, should be established as soon as possible. The plan should emphasize pursuit of all fusion engineering research, including a Fusion Engineering Device.

The United States should take the lead in making fusion an international project by sharing its knowledge with other nations and delegating responsibility for some research areas. Fusion research could provide a unique precedent for international technical efforts in many fields of common concern, such as acid rain and the buildup of atmospheric CO₂.

Industrial participation in fusion research should be encouraged and expanded. If fusion is to contribute to industrial technology and become a practical energy resource, industry must be involved, especially if it is to make large investments of capital and personnel.

The fusion program should develop a strong organizational structure independent of short-term energy programs in sponsorship and funding. Fusion has not done well in competition with other energy technologies and science programs because it does not promise immediate—or even certain—benefits.

The safety and regulatory programs governing fusion must be independent of those

controlling fission reactors and not simply an addition to existing programs of the U.S. Nuclear Regulatory Commission. The safety concerns of fusion are unique, and experience and practices with present reactors would not be appropriate precedents.●

FORTIETH ANNIVERSARY OF WOMEN'S ARMY CORPS

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. BETHUNE. Mr. Speaker, on May 14, the Women's Army Corps will celebrate the 40th anniversary of the founding of their organization. Back in July of 1942, Col. Oveta Culp Hobby, the director of the WAC, addressed the first group of officer candidates at Fort Des Moines, Iowa:

May 14 is a date already written into the history books of tomorrow. You are the first to serve. Never forget it. You do not come into a corps that has an established tradition. You must make your own. But in making your own, you do have one tradition—the integrity of all the brave American women of all time who have loved their country. You, as you gather here, are living history.

The members of the Arkansas Diamond Chapter No. 34 of the WAC Veterans Association have carried on that tradition very well. Diamond Chapter No. 34 does volunteer work in both the Little Rock and the North Little Rock veterans hospitals, and also at the Veterans Home in Little Rock. Those who are unable to participate in this type of work help by working on special projects, such as making throws for wheelchair patients, bed socks, bibs, and other items as requested. They visit veterans—both male and female—and have instigated a veterans writing project for hospitalized veterans.

Though the WAC is sometimes incorrectly referred to as an auxiliary, their contributions and spirit demonstrate that they are veterans in the truest sense of the word. Mr. Speaker, I join with my colleagues in congratulating the women of the WAC who have served and continue to serve our country so honorably.●

AIR NATIONAL GUARD MOVE TO STEWART AIRPORT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GILMAN. Mr. Speaker, I wish to call to the attention of my colleagues the impending move of an Air National Guard unit in New York State to Stewart Airport, in New-

burgh, N.Y., from Westchester County Airport in New York.

This proposed move is the fruition of numerous and extension conferences with Regional Air Guard officers, officials of the Metropolitan Airport Authority, our local, and State officials, and Federal representatives of the Pentagon. Without the coordinated efforts of all of these people, this move would not have been possible. It is a move which will be mutually beneficial to our region, and to the Guard.

Some of the details of this proposal are as follows:

Stewart Airport, located in Newburgh, N.Y., is an ideal location for an Air National Guard unit. Its strategic location in Northeastern United States, coupled with a modern 12,000 foot runway and taxiway system, and an extensive unused ramp area gives the United States Air Force and the Air National Guard considerable latitude and flexibility in the assignment of any future military aircraft. Jumbo airlift aircraft such as the C-5 and C-141 would be able to utilize this facility as a staging area in case of troop mobilization during times of need in the European Theater. Stewart Airport which was an Air Force Reserve Base until 1969, retains many of the characteristics of a functioning base.

Stewart lies outside the heaviest concentration of air traffic in the New York Metropolitan area and is large enough to base up to three Reserve Force Aviation Groups. Congress recognized the airport's potential as a Reserve Force site by planning the joint establishment of an ANG airlift unit and a U.S. Marine Corps Reserve KC-130 tanker group. These two units, operating side by side on a newly developed corner of the airport will share certain support and operational facilities together in a program which has the potential of setting a precedent for Reserve Force Basing (i.e., cost effective due to co-location of Reserve units. Reference, Report of the Committee on Appropriations, House of Representatives to accompany H.R. 4995, Nov. 16, 1981).

