

EXTENSIONS OF REMARKS

THE PEOPLE'S PARADISE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. FIELDS. Mr. Speaker, some form of socialism/communism is dominant in many nations and every continent. The idea of socialism is especially attractive to intellectuals who are able to maintain a comfortable distance from actual Socialist practices.

Though socialism is a god that fails continuously, and causes more human suffering and tragedy than any idea or practice in history, there are those who stubbornly cling to its high-minded idealism. They religiously close up their eyes to the reality that the Socialist promise of instant utopia brings only the tyranny of a real dystopia.

It is for them that the following glimpse of reality is provided.

[From the Washington Inquirer, Oct. 8, 1982]

NICARAGUA EXPORTS DRUGS, TERRORISM

A senior intelligence analyst for the Defense Intelligence Agency has disclosed that drug smugglers were used by the Sandinistas and that Nicaragua has a special-forces type training base for cadre used in such operations as the blowing of El Salvador's strategic Golden Bridge last Oct. 15 and the airbase sapper attack that crippled El Salvador's air power.

Kathleen Hayden, senior DIA Latin America analyst, told the Association of Former Intelligence Officers that Cuba had used "established drug smugglers to supply first the Sandinistas prior to the overthrow of Somoza and most recently to buy arms for the M-19s" in Columbia. The DIA analyst added, "Cuba provided funds used by a drug dealer recently to buy arms in another country for the M-19s."

Hayden said this funneling of arms to the violent left would continue. She said the Soviets were using Central America and the Caribbean as a test case. "If these efforts here in Central America are successful the revolutionary groups can be expected to spread. However, if the momentum turns and they're contained, the movements will go underground again, as they have for years, and lie latent for the next opportunity."

On Nicaragua, Hayden said that the government had set up a base to give training in unconventional warfare. The camp has mock revetments for planes or helicopters, and sappers are trained in using explosives on these mock ups. Highly sophisticated demolitions training is given at the Nicaragua base, Hayden said.

Overall, she said, support for insurgents has become more sophisticated than it was in the early Seventies. She said now the violent left uses mainly western arms to dis-

guise their connections with the Soviet bloc. She said that in addition to Honduras western arms traceable to those left behind by American units in Vietnam have also been found in Guatemala.

The intelligence analyst stressed that increasingly in the last year insurgents have expanded their operations to include sabotaging economic targets in Peru, Argentina, Chile, Honduras, Costa Rica, Colombia as well as in El Salvador. This creates a two-pronged attack, when coupled with the usual hit-and-run tactics and helps to string out and exhaust the military. Sabotage also undermines the economy, helping to breed frustration and discontent in the populace.

The DIA analyst said Cuba advises, coordinates, trains, and finances many clandestine organizations, trains, and finances many clandestine organizations employing violence. "These include our 'old friends' Columbia M-19s, Uruguay's Tupamaros, the Montoneros from Argentina and finally the MIRs from Chile."

Hayden shared the platform with two other panelists.

Jeremiah O'Leary, veteran Washington reporter and former assistant to Judge William P. Clark now head of the National Security Council, said inexplicably the wholly Marxist state of Nicaragua had been given double the sugar quota of Honduras by the U.S.

O'Leary also said the battle seemed to be improving slightly in El Salvador and Guatemala. He said American trained troops in El Salvador were doing well and recommended more for Honduras and elsewhere.

Nester Sanchez, deputy assistant secretary of defense for InterAmerican Affairs, said only 2 percent of the U.S.'s worldwide security assistance goes to Latin America. He too spoke of the success of the three American trained battalions in El Salvador and said a fourth was needed. •

ny some capital formation to help fund the substantial investment that would be necessary here.

Because more jobs could be created by new manufacturing capability and because there would seem to be no domestic concern which can presently complete the manufacturing process, I believe this bill to be noncontroversial and worthy of the support of my colleagues. •

RANGEL CRITICIZES OMB REVISIONS IMPACTING ON FUNDING OF NONPROFIT ORGANIZATIONS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. RANGEL. Mr. Speaker, I rise today to oppose strongly the revisions proposed by the Office of Management and Budget (OMB) in Circular A-122 regarding cost principles for nonprofit organizations.

The goal of the revision, preventing the Federal Government from subsidizing certain forms of political speech, is certainly laudable. In a free society, the Government should not be in the position of promoting one political view at the expense of another. However, the means that OMB would employ to accomplish this end are both arbitrary and overly sweeping. The end result would be to cripple seriously the ability of the political process to correct unforeseen problems in new or ongoing programs; to intimidate certain citizens from publicizing issues important to framing decisions, and to deny judges and regulators information crucial to making well-informed decisions.

One of the aims of the proposed revisions is to prohibit nonprofits receiving Federal money from contacting the granting agency or enacting legislature and attempting to influence governmental decisions. OMB fails to realize that not only is there a legitimate place in Government for feedback from those administering the program, but that such feedback is also absolutely essential in ironing out the legislative and administrative bugs of the system.

We know well that not all laws and programs are perfect when they are made. Experience has shown us that the greatest insights and the most valuable suggestions for program improvements are often those volun-

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

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teered by those who have done the hands-on work—in this case the nonprofits.

It is simply too cumbersome to ask the Government to contact in writing, as OMB would require, everyone who might have a suggestion to improve a program. Indeed, it is somewhat mind boggling to think that OMB means to forbid a member of a nonprofit organization from using his initiative to contact his elected representative and suggest ways in which the program could save money. Under OMB's proposed regulations, one would have to remain silent until the legislator asked for his opinion in writing, an unlikely occurrence at best.

A policy like this is analogous to a company prohibiting those who work on its assembly line from suggesting ways of increasing productivity. It just does not make sense.

The regulations would also prohibit nonprofits which accept Federal money from attempting to influence the outcome of political decisions through publicity. This is so broad a prohibition that I cannot help but think that it would never stand a court test. It is also an extremely imprudent policy which threatens to gag nonprofits from publicizing important public issues.

It is easy to imagine a situation around election time where a nonprofit would hold back a study on an explosive political issue for fear of being punished under the terms of this regulation for attempting to influence the outcome of any election. Surely a regulation is no good which would have this effect.

Finally, the regulation would prohibit nonprofits from joining in litigation in which they have no standing to sue or defend on their own behalf. Banning organizations from taking part in the judicial process denies courts additional information that may be crucial in reaching just decisions.

To summarize, the regulations, as proposed, will have a tremendous detrimental effect by cutting off or severely stymieing feedback from the operations of programs mandated by Congress. Further, the prohibitions on publicity will work to stifle contributions to the pool of information necessary to make informed decisions in a democracy. Finally, the regulations would block the proper flow of information and arguments to the courts, thus possibly impairing their ability to reach the best and fairest decisions.

I agree that the Government should not be subsidizing any political points of view at the expense of others. But these regulations go far beyond that objective. I believe they would hinder the role of Government in its execution of its duties and, through the threat of official sanctions, restrain our citizens from publicizing important issues.●

NATIONAL EDUCATION FOR BUSINESS WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

Mr. SIMON. Mr. Speaker, today I am introducing the joint resolution to authorize and request that April 10-16, 1983, be designated as "National Education for Business Week." For the past 4 years, National Education for Business Week has been observed during the second week in April by 14 national organizations, their members, and students. These organizations observe this special week to focus national attention on the important role business education plays in furthering and sustaining a healthy economy within the free enterprise system.

While traditional institutions of higher education play a very important role in educating our citizenry, the role played by private non-profit and for profit proprietary institutions is equally important. Proprietary institutions not only educate a significant part of the postsecondary student population, pay taxes to Federal, State, and local governments, but they also train people for new high-technology jobs and in skill areas that lead to immediate employment.

My colleague, TOM COLEMAN, ranking Republican member of the Subcommittee of Postsecondary Education, joins me in sponsoring the resolution. I hope that all of my colleagues in the House who are concerned about the relationship between education and business will join me in urging the President to proclaim April 10-16 as National Education for Business Week.

H.J. RES.—

Joint resolution to authorize and request the President to designate the week of April 10, 1983, through April 16, 1983, as "National Education for Business Week."

Whereas business educators play a vital role in supporting government, business, and the commercial life of the United States of America;

Whereas men and women in marketing, merchandising, and data processing occupations contribute to efficient business life, are essential in keeping our Nation's businesses running smoothly, and thus contribute to the continued prosperity of the United States;

Whereas the Nation's educators provide the training ground for the continually changing office technology and are depended upon to teach new skills and emphasize positive work values; and

Whereas it is fitting that the contributions of business educators to the well-being of business and governmental life of America be recognized, encouraged, and honored: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of April 10,

1983, through April 16, 1983, as "National Education for Business Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.●

MR. ARTHUR LEVITT, JR.—
CHAIRMAN OF THE AMERICAN STOCK EXCHANGE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

Mrs. SNOWE. Mr. Speaker, the weekly interview program "Face the Nation" had as its guest this past Sunday, Mr. Arthur Levitt, Jr., chairman of the American Stock Exchange. Mr. Levitt warned of the dangers of large long-term deficits, and urged Congress to make every effort to reduce the present budget imbalances. Mr. Levitt noted that our present recovery could turn into a recession unless the projected future deficits are reduced and in turn bring about the confidence that will produce lower interest rates. I would like to share the transcript of Mr. Levitt's interview with my colleagues.

FACE THE NATION—SUNDAY, MARCH 6, 1983

Announcer. From CBS News, Washington, a spontaneous and unrehearsed news interview on "Face the Nation," with Arthur Levitt, Jr., Chairman of the American Stock Exchange, and Chairman of the American Business Conference, which is composed of the chief executive officers of mid-sized companies. Mr. Levitt will be questioned by CBS News Business Correspondent Ray Brady; by Jonathan Fuerbringer, Economic Reporter for the New York Times; and by the Moderator, CBS News George Herman.

Mr. HERMAN. Mr. Levitt, as President of the American Stock Exchange, which represents smaller and rather entrepreneurial business firms, the firms most likely to hire people as the economy expands, can you tell us how those companies feel about the current recovery? Do they think it is going to be brief and aborted by high interest rates, or do they agree with the administration, this is going to be one of the longest expansions ever?

Mr. LEVITT. As I travel around the country, I sense a mood on the part of those company CEO's, that we're really beginning to get out of this recession; that a recovery is beginning that could provide more jobs, and a level of expansion and lower interest rates and lower levels of inflation, than they had ever before expected. They are fearful, of course, that the other side of that coin could be if these budget deficits continue to escalate, 1984 could bring some very serious results.

Mr. HERMAN. Mr. Levitt, you say that your companies that are represented on the American Stock Exchange tend to be worried about the future budget deficits. Could you come up with some kind of a level or trigger point at which these worries would tend to diminish? Does the budget have to be balanced? Does the deficit have to be of a certain size?

Mr. LEVITT. I don't think so. I think the question more is, what is the approach of

government going to be towards these deficits? Are we going to have the kind of adversarial relationships with labor, business and government carping at one another, and creating the kind of runaway budget deficits which suggest to our company CEO's that the budget is totally out of hand?

I think what is really critically important is that those deficits begin to move in the right direction. If we see deficits as are projected this year, \$180 to \$200 billion, and next year, \$300 billion, and the following year even higher, I think that sends a very clear message. I think interest rates will go a good deal higher then, and I think what started out to be a—the beginning of a recovery could very well turn back into a recession that is even deeper than the one we have come out of. But if the trend is in the right direction and those deficits are beginning to narrow, I don't think it matters particularly whether we reach total balance. I think that is an unrealistic goal to set for ourselves.

Mr. FUERBRINGER. Mr. Levitt, does the President's budget, as proposed, is that going in the right direction of getting you that right trend that you want, or does he need some—does Congress need to make some major changes in his proposal to get the deficits moving in that right direction?

Mr. LEVITT. I think it's a good beginning. I think the emphasis is in the right direction. I think it is terribly important, and I think the President certainly emphasizes that we do not call for additional taxes at the early part of recovery. I think that would be a very serious mistake, and the American Business Conference, at its meeting that takes place in Washington this week, is going to reassert that fact. I think that there are signals which can be perceived by the business community. For instance, with respect to the actions of the Social Security Commission.

Now, this week Congressman Jake Pickle is going to recommend a proposal which says that the eligibility for social security be extended from 65 years of age to 67, gradually, after the year 2000. What that will do essentially is to pay for the social security system, to put it on a pay as you go basis. I think that would be viewed very affirmatively by the business community, even though it didn't impact this year's budget deficit.

Mr. BRADY. You are against any raising of taxes right now, but you are also for an oil tax. Wouldn't that slow up a lot of the economy if you put on an imported oil tax?

Mr. LEVITT. Let me tell you about my feeling with respect to a tax on imported oil. I feel, first of all, that there should be no tax increases because the business community last year endured, willingly endured, and we endorsed it as a matter of fact at the American Business Conference, a \$100 billion tax increase. But with respect to an oil import tax, it is my feeling that the most important consideration in terms of that action be conservation. There is no national economic priority that I regard to be more important than conservation of energy. The President evidently recognized this in terms of requesting stand-by authority to impose such a tax in the event that deficits proliferated.

I think that the question of national security, I think the issue of involving ourselves in an industry which is so controlled by a cartel with pricing that is somewhat artificial, makes that a different kind of consideration.

Mr. BRADY. But don't you think that some of that tax might be a red flag to the cartel,

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whom we have to stay friendly with whether we like them or not?

Mr. LEVITT. I don't buy that argument. I don't think that national economic policy should be based on anything except the American national economic best interest, and I think those who argue in favor of placating one segment of world opinion or another are misguided in this respect.

Mr. FUERBRINGER. Mr. Levitt, you said that a positive signal for the business community is action that Congress might take on Social Security. What about the President's proposal on defense spending? Is that a negative signal to the business community?

Mr. LEVITT. I think that the business community by and large feel that defense expenditures have got to be examined very carefully and pared. In the case of the American Business Conference, where we have nearly 14 of our 87 members who are in the defense business, either actually producing defense equipment or in related businesses, unanimously, every one of our companies unanimously recommended to the administration that they do whatever they can to curtail the increase, the rise in the level of defense spending.

So I think that at any time when you see \$1.6 trillion being spent over a three-year period, the business community and the country as a whole feels that there are economy inefficiencies there. But I would like to point out that it's not just the administration; it's the Congress that has to be responsible in this regard. The Congressman which has an army base in his district, while speaking out very enthusiastically about cutting back the defense budget, will say "Don't close down that base," which may be the appropriate thing to do.

The Congress and the administration have got to adjust the level of defense, the increase in defense spending.

Mr. HERMAN. Mr. Levitt, let me take you back to the recovery. It seems as though we're being flooded with optimism these days, the indicators, the leading economic indicators have had their highest jumps since 1950; the President is talking optimism all over the place. Is all of this February, March optimism deceptive? Are people riding for a fall, saying that things are wonderful when we still may have some tumbles ahead of us?

Mr. LEVITT. Well, having operated in the securities markets for a good number of years, you always tend to try to anticipate the unexpected. I don't think that the optimism in this case is misplaced at this point in time. I think up until very recently various government leaders and economists have predicted a very slow rate of growth this year. I have felt for some time that they were under-estimating what our gross national product would be this year.

Mr. HERMAN. And now?

Mr. LEVITT. I believe that by the end of this year, for the total year, we may see a GNP somewhere in the neighborhood of four percent, and maybe the final quarter's increase over last year's final quarter could be in excess of five percent.

Mr. HERMAN. Well, as the economy grows at this rate, when are your people going to start hiring more workers, and will they be hiring them faster than they flock onto the market so that the unemployment actually goes down?

Mr. LEVITT. I think they already are, and I anticipate that by the end of this year we're going to see an unemployment rate that dips below the double digit level.

I think another factor is at work here, that few people have given emphasis to and,

that is, what has happened with this stock market increase? What has that done? I think it tends to make people feel a little bit richer than they were the day before. Even companies, seeing their shares selling at higher prices, tend to feel that their fortunes are a little bit better, and perhaps they can put more money into research and development than they had planned on doing. That means more jobs. I think there is nothing more critical, in terms of the economy, than job creation.

Mr. HERMAN. You said just below double digits, when we are now at about 10.4 percent, that doesn't sound like any deep drop in unemployment this year.

Mr. LEVITT. Well, again, I think it is moving in the right direction. I don't think that this nation can long sustain a level of unemployment that we are enduring at this present time. I think that to have any kind of national economic policy that pertains to the country as a whole, you've got to think seriously about the enormous level of unemployment, and the level of pain that is being felt in different segments of the economy and different regions of the country.

Mr. FUERBRINGER. Mr. Levitt, are interest rates low enough for this kind of recovery, or should the Federal Reserve move by easing its policy to force interest rates down even lower?

Mr. LEVITT. I don't think interest rates are low enough yet to fuel the kind of economy that I think that we should have. I think they are moving in that direction. I don't think that the Federal Reserve really can do what a lot of people expect them to do. I don't think any government agency can do that. I don't think the Congress can do that, or the administration can do it, except inferentially. By that I mean, interest rates, in my judgment, are a function of the attitude of 30 million investors all over the country, whether they have the conviction that this government, that this administration is operating on the basis of a sound, rational, predictable and focused economic policy. The Federal Reserve Board can help that by easing or restricting monetary policy, but they can only help it. If they were to open the well immediately and just say that money expansion would be double what it has been for the past number of months, I think that would have the tendency to force interest rates up again.

Mr. FUERBRINGER. But how much lower does the prime rate, which is now 10.5 percent, have to go to get the kind of moderate recovery that you're talking about?

Mr. LEVITT. I think we'll get that moderate recovery with the prime at its present level, but I think other factors enter into that. I think that we can see a recovery that would really have bite and could be sustained if we see the prime continuing to move lower, and I expect that we very well will see that. We're operating at a level of capacity that is under 70 percent today, so that there is some room that we have today that we don't usually have before we fear an onset of inflation again, which is a major fear that could disrupt this recovery.

Mr. HERMAN. But aren't consumer rates more important to the economy than the prime rate?

Mr. LEVITT. I think that they are both terribly important to the economy. I think that what is equally important is that this nation is the only nation in the free industrialized world that creates incentives to spend and disincentives to save. When you borrow to build a house or spend money at a

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hotel, or whatever it may be, however worthy that might be, you get a tax deduction for that. When you put your money in a savings bank, the return on that savings is taxed, and that kind of distortion, I think, goes to the issue of can we induce the kind of saving that is necessary to fuel the recovery.

Mr. HERMAN. Which side of the balance would you work on?

Mr. LEVITT. I think you've got to work on both sides. I think we've got to seriously consider the disincentives to save and the incentives to spend in this country, and there are a number of proposals that I have in that regard.

Mr. BRADY. Back on the stock market, Mr. Levitt, it's gone straight up, and even as we see that many parts of the economy haven't come back yet, are you worried that the stock market may be getting well ahead of any economic recovery?

Mr. LEVITT. Some how or other the stock market always seems to be the sort of balance wheel which moves forward and moves backward, but over a period of time tends to reach a level of equilibrium that I think is in the best interest of the American investor, and I think what is critical is that the obsession with the immediate investment environment doesn't become so gloomy on the one hand, or so optimistic on the other hand, that the level of prices fails out of this equilibrium. I don't think we are there at this point.

Mr. BRADY. But we've got new issues pouring out, we've got stocks going to the sky, I mean, some of those PE's.

Mr. LEVITT. Not to the sky. We are still at a lower level in terms of price earnings, ratios. The level of new issues is a very healthy sign in terms of capital formation and job creation, and I think those signs are all moving us in the right direction.

Mr. BRADY. Well, I got kind of lost. Unlike Ray, I don't follow this. Are you saying that the level of, I guess you call it, equilibrium is going to be higher than it is now?

Mr. LEVITT. Well, if the recovery continues, I think it certainly will be. If the government shows an ability to reduce the level of deficit spending and work together in a consensus environment, I think that speaks very well for the prospects of the interest rates, the market and the economy as a whole.

Mr. BRADY. Well, I don't know if it is fair to ask the President of the American Stock Exchange, but how much longer do you think stocks are going to rise, in a ballpark area?

Mr. LEVITT. Well, all I could say to you is if—as we trend into the latter half of this year, if we see that there is an unlikely adversarial scenario in Washington which leads us to believe that budget deficits will continue to escalate, I think the market will reflect that in the same way that it reflects now the expectation of the continuation of lowered inflationary expectations.

Mr. BRADY. The latter half of this year?

Mr. LEVITT. Yes.

Mr. FUERBRINGER. Do you mean that the recovery will be aborted if Congress and the administration haven't agreed on the budget by the end of this year?

Mr. LEVITT. I think if we see budget deficits continuing to escalate with no abatement, I think that the market may very well anticipate that and reflect that toward the latter part of this year.

Mr. FUERBRINGER. What kind of tax increases will you support to help bring down the deficit?

Mr. LEVITT. I think it will be a serious mistake to consider any tax increases at this time. I think we're dealing with a budget and an economy which is dynamic and not static, and it is changing almost day by day. If, over a period of time, we see that the recovery hasn't fueled a lowering of the level of budget deficit, I think at that point in time, some time down the road, perhaps next year, perhaps the following year, you can consider different kinds of taxes that might be imposed at that point in time.

Mr. FUERBRINGER. Would you support the President's idea of raising about \$120 or \$130 billion of new taxes over three years, starting in 1985?

Mr. LEVITT. I am uneasy about any kind of formula which determines a level of taxation which is based upon an economy that we really don't know what it will call for at that point in time. I think that's too rigid; that's too pattern, and I think it's a mistake. I think we have to be sufficiently flexible, that we can take into consideration changes in the economy or changes in international affairs that may bear upon that.

Mr. FUERBRINGER. Well, how will the business community have any confidence that these deficits are going to decline over time if we don't both pass spending reductions now and future tax increases now, and put them into law to prove to the business community that those deficits are declining?

Mr. LEVITT. I don't think the people, I don't think the business community seriously considers actions which are predicated upon economic conditions two, three, four years down the road. I think we have to be sufficiently flexible to adjust to those actions according to the economy as it exists at that point in time.

Mr. HERMAN. Well, let's look backwards for just a second. Has Reaganomics and the Reagan economic policies been good for your companies? I look at the level of bankruptcies and I kind of wonder.

Mr. LEVITT. Well, the one contribution that I think that the American Business Conference and the American Stock Exchange companies would applaud the most in terms of this administration is their ability to turn around inflationary expectations. That was the greatest concern and the greatest fear of the business community, and I suspect the population as a whole, at the time this administration came into being.

Mr. HERMAN. That's partly the White House and, I presume, partly Chairman Paul Volcker at the Federal Reserve Board?

Mr. LEVITT. Yes. I think Paul Volcker has had a good deal to do with that.

Mr. HERMAN. Would you like to see him re-elected, renominated to the same post?

Mr. LEVITT. You know, I was at a meeting about three months ago with Senator Dole and 12 heads of major companies in America. Senator Dole turned to them toward the end of the meeting and he said, "What one action could the administration do to restore the confidence of the business community in the ability of the administration to help the economy?"

Unanimously, this group, representing companies all over the country, of various sizes, said "Reappoint Paul Volcker right now."

I can say to you that that's a decision for the administration to make, but I would say to you also that it is fair to say that the business community is very supportive of the actions of Mr. Volcker and his sense of even-handedness and fair mindedness in his approach to monetary policy.

Mr. BRADY. What will it take then to get the business community to really reinvesting, modernizing plants and so on? They keep saying, "Well, we were worried about inflation," and now inflation is down. They worried about deficits, but they are still not really making plans to modernize.

Mr. LEVITT. I think the most important thing is a sense of consistency, their feeling that government is going to follow through on a very direct, specific program. They may not agree with all of it, but it is something that they can predicate their plans on.

Now, in New York State, for instance, some years ago—only five years ago the state removed a very onerous tax that was placed upon the consumer. It was called a Stock Transfer Tax. It was paid by people who bought and sold securities. That caused an enormous increase in the volume of securities business done in the state.

Now they are talking about reimposing it. That's not just a danger to the Securities industry. That's relatively mild, but that message to the business community in New York State is that the state is no longer hospitable to businesses that are growing, that no good deed, in effect, will go unpunished.

It is that kind of inconsistency that I think is a shock to the business community.

Mr. BRADY. Well, then, what message do you need from Washington? I mean, certainly they are consistent in fighting inflation.

Mr. LEVITT. I think the message that we need from Washington is, reduce those deficits. Cut back on defense—on the growth of defense expenditures. Try to create the incentives to saving that have to be created today to give us the measure of capital that is needed for this expansion, and try to operate in an environment of consensus, such as we had in this recent Social Security Commission. That may be a remarkable landmark effort, where people with such different views came together on a program that none of them agreed to totally.

Mr. HERMAN. But, Mr. Levitt, how do we know that the capital and the savings are going to be used for this purpose? How do we know it isn't just going to be put into another merger battle, another big take over, with billions borrowed from banks so that one giant company can buy another giant company, not turning out one additional product?

Mr. LEVITT. One of the beauties of our American system is that I think we have a sense of responsibility in that regard, and the best business people I know are prepared to take postures that may go against the grain of the business community. We see that all the time. We see it in environmental issues; we see it in terms of issues of taxation. Our own American Business Conference last year said, "We've got to absorb a business tax, and we can't go back on the tax relief to individuals. We've got to pay that tax ourselves."

I think that this business community is available to do that again.

Mr. HERMAN. Well, I'm not sure I understand. I'm talking about if we encourage savings, how do we know that business just won't use it in this seemingly unprofitable business of buying each other rather than making new factories, making new products, hiring new workers?

Mr. LEVITT. Because I think the fiber of entrepreneurship in this country is so great that business people, particularly the kinds of growing companies that I deal with every day are concerned with doing more business,

developing more product, creating more jobs. They are not interested in—particularly in taking over other companies or investing for the highest possible rate. They are interested in developing product, building business, creating jobs.

MR. BRADY. But more and more businessmen are calling for protectionism, to kind of put a wall around us, so that they don't have to compete or bring out new products.

MR. LEVITT. They are scared and they are shortsighted. I think the problems that we face in terms of international trade are serious problems, but the most farsighted business people I know feel that protectionism is an invitation to disaster, is an invitation to higher prices and a burden upon the consumer. The best people I know in the business community vigorously oppose protectionist actions.

MR. FUERBRINGER. Well, are those big mergers then bad for the economy? Is that what you're saying?

MR. LEVITT. I'm saying that the perception of some of those giant mergers, in terms of the national economy, have not been constructive. They have been handled with a measure of insensitivity to the public well being, and I think that's destructive, because so much of this is a question of how people view the business community.

MR. BRADY. I want to tie up a loose—

MR. FUERBRINGER. Well, I just want to ask one quick question about a campaign by another large lobby group, the banking industry, to repeal the withholding on dividends and interest that is supposed to go into effect in July. I want to know if you support that repeal, and whether you think their campaign has been fair and balanced, or whether it has been distorted, as the President has charged?

MR. LEVITT. Their campaign has certainly been enthusiastic. My own feeling about it is, again, we're going back to disincentives to saving. I feel that the withholding tax was a mistake because, in effect, what it is saying is, a contract made between a bank and a depositor is no longer valid, that the bank is going to pay a little bit less interest because of the withholding tax.

MR. FUERBRINGER. Has their campaign been fair? Has it been a responsible campaign, or do you oppose that kind of campaign?

MR. LEVITT. I don't know enough about the details of that campaign. All I know is that I think the measure is counterproductive and creates the kind of excessive government regulation that I think is not in the best interest of the country.

MR. HERMAN. Well, on that note, thank you very much, Mr. Levitt, for being our guest on "Face the Nation." •

PEANUT DAY IN WASHINGTON

HON. CHARLES HATCHER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. HATCHER. Mr. Speaker, the month of March has been designated National Peanut Month. The Georgia Peanut Commodity Commission, Congressman THOMAS, and I would like to recognize the peanut by hosting a "Peanut Day in Washington," on March 9, 1983.

It took a Civil War, the circus, and baseball to spark a national appetite

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for peanuts. They have been grown as a cash crop since 1915, largely due to the efforts of George Washington Carver and the boll weevil. Since that time, peanuts have occupied a place of permanent importance in Georgia's economy and as a highly nutritious food.

Georgia leads the Nation in the production of peanuts with approximately 500,000 planted acres. Over 16,000 Georgia farmers produce more than 1.5 billion pounds of peanuts, averaging 3,000 pounds per acre during a normal year. On 35 percent of the total U.S. acreage Georgia accounted for 43 percent of the Nation's peanut production. Peanuts are grown commercially in 80 of Georgia's 159 counties with the average farm size of 29 acres accounting for over 24 percent of the State's crop income. There are 50,000 persons directly employed in the production of peanuts and over \$400 million in gross receipts are paid to Georgia peanut producers each year.

Georgia peanut exports have increased over twofold since 1973 when Georgia peanut growers began international market development activities. During 1982, the Georgia Peanut Commission through the National Peanut Council conducted 15 programs in seven countries. And, today, more than 3 out of every 10 rows of Georgia peanuts are exported, worth over \$120 million. Each grower dollar spent on export promotion generates \$2 from USDA's Foreign Agricultural Service and \$10 from companies in other countries. Each dollar invested by Georgia peanut growers, therefore, generates a return of nearly \$1,000 in international peanut sales.

We hope you will join us in celebrating Peanut Day in Washington. •

SOVIET WATCH

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. FIELDS. Mr. Speaker, in 1935 the noted historian, Will Durant, wrote:

For barbarism is always around civilization, amid it and beneath it, ready to engulf it . . . Barbarism is like the jungle; it never admits its defeat; it waits patiently for centuries to recover the territory it has lost.

In all the history chronicled in Durant's monumental, 11-volume work, *The Story of Civilization*, in no place or time has this statement been more true than in the history of the Soviet Union and its client states.

As E. J. Dillon observed in 1930:

Sovietism is no mere philosophy content to assert itself or even indoctrinate others by convincing, persuading, or cajoling them . . . (it is) first of all a relentless destroyer of the roots of past culture, religious, social,

pedagogical, and also of those champions of that culture who remain true to it, refusing to be converted and live.

So it is that the leadership of the Soviet Union, from Lenin to Andropov, have been men of unrestrained brutality who have progressively, patiently, driven back the boundaries of civilization, both Western and Eastern, with a relentless sword of blood and horror, allowing the jungle of barbarism to reclaim the Earth, masked by mendacity, propaganda, and the kindly face of socialism.

The following material is presented as another evidence.

[From the Washington Times, Dec. 29, 1982]

THE CHEKA AND HOW IT GREW AND GREW AND GREW

(By Christopher Harmon)

Because Lenin believed that "The courts must not ban terror, but must formulate the motives underlying it [and] legalize it as a principle," he created the Soviet secret police sixty-five years ago this month, on Dec. 20, 1917. Once called the Cheka, and now known as the KGB, the organization has had many names throughout its history. It has known only one purpose, however: to act as the "sword and shield" of the Communist Party of the USSR.

The Cheka, or "All-Russian Extraordinary Commission for Combating Counter-Revolution, Speculation, and Sabotage," began as an investigative agency charged to search out deviant communists. It was swiftly transformed into a secret police force with innumerable duties and few discernible restraints. Feliks Dzerzhinsky, the agency's first director, laid down his policy: "We stand for organized terror," he declared. Under his direction, the first 200,000 "official" executions occurred; hundreds of thousands of other Russians disappeared into the first Soviet Gulag Archipelagoes, where uprisings cost 300,000 more lives.

Already by March 1921, Petrograd sailors (the naval forces which had helped instigate the revolution four years earlier) issued a manifesto declaring communism to have "brought the workers, instead of freedom, an ever-present fear of being dragged into the torture chambers of the Cheka, which exceeds by many times in its horrors the gendarmerie administration of the czarist regime." And yet the Leninist-Dzerzhinsky regime was to appear almost mild by contrast with that of Stalin and Beria which succeeded it.

Dzerzhinsky Square, two blocks from the Kremlin, is the site of KGB headquarters. The building is not marked; everyone knows what it is. There is a new statue of Dzerzhinsky, raised by Khrushchev, who, if he closed some of Stalin's concentration camps and executed Stalin's chief of secret police, Beria, nonetheless pledged to "strengthen in every way revolutionary vigilance and the organ of state security." He renamed the agency the "Committee for State Security," of KGB, but still called its personnel "our Chekists." He brought the reorganized KGB more within the control of the party, and gave it more funding as well as new, international dimensions.

The Brezhnev legacy was one of explosive growth. And it was under Brezhnev's eye that Yuri Andropov and his lieutenants made their steady advance into positions of government and party power. [No KGB

chief since Stalin's Beria had even been a Politburo member; Andropov became one in 1973. The next year he received the Order of Lenin for his "direct and active part in working out and implementing the home and foreign policies of our party and the Soviet state." Since 1977, KGB personnel have been winning the highest kinds of government and party positions and honors. The KGB chief of the Azerbaijan sector, Geydar Aliyev, had not even been part of the Politburo; suddenly he is First Deputy Premier, the possible successor to Premier Tikhonov. [The promotion of KGB head Andropov to general secretary of the Communist Party [upon Brezhnev's death] was, of course, without any precedent in Soviet history.

The new KGB chief is a 64 year-old Ukrainian, Vitaly Fedorchuk. He commands perhaps 90,000 staff officers, some 200,000-300,000 specially armed border troops, and tens of thousands of other paid informants and agents. If he has a budget, it is virtually unlimited. And government, party, and army organizations provide logistical and other support free.

The "Chief Directorates" conduct foreign operations, border control, and routine and special operations against the Soviet population, foreigners and tourists. The KGB works closely with, and oversees, the GRU, or military intelligence service of the Red Army General Staff. KGB officers staff the armed forces at every echelon down to the company level. They wear military uniforms, but report through their own chain of command, and can disobey military orders. KGB subdivisions and special departments protect all party members and their families, maintain the ruling elite's communications, oversee finance and probe economic crimes, monitor and control domestic sentiment, maintain archives and special technical laboratories, and, in entities like the Serbsky Institute for Forensic Psychiatry in Moscow, pioneer the use of medicine for malevolent political purposes. The "Fifth Chief Directorate," formed in 1970, combats expressions of religious and nationalist feeling, political dissidence, and intellectual and artistic independence. There are special departments in some field offices for "Jewish Affairs."

During the last few years, this national and international apparatus has crushed a nascent Soviet peace movement with arrests and psychiatric treatment, while funnelling large sums into the same kind of movements in the West, and spending millions on "peace" front organizations based in Moscow, Sophia, and Prague. It has arrested the last of the founders of "Simot," a free trade union movement in the USSR, while leading and paying for union strikes in Portugal, New Zealand, and Costa Rica. It has brought to hell the last members of the "Helsinki Watch" committee on human rights, even as it built up a new gulag for 100,000 political prisoners, many of them women, for construction of the new pipeline. It regularly dispatches KGB and GRU "scientists" to pose at, and politicize, international scientific conventions; yet at least two legitimate Soviet scientists were kidnapped by the KGB from an Austrian UN agency when their loyalties became suspect.

Other recent operations include firing upon a Ukrainian crowd protesting poor food and health conditions in factories, kidnapping an Afghan ambassador to Czechoslovakia off the streets of Prague, the use of Aeroflot and other personnel to influence ETA terrorists in Spain and southern

France, the theft of thousands of classified military documents from our NATO allies and from the Government Accounting Agency in Washington, D.C., and giving guerrilla training, directly or through the PLO, to "neo-Nazi" terrorists from Western European countries.