As with any Guard and Reserve outfit, a great deal of the success of the units depends greatly on the support derived by the local community. The Newburgh area is rich in the tradition of the true militiaman. The Revolutionary War tapped some of its finest soldiers from this area and General Washington's Headquarters at Newburgh, planned some of the most strategic battles of the War. This beautiful area of the Mid Hudson Valley is a military oriented community. The people who reside here welcome the opportunity to serve an additional military unit in the neighborhood especially one that derives its strength from the local community in the true tradition of the militiamen.

In turn, the community would reap the following proposed economic benefits from an Air Guard and Marine Corps Reserve unit being located at Stewart.

ECONOMIC IMPACT ON NYANG AND USMCR UNITS AT STEWART Personnel

Approximately 1,750 personnel would be assigned to the units. This would transfer about 480 full-time jobs to Stewart Field. Approximately 95 percent of these positions would be federally-funded, the balance would be State-funded or funded via federal-state cost sharing. The annual payroll would be \$15 million.

The "drill-status" or non-full-time military personnel who, as a minimum, participate in training once per month, would generate an additional annual payroll of \$3.3 million.

Total annual payroll: \$18.3 million.
Annual operation/maintenance budget: \$15 million.

Depending upon Defense Procurement policies; a significant portion of these funds would be expended in the local economy. A conservative estimate is that 40 percent, or \$6 million, would directly impact upon the local economy.

MAJOR CONSTRUCTION—FISCAL YEARS 1983-85

Federal appropriations to provide for major construction of facilities to support the units are planned to be obligated and spent as soon as possible (following authorization of airport use by the New York Air National Guard). This construction program will provide major facilities such as aircraft ramps, hangars, maintenance facilities, supply warehousing office and administration building. The program, spanning the next three years, would cost \$63.45 million and would be divided as follows: FY 83—\$22.0 million (including planning and design costs); FY 84—\$34.6 million; FY 85—\$6.85 million.

OTHER

Miscellaneous local procurement, purchasing and contracting for goods and services required to sustain the operation of these units is estimated at \$800,000 annually.

CONCLUSION

When in place and operational, the Marine Corps and Air Guard units will bring \$25.1 million into the regional economy annually. This figure does not include the one-time economic impact of the initial major construction program in the first 3 years or future, major, and minor construction programs which certainly would follow in the outyears.●

PRESIDENT REAGAN'S ARMS CONTROL SPEECH AT EUREKA COLLEGE

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 13, 1982

● Mr. GORE. Mr. Speaker, President Reagan's arms control speech at Eureka College on May 9 contains many provisions that deserve our support and careful attention in Moscow. However, in order to assess the President's proposal, it is crucial that we know precisely how the forces of each side would evolve through the two phases of his proposal.

In testimony yesterday before the Senate Foreign Relations Committee, I expressed concern that the President's call for parity may not necessarily lead to stability. In fact, it is possible to construct a scenario that would fit precisely within the President's proposal, but yet would lead to less, not greater, stability for both nations.

The table listed below outlines a plausible reaction by both sides to a Phase I agreement. This is not intend-

ed to demonstrate what would happen as the final details of the President's proposal have not been announced. However, this analysis is illustrative of a scenario that would be among the least disruptive to existing and oncoming capabilities to both sides. I realize the President's proposal is an opening position for the negotiation, but I believe this analysis will be of interest nonetheless.

Referring to the table below, the United States would have 500 ICBM's consisting of a combination of Minuteman III's and MX's with a total of 2,500 reentry vehicles. The Soviet Union would have 370 ICBM's consisting of a combination of SS-19's and SS-18's with 2,500 reentry vehicles. The United States would therefore have seven warheads for each Soviet missile silo and the Soviets five warheads to target on each U.S. missile silo.

This is far in excess of the 2-on-1 ratio considered necessary to destroy an opponent's target. Thus, each side would be in a position to launch a first strike against the other's ICBM's while retaining a substantial force in reserve. At the conclusion of the exchange, the attacking side would enjoy a substantial numerical advantage over the victim. In other words, the President's formula can be worked out in a way which leads to the worst of all possible arrangements: mutually vulnerable forces, poised always on a hair trigger alert.