But the most masterful of the KGB's operations has been its careful construction of the intelligence and "active measures" networks in its satellite countries. In wartime, Stalin's secret police cooperated with the Gestapo to identify and liquidate the most democratic of the resistance leaders in Poland and Czechoslovakia. Since the war, Eastern Europeans have been taken to special Soviet intelligence schools, where each national group is kept separate from the others, and all are studied, tested, and sometimes co-opted by the Soviet "uncles." By dominating each satellite's intelligence apparatus as it dominates their governments, Moscow has added a parallel network to its own, allowing more intense activities within the bloc and expanded international operations. The East German service, for example, is directed by Misha Wolf, an Andropov protege. [East Germany maintains between 8 and 10 thousand agents in Western Germany, helps the KGB handle the Palestinian guerrillas, including Fatah's internal security unit, and polices the police in Ethiopia, Angola and Mozambique.]

Czech intelligence agents, serving Cuba at Castro's request between 1959 and 1961, helped to prepare Cuba for the eventual and complete surrender of its own DGI service to the KGB's control. Czechoslovakia has been a refuge for Italian terrorists since the 1940s, and Karlovy Vary and other training centers routinely serve the Red Brigades. Secret service operations against Czech emigres on French soil earned a formal protest from Francois Mitterrand this January. Even the supposedly "maverick" and "independent" Romanians were recently discovered to be conducting widespread KGB espionage operations from their embassy in Washington, D.C.

The KGB must be taken seriously. Recently England's Royal Academy voted to retain as one of its own Anthony Blunt, a confessed and convicted Soviet spy. Deriding those who sought Blunt's expulsion from the academy, historian A.J.P. Taylor said: "It was just like McCarthy in America all over again."

He was wrong. The KGB is a potent organization threatening in a deadly way not only people under Soviet rule but Westerners as well. It is not McCarthyism to take action against those who aid it.

Lenin believed that "the scientific concept of dictatorship means neither more nor less than unlimited power resting directly on force." Until such time as the USSR is ruled by popular consent, it will continue to be ruled by force and by fear. These are the only means of persuasion "our Chekists" have ever known.●

INTERNMENT OF JAPANESE AMERICANS WAS A TERRIBLE INJUSTICE

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BURTON of California. Mr. Speaker, the report recently issued by

the Commission on Wartime Relocation and Internment of Civilians represents a long overdue condemnation of the terrible injustice carried out against Japanese-Americans by the U.S. Government.

The report, "Personal Justice Denied," recounts the evacuation and internment of over 120,000 American citizens and resident aliens. After studying the issue for 1½ years, during which time it held 20 days of hearings and heard testimony from over 750 witnesses, the Commission concluded that the internment policy could not be justified on military or security grounds. It found that the mass exclusion and detention of Japanese-Americans flowed from racial prejudice, war hysteria, and a failure of political leadership.

As the report says:

The exclusion, removal and detention inflicted tremendous human cost. There was the obvious cost of homes and businesses sold or abandoned under circumstances of great distress, as well as injury to careers and professional advancement. But, most important, there was the loss of liberty and the personal stigma of suspected disloyalty for thousands of people who knew themselves to be devoted to their country's cause and to its ideals but whose repeated protestations of loyalty were discounted—only to be demonstrated beyond any doubt by the record of Nisei soldiers, who returned from the battlefields of Europe as the most decorated and distinguished combat unit of World War II, and by the thousands of other Nisei who served against the enemy in the Pacific, mostly in military intelligence. The wounds of the exclusion and detention have healed in some respects, but the scars of that experience remain, painfully real in the minds of those who lived through the suffering and deprivation of the camps.

The personal injustice of excluding, removing and detaining loyal American citizens is manifest. Such events are extraordinary and unique in American history. For every citizen and for American public life, they pose haunting questions about our country and its past.

Having long criticized the repressive and reprehensible internment policy, I believe the Commission has performed a highly significant service in documenting this injustice. The Commission's work shines a spotlight on a disgraceful chapter in American history. The notion that people in our country could be rounded up and held against their will simply on the basis of their ethnic heritage stands in fundamental contradiction to the democratic ideals upon which our form of government is based.

I hope this report will be widely read in our country so that we can all understand the dreadful consequences which result when we abandon our basic constitutional guarantees. By reminding us of the unconscionable policy that victimized innocent people four decades ago, the report should serve to renew and reinforce our com-

mitment to the preservation of individual liberty and freedom.●

THE 98TH CONGRESS AND
FEDERAL EMPLOYEES

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HUBBARD. Mr. Speaker, I have received a thought-provoking letter from my friend and constituent, James F. Cooper, of my hometown, Mayfield, Ky., with regard to pending legislation and proposals that will affect his employment as a Federal worker. Jim Cooper, for 10 years the manager of the social security office in Mayfield, believes that Congress and the administration have a commitment to him and other Federal employees. I believe his comments about the wage freeze, Federal retirement system, benefit computations, and other matters are timely and worthy of our consideration. As the House begins its consideration of the Social Security Amendments Act of 1983, H.R. 1900, I want to share my constituent's views. His letter follows:

FEBRUARY 9, 1983.

DEAR REPRESENTATIVE HUBBARD: I am a Federal employee with nearly 21 years of service-10 years of which has been spent as the manager of the Social Security Office in Mayfield, Ky. I want to make the following comments concerning proposals that affect my employment.

1. Wage Freeze—I know we have a huge Federal budget and as a concerned citizen I don't mind my salary being frozen. What I do mind is that while my salary and spending power is frozen at October, 1982 rates my grocer, natural gas company, electric power co., and telephone company continue to raise their prices and get a much larger share of my net spendable income. Is it possible for Congress to make more effort to halt these "Public Utility" price increases? It appears to me that decontrol lines some other pockets other than us simple wage earners that can only live from payday to payday.

2. Retirement System—Twenty-one years ago I made the choice to begin a career with the Federal Government for several reasons. One reason I chose this field was a promise or "contract", if you will, that if I could hang in there for thirty-four years that I could retire on a decent pension at the age of 55. I really don't feel it is fair for my employer to renege on this promise. After seven geographical moves and putting my wife and children through a lot of uproot and hassel, it seems the rules are now changing midstream.

I also dislike the idea of changing the way the benefit will be computed. Again, we talking about an employer that wants to change the rules midstream. Instead of changing the rules, why don't we enforce the rules we now have. Let's get tougher on those persons drawing Civil Service disability pensions that are no more disabled than you and I. Make it tougher with new rules much like those under Social Security.

3. Other Comments—It appears to me that the Federal Government needs good,

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qualified workers to carry out the mandates of Congress and the President. Why are we constantly under attack and put in such a vulnerable position? I urge you, as my elected representative, to please vote against President Reagan's proposals on pay and retirement.

Sincerely yours,

JAMES F. COOPER,
Mayfield, Ky.●

BILL DIMMERLING FROM
SCHUYLKILL COUNTY, PA.

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. YATRON. Mr. Speaker, this month marks the retirement of Mr. William G. Dimmerling, whose life reflects his dedication to his community and to excellence. Bill Dimmerling was one of the first cable television operators in our Nation. He began as a salesman in the early 1950's when television was new and he had been serving as a Schuylkill County detective. Bill achieved a management position at Kingston Cable Division in Kingston, N.Y., in 1961. He worked there until 1964 when he returned to Schuylkill County, Pa., to head Trans Video Corp., which joined the Warner Cable Co. in 1972. The firm was renamed in 1980 to Warner-Annex. Mr. Dimmerling was elected president of the Pennsylvania Cable Association in 1972, and received innumerable honors in his field of endeavor.

In addition to being a cable television pioneer, Bill Dimmerling has been active in numerous charitable and civic causes. These activities include participation with Muscular Dystrophy, Super Sunday in Minersville Memorial and Veterans' Day celebrations, Greater Pottsville Winter Carnival, the American Heart Association, and the Senior Charity Bowl. Bill has also long been associated with the Pottsville Elks Lodge, American Legion, Catholic War Veterans, AMVETS, Pottsville Club, and the Pottsville Lions.

Bill volunteered to serve in our Armed Forces in 1942 and he was a member of the 101st Airborne Division. He was awarded the Silver Star Medal for bravery. He was discharged as a captain but was later recalled and promoted to major during the Korean conflict. Before World War II, Bill worked for the Pennsylvania Power & Light Co. and was also a program director and sportscaster for WPAM radio.

In addition to these outstanding achievements, Bill Dimmerling was an outstanding athlete. He is a member of the Pottsville Area High School and Schuylkill County halls of fame. He is a member of the St. Clair Old Timers Baseball Club and is an active golfer. In 1950 he coached the Pottsville

Packers, then a part of the Eastern Professional Baseball League.

It is indeed an honor and a privilege to bring William Dimmerling's accomplishments to the attention of my colleagues in the U.S. Congress. Bill is an indispensable member of the Schuylkill County community where his ceaseless efforts to provide help to others will certainly continue. He is irreplaceable, his life a testament to what can be accomplished. Bill will continue to remain as a consultant to the Warner-Annex Cable Communications Co. for the remainder of this year. I am honored to know a man of his stature and I offer my sincere wishes for success in all his future endeavors. He serves as a shining example of what it means to be an American.●

ANN ARBOR, MICH., ALL-AMERICA CITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. PURSELL. Mr. Speaker, on Thursday, March 10, 1983, President Reagan will present an All-America City Award to Ann Arbor, Mich. The city also won this prestigious award in 1967.

Ann Arbor is a diverse and stimulating city, justly deserving recognition as one of the outstanding communities of our Nation.

The city is one of eight award recipients, chosen from 600 applicants and 100 official entries in the 34th annual competition.

I want to commend Mayor Louis Belcher and City Councilman Gerald Jernigan, chairman of the All-America Cities Committee, for their leadership; committee members Wendy Raeder, Marlene Hurst, Vivian Green, Michael Tucker, and Brian Connelly; Martin Overhiser, Ann Arbor Planning Director; and Larry Friedman, of the Ann Arbor Community Development Department.

The committee members and city officials did an excellent job in preparing Ann Arbor's presentation. But the real significance is not the presentation, but the substance behind it.

Very few cities in our Nation enjoy the kind of citizen involvement in community affairs which is evident in Ann Arbor. The citizens of Ann Arbor can be justly proud of this award, as I am proud to represent Ann Arbor and its people in Congress.

The organization which sponsors the awards, the Citizens Forum on Self-Government, National Municipal League, said the following:

"The successful programs were the result of involvement by and cooperation—sometimes following initial oppo-

sition—among different sectors of the community, including young people, business people, teachers, neighborhood residents, public officials

Ann Arbor was honored for:

"Establishment of the Michigan Technology Council through university, business, and city cooperation to foster diversified industrial development; creation of a community Energy Advisory Board to foster conservation and develop a framework for managing local energy resources; and preservation of the Michigan Theater, a key cultural landmark."

A considerable factor in encouraging citizen involvement in community affairs and achieving the city's goals is the local newspaper, the Ann Arbor News. The newspaper has demonstrated leadership on the Michigan Theater and other important community issues.

The following editorial appeared in the Ann Arbor News on March 1, 1983: (From the Ann Arbor (Mich.) News, Mar. 1, 1983)

ALL-AMERICA: AN HONOR AND A REMINDER

Next week, in a ceremony at the White House, Ann Arbor will officially become an All-America city for the second time.

We're pleased about that, naturally.

For one thing, All-America designation elevates Ann Arbor to something more than just host city to a world-renowned university. Some people don't distinguish between the city and the U-M.

The relationship between town and gown has been a good one through the years and of course, those ties should continue to be strong. In that connection, one of the accomplishments on which the city's winning entry was based was a cooperative effort involving the city and the U-M, along with other principals, in establishing the Michigan Technology Council.

So while the destinies of the U-M and the city of Ann Arbor are forever intertwined, we're also glad when a distinction is drawn and the larger entity gets some well-deserved recognition.

There's more than enough praise to go around and it isn't as though one party has a lock on the honors. So U-M, you're entitled to take a bow, too. (Just don't bend over too far.)

But it's the city being honored for, in addition to the Michigan Technology Council, the creation of a citizens Energy Advisory Board to promote conservation measures and the preservation of the Michigan Theatre from the threat of urban removal.

Successful citizen involvement wasn't limited to those areas. Ann Arbor could just as easily have been cited for her comprehensive Park, Recreation and Open Space Plan or the utilization of the old fire station as a new Hands-On Museum for children.

In this town, citizens don't have to be goaded to get involved; they do so voluntarily and enthusiastically.

Vitality and sparkle and surprise don't just happen in a city's life; they are the by-product of creative energies, worthy enterprise and dedicated people who won't settle for something second-rate. These are what make a city great, not the loftiness of its towers or the variety of its cuisine.

Ann Arbor is a repeater at this All-America city award. We think that says something about stewardship and how well we

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are executing our role as curators of tomorrow.

An All-America city award also serves to remind that our streets aren't paved with gold and our precincts don't flow with milk and honey. Problems intrude, serious ones. They are visible in Ann Arbor, in the form of people queuing in food lines and sheltering wherever there's a convenient roof.

Still, Ann Arbor has come by its latest honor fairly and energetically. As we said, there's enough praise to go around. That's something to keep in mind during the next few weeks of council/mayoral electioneering.

The National Civic Review offered this analysis of the award in the February issue:

Ann Arbor, often referred to as the research center of the Midwest, is the home of the University of Michigan and of volunteers who, along with city officials, devised a plan to develop and strengthen the high technology base, preserve an historic theater, and prepare a city-wide energy plan.

From a meeting of business leaders, University of Michigan staff members and city officials, new ways were explored to revitalize and redirect Ann Arbor's economy. The Michigan Technology Council was created and incorporated to achieve four major goals: (1) support existing high technology firms; (2) help local companies work together more effectively; (3) use University of Michigan resources to the fullest; and (4) attract new high technology businesses to the area. Some of the methods used were forums, seminars and a high tech fair. Council programs have led to the creation of new jobs, attraction of new businesses, the state's first robotics research center, and a plan for a stable employment base.

In 1978, the Michigan Theater, which first opened in 1928, was scheduled for demolition. Through the efforts of a newly formed Michigan Community Theater Foundation and other volunteer groups, the city council was able to purchase the theater through the sale of revenue bonds. This saved the building, but it was evident that much more money would be needed for restoration and maintenance. Volunteers got the message across to the community through newspaper editorials, special articles and a three-day phone-a-thon. Despite Ann Arbor's high unemployment, the citizens voted to increase taxes to restore the building to its former elegance and thus protect part of their heritage, and to develop a film and stage program.

In the spring of 1980, the mayor appointed a 23-member Energy Steering Committee supported by eight task force volunteers from various segments of the community. As a result of their efforts, in June 1981, the Ann Arbor Energy Plan was adopted and a permanent 13-member Mayor's Energy Advisory Board was appointed to oversee implementation. The projects included expansion of facilities to reduce energy consumption, passage of a ballot proposal allowing the city to consider reactivation of four city-owned dams for electrical generation.

I commend the people of Ann Arbor for earning the well-deserved All-America City recognition for their community.●

March 10, 1983

SHELTER FOR THE HOMELESS

HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. MCKINNEY. Mr. Speaker, amidst the suffering of the current recession it is heartening for me to relate to my colleagues an example from my district where altruistic, hard-working citizens have joined together to help those less fortunate. The emergency housing shelter of the community of St. Luke in Stamford, Conn., last month received an award from the Department of Housing and Urban Development's national recognition program for community development partnerships. St. Luke's was one of only six projects selected in the eastern region for its demonstration of how public and private funds can be utilized creatively for the public good.

It may seem surprising that the city with the lowest unemployment rate in the Nation, Stamford, Conn., has a need for a shelter for the homeless, but in fact the city has a serious housing problem. Housing costs are among the highest in the country; the vacancy rate is effectively zero percent. Local hotels and motels already house hundreds who have nowhere else to go. In addition, St. Luke's sits in the distressed south end of Stamford, where much of the city's 18 percent minority population live in predominantly old and substandard housing.

Using \$87,650 in community development block grant funding over a 3-year period, the community of St. Luke renovated the vacant, decaying rectory of their church into an emergency housing shelter that has since grown to be much more than that. In fact, the shelter now runs a food cooperative, a surplus cheese program, a clothing exchange program, educational programs on drug and alcohol abuse, after-school programs for children, a summer camp, a welfare program for welfare recipients, counseling services for the community, and a massive emergency dormitory in a renovated auditorium.

No Federal funds were used beyond the CDBG grant. Substantial assistance came from the church and business community in Stamford and nearby Darien. Mostly, however, the St. Luke's community shelter was created by the innovation and hard work of some 22 volunteer laypeople and clergy, most notably Rev. Douglas Theuner, rector of St. John's Episcopal Church in Stamford, and Carole Hoffman, Stamford's Red Cross disaster director, founders of the project. It has grown into a self-sustaining organization utilizing approximately 25,000 volunteer hours per year. Volunteers perform such tasks as driving vans to

the Bronx at 3:30 a.m. for wholesale food for the cooperative, distributing Christmas gifts and food, staffing the crisis center, maintaining the center, and feeding and clothing its visitors.

As the St. Luke's community has grown under the directorship of Franklin P. Marzullo, it has extended even further into the community. The food cooperative, now handling \$50,000 worth of merchandise, has spun off three additional co-ops. The cheese program has distributed 1 ton of surplus cheese. The clothing exchange receives approximately \$40 a week and additional income from the "dollar day" sales. Area residents—young, old, and minority—are developing capabilities in managing the food co-op, maintaining the shelter, and running the community outreach programs.

There are several lessons to be learned from this success story. One is the importance of continuing a strong community development block grant program which targets seed money to distressed cities or "pockets of poverty" such as Stamford's south end. Another is the need for the private sector to become involved in their communities. Finally, we see once again the spirit of voluntarism, the timeless lesson that tireless and caring individuals can make a significant difference in improving the lives of those in need.●

SANTA ANA "ALL AMERICAN CITY" HONORS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. PATTERSON. Mr. Speaker, today my distinguished colleague, Representative ROBERT BADHAM and I are pleased to recognize the Santa Ana delegates, who with the assistance of many involved citizens of the Golden City, have earned the National Municipal League's "All American City" award. They are here in Washington to be honored at a special White House ceremony. We were pleased to honor them at a reception in the U.S. Capitol today.

Under the leadership of Mayor Gordon Bricken, Mr. Skip Stephenson of the Segerstrom Co., and Mr. Sam Romero, president of the Santa Ana Neighborhood Organization, which was recognized in the January 6, 1983, CONGRESSIONAL RECORD, and Mr. A. J. Wilson, Santa Ana has become a member of a very select group. It is 1 of only 8 cities, chosen from more than 600 initial applicants, to be awarded the "All American City" seal for citizen involvement in community problem solving. We would also like to recognize Mr. Zika Djokovich, Mr.

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Robert Newcomb, and Ms. Kieng Sok Lim, who were instrumental in earning this honor but were unable to be present in Washington today.

These business and civic leaders represent many sectors of the community that participated in the award-winning programs, including Santa Ana's youth, businesses, teachers, neighborhoods, ethnic groups, seniors, and public officials. We commend them all for making the Golden City a better place to live.

We are fully aware of the diligence and concern required by this delegation and the active community they represent in combating the problems of crime, a decaying inner-city, and assimilation of new ethnic groups. However, through a community action program, the quality of life has been improved for thousands of Santa Ana families. The award-winning, crime-stopping, minority activism, and inner-city revitalization programs have earned Santa Ana recognition as a healthy community. The Golden City has shown the Nation that diverse problems are indeed solvable through cooperation and care.

Mr. Speaker, please join my colleague and me in cheering the city of Santa Ana and its fine "All American City" delegates: Mayor Gordon Bricken, Mr. Skip Stephenson, and Mr. Sam Romero, for their unselfish work on behalf of the community. Together, they have created model citizen participation programs which all cities would be well served to emulate. We can happily report that the spirit and genius of our democratic principles are alive, well, and at work in Santa Ana.●

PERSONAL EXPLANATION

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. NEAL. Mr. Speaker, I was not present for House proceedings on Tuesday, March 8, 1983. I am recovering from back surgery and am under doctors orders to remain at home. Had I been present on the House floor, I would have cast my votes in the following manner:

Yes. H.R. 1296, Payment-in-Kind Tax Treatment Act of 1983.

Yes. H.R. 1213, Public Lands and National Parks Act.

Yes. H.R. 174, Gladys Noon Spellman Parkway.●

INDIANA VFW VOICE OF DEMOCRACY SCHOLARSHIP WINNER

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HILLIS. Mr. Speaker, the Veterans of Foreign Wars and its Ladies Auxiliary, each year, conduct a voice of democracy forensics contest. This year, more than 250,000 secondary school students participated, competing for the five national scholarships that are awarded the winners. Indiana's winner was Gary P. Simmers, Jr., of Burnettsville, a junior at Twin Lakes High School in White County. So often, we hear or read negative news items about our young people. But I think you will agree, Gary's address gives us the other side of the picture and renews our optimism in America's next generation. I urge my colleagues to read his remarks below.

GARY P. SIMMERS, JR., VOICE OF DEMOCRACY WINNER

For as long as I can remember, men, in referring to the opposite sex, have used the analogy of "Women, you can't live with them, and you can't live without them." In many ways, this analogy applies to the labor of love that parents undergo in rearing their children. They know, at times, that children can cause more trouble than they are worth, but still they know that these same children are indeed America's strength for tomorrow—but how are the youth of this country its greatest strength? The youth of this country are its greatest strength for three basic reasons: The youth of this country are resourceful; they believe in American principles; and they are an expensive investment in the future of this country.

First of all, the youth of this country are resourceful. They make contributions to this country every year. In Warwick, Rhode Island, a group of students involved in the "Channel One" Program (these are students who were considered to be drug and alcohol abusers) converted a weed-infested downtown lot into an attractive mini-park, and also created an eleven mile nature walk in a run-down forest area. High school students in Altoona, Pennsylvania, involved in the same program, built a modern recreation facility in a mobile home area that had been plagued by vandalism. Also, in San Bernardino, California, with still more students involved in the same program, they rebuilt an unused, rundown swimming pool and are now operating it for the community. Directors of the "Channel One" Program were surprised at how easily motivated these so-called "Problem Children" were. Still yet another example of a resourceful youth would be 13 year old Carson Levit of Marin County, California. At 13 years old, Carson invested his savings from his paper route, which totaled about \$1,000, in the stock market, and now Carson makes on the average about \$21,000 a year. So it is easy to see that the resourcefulness of the youth of this country is definitely a strength, and that, with proper motivation, this strength can be capitalized upon even more.

Not only are the youth of this country resourceful, but they also believe in basic American principles. At the Young Ameri-

cans for Freedom Convention in Washington, D.C., over five thousand youths were in attendance to voice their belief in American principles. The whole focus of the convention was to impress the persons at the convention that American principles and basic American beliefs were important and necessary. Some of the persons who spoke at this convention were: Secretary of Labor Ray Donovan; "Right-to-Life" Activist Dr. Mildred Jefferson; Congressman John Lebouillier; and Conservative Majority Leader Paul Dietrich. All of these figures took time out from their busy schedules to speak at this convention, a convention full of kids. So, basic American principles are important, and the importance of these principles are being demonstrated to America's youth by the many important figures who were willing to speak to the youth of this country to make certain that basic ideas were not lost over the generations.

This desire to transfer ideals from one generation to another is the basic force behind the funds expended for education. Every year the American public provides literally billions of dollars to the youth of this country so that the basic American principles can be transferred to the next generation. The youth, as recipients of this free education and scholarships to institutes of higher learning, are the investment in the future strength of America. They are this country's only hope for the future, and by that token, they are indeed America's strength.

So, what this all leads to is proper motivation of our youth. Examples of the contributions youth can make to this country have been shown—making recreational centers, renovating swimming pools, and investing in the stock market are all examples of the resourcefulness of American youth. The youth of this country believe in basic American principles, and the leaders of this nation are taking the time to make sure that these ideals are not lost in the generations. But also the American public is investing in these young people because they are this country's only hope for the future.

So, maybe parents can't live with young people, but one thing is for sure this nation cannot survive without youth, for today's youth are tomorrow's leaders. Therefore, it is safe to say that, indeed, youth is America's strength.●

LOUISIANA WORLD EXPOSITION COMMEMORATIVE COIN ACT

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. LIVINGSTON. Mr. Speaker, today I have introduced the Louisiana World Exposition Commemorative Coin Act and am joined in sponsorship of this bill by five of my colleagues from Louisiana (BOGGS, BREAX, HUCKABY, MOORE, and TAUZIN). This bill authorizes the minting and sale to the public of the U.S. legal tender commemorative coins to support the Louisiana World Exposition, to be held May to November 1984, in New Orleans, La.

This legislation has a twofold purpose. It will provide congressional recognition of the importance of the Lou-

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isiana World Exposition, and it will provide needed funds to the exposition, at no expense to the Federal Government.

The 1984 Louisiana World Exposition will be an exciting international event. Its dramatic setting on the Mississippi River provides the backdrop for its theme—The World of Rivers—Fresh Water as a Source of Life. The exposition will celebrate the utility as well as the beauty of the great rivers of our world and will focus on the imperative need to manage and conserve our limited fresh water resources.

The exposition's timely theme supports the U.N. General Assembly's declaration of the 1980's as the "International Drinking Water Supply and Sanitation Decade."

This international focus of the exposition has attracted exhibitors from all over the world and will be a forum for international seminars on innovative pollution control and water conservation techniques.

In addition to commemorating the exposition, this bill will also provide funds to the exposition through the sale of the collector coins.

The legislation authorizes the Secretary of the Treasury to mint and issue \$1 silver coins designed with appropriate emblems. The coins shall be minted and distributed as the need demands, but no more than 1 million coins are authorized.

The coins will be sold to the public by the Secretary at a price which includes the face value of the coins, the cost of minting and distributing them, plus a \$10 surcharge. Before the surcharge amount is given to the exposition, the Treasury will be reimbursed all its costs and expenses. The legislation specifically authorizes the Secretary to take all necessary actions to insure that the issuance of the coins results in no net cost to the Federal Government.

The bill also specifies that any unused funding provided by the coin sales to the Louisiana World Exposition be returned to the general fund of the Treasury by June 1985.

This legislation adopts the same basic approach taken in the Olympic Coin Act of 1982, which passed the House on May 20, 1982. This is a bill which deserves similar positive action.●

NFL ALUMNI HONORS BOB HOPE, PRESIDENT FORD, AND THE TOP PLAYERS IN PRO FOOTBALL TODAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. KEMP. Mr. Speaker, in its 15-year history, the National Football

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League Alumni, with over 7,000 members and chapters in 24 NFL cities, had become one of our Nation's fastest growing public service organizations, dedicated to, in their words, "putting a little of ourselves (the former players) back into the game, and doing it where it will do the most good, with the kids."

On Saturday, January 29, 1983, the Los Angeles Chapter of the NFL Alumni hosted the NFL Alumni Player of the Year Awards, and the first presentation of the Old Hero Awards. It was a great pleasure for my wife Joanne and I, along with our son Jeff, of the Los Angeles Rams, and his fiance, Stacy Parker, to attend the dinner with so many friends, and "comrades in arms" in the football wars of past years.

At the dinner, a great Michigan center and former President Gerald Ford, and the legendary Bob Hope, were presented the Old Hero Award as "public figures whose lives and careers have exemplified the higher values the Alumni teaches, sportsmanship, scholarship and citizenship." There could not have been two better choices.

Player of the Year Awards were given to outstanding current NFL players for their individual efforts combined with team play in each of their fields of play. Receiving awards were, tight end Kellen Winslow of the San Diego Chargers; Lawrence Taylor, linebacker for the New York Giants; kicker Mark Moseley of the Super Bowl Champion Washington Redskins; Hank Bauer of the San Diego Chargers special teams; San Diego's wide receiver Wes Chandler; Anthony Munoz, offensive lineman for the Cincinnati Bengals; defensive lineman Randy White of the Dallas Cowboys; Everson Walls, defensive back for the Cowboys; kick returner for the Denver Broncos, Rick Upchurch; Dan Foust, quarterback for San Diego; and running back Marcus Allen, of the Los Angeles Raiders. All superb football players and, superb young men as well.

It was indeed a spectacular evening thanks to Vic Maitland, the executive director of the NFL Alumni, and Dick Daugherty, Jim Hardy, and Maury Nipp of the Los Angeles Alumni. My good friend, Tom Harmon, did double duty as program chairman for the evening, and as one of the masters of ceremonies along with hall of famer Merlin Olsen, and the "voice of the Packers," Ray Scott. Entertainment was provided by Les Brown and His Band of Renown, along with Jeff Severson, singer Mike Reid and "comedian" Rosey Grier.

But, I think everyone at the dinner including alumni president "Bullet Bill" Dudley will agree that Vic Maitland's speech was one of the highlights of the gathering.

The NFL Alumni has taken as its motto: "Caring for Kids." Vic's speech told us all how, this year, the NFL Alumni wants to get the whole Nation involved in—Caring for Kids—during their second annual "Youth of America Week," September 4-10, 1983.

I am about to introduce a resolution in the House to have the first week of September proclaimed "Youth of America Week."

I would like to commend Vic Maitland's speech to my colleagues, and ask for congressional support of the NFL Alumni, and this resolution to proclaiming September 4-10, 1983, "Youth of America Week."

V. I. MAITLAND, EXECUTIVE DIRECTOR, NFL ALUMNI, REMARKS AT THE 1983 PLAYER OF THE YEAR AWARDS PROGRAM, CENTURY PLAZA HOTEL, LOS ANGELES, JANUARY 29, 1983

Mr. President, ladies and gentlemen, honored guests and fellow Alumni, just 15 years ago, in 1967, Alex Wojciechowicz and 27 other old pros founded the NFL Alumni. Within ten years, we were organized as a public service organization dedicated to the primary purpose of "putting a little of ourselves back into the game, and doing it where it will do the most good, with the kids".

In the five short years since, we have grown into the largest association of former professionals in sports, with more than seven thousand members and Chapters in 24 NFL cities. We spend our time and lend our names to charitable and educational activities that will benefit kids.

We host the NFL Alumni Charity Golf Classic series of tournaments, and a Super Bowl of Golf for our national championship. This year we raised nearly a million dollars for our "adopted" youth charities across the country.

We host clinics on the fundamentals of football for youth-league kids, and more important, we hold seminars for adults on the coaching and parenting of young athletes.

Tonight, we host a dinner and program to support a charity that strikes right to the heart of that concept—a program designed to improve parenting and encourage scholarship among young athletes and their families in the inner city. Nobody knows better than the Alumni how excellence in sports, coupled with education, can become a young athlete's ticket out—and up. With your help, this program will succeed and spread, and could become one of the most important movements in youth sports.

But the most important thing we do in the NFL Alumni is to organize one week every year during which Alumni members in the 24 NFL cities and citizens who believe in our goals spend one entire week saluting and working for American youth—kids who want to play football, crippled kids who can't, sick kids who can benefit from well men's work, and kids in trouble who may only need a role model to show them there is a way out—and up—through sports.

We introduced the idea in 1982, during the first week of the regular pro football season. Old pros and fans rallied all over the country to the first Youth of America Week.

We told them to do anything they thought would help the kids in their cities, and they did, in 24 cities. In New York, Tucker Frederickson and Bobby Duham, two great old pros, took over an entire theater

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and recruited the cast, and took two thousand handicapped kids to see something they'd never had a chance to see before—a special performance of the musical *Annie*. The troupers in the cast—and some of the old pros in the audience—wept at their gratitude at certain calls. And after it was over, the New York Chapter went out to corporations and said "how about supporting this?", and they got the money they needed in two days.

Another Chapter didn't have much money, but a lot of enthusiasm, so they scrounged the materials and equipment and spent the week putting a new roof on an old orphanage.

Alumni Chapters took groups of kids to ball games, picnics, field days, amusement parks and practices, and when the kids couldn't come to them, they went to the kids in hospitals, homes, orphanages and rehabilitation centers.

Everywhere they went, and everything they did, football fans—people—rallied and helped, because this is for real. This is something we really want to do for kids everywhere.

And we have never been so proud as we were when we read in the next issue of *Pro Football Weekly*, "You have seen more than enough in previous issues about drug scandals, lawsuits, violence and other issues surrounding the NFL these days . . . let's talk about something pleasant for a change. Like the work the NFL Alumni are doing for charity and, more specifically, for the youth of America."

Again this year, during the first week of the regular pro season, we will observe the second Youth of America Week. They have a Kids Day in Japan, the festival they call Shobo-no-Sekku. They honor their youth, but we have no such festival. We have Mother's Day and Father's Day, but no Kids' Day. Well, why not have a day for kids? Why not have a whole week?

We do now, and we call it Youth of America Week. It starts September 4th, 1983, with the first games of the season. All over the United States, you'll see Alumni standing up and saying, 'hey, kid, you've got a friend'.

We're going to continue putting a little of ourselves back into the game, and doing it where it will do the most good, with the kids.

And we hope you'll join us and help us, because it's our kids, and your kids, and all the kids, and the kids are the future for all of us.

Thank you. •

NATURAL GAS PRICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 9, 1983, into the CONGRESSIONAL RECORD:

NATURAL GAS PRICES

Natural gas consumers are upset. There is an excess supply of gas and demand is down, yet prices nationwide have risen an average of 25 percent this winter, on top of a 420 percent rise over the past nine years. In Indiana, they have gone up 45 percent to 55 percent this winter alone. Using less does not reduce bills, shopping for the best price

is usually not possible, and switching to another fuel is expensive. Consumer want to know why prices are rising so fast and what help is available.

Natural gas is regulated at both the federal and state levels. In Indiana, rates for gas are approved by the Public Service Commission, a three-member board selected by the Governor. The opinion is growing among Hoosiers that the Commission has not adequately protected consumers, and a number of bills reforming the commission are pending in the General Assembly. They would increase the number of commissioners and make them electable. While reform is certainly called for, all our troubles with natural gas cannot be blamed on a single state commission.

The underlying problem is that the price of natural gas is not determined by supply and demand, but by past circumstances and contracts. The gas market has tended to be monopolistic because of the limited ways of moving gas from wellhead to consumer. Federal regulation of interstate pipelines began in 1938, and regulation of prices producers charge for gas sold interstate commenced in 1954. From then on, the price of interstate gas (but not intrastate gas) was kept down through price controls, which eventually led to shortage in non-producing states and surpluses in producing states. The imbalance became most serious during the winter of 1976-1977. Schools and factories were forced to close, and even some homeowners were threatened with loss of supply.

In response to the shortfalls, Congress passed the Natural gas Policy Act of 1978 (NGPA). The NGPA treated interstate gas and intrastate gas the same in order to prevent shortages in nonproducing states. It also set in motion the gradual decontrol of prices in order to boost exploration and production. Under the NGPA, the prices of various kinds of recently discovered "new" gas are allowed to rise slowly and will be decontrolled by January of 1985. "Old" gas—that found before 1977—is controlled indefinitely. The NGPA does not dictate prices. It sets ceilings below which contracts are made.

The NGPA has achieved some of its basic aims. Shortages in the interstate market have vanished, and the rapid depletion of our reserves has been halted. Another goal of the NGPA was to moderate the rise in gas prices, but prices for residential users have risen faster than expected. The problem is that five years ago, when the major actions causing today's price increases took place, it was mistakenly believed that demand for gas would be strong and supply short, which would drive prices up. Instead, the demand for gas fell off sharply, and new reserves were found. The poor forecast had several bad effects on prices.

First, under the "incremental pricing" provision of the NGPA, industrial users were to pay for the major share of new, higher-priced natural gas. However, this provision was never fully implemented, and industrial use of gas dropped off in any case. Residential users have had to pay for a larger share of the new gas.

Second, the primary concern of pipelines five years ago was an adequate supply of natural gas to head off shortages. Pipelines were willing to sign long-term, high-priced contracts because old gas held below market price would cushion the effect of purchases of new gas at higher prices. Another costly problem was occasioned by "take-or-pay" contract provisions, under which pipelines were to pay for large amounts of new gas even if they did not need it. This provision

has kept them from taking advantage of lower prices.