When this analysis is extended to submarine launched missiles, a question is raised about the negotiability of this proposal with the Soviets. Under these projections, the United States and the Soviet ICBM's would both possess hard target capability. However, only the U.S. SLBM force with the Trident II's would possess hard target capability unless the Soviets improve the accuracy of their SLBM's.

Another ironic twist of the scenario outlined below is that it would not pressure on both sides to move forward with an ABM system.

If, for example, the Soviets were to launch a successful first strike using 1,000 of their warheads, they would only have to defend against an additional 2,500 warheads on U.S. SLBM's. This could create an incentive for the Soviet Union to break out of the agreement and go to the ABM. A similar incentive would exist for the United States. In fact, an argument could be made that the United States would have a greater incentive to break out because we would have more advanced ICBM's with greater unused MIRV capacity than the Soviet Union.

Mr. Speaker, the above scenario is, obviously, not a desirable outcome. It illustrates the dangers to both sides when the proposals do not eliminate

the theoretical possibility of a strategic first-strike.

PHASE I OF PRESIDENT REAGAN'S START
PROPOSAL¹

	Reentry vehicles
United States:	
300 Minuteman III—3 MIRV's each.....	900
200 MX—8 MIRV's each.....	1,600
Subtotal for 500 ICBM's.....	2,500
6 Ohio Class submarines:	
144 launchers—6 MIRV's each.....	864
12 Lafayette Class:	
192 launchers—8 MIRV's each.....	1,536
Grand total for 836 launchers...	4,952
Soviet Union:	
300 SS-19's—6 MIRV's each.....	1,800
70 SS-18's—10 MIRV's each.....	700
Subtotal for 370 ICBM's.....	2,500
3 Typhoons:	
60 launchers—10 MIRV's each.....	600
15 Delta 3:	
240 launchers—7 MIRV's each.....	1,680
4 Delta 2:	
64 launchers.....	64
9 Delta 1:	
108 launchers.....	108
Grand total for 842 launchers...	2,952

¹ Since neither the MX nor the D-5 have been flight tested, one may speak of reducing the number of MIRV's without running into verification problems. In addition, in order to make room for MX and D-5 in this calculation, it was necessary to reduce their warhead loadings from those presently projected. As an offset for these reduced numbers, the capability of the warheads might be upgraded by selecting warheads being developed in the ABRES system.

TESTIMONY BY ALBERT GORE, JR., SENATE
FOREIGN RELATIONS COMMITTEE

The President's speech at Eureka College has, as he hoped it would, changed the nature of the debate over strategic arms control in the country, and here in the Congress. Regardless of the merits of his proposal, the very fact that he has now called for a resumption of talks with the Soviet Union and has outlined our official negotiating position alters the terms of the discussion from this point forward.

Advocates of a nuclear freeze and proponents of alternative plans for strategic arms control must reassess the roles they now wish to play as the debate continues, perhaps taking comfort in the knowledge that they have forced the President to change his timetable and have helped convince the President to adopt a meaningful as opposed to a cosmetic approach to the negotiations.

The proposal itself raises many questions. It looks like a bid for formal, numerical parity between the U.S. and Soviet ballistic missile forces, at sharply reduced numbers. In the first phase of his proposal, the President calls for sharp reductions to a level where both sides have equal numbers of warheads on an equal number of ballistic missiles, with more or less equal numbers of those warheads deployed on land. Specifically, there would be 5,000 warheads for each side, 850 ballistic missiles including both land and sea based, with not more than 2,500 warheads to be based on land.

In the second phase of his proposal, the President calls for a ceiling on the overall

throw weight of the ballistic missiles of both sides, at a number lower than the figure for current U.S. Forces.

According to the President, these reductions would be made with the objective of achieving "stability through significant reductions in the most destabilizing nuclear systems, ballistic missiles, and especially intercontinental ballistic missiles."

This statement is in line with the growing consensus in our country that the vigorous use of arms control can and should be used to help resolve strategic nuclear problems that will otherwise force both sides to deploy ever greater numbers of weapons in a search for safety.