Third, a similar problem arose with contracts for foreign supplies. To ensure an adequate supply, pipelines and the federal government negotiated inflexible contracts with Canada, Mexico, and Algeria for a large amount of natural gas at high prices. This foreign gas is still being bought as our lower-priced gas stays unused.

Fourth, pipelines have been allowed to pass on to distributors automatically any higher costs in purchases of natural gas. Most states (including Indiana) have a similar mechanism allowing distributors to pass increases on to consumers. There are few incentives to lower prices since consumers will pick up added costs.

So what can be done? Many argue that the NGPA should be scrapped, and their suggested replacements range from immediate decontrol to complete recontrol. However, such major overhauls will be difficult. Proponents of immediate decontrol must counter estimates that such a step could increase prices an additional 80 percent this year. Proponents of complete recontrol must deal with memories of severe shortages caused mainly by controls. Both sides face the difficult task of forging a consensus on an issue which involves several powerful special interest groups. The NGPA was arrived at only after major concessions following a 25-year impasse, and there is little indication that all sides can agree soon on a wide-ranging rewrite. Also, congress, after its recent experience, will not want to adopt another "major solution" that may have unintended effects.

We should debate major proposals to dismantle the NGPA, but we should not let such long-term questions divert us from many short-term actions which can have a positive impact on natural gas prices now. An example would be renegotiation of Canadian contracts, which caused one-third of the price rise Hoosiers felt this year. Also, we should, among other things, overturn unreasonable take-or-pay contracts, make price pass-throughs less automatic, re-examine limits on industrial use of natural gas, and put pressure on regulators to help prevent rapid price increases. In Indiana, we should restructure the Public Service Commission. Many of these steps have to be taken no matter what the outcome of the debate on the NGPA, so it is only reasonable to take them soon.●

BILL TO ESTABLISH INDEPENDENT COMMISSION TO EXAMINE SUPERFUND

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BROYHILL. Mr. Speaker, today I am introducing a bill which would establish a national commission to examine the statutory, administrative, and managerial deficiencies of the EPA's hazardous waste cleanup program, more commonly known as Superfund. Based on its findings, the commission is to make recommendations to the Congress to improve the Superfund's effectiveness.

I am introducing this measure because I believe that too much of the

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EPA debate up to this point has been political. I see a need to refocus the debate to the more important substantive issues involved in the EPA controversy. Instead of focusing on past practices and events at EPA surrounding the Superfund program, this bill is prospective in nature and charges the commission to examine the legislative, administrative, and managerial weaknesses of the Superfund Act and its implementation and to make recommendations for change where necessary.

This bill creates a truly bipartisan, congressionally appointed commission comprised of 11 members. Five members would be appointed by the majority leader of the Senate, five by the Speaker of the House of Representatives. Four of these ten commissioners would be Members of the House and Senate, two from each body. These 10 would choose an 11th commissioner.

The commission is to report its recommendations back to Congress within 6 months, with the opportunity for a 3-month extension. An appropriation of \$750,000 is provided to the commission for its work. To allow the commission to begin its work immediately, this appropriation is to be borrowed from the superfund trust fund with a provision for immediate reimbursement to the fund once the money is obtained through the normal appropriation process.

Mr. Speaker, the American people are demanding that the superfund program be examined so that Congress and the administration can make well-informed decisions. This bill would establish a mechanism to provide the kinds of answers the American people want and the Congress needs. I intend to push for its expeditious passage.●

DESALINIZATION RESEARCH

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SKEEN. Mr. Speaker, the Department of the Interior has approved a cooperative agreement with the city of Roswell, N. Mex., to operate for 1 year a water desalination research plant east of the city. The Department of the Interior has operated the plant since 1962, researching brine water purification and investigating the operational cost and benefits of various desalting processes and products.

Because funding to continue this activity was not included in last year's budget, the Department had requested proposals from private or public entities interested in taking over the Roswell facility, as well as a similar one in Wrightsville Beach, N.C. Because of the desire of these municipalities to absorb and expand the functions of

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the two plants, Congressman ROSE and I have introduced legislation to transfer actual ownership to Roswell and Wrightsville Beach.

The importance of desalting research cannot be questioned. Water is a scarce and vital resource in the Western United States. The future of that section of our Nation hinges on how this resource is conserved and developed. And I am quite pleased to be part of an effort in which a function of the Federal Government is being assumed by local and State government as well as the private sector.●

MEMBERS OF THE HOUSE SUPPORT MENTAL HEALTH COUNSELORS

HON. DOUG WALGREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WALGREEN. Mr. Speaker, I am pleased today to reintroduce House Resolution 102, my bill to designate the week of March 20, 1983 as "National Mental Health Counselors Week" with the support of 106 my colleagues in the House.

The thousands of mental health counselors across the country assist individuals in dealing with various personal and adjustment problems. As part of the health care team, mental health counselors provide direct services to individuals in a variety of public and private settings.

Because the mental health counselor has become a valuable member of the mental health care delivery team, providing nearly half of all direct counseling services, I feel it important to recognize the contribution of mental health counselors.

I hope other Members will join us in cosponsoring this bill. The cosponsors follow:

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bates, Mr. Bennett, Mr. Berman, Mr. Bevill, Mr. Bonior, Mr. Borski, Mrs. Bouquard, Mrs. Boxer, Mr. Breaux, Mr. Britt, Mr. Brooks, Mr. Broyhill, Mr. Carr, Mr. Chappell, Mr. Collins, Mr. Daub, Mr. Dickinson, and Mr. Dixon.

Mr. Downey, Mr. Dowdy, Mr. Duncan, Mr. Dwyer, Mr. Dymally, Mr. Dyson, Mr. Edgar, Mr. Edwards, Mr. Erdreich, Mr. Fauntroy, Mr. Fazio, Mr. Foley, Mr. Ford of Tennessee, Mr. Florio, Mr. Flippo, Mr. Franklin, Mr. Frenzel, Mr. Gekas, Mr. Gradison, and Mr. Guarini.

Mrs. Hall of Indiana, Mr. Hall of Texas, Mr. Hefner, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Hutto, Mr. Jacobs, Mr. Lagomarsino, Mr. Lehman, Mr. Leland, Mr. Lent, Mr. Levine of California, Mr. McCain, Mr. McCloskey, Mr. McGrath, Mr. McNulty, Mr. Madigan, and Mr. Martinez.

Mr. Mazzoli, Ms. Mikulski, Mr. Moakley, Mr. Murphy, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. O'Brien, Mr. Owens, Mr. Perkins,

Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Ratchford, Mr. Ritter, Mr. Roe, Mr. Scheuer, and Mr. Sharp.

Mr. Shelby, Mr. Simon, Mr. Skeen, Mr. Skelton, Mr. Smith of Florida, Mr. Snyder, Mr. Solarz, Mr. Stokes, Mr. Sunia, Mr. Tallon, Mr. Torricelli, Mr. Traxler, Mr. Vander Jagt, Mr. Vandergriff, Mr. Vento, Mr. Washington, Mr. Waxman, Mr. Weiss, Mr. Williams of Ohio, Mr. Wirth, Mr. Wyden, Mr. Yatron, and Mr. Young of Florida.●

PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. MADIGAN. Mr. Speaker, it is no secret that America's farmers are struggling to keep their heads above water. A sluggish economy, sagging exports, and large surpluses of agricultural commodities have combined to keep farm prices at less than profitable levels.

Secretary of Agriculture Block and the administration are moving on a number of fronts to help improve the economic lot of our farmers. Round-the-clock efforts are being made to expand existing foreign markets and develop new ones. Negotiations with our European trading partners are continuing in an effort to insure that participants in the world marketplace compete fairly. At home the administration is making every effort to work with farmers who are having serious economic problems. Finally, the administration is implementing a payment-in-kind program to help reduce agricultural surpluses and buoy farm prices.

Basically, the PIK program encourages farmers to dedicate a portion of their productive acreage to conservation uses during the 1983 growing season by providing them with a "payment-in-kind"—an established quantity of the commodity normally grown on the property. These payments in kind, taken from existing surpluses, will be made available to farmers during the normal harvest time of the crops involved.

Under current law, a farmer would be taxed on the value of the payment in kind in the year the commodity was made available to him even though the farmer had not yet sold and received cash for the commodity. In contrast, a farmer not participating in the PIK program would not be taxed on the value of crops grown until the crop was sold. It is clear from this very simple explanation that most farmers would choose not to participate if they were forced to pay taxes before selling the payment in kind or in the alternative, selling the commodity immediately for whatever price they could get. H.R. 1296 will allow farmers to treat

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their payment in kind as income in the year that they sell it. In addition, it provides that farmers participating in the program will not be penalized under Federal estate tax law.

I want to thank the chairman of the Ways and Means Committee and the subcommittee chairman, Mr. STARK, and the other members of the Ways and Means Committee for their prompt consideration of this matter. I know the committee is extremely busy with other very important and time-sensitive matters.●

NUCLEAR ARMS FREEZE: THE TIME IS NOW

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BEDELL. Mr. Speaker, as you know, yesterday, in an overwhelming vote (27-9), the House Foreign Affairs Committee adopted a resolution calling for a "mutual and verifiable freeze and reductions in nuclear weapons" by the United States and the Soviet Union. As an original cosponsor of this effort, I would like to commend Chairman ZABLOCKI and other members of the House Foreign Affairs Committee for their prompt attention to this vitally important national security matter, as well as to urge my colleagues to support this measure when it reaches the House floor next week.

Although this proposal is nonbinding in nature, I believe its imminent approval by the full House of Representatives will demonstrate clearly to the American people and, indeed, the peoples of the world, the sincerity of our Nation's commitment to ending the nuclear arms race before this arms race ends civilization. Moreover, formal adoption of this measure by the full House will once again reestablish American preeminence in the area of nuclear arms control, strengthen the Atlantic alliance and better the prospects for greater world peace and security.

In this regard, I am sure we all recognize and appreciate the leadership provided by our distinguished colleague from Massachusetts, Congressman EDWARD MARKEY, in both promoting this concept and working for its final approval. His tireless efforts in offering us an opportunity away from the abyss of nuclear catastrophe are heartening and worthy of our attention.

For this reason, I would like to bring to my colleagues attention an insightful editorial regarding the implementation of a freeze that Congressman MARKEY wrote in the February 12, 1983, issue of the Philadelphia Inquirer. As Congressman MARKEY so eloquently points out, the freeze is real,

can be implemented now, and, is wholly verifiable through a full gamut of U.S. national technical means currently employed to measure Soviet compliance with other previously negotiated arms control agreements. All that is required now is the political will.

NUCLEAR ARMS FREEZE: THE TIME IS NOW

(By Rep. Edward J. Markey)

Can the freeze be for real?

The nuclear weapons freeze movement in this country certainly is for real. But can we move beyond this public statement and actually have a freeze on the nuclear arms race followed by major reductions?

With the nuclear weapons freeze resolution soon to come up in the U.S. House of Representatives for a second vote (it lost on Aug. 5, 1982, by just two votes) and with its chance of passage much better this time (the Nov. 2 election put more freeze supporters in the House), that's a fair question to ask.

The freeze, like any arms control proposal, poses two important questions: Do we want a freeze now? And, if we do, can we implement it?

The first question can be answered in short order. Of course we want a freeze. In fact, now is the best time to freeze.

For one, public enthusiasm for such an arms control agreement is at an all-time high and this is extremely important. If any arms control enthusiast doubts the value of having the public behind an agreement, remember the lonely days of SALT II.

For another, the superpowers have never been more at nuclear parity than they are now. Under any nuclear war-fighting scenario, both sides have the capacity to reduce the other to rubble and limited war-fighting strategies notwithstanding, military experts agree that any nuclear war scenario most likely will end with all the silos emptied and both sides in rubble. That's what parity is all about. That's why the superpowers can stop today, confident that their deterrence will be maintained.

Both sides are nevertheless improving the nuclear war-fighting capabilities of their nuclear arms, that has resulted in unthinkable weapons of mass destruction having a more thinkable military utility in times of crisis or confrontation.

What's more, miniaturization is producing smaller nuclear weapons, such as ground- and sea-launched cruise missiles, that are more easily hidden and thus more difficult to count. Deploying these weapons will complicate verification, making future arms control agreements even more difficult to conclude:

So not only is now the best time to freeze, it may be our last.

Can we implement a freeze? Of course we can. The question we should be asking now is not "Can we freeze?" but "What is the best way to freeze?"

The freeze resolution before Congress calls for a mutual and verifiable freeze on the production, testing and deployment of nuclear warheads, missiles and other delivery systems, followed by major reductions in both sides' arsenals.

Verification is a major factor in implementing this resolution. Critics claim it's the major hangup.

But an examination of (1) the weapons to be covered by a freeze, (2) the verification capabilities the United States has in place or could easily put in place, and (3) the level

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March 10, 1983

of monitoring confidence needed to detect militarily significant violations of a treaty, reveals that verifying a freeze does not pose the technological hurdles critics claim.

Already the United States has the national technical means of verification (spy satellites, listening posts and radar) which have been established as a result of the SALT negotiations and which can verify the testing and deployment of strategic nuclear missiles and other delivery systems, such as bombers.

The United States can also verify Soviet deployment and testing of intermediate-range missiles and delivery systems. The Reagan administration demonstrated this capability—inadvertently, no doubt—by publicizing every time the Soviets put an SS-20 into place.

Tactical nuclear missiles and delivery vehicles, because they often can be used in conventional roles, are not as easy to verify as strategic and theater systems. But verification of tactical weapons is certainly feasible.

The United States, for example, monitors closely all Soviet land and sea forces; intelligence officials know which forces actually have nuclear missions because of the special training and equipment those forces require.

As for nuclear warheads, their deployment on strategic systems is being verified largely through SALT-established verification of the delivery vehicles that carry them. And through seismological monitoring systems already in place or agreed to by both sides in the nearly concluded Comprehensive Test Ban Treaty negotiations, the United States could confidently detect Soviet testing of nuclear warheads.

The production of strategic missiles, bombers and submarines is easy to monitor simply because the systems are too large to hide from our satellites.

That leaves production of nuclear warheads. While the warheads may be easy to hide, a significant quantity of the fissionable material put in them isn't.

Production of weapons-grade nuclear material is a complex process requiring a number of large and highly visible facilities, such as enrichment plants and plutonium production reactors.

The Soviets could probably get away with producing a few bombs undetected but that would add little to their current stockpile of about 25,000 warheads.

For the clandestine warhead production to pose any significant military threat to the United States, the Soviets would need to produce thousands more bombs—and that production would eventually stick out like a sore thumb.

Yes, there are other details to flesh out in implementing a freeze. For example, which of many worthy negotiating strategies should be pursued in achieving a freeze?

Should we, as some arms control analysts have suggested, look for a quick agreement on what can easily be frozen—such as testing and deployment of missiles and bombers—then use this as a confidence-building measure to negotiate a more comprehensive freeze and reductions?

Should we pursue a quick freeze by shrinking SALT limits we already have on strategic systems and by closing SALT's loopholes, then negotiate a more comprehensive agreement?

Or, should we attempt to reach immediately an informal, across-the-board freeze with the Soviet Union on deploying new nuclear weapons a sort of negotiator's pause—

so those aspects of the arms race that pose the most immediate danger can be held in check while a freeze and reductions treaty is hammered out?

There are a number of options.

My point is that in implementing a freeze, the opportunities for reaching an agreement far outweigh the technical problems.

Remember, there were those who once thought that freezing the testing of warheads above ground and freezing the deployment of anti-ballistic missiles were nice ideas but too difficult to achieve. The public, however, protested and demonstrated and demanded that we have those treaties, so the Limited Test Ban and ABM treaties were concluded.

Today the public is protesting and demonstrating and demanding a freeze on the nuclear arms race. Let's not squander this opportunity by getting hung up on technicalities that turn out to be merely excuses for not freezing.

The only missing ingredient for achieving a freeze now is political will. •

AMERICAN BEAUTY ROSE?
DON'T BET ON IT!

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. GAYDOS. Mr. Speaker, while our Government continues to grope for a sound international trade policy, our domestic industries continue to take it on the chin from foreign competitors seeking to ride out the worldwide economic storm by unloading their products and unemployment problems on American shores.

We have seen American mills and factories close. We have seen businesses go under. We have seen unemployment hit figures unheard of since the Great Depression. We have seen a record number of protests against unfair trade practices filed by domestic producers with the U.S. International Trade Commission.

Within the past few weeks, as a member of the House steel caucus and chairman of its executive committee, I have listened to testimony from representatives in the aerospace, metalworking, agriculture, and broadcasting industries about the impact of trade issues on their respective fields.

The evidence continues to mount that domestic manufacturers and producers are the unwitting and unwilling victims of a haphazard national trade policy. Yet, the present administration persists in turning a deaf ear to the rising chorus of complaints.

Now, I understand even the domestic fresh-cut rose industry is feeling the effects of this blight.

Mr. Speaker, I do not mean to sound depreciating or facetious in my remarks. I am quite serious about what is happening in that industry. The floral pattern is the same as that used against our domestic heavy industries. Dumped or subsidized imports are per-

mitted to undersell domestic producers, drive them out of the market, force the layoff of workers, and ultimately eliminate the competition.

According to what I have been told, the number of imported roses has risen dramatically since the early 1970's. As with steel and other products, the majority of the imports are sent by growers who are heavily subsidized by their governments. In some instances, as high as 18 percent.

In a 2-year period, 1980 through 1981, rose imports grew 57 percent. Last year, foreign roses captured 18 percent of the domestic market, doubling in volume and percentage its share within 2 years. The impact was predictable. Domestic growers declined in number and we have been warned that unless something is done to stem the wave of imports, many others will be forced out of the market.

And, as with steel and other industries, domestic rose growers have found the Federal Government a thorn in their efforts to seek relief from unfair trade practices.

The industry has been repeatedly unsuccessful in petitioning the ITC for more equitable tariffs on imported roses. The Commerce Department did issue a preliminary determination against the Colombian Government for subsidizing its flower exports but, instead of imposing countervailing duties, the Department signed a suspension agreement and, in effect, negated its preliminary determination.

Mr. Speaker, we must develop and enforce a strong trade policy if our Nation's industries, including the rose growers, are to survive.

It is not wise, I know, to be in such a hurry that you forget to take time to smell the flowers. That's good advice in most instances. But, in this case, haste is essential in establishing a sound trade policy or we may not have any flowers left to smell, domestically grown, that is.

The next rose you sniff might be an American Beauty—but would you bet the house on it? •

UNEXPURGATED EPA

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mrs. SCHROEDER. Mr. Speaker, today, Representative JAMES H. SCHUELER and I wrote to President Ronald Reagan about evidence recently brought to our attention about a coverup of wrongdoing at EPA.

I would like to share that correspondence with my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1983.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is an April 20, 1982, memorandum to EPA Administrator Anne M. Burford (Gorsuch) from then EPA Inspector General Matthew W. Novick, subject "Briefing Paper—James W. Sanderson."

To place the April 20, 1982, memorandum in context, the EPA Inspector General submitted his draft Report of Investigation (file number 1-82-017) on the James W. Sanderson Conflict of Interest Investigation to the Department of Justice for a prosecutive opinion on April 14, 1982. The Inspector General submitted the same report to several House and Senate committees and subcommittees on or about April 26, 1982. On April 21, 1982, the Inspector General had hand-carried to White House Counsel Fred F. Fielding an expurgated version of his April 20, 1982, memorandum to the Administrator (see enclosure).

Mr. Sanderson was serving as a special assistant to the EPA Administrator in April 1982 and continued to serve until June 3, 1982, when he withdrew his name from consideration for presidential nomination as Assistant Administrator of EPA and apparently resigned his special assistant position voluntarily.

Our concerns are five:

First, the memorandum indicates that the Administrator was provided with analysis and conclusions of an investigation of her special assistant that were apparently not shared with the White House, the Department of Justice, or Congress.

Second, contrary to assurances given to congressional investigators and EPA employees, the Administrator was provided with the names of EPOA employees who gave damaging statements about her special assistant along with a synopsis of their statements.

Third, there is no evidence that the Administrator took any action on her special assistant's activities, in spite of the evidence provided to her on April 20, 1982. Indeed, he remained in his position until he voluntarily withdrew in June, and continued, even after his resignation, to enjoy access to top EPA officials, including the Administrator and the General Counsel.

Fourth, the Inspector General declined to depose the Administrator as part of the investigation of her special assistant, but had no hesitation about confidentially briefing her about the contents of the investigation. There is some indication—"As you are aware" (second paragraph)—that the Administrator had received previous briefings on the investigation of her special assistant.

Fifth, EPA officials advised Congress and the White House that the investigation of the Administrator's special assistant was being actively pursued with the Department of Justice (see, for example, the Inspector General's June 29, 1982, letter to White House Counsel Fred F. Fielding). These statements are contradicted by the Inspector General's prediction to the Administrator in the memorandum that the "Justice Department will decline prosecution."

The April 20, 1982, memorandum was not made available to us until this week. It raises serious new questions about the EPA Administrator's involvement in the conflict of interest investigation of her special assistant, and about the independence of the agency's Inspector General.

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The Inspector General advised the Administrator, via this memorandum, which was apparently also the basis for a confidential briefing that same date, that "there are numerous areas of interest in the evidence gathered that could prove troublesome or embarrassing to the Agency should someone choose to make them an issue."

It is not clear if that "someone" is the Congress, the Department of Justice, or the public.

He cites ten incidents, which range from strong evidence of conflict of interest to clear illegalities. These ten incidents were expurgated in the April 21, 1982, EPA letter to the White House Counsel.

The Inspector General further advised the Administrator that her special assistant had, at a minimum, created the appearance of conflict of interest in his "commingling his private business with his public employment."

Finally, he advised the Administrator that in his opinion "the Justice Department will decline prosecution." This prediction was also expurgated in the April 21, 1982, EPA letter to the White House Counsel.

This appears to be an opportunity for you to make good on your February 16, 1983, pledge to avoid any cover up of wrong-doing at EPA. There is a widespread public lack of confidence in the commitment of this administration, and EPA in particular, to enforce our country's environmental protection laws.

Sincerely,

PATRICIA SCHROEDER,
Chairwoman, Civil Service Subcommittee, Committee on Post Office and Civil Service.

JAMES H. SCHEUER,
Chairman, Subcommittee on Natural Resources, Agriculture Research and Environment, Committee on Science and Technology.

Enclosures: As stated.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 20, 1982.

MEMORANDUM

Subject: Briefing paper—James W. Sanderson.

To: Anne M. Gorsuch, Administrator.

From: Matthew N. Novick.

Enclosed you will find an advance copy of our Investigative Report concerning allegations of conflict of interest involving James W. Sanderson.

It should be noted that, as required, this report was formally submitted to the Justice Department on April 14, 1982 for a prosecutive opinion. Bob Andary, attorney, Public Integrity Section, (Telephone 724-7061) is handling the case and promised to have an opinion by May 7, 1982. This report should not be considered complete until we have Mr. Andary's opinion.

As you are aware, this investigation was based upon a series of six letters received from Patricia Schroeder, Congresswoman. As this investigation was well under way before all the letters were received, the report only covers the allegations contained in the first four letters.

In her last two letters, Congresswoman Schroeder raises an issue unrelated to the thrust of our present investigation. This issue related to a court case known as *Denver v. Andrus* in which EPA is responsible for insuring that the Denver Water Board complies with the provisions of the settlement. It is alleged that Sanderson, acting as a private attorney, representing the Denver Water Department, attended a

meeting with the Corps of Engineers for the purpose of discussing provisions of the settlement. The question here seems to be "was this a matter that was pending before EPA or was EPA merely a party to the settlement?" These allegations were transmitted by the Congresswoman to the Justice Department and are presently being evaluated by Mr. Andary and the FBI for investigation. We will keep you apprised of the outcome.

Because this report was intended for presentation to the Justice Department it contains no conclusions or opinions; nor does it directly address itself to the question of appearance of conflict of interest although the evidence gathered could be used to make that determination. Executive Order No. 11222 and 40 CFR 3 states that a special government employee "must refrain from any use of his public office which is motivated by, or gives the appearance of being motivated by the desire for private gain." While it appears that Mr. Sanderson took pains to "wall himself off" from his law clients while acting as an EPA employee, it was not always evident to others that he was not commingling his private business with his public employment. Because of his caution in not violating the letter of the law, I feel that as far as the issues addressed in this report are concerned, there has been no violation of Federal criminal statutes (USC Title 18) as alleged. I believe the Justice Department will decline prosecution.

In addition, there are numerous areas of interest in the evidence gathered that could prove troublesome or embarrassing to the Agency should someone choose to make them an issue. The following areas are identified for your convenience:

1. Sanderson's attorney, Paul Cooper, acknowledges that it is possible that Sanderson used his EPA staff to schedule meetings with clients and may have used a government car for personal business. However, he asserts that this is a common practice that goes with Sanderson's rank.

2. The investigation shows that in Sanderson's case timekeeping procedures were virtually nonexistent. He did not provide anyone at EPA with an accurate report of his time. His time cards were automatically submitted. On five occasions he was paid for days he did not work.

3. Personnel procedures were not followed. At the conclusion of his first period of employment on July 25, 1981, Sanderson's termination was not processed. Later, on October 4, 1981, when he returned to EPA his termination papers for the first period were processed.

4. When Sanderson returned to EPA his SF-61 appointment affidavit was dated October 13, 1981, and given to Sanderson. He was not sworn in as required, nor did he sign the affidavit on the date indicated.

5. There exists an unresolvable conflict in testimony between Steven Durham on one hand, and David Standley, James Thompson, and Gene Lucero on the other. All three men said Durham told them that his decision not to approve the Colorado water standards and stream classifications was out of his hands as he was following instructions from Headquarters. Durham denies having said this.

6. Thompson said Durham's change of mind regarding approval of the Colorado water standards coincided with a telephone call Durham received from Sanderson. Both Durham and Sanderson denied the allegation that Sanderson directed Durham to withhold approval of the standards.

7. Durham's change in position regarding approval of the Colorado water standards coincides with a conversation Thompson had with William Pederson, attorney, EPA Office of General Counsel. Pederson told Thompson that he received a call from Sanderson as a private attorney inquiring about the options a Regional Administrator would have in regard to the Colorado water quality standards. The options that Pederson gave Sanderson were the same options that Durham said he had after the alleged call from Sanderson.

8. In Pederson's testimony he relates how he and Perry and Thompson all agreed that they had no concern about a possible conflict of interest on the part of Sanderson because the State had withdrawn its submission of the standards. This was a faulty premise as the State had not withdrawn its submission.

9. Sanderson acted as a conduit for Colorado State Senate President, Fred Anderson, to obtain legal advice from EPA's Office of General Counsel on proposed law S.B. 10. Frank Taylor, Director of the Colorado Department of Public Health, testified that Sanderson saw him in May as a private attorney representing Coors and tried to influence him regarding S.B. 10.

10. Finally, the investigation shows that although it is legally permissible, Sanderson frequently did work for clients on days he was employed at EPA. He claimed that on these days he worked 10 to 14 hours. He also claimed that he worked over 24 days of two hours or more at EPA without compensation. This claim could be viewed as an attempt to avoid the additional legal restrictions imposed after 60 days' employment. After 60 days' employment, an employee has a conflict of interest if he represents a client who had a matter pending before EPA. If he worked less than 60 days he must have been involved personally and substantially in the matter as an EPA employee in order to be in violation. Also, after 60 days a financial disclosure statement is required.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., April 20, 1982.

Mr. FRED F. FIELDING,
Counsel to the President,
The White House, Washington, D.C.

DEAR MR. FIELDING: Enclosed you will find an advance copy of our Investigative Report concerning allegations of conflict of interest involving James W. Sanderson.

It should be noted that, as required, this report was formally submitted to the Justice Department on April 14, 1982 for a prosecutive opinion. Bob Andary, attorney, Public Integrity Section (Telephone 724-7061), is handling the case and promised to have an opinion by May 7, 1982. This report should not be considered complete until we have Mr. Andary's opinion.

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Sincerely yours,

MATTHEW N. NOVICK.●

WITHHOLDING: "COMPUTER NIGHTMARE"

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. D'AMOURS. Mr. Speaker, I would like to share with my colleagues an excellent article from today's Wall Street Journal on the technical problems created by interest and dividend withholding. It is clear from this article that implementing withholding will be very expensive.

It should not be surprising to Members that last week the Treasury acted to exempt itself from the burden of withholding on the bulk of its securities for an additional 6 months. Even though the Treasury exempted itself for 6 months businesses will have to start withholding on dividends on July 1, and banks will have to start withholding on certificates of deposit on July 1. Banks will also have to have computer programs in place July 1, in order to do the calculations that will be required to withhold on savings accounts and other types of accounts that will still be required at the end of the year.

The article follows:

[From the Wall Street Journal, Mar. 9, 1983]

BANKS GRAPPLE WITH SOFTWARE IN WITHHOLDING

(By Virginia Inman)

When the government decided to withhold tax money from interest income, it created a computer nightmare for banks.

Beginning July 1, banks must keep 10% of the interest they pay customers and send

the money to the Internal Revenue Service. For people in bank computer departments and in software and data-processing companies serving financial institutions, the deadline is uncomfortably close.

"We're already working day and night against that July 1 deadline," says Chris Jensen, president of Jack Henry & Associates, a Monett, Mo., software company with 180 banks as customers. Taking advantage of the low demand for computer time at night, the company's development director has been working a 12-hour shift, from 1 p.m. to 1 a.m., to get the system ready.

The IRS issued preliminary withholding regulations in September, but a spokesman says final rules won't be ready for a couple of weeks. Banks still have unanswered questions, especially about how to handle certain kinds of trusts. Regulations have already changed somewhat, and banks fear further alterations.

SOME HAVE MOVED SLOWLY

Even without changes, the job requires computer departments to do in nine months what some say ideally should take two years. Some banks have moved slowly, hoping Congress would repeal the act, which became law last August. The law affects all interest-bearing instruments—savings and NOW accounts, certificates of deposit, and bonds. Dividends also are liable to withholding. Usually banks use different software packages, often written at different times by different people, to handle different instruments. To comply with the new law, computer programmers must modify numerous software systems.

"It's just one huge, huge job, and it's going to require all my resources from now to June," says John Brewington, corporate executive officer for operations at Virginia National Bankshares Inc., Norfolk. The project uses the equivalent of 15 to 20 full-time employees, but all 200 programmers and systems analysts have contributed at least some time. Mr. Brewington estimates that altering the bank's software will cost about \$2 million, "not a little bit of change for this institution," which has assets of \$3.9 billion.

POSTPONING OTHER PROJECTS

Putting time and money into designing withholding systems means postponing work on other projects. Max Hopper, executive vice president for retail information and processing services at Bank of America, says delays in product development will cost the bank at least \$8 million in lost profit, \$3 million more than the bank will spend to change its software system.

John Williams, chairman of Computer Services Inc., a Paducah, Ky., bank-serving company, says designing withholding software has delayed the release of a new individual retirement account processing system and microcomputer applications, as well as improved electronic funds transfer and automatic teller-machine offerings. Though he admits companies like his will profit from the law, Mr. Williams says, "there are just far more valuable things to be done."

Software suppliers usually have maintenance agreements that require them to keep customers' systems up-to-date as regulations change.

Systematics Inc., a Little Rock, Ark., software company, must change six major software systems, excluding those for trusts, and install the changes in 41 data systems. Eight full-time programmers have been working for three or four months on the project, which will cost the company "well

over \$1 million," says Walter M. Smiley, chief executive. About two weeks ago, when several governors suggested withholding by states, Systematics programmers redesigned their work to accommodate state withholding.

SEEKING EXTENSIONS

Some people are calmer than others. Fran Sperling, assistant vice president in product management at Security Pacific National Bank in Los Angeles, says the bank's withholding system for deposit instruments is 95% complete. Advised that chances of repeal were low, the bank started planning software changes in late September. "We're feeling pretty comfortable where we stand right now," says Mr. Sperling.

The bank's trust department isn't quite as happy. "We're holding off on going to customers as long as we think we can, because until we see the final regs, we aren't exactly sure what to tell them," says David L. Blanchfield, senior vice president for the financial management group. If final trust regulations differ much from proposed rules, creating software could become a problem.

William E. Campbell, head of software development for Chemical Bank, says he doesn't think all the bank's software, particularly for its securities systems and corporate trusts, will be ready by July 1. Like other banks and software companies, Chemical will have to ask for an extension in some areas. How receptive to such requests the government will be is unclear.●

WHAT'S NEXT? THE KITCHEN SINK?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GAYDOS. Mr. Speaker, I used to think America was importing everything from abroad except the kitchen sink. Alas, I find we may soon be doing that too—if we are not already.

According to an article I read in a recent issue of the Sunday-Review, published in Greensburg, Pa., Americans can expect a wave of imported pots, pans, tableware, and small electric appliances in the near future.

The catalyst for this new surge, the article indicates, was a display held by 47 Italian housewares manufacturers at the Italian Trade Center in New York. More than 10,000 American retailers viewed the products, many of which had never been seen in the United States before.

Why a show in New York when similar fairs are held regularly in Milan and heavily attended by American shoppers? Dr. Giorgio Corrias, the Italian trade commissioner in New York, explained why in the news article.

Dr. Corrias is reported as saying the American market has become very important to Italian manufacturers. In 1981, the article states, one-fifth of all imported coffeemakers, electric food processors, slicers, choppers, and grinders came from Italy. The figure

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was 31 percent for similar nonelectric food preparation utensils, according to the report.

Poor economic conditions in Western Europe were said to have forced manufacturers there to look elsewhere for a market where they could sell their products and keep their employees and plants in operation.

"We looked at your market figures and that persuaded us to come to the United States," the article quotes Giovanni Colombo. Mr. Colombo is identified as being with a firm that makes pots, pans, and pressure cookers and was showing in New York for the first time.

Mr. Speaker, if we already are importing food processors, pasta makers, woks, electric rice cookers, coffee-makers, and other kitchen utensils and tools, can sinks be far behind?●

THE COMING CRISIS IN FEDERAL RETIREMENT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GINGRICH. Mr. Speaker, I recommend these two documents to all my colleagues who are concerned about the future of the civil service retirement system.

[From OPM News, Feb. 22, 1983]

REFORMS SEEK SELF-SUPPORTING, COST-CONTROLLED PENSIONS, SOCIAL SECURITY TO COVER NEW FEDERAL EMPLOYEES

MIAMI, FLA.—Reforms aimed at controlling escalating federal pension system costs, restoring the system's financial health and original purpose, and making the system fairer to the taxpaying public were discussed here today by Donald J. Devine, Director of the U.S. Office of Personnel Management (OPM).

"Few Americans realize that the true debt of the Civil Service Retirement System (CSRS) now totals one half trillion dollars (\$500 billion). On a per person basis, the unfunded liability of CSRS is much greater than that of the Social Security system. While Social Security outlays grew 1,209 percent between 1960 and 1981, CSRS outlays grew 1,891 percent. More critically, while Federal employee contributions have increased 427 percent, government contributions have grown 2,351 percent. Clearly, CSRS needs reform even more than does the Social Security system," said Devine.

"The \$20.8 billion annual contribution by the Federal Government (which does not include \$9 billion in interest paid on government securities) makes CSRS the fourth largest Federal entitlement program. Most federal employees believe that their retirement system is funded entirely by the seven percent salary contributions they make and the matching amount contributed by their employing agencies. But it's just not true.

"In actual fact, OPM, through payments drawn directly from the U.S. Treasury, adds another 26 percent of payroll just to fund current benefit payments and meet legal requirements. Even with this heavy commitment of general revenue, the unfunded li-

ability of the system is huge and growing. During 1980 and 1981 alone, the unfunded liability of CSRS grew by nearly 24 percent. There is growing concern that American taxpayers will be unwilling to continue supporting such a large level of expenditure through a system that desperately needs these reforms," Devine continued.