However, the problem is that not all reductions are benign, and not all forms of parity lead to stability. Stability is not something inherent in the strategic forces of either country in isolation—it is instead dependent on the relationship between the two forces and how these forces tend to influence decision making when they are played off against each other.

In order to assess the President's program, it is therefore essential to know precisely how the forces of each side would evolve through the two phases of his proposal.

There are many paths that either side could take. But it is quite possible to realign the forces of both countries in conformity with the President's proposal, in a way that would lead not to greater stability but to less stability.

Both sides could have numerical parity—indeed, they could be almost symmetrical—and both sides could exist in smaller numbers. Yet each side would still be in a position to launch a first strike against the other's ICBM's, while retaining a substantial force in reserve. At the conclusion of the exchange, the attacking side would enjoy a substantial numerical advantage over the victim. In other words, the President's formula can be worked out in a way which leads to the worst of all possible arrangements: mutually vulnerable forces, poised always on a hair trigger alert.

This is obviously not a desirable outcome and presumably one which both the United States and the Soviet Union will seek to avoid as both nations negotiate away from their opening positions. It can certainly be avoided if both nations wish to avoid it.

In my opinion, the key to a successful agreement in the age of parity is the elimination of even the theoretical possibility of a strategic first-strike by either side.

Earlier this year, I introduced an arms control proposal which begins from premises rather like those of the President. It selects counterforce weapons as its focus and it had two phases.

In the first phase, we and the Soviets would avoid making any additions or improvements to the counterforce inventory of either side. This selective moratorium was designed to be followed immediately by negotiations for synchronized reductions beginning with the dismantling of counterforce weapons on both sides, starting with the MIRV'd version of the Soviet SS-18. In return for substantially larger reductions on the Soviet side, the United States would agree not to deploy MX or the Trident D-5, although development and testing of both would continue as a hedge against the breakdown of negotiations. To maintain mutual deterrence, the agreement would mandate replacement of MIRV'd ICBM's

with a new, less destabilizing type: an ICBM carrying just one warhead.

If both sides were to carry out this change, neither would be in a position to make the arithmetic of a first strike work. Although either side could attack the other's ICBM's, the attacker would have to use up his entire ICBM inventory and a very large proportion of his submarine based missiles to do the job. Both sides would be in a much better position to continue the arms control process towards greater reductions. And, as a byproduct of these changes, the Soviet advantage in throw weight would be substantially narrowed, and indeed, the United States could close the gap. Moreover, the number of ICBM's would be equal.

I will provide a detailed discussion of this plan for the record. As I have indicated earlier, however, the existence of a Presidential position transforms the way in which we must address the question of arms control. As a first priority, we have to ask ourselves how relevant to the issue and how helpful to the country are the proposals that have been advanced in the Congress and in the public to date?

The principle value of a freeze proposal was as a means for showing the President the depth of the public's belief that arms control has been held in abeyance too long, and that it needs to move rapidly.

Having clearly fulfilled this function, the freeze movement would be wise to change its agenda. U.S. policy is not going to adopt a freeze proposal while the present administration is in office. To continue to advocate this course of action means that the movement will be sidelined.

The principle value of the current proposal that the SALT II agreement should be resurrected and ratified was to underscore a fact this administration seems to have learned since taking office—but which it hasn't acknowledged: there was value in the arms control process and in the SALT II agreement. Its constraints were not merely cosmetic but were useful to the national security.

The fact is that the President's position is relatively closer to SALT II than to more radical arms control concepts pushed by others in the administration. But the administration would nevertheless feel forced to go to the political "battle stations" to head off any formal effort in the Congress to bring SALT II into force. That effort, at this stage in the game, could serve as a distraction from the negotiations with the Soviet Union.

We in the Congress would do better to take a less confrontational route. A resolution to the effect that the Congress desires to be consulted in advanced by the President, should he decide to break with current policy of informal observation of major elements of the SALT agreements would be a better approach. I am introducing such a resolution this week.

The most important thing, however, is that the President has now chosen to pursue a meaningful arms control agreement with the Soviet Union.

Hopefully with arms control off dead center, the way may now open up for discussion of other areas of U.S.-Soviet friction. The president's speech contains much on these issues that deserves our support, and careful attention in Moscow. ●