Noting that CSRS benefits are quite generous in comparison to private sector pension practices, Devine pointed out that "federal employees can retire with full benefits at age 55 with 30 years of service, whereas most private sector employees can not do so until age 65. In fact, half of all federal employees retire before age 60, compared with only 7 percent who do so in the private sector.

"While federal employees receive full benefits (56 percent of their pretax salary) when they retire at age 55, with 30 years of service, private sector employees receive the equivalent of a 75 percent income reduction at age 55. Put another way, a federal employee will receive about double the amount in total pensions paid over a lifetime in comparison with a private sector individual who retired at age 55."

Unlike most private sector pension plans, CSRS benefits are fully indexed to the Consumer Price Index (CPI). Most private sector retirees receive indexed Social Security benefits, but their private sector add-on pensions rarely are indexed. "Only 42 percent of all private sector retirees have an add-on pension plan in addition to their Social Security benefits, only three percent have guaranteed indexing built into their private pensions and benefits for the remainder are increased, on the average, at rates of three percent per year of less," Devine said.

"The generous cost of living raises which result have created a situation in which a federal employee who retired in 1972 at the same time as a typical private sector friend, and received the same initial retirement pay, is today receiving at least 25 percent more in monthly benefits than his friend," Devine continued.

Typical private sector employers pay a 5.4 percent retirement contribution for Social Security, as well as an additional 11 percent of salary for add-on staff plans for those companies which provide such plans. The Federal Government pays 7 percent from agency payrolls and the additional 26 percent through the U.S. Treasury. The total 33 percent government contribution represents nearly twice the typical private sector payment.

"Even if one adds in the long term (40 years) employer's share of the Social Security unfunded liability for the private sector, the employer share still represents only 31 percent of payroll. Allocating the equivalent unfunded CSRS liability over 40 years would require the Federal Government to pay an incredible 85 percent of payroll in employer retirement costs, which is far, far more than any private sector employer would pay," Devine said.

"At one time, more generous retirement benefits for Federal employees could be justified on the basis that federal employees were underpaid compared to the private sector. However, several public and private studies now indicate strongly that federal employees no longer trail the private sector in pay. We are very concerned that the more than two-thirds of Americans surveyed in polls who believe that federal employees are over-paid in salary and benefits, like retirement, will turn against the system

unless reforms are made. No retirement system can survive in the long run in the face of such substantial public disenchantment. These reforms are designed to head off that kind of rebellion among the taxpayers," Devine continued.

The retirement system reforms described today were developed at OPM, and were included in the President's Fiscal 1984 Federal budget. One proposal would raise the age of retirement with full benefits to 65 with 30 years of service. Retirement at age 55 would remain an option for federal employees but those choosing to do so would be charged an actuarial reduction for early retirement. Due to the gradual phase-in of the proposed reforms, employees eligible for retirement at enactment would not be affected by the changes.

Adjustments for those below age 55 are also phased-in to account for past contributions to the retirement system. The actuarial reduction for early retirement for each year below age 55 with 30 years of service would be one-half of one percent per year. For an individual who is 54 at the time of enactment, for example, there would be a 5 percent reduction for retirement at age 55. Once the proposed reforms are fully implemented, persons retiring at age 55 would receive 50 percent of full retirement income. A person retiring at age 60 would receive 75 percent of full retirement income.

Two important benefits are expected to result from the proposed reforms. Federal employees would be encouraged to work longer, thus providing the public with the added benefit of accumulated experience in the civil service, and the CSRS would receive additional revenue and incur reduced outlays.

Among other proposed changes are provisions designed to insure that, in future years, CSRS will be fully supported by equal contributions from employees and the Federal Government. Employee contributions are presently seven percent of payroll and would rise to nine percent in Fiscal Year 1984 and 11 percent in Fiscal Year 1985. As a result of this change, true actuarial value of retirement benefits would be set at a level of 22 percent of payroll, fully supported by employee and agency contributions. Benefits paid by CSRS would remain competitive with private sector pension plans.

Other proposed changes freeze the cost of living allowance for retirees in Fiscal Year 1984 and return CSRS benefit calculations to an average of the "high five" years of an employee's earnings history, rather than the present high three years. This change would be implemented in three years. All off-budget federal agencies would also be required to meet the full costs of funding the system.

A separate staff plan is being developed by OPM for new federal employees who would be covered under the Social Security system, as an add-on benefit system. Putting new Federal workers under Social Security was proposed by the President's Commission on Social Security, and has been endorsed by the Administration. The combined cost of the new Social Security-plus-staff plan would equal that of the modified CSRS retirement plan, and benefits would be comparable.

"The net effect of these reform proposals," Devine concluded, "will be to put the Civil Service Retirement System on a sound financial foundation, ensuring that it will continue to provide benefits to retired federal employees and their dependents. These

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reforms are in the interest of the federal employee who depends upon CSRS and the taxpayers who must pay for the system and its benefits."

[From the Washington Post, Feb. 4, 1983]
THAT PROPAGANDA ABOUT FEDERAL PENSIONS
(By Sylvester J. Schieber)

Several of the organizations that represent federal civilian and postal workers have begun a full-scale attack on the proposal to cover new federal workers under Social Security. In each instance, the presentation distorts the actual facts pertinent to the consideration of this proposal made by the National Commission on Social Security Reform.

The attack is being staged through a series of newspaper and radio advertisements. In addition, a set of statistical analyses that purport to show the cost of the proposal are being distributed around Capital Hill. Finally, op-ed pieces by union leaders have appeared in the newspapers (for example, Kenneth Blaylock's piece in The Post on Jan. 27). These presentations make three basic points.

First, without new contributions the Civil Service Retirement System (CSRS) would go bankrupt, and taxpayers would have to shoulder the burden. The implication is that employee contributions ensure the solvency of the CSRS—dry up the contributions and benefits cannot be paid.

The fact is that if employee contributions were the only source of income to CSRS the fund would be depleted by 1987 or 1988 at the latest. Even if the system operated in the fashion that many federal workers believe (i.e., employee contributions plus a matching agency contribution plus trust fund interest) the fund would be depleted sometime between 1993 and 1995. The fact of the matter is that the current CSRS is primarily dependent on taxpayer support on whatever basis the cost of the system is considered.

There are those who argue that taxpayer support is now required because of past imprudence: massive liabilities (i.e., benefit promises) were accumulated but never funded. The National Federation of Federal Employees argues that "the unfunded deficit originated because the federal government failed to pay its share into the fund from 1920 to 1956." This perception ignores the recent unprecedented growth of these unfunded obligations.

Of the roughly \$500 billion in unfunded benefit promises on the CSRS books at the end of fiscal year 1981, nearly one-quarter (23.8 percent) arose during 1980 and 1981. Not only is the current CSRS largely dependent on taxpayer support to meet current benefit payments; it continues to accumulate added liabilities for future generations of taxpayers as well.

The second point opponents of expanded Social Security coverage argue is that covering new federal workers will mean higher future budget costs for federal retirement. The annual budget cost of federal retirement equals the total benefits paid minus employee contributions. The Senate Governmental Affairs Committee recently released an analysis that shows that covering new federal workers under Social Security and providing them with supplemental pension protection could actually reduce the budgetary burden of federal retirement.

The savings of such a program depend on the level of benefits provided by the combined elements of the system and the level of total contributions required of those who

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would participate in it. It is unlikely that the relative level of retirement benefits going to future federal workers will be any higher than now. Further, it can be easily demonstrated that the future net contributions of federal workers to Social Security would be roughly equivalent to their current contributions to CSRS.

The third point opponents of Social Security coverage of federal workers argue is that such a policy would ultimately raise Social Security costs. There has never been a set of cost estimates by any of the responsible parties that shows the net cost of Social Security rising as a result of covering federal workers. Wishing that the numbers showed such a cost increase, or merely saying it, does not make it so. In actuality, the estimates by the Social Security actuaries have consistently shown significant short- and long-term savings for other payroll taxpayers if federal workers are covered under Social Security.

Federal workers have borne the brunt of some reprehensible political rhetoric in recent years. They now feel they are being singled out to bear an unjust share of a budget-balancing exercise.

One of the reasons they are being singled out on the pension side is that they stand alone in many regards. They do not participate in Social Security, although three-fourths ultimately get benefits. They receive better cost-of-living allowances than most retirees. Finally, they are perceived to retire earlier than most workers. Whether it is right or wrong, there is a broad perception that CSRS provides much more generous protection to federal workers than is available to taxpayers who bear most of the CSRS cost.

This perception has led to proposals in the 1984 budget that would raise the CSRS contribution from 7 percent to 11 percent of salary by 1985, an increase of 57 percent. Workers reaching retirement eligibility at age 55 after 1984 would only get half the benefits now provided by CSRS and would have to work until age 65 to get full benefits. By comparison, the national commission recommendations on raising Social Security taxes would only increase program revenues by about 4 percent between 1983 and 1989. Their recommendations for delaying the 1983 COLA and taxing benefits amounts to about 4 percent of projected cash benefits over the period.

If federal workers were participating in Social Security, they would be subject to the same changes that were being discussed for the rest of society for their basic retirement program costs and benefits. If they had a supplemental retirement program that compared with those provided by other large employers, they could get much greater public sympathy and support against arbitrary changes in their own retirement programs.

Even with carefully worded statements and supporting analyses, federal workers and retirees have a difficult case to make to the general public. Attempting to confuse the Social Security policy discussion or to destroy the compromise package through partial or misleading analyses of federal pension costs will not help their cause, their credibility, or their standing with the public.●

TRIBUTE TO A DEDICATED
LEADER WILLIAM B. HOPKINS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. LENT. Mr. Speaker, I rise to bring to the attention of my colleagues a signal honor being accorded to a distinguished resident of Long Island, N.Y. I refer to William B. Hopkins, of Dix Hills, N.Y., an outstanding business and civic leader, known throughout Long Island for his selfless efforts on behalf of his community.

In the world of business, Bill Hopkins has distinguished himself as president of Roosevelt Raceway, and in a number of offices in the Long Island Association of Commerce & Industry.

However, Bill is not the type of man to confine his activities to the world of business. His interests and activities in community affairs have been numerous and outstanding. But nowhere has he given of his time and energy more unstintingly than as an advocate for and leader of the Long Island Committee for Soviet Jewry, to support and assist the thousands of Soviet Jews seeking the freedom to practice their religion in the country of their choice.

As a Member of Congress who has worked closely with the Long Island Committee for Soviet Jewry to challenge the oppression and persecution to which the courageous Soviet Jews are being subjected, I am well acquainted with Bill Hopkins' outstanding efforts in this vital human rights cause. I know of his personal dedication and devotion to the work of the committee. I know of his strong leadership in organizing support for the committee and for the many-faceted efforts it undertakes on behalf of Soviet Jews seeking freedom.

I am particularly pleased, therefore, to inform my colleagues that my good friend Bill Hopkins is being awarded a signal honor by the Long Island committee at its annual Freedom Dinner to be held this coming Sunday, March 13, 1983. In recognition of his selfless efforts in support of the human rights cause, the Long Island Committee for Soviet Jewry is honoring him with the 1983 Freedom Award.

Certainly, no one has done more to deserve this honor than Bill Hopkins. I know that my colleagues in the House of Representatives join me in offering our congratulations and commendation to Bill Hopkins for his outstanding leadership in efforts to gain freedom for persecuted Soviet Jews, and to offer our best wishes for his future work in support of the cause of Soviet Jewry. •

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THE EMERGENCY COMMODITY
DISTRIBUTION ACT OF 1983

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. BIAGGI. Mr. Speaker, on February 17, I introduced the Emergency Commodity Distribution Act of 1983 along with my colleagues CARL PERKINS, WILLIAM FORD, and GEORGE MILLER of the House Education and Labor Committee. I believe that H.R. 1535 represents a humane and well-thought out response to the pressing need before us to distribute surplus USDA commodities to the hungry, the needy, and the elderly of this Nation.

The Emergency Commodity Distribution Act of 1983 requires the Secretary of Agriculture to distribute warehoused commodities to eligible organizations which assist the needy as well as existing child and elderly feeding programs. Right now, the Secretary of Agriculture is sitting on hundreds of millions of pounds of these food-stuffs—including dairy, wheat, and honey. Despite the pleas of Congress and organizations involved in donating food to the hungry, the Secretary has chosen to ignore our requests to expand the current cheese giveaway program to other useable food items.

The House Education and Labor Committee, where I am the senior New York member, has conducted two hearings on the commodity distribution issue and our response to the testimony presented before us was H.R. 1513, which represents a refinement of similar legislation I introduced earlier this year, H.R. 1162. This bill, H.R. 1513, sets up no new bureaucracy but instead, uses existing transportation, storage, and distribution routes to get out the food to the people.

I commend our colleagues on the Appropriations Committee who included \$50 million in the jobs bill, H.R. 1718, and passed by the House last week, for the distribution of emergency food and shelter. These funds would be appropriated by a national board, comprised of representatives of volunteer organizations. While I am supportive of providing funds to such organizations at the local level, I do not believe that this legislation will address the total commodity problem—that being insuring that the Secretary, in fact, does expand the list of available surplus commodities to those who can use them, and does, in fact, distribute them without charge or credit to States.

For the benefit of my colleagues, I am inserting into the RECORD a copy of H.R. 1513 as well as an analysis of its provisions. I commend the work of all our colleagues in the House that are seeking to address this commodity issue and urge that H.R. 1513, the

Emergency Commodity Distribution Act of 1983, be given serious consideration as a supplemental program to our efforts to get the food to those who need it—the people.

H.R. 1513

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 "Emergency Commodity Distribution Act of 1983".

Sec. 2. Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended by inserting at the end thereof the following new subsection:

"(g)(1) In addition to stocks of the Commodity Credit Corporation provided under subsection (a) and notwithstanding any other provision of law, the secretary shall make available to eligible recipient agencies any commodities owned by the Commodity Credit Corporation and not distributed or obligated under contract within 60 days after the date of enactment of the Emergency Commodity Distribution Act of 1983. Eligible recipient agencies shall be: (A) programs and projects authorized under this act, the Child Nutrition Act of 1966, and title III of the Older Americans Act of 1965, an (B) public and private nonprofit services institutions, disaster relief organizations, and other entities that relieve situations of emergency through the provision of food to low-income and unemployed persons.

"(2) The Secretary shall provide the commodities made available pursuant to paragraph (1) in forms suitable for home or institutional use, and in such quantities as may be requested and used without waste by the State agency for distribution to eligible recipient agencies. Such commodities shall be made available by the Secretary without charge or credit to any eligible recipient agency.

"(3)(A) The Secretary shall use funds available under the provisions of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to provide cash assistance to State agencies in an amount equal to 5 cents for each pound of commodities made available under paragraph (1) for expenses incurred in such commodities. To the extent possible in using such cash assistance, State agencies shall make available funds to eligible recipient agencies for transportation and handling costs associated with obtaining and distributing other non-federal commodities or food items donated for use by eligible recipient agencies (including commodities subject to flow-to-market restrictions authorized by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601)). State agencies shall ensure that cash assistance provided does not exceed the actual costs of transportation, storage, processing, and distribution of commodities made available under paragraph (1) in addition to the actual costs of transportation and handling of such other commodities and food items as may be obtained pursuant to this paragraph.

"(B) No State may charge the eligible recipient agency for any expenses or costs related to the transportation, storage, processing, or distribution of commodities made available under this subsection.

"(4)(A) The Secretary may provide commodities directly to any eligible recipient agency and shall do so when State agencies are not permitted by law to make distribution to certain categories of eligible recipient agencies. The Secretary shall also provide for the transportation, storage, process-

ing, and distribution of any commodities under this subparagraph.

"(B) In order to maximize the use of commodities made available under this subsection, the Secretary and State agencies, to the maximum extent possible, shall enter into inventory agreements with private companies through which such commodities are reprocessed into end products for use by eligible recipient agencies.

"(5) Within 90 days after the date of enactment of the Emergency Commodity Distribution Act of 1983, the Secretary shall publish an announcement of the commodities and the quantities of such commodities which are likely to be made available under this subsection."

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C.

SUMMARY DESCRIPTION OF H.R. 1513

TITLE AND AUTHORIZATION

Amends section 14 of the National School Lunch Act (NSLA) to add a new subsection (g), entitled the "Emergency Commodity Distribution Act of 1983." (Section 14 of NSLA is authorized through FY 1984).

COMMODITIES AVAILABLE

Requires that in addition to the Commodity Credit Corporation (CCC) stocks provided to meet mandatory support levels for child and elderly nutrition programs, the Secretary make available to these and other specified programs, any commodities owned by the CCC and not distributed or obligated under contract within 60 days after enactment.

ELIGIBLE AGENCIES

Agencies eligible for bonus commodities are the programs authorized under the National School Lunch Act, the Child Nutrition Act of 1966, title III of the Older Americans Act of 1965, and public and private nonprofit service institutions, disaster relief organizations and other entities that relieve emergency situations through provision of food to low-income and unemployed persons.

FEDERAL REQUIREMENTS AND LIMITATIONS

In providing commodities to recipient agencies, the Secretary is to make them available in quantities requested to the extent that they can be used without waste and in forms suitable for home or institutional use. Commodities provided to State agencies for distribution to the recipient agencies, are to be made available by the Secretary without charge or credit to the recipient agencies.

ADMINISTRATIVE FUNDS

Provides cash assistance to State agencies for the transportation, storage, processing and distribution of commodities to eligible agencies in an amount equal to 5 cents for each pound of commodities made available. Funding for this purpose is derived from section 32 of the Act of August 24, 1935. In using cash assistance provided under this bill, States are to provide funds to recipient agencies, to the extent possible, for costs associated with obtaining and distributing other non-Federal commodities or food items that are donated to them. Such items would include commodities that are donated by farmers which cannot be sold due to "flow-to-market" restrictions authorized under the Agricultural Marketing Agreement Act, and food items donated by local food stores or suppliers.

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STATE LIMITATIONS

Provides that in receiving administrative funds, States be required to ensure that the amount provided does not exceed actual costs associated with transportation, storage, processing and distribution of the Federal commodities, and the costs associated with handling and distribution of non-Federal commodities or food items. Additionally, States are not permitted to charge eligible recipient agencies for any expenses related to the transportation, storage, processing or distribution of commodities they receive under this bill.

DIRECT FEDERAL DISTRIBUTION

Permits the Secretary to distribute commodities directly to eligible recipient agencies, and requires that the Secretary do so when State agencies are not so permitted by law.

PRIVATE INVENTORY AGREEMENTS

Requires the Secretary and States, to the maximum extent possible, to enter into inventory agreements with private companies for the further processing of commodities into end products.

PUBLISHED ANNOUNCEMENT

Requires that within 90 days after enactment, the Secretary publish an announcement of the types and quantities of commodities that are likely to be made available.

H.R. 1296, THE PAYMENT-IN-KIND TAX TREATMENT ACT OF 1983

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BILIRAKIS. Mr. Speaker, on March 8, 1983, I was absent from the House because of official business. Had I been here I would have voted for passage of H.R. 1296, the Payment-in-Kind Tax Treatment Act of 1983. This legislation will resolve the tax issues raised under the program and should assist in maximizing farmer participation in the PIK program. I believe this program is a step in the right direction toward this administration's goal of reducing crop surpluses and restoring profitability to the agriculture industry. ●

ARKANSAS VFW VOICE OF DEMOCRACY WINNER—VIRGINIA CASTLEBERRY

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. HAMMERSCHMIDT. Mr. Speaker, I would like to bring to the attention of my colleagues one of this Nation's most honored and patriotic traditions, the "Voice of Democracy" program sponsored by the Veterans of Foreign Wars and its ladies auxiliary.

The program began 35 years ago with the endorsement of the U.S. Office of Education and the National

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Association of Secondary School Principals. Sponsorship was provided by the National Association of Broadcasters, the Electronic Industries Association, and the State Associations of Broadcasters. Starting in 1958-59, the program was conducted in cooperation with the Veterans of Foreign Wars.

Since the VFW began sole sponsorship in 1961-62, student participation has tripled and school participation has doubled. This year more than one-quarter million of our best and most creative students from more than 8,000 schools submitted their ideas on the theme "Youth—America's Strength." Over 4,400 VFW posts and 3,600 auxiliaries sponsored the program and more than 2,400 radio and television stations cooperated. With such a broad and talented field participating, I am especially proud of Miss Virginia Castleberry, the State winner from Eureka Springs, Carroll County, Ark. At 16, Virginia is a consistent honor roll student, has received numerous athletic awards, been the president of her sophomore class, secretary of her junior class, and a member of many other school scholastic and social organizations. With all her school obligations, Virginia still finds time to pursue tennis, basketball, swimming, as well as reading and writing.

Virginia's family, her parents, Jamie and Ken Castleberry, and sister, Marty, share in the pride and excitement of this high honor.

Mr. Speaker, I would like to offer for the record Virginia Castleberry's winning entry in the VFW "Voice of Democracy" scholarship program. We can all take pride in her enthusiasm, confidence and, in her words, "• • • and optimism that cannot easily be diminished":

I am America's youth. Listen to me! I am creativity. I am confidence. I am strength. I am your son. I am your daughter. I am your grandchild. I am a younger and less experienced you. I have plans and dreams and goals and you have made them possible.

I speak to you with a strong voice from all across this country—from the rolling wheat fields of mid-America and from the ghettos of our cities. I speak from the black coal mines of Appalachia and from the white sands of the southern coast. I speak from mountains and valleys, from townhouses and tenements. Mine is a voice that wants to be heard. So, listen to me!

I speak with a creative energy that you have instilled in me, and that you have nourished. It is the "A-Ha" in me. It allows me to look at old problems with fresh perspective. It lets me take the best from what has been, combine it with what will be and formulate new ideas. The Constitution of this country, drafted by men whose average age was 29, was just one example of this creative response.

A creative approach to solving problems is an essential capacity. Technology alone demands that my generation be able to adapt to new information and discovery. Every intellectual leap that our country takes re-

sults in an increase in the number of problems to be solved. Creativity is part of my heritage and the future of our nation depends upon by ability to use it well.

I speak with confidence and courage. I believe in me. I am not afraid of the future—on the contrary, I am eager to face the challenge. You have encouraged me to move forward, and have given me the tools that make me secure. I attend computer camps in the summer, work with the handicapped and study long hours. I learn practical trades. I work out in gymnasiums so I can set new records. I dance and sing and work and play with an intensity that only I can possess.

My confidence gives me "grit"—an optimism that cannot easily be diminished. No one can make me feel inferior without my consent. My nation has established its superiority with over 200 years of hard work and determination. I have inherited a tradition of moral, industrial and technological leadership and military strength and courage. My confidence will ensure the continuation of this tradition.

I speak with strength. My energy is boundless. I am young and powerful I have the strength to push myself just a little bit further and a little bit longer. I know that I must have limitations, but I rejoice in moving beyond them.

My body is strong and my will is strong and I am constantly learning the importance of moral and spiritual strength, as I establish new priorities and values.

I take my strength from the encouragement that you give to me and from the disciplines that you have imposed upon me. You have instilled in me a sense of humor that allows me to laugh at myself without feeling like a failure.

I am America's youth and I am free. This freedom, that you have passed to me is more precious than life itself. I thrive on it. It is the essence of my being. It gives my voice wings and carries it to all who will listen. My freedom enables me to develop the creative energy that is so essential in today's world. It gives me the courage to face tomorrow with confidence and enthusiasm. It gives me the strength to move forward always remembering the values and traditions you have given me.

I will not fail you, for I cannot fail myself. ●

SUNDAY ELECTIONS DO MAKE A DIFFERENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. BIAGGI. Mr. Speaker, this past Sunday 89.1 percent of eligible West German voters turned out in that country's national elections. This figure is in sharp contrast to our own dismal 53.95 percent voter turnout in the 1980 U.S. Presidential election.

In fact, in all European countries where national elections are held on Sundays, a nonworkday, voter participation is significantly higher than our own. For example, Sweden, Austria, West Germany, Italy, and France all held their most recent elections on Sunday and voter turnout was between 86 and 90 percent.

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Meanwhile, voter turnout in the United States has declined in every presidential election since 1960, when 62.8 percent of the voting age population turned out. The 53.95 percent turnout figure for 1980 was the lowest for a U.S. Presidential election in 32 years.

In non-Presidential election years, the figures are far worse, with only 40.3 percent of the voting age population participating in the 1982 elections.

Simply put, our current election process is failing us miserably. The time has come for us to learn from the European example and vote on Sundays.

Under a bill I have authored (H.R. 84), all Federal general elections would be held on Sunday, and all polling places across the country would open and close at the same time—12 to 9 p.m. e.s.t.—during Presidential elections. These changes would apply for a 6-year experimental period beginning with the 1984 Presidential election.

The bill includes a same time voting provision because of the problems associated with early election night projections by the media. In the 1980 election, one major network projected a Reagan victory at 8:15 p.m. e.s.t., some 3 hours before west coast polling places were scheduled to close. The result was a 6 to 11-percent decline in overall voter turnout, according to a 1981 study by the University of Michigan, which was funded in part by ABC News.

It should be noted that both CBS, Inc., and ABC, Inc., have endorsed the same time Sunday voting proposal. In fact, Leonard H. Goldenson, chairman of the board of American Broadcasting Companies, Inc., recently wrote in the *New York Times* that "Congress should mandate a uniform poll closing time across the Nation. While Congress is at it, election day should be moved to Sunday from the traditional Tuesday—it is easier for most people to get to the polls on Sunday, and the highest voter turnouts are regularly reported by democracies that do their balloting on Sunday."

At this time, Mr. Speaker, I wish to insert the full text of Mr. Goldenson's article, which discusses a number of other election reforms he feels should be made:

[From the *New York Times*, Mar. 3, 1983]

ATTUNING VOTING TO THE TV AGE

(By Leonard H. Goldenson)

Voting is the quintessential act of a democracy. The United States is history's most successful experiment in democracy. Why is it, then, that so few Americans vote?

Among modern democracies, virtually none regularly sends a smaller proportion of its electorate to the polls. Scarcely half turned out in the 1980 Presidential election; less than a third took part in the Presidential primaries. Last November, with Government economic policies on every tongue,

only 35 percent helped select the new Congress.

We have somehow become a nation rich in information yet poor in political passion. We have turned the ideal of majority rule into the fact of minority rule.

The reason cannot be society's barriers to voting. We've spent most of this century tearing them down. The franchise has been extended to women and minorities. To exercise that franchise, a voter need not pay a poll tax, pass a literacy test, speak English, own land or even live in one place for very long.

Rather, a principal problem appears to be that the nation's political system and its system of communications are out of sync. Politics is enormously dependent on the machinery of information, but that machinery is now space-age technology while many political practices still derive from an otherwise forgotten horse-and-buggy era.

Take the primary election season. It begins fully nine months before the general election. That time span made sense when speeches had to be delivered in person by candidates who traveled by train; without all that time, how could they even have set foot in each state of the Union?

But now a single broadcast message will bring a candidate's thoughts to more people than he'd reach in a year of whistle-stopping. In light of today's electronic communication, the primary season is too long, too expensive, too physically exhausting for the candidates and too distracting from the ongoing process of government. Moreover, it's far from clear that there is any corresponding benefit to the voter. Congress should shorten the primary season.

Broadcast messages, or any other messages prepared by the candidates, are only part of the information a voter should receive, of course. Thorough news coverage is another part. But there's a third part that's too often missing—debate. Debate has been central to democracy as long as that form of government has existed, and for good reason. Debate subjects candidates to public scrutiny in the most political of circumstances: Proposing goals, priorities and solutions to problems and defending them against opposing views.

Why then, are broadcast debates not a feature of every Presidential campaign? Because the "equal time" provisions of the Communications Act state that if two candidates debate on television, all legally qualified candidates must be afforded the same opportunity. This approach sounds equitable in theory; in practice, the profusion of minor but "qualified" candidates makes such debates very difficult to arrange.

The equal-time provisions should be permanently suspended for Presidential and Vice Presidential debates, as they were temporarily for the 1960 Kennedy-Nixon debates. The Federal Communications Commission has previously proposed this, and commercial broadcasters would certainly make free air time available for the major party candidates. But Congressional action is needed—and needed now.

Failure to take modern communications into account underlies the haphazard state-by-state closing of the polls. When votes were counted by hand and the tallies certified by mail, it made little difference what time the polls opened or closed. Now votes are counted and reported electronically and instantly. Results in the East may now affect turnout in the West and thus the outcome of an election.

Congress should mandate a uniform poll closing time across the nation. While Congress is at it, Election Day should be moved to Sunday from the traditional Tuesday—it's easier for most people to get to the polls on Sunday, and the highest voter turnouts are regularly reported by democracies that do their balloting on Sunday.

A digression: The youngest citizens are the ones least likely to vote. They are strangers to the political process, and often are not convinced that their participation matters. Our high schools teach driver education to their older students. They should teach voter education as well.

In a democracy, voter turnout matters. And information is the primary means of voter motivation. In large ways and in small ones, it is time for Congress to bring our traditional political process into step with the modern electronic age, so the best and fullest information gets to the voters, and so that the voters get to the polls.●

THE UNEMPLOYED NEED HEALTH INSURANCE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WALGREN. Mr. Speaker, a front page story in yesterday's New York Times details the damage being done to the health of people who, having lost their medical insurance along with their jobs, are not getting the medical care they need.

I have introduced legislation, H.R. 1823, which would provide unemployed workers and their families with up to 18 months of health care. As this article shows, the crisis is getting worse and worse every day.

The article follows:

[From the New York Times, Mar. 7, 1983]
LOST MEDICAL CARE FOR JOBLESS: COST MAY BE HEALTH OR LIVES
(By Iver Peterson)

DETROIT, March 6.—Of all the pain and problems the recession has produced, none may be as severe or long-lasting as the damage done to the health of people who, having lost their medical insurance along with their jobs, are not getting medical care they need.

"This tragic byproduct of unemployment may, in the not so long run, cost the nation as much in damaged and lost lives as the unemployment itself," Douglas A. Fraser, president of the United Automobile Workers, said last month. Although no one has determined the exact extent of the problem, which is difficult to measure, experts in the field across the country point to troubling developments that include the following:

Eleven million people lost their health insurance in 1982 alone, the Congressional Budget Office reports, with most retaining too many assets to qualify for help under welfare programs. The Health Security Action Council, a labor-backed group, estimates that at least 25 million people now lack health insurance because of unemployment.

In Michigan, with the highest unemployment rate in the country, the infant death rate rose 3 percent from 1980 to 1981, to 13.2 deaths per 1,000 live births from 12.8 in

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1980. In the same period the national rate declined by 6.4 percent, to 11.6 per 1,000. Experts say loss of health insurance and of proper prenatal and maternity care is one of the factors in the rise in Michigan.

At Cook County Hospital in Chicago, admissions for tuberculosis have jumped from 300 to 600 cases in a year, and hospital officials attribute the increase to the financial inability of tubercular patients to obtain antibiotics. "We're sitting on a time bomb here," said Ron Wise, Cook's director of community relations, noting that the hospital is not equipped to isolate patients with such a contagious disease.

Referrals of uninsured patients from private hospitals to public hospitals, called "dumping," have increased and have worsened the deficit problems at municipal institutions. Such transfers to Cook County Hospital rose to 125 a month this year from 100 a month in early 1982; Detroit General, also a public hospital, reports a 30 percent increase in such referrals in the same 12 months.

SOME TOO PROUD TO ASK

To many doctors, the most distressing sign of the problem is the least visible. It is the people who, too poor to pay and too proud to ask for charity, are neglecting medical care until a crisis forces them to an emergency room.

In Atlanta, a 50-year old man, who recently lost his medical insurance when he was laid off, refused out of pride to accept the free hypertension pills offered through a clinic. A few days later he suffered a stroke and was admitted to Grady Memorial Hospital as a charity patient.

"We found a man who had cancer in his intestines and never went to a doctor, who had been trying to treat himself by dosing himself with corn starch and sleeping pills and hoping it would get better," said Nancy Dubyak, the head of the Butler County Coalition for the Unemployed in Pennsylvania. "We finally got him help, but I don't know what happened to him."

John Danielson, president of the Detroit Hospital Center, said: "I hate to think how many women are walking around out there with undiagnosed breast cancers who are waiting for their husbands to find a job and some insurance before they'll come in to us, or how many others are not taking their hypertension medication because they can't afford it and don't know where to get some. They are all part of a medical bill that will come due someday."

The damage from such neglect usually shows up in the emergency rooms of hospitals, as a crisis forces a sick person to visit.

EMERGENCY VISITS INCREASE

Bellevue Hospital in Manhattan, for instance, has had an 8 percent increase in emergency room visits by adults in the last four or five months. The number of people who cannot pay also rose.

"We seem to be seeing sicker patients, and they're staying in our emergency room longer," said Terry Kraft, assistant emergency room administrator at Bellevue.

"They neglect their problems and come in sicker," echoed Dr. Corey Slovis, emergency room chief at Grady Memorial in Atlanta. "They keep hoping the problem will go away, or not get worse." At Grady, the number of emergency patients admitted for a hospital stay, an index of medical seriousness, rose 15 percent in the last year.

But some conditions refuse to be put off, such as the third pregnancy of Debra Lanphear, a carpenter's wife who lives just out-

side Flint, Mich. Her husband, Clarence, lost his job and family health insurance because of the housing slump just before the birth 15 months ago of a daughter, Roseanne. They were then handed a hospital bill for \$2,600 and a continuing lesson in the life of the debtor.

GET USED TO THE PHONE CALLS

"After a while you get used to the phone calls," said Mr. Lanphear, a 26-year-old father of three. "They say well, we haven't received anything from you since October, and you say you'll try to send them something if you can find a way to earn it, and they say, well, they'll have to turn it over to a collection agency next week. But what can they do? They can't garnishee your wages if you ain't got any work."

Employers usually pay for all or a substantial part of their employees' health insurance. Under most plans, benefits end within a month after a layoff. The laid-off worker may then switch from the former group plan to an individual plan, but the cost is invariably higher and the benefits usually more limited.

"The high cost of private coverage to individuals and the limited availability of public coverage such as Medicaid make it difficult for those without group policies to obtain protection against high medical care expenses," Alice Rivlin, director of the Congressional Budget Office, testified before Congress.

Hospitals report that the decline in health coverage has brought evidence of an increase in self-treatment, a revival of folk nostrums and an increase in particular of women delivering babies by themselves or with the help of an unlicensed midwife.

'WALK-IN' DELIVERIES RISE

A Michigan Department of Public Health study released last month noted a threefold increase in the number of "walk-in" deliveries by women who had had no prenatal care, including women in labor accompanied by midwives who could not handle complications that arose.

Those using lay midwives "are usually white women with high school educations and often some college education whose husbands have been laid off," the study said.

Moreover, the Michigan department said recently, inadequate care of infants attributed to high unemployment has manifested itself in the increase in state's infant death rate from 1980 to 1981, after a decade of steady decline.

"There is a human emergency in Michigan," the state's Department of Health said in opening a report on the effect of unemployment on the health of mothers and children. "The economic downturn underlies the current picture seen in Michigan of poverty, hunger, lack of access of health care and high infant mortality."

The infant death rate also increased in nine states besides Michigan.

The increase emerged as a political issue last month when David A. Stockman, director of the Office of Management and Budget, defended the Reagan Administration's social policies by pointing to the overall decline in the rate nationally.

His comments have drawn fire here, however. "Our whole point is that the Government can't just look at the people who are doing well," said Jeffrey R. Taylor, chief of the division of maternal and infant care in the Michigan health department. "They have to look at the people who are in trouble, too."

Mr. Taylor pointed to an area of downtown Detroit where 33 out of 1,000 babies die before they are 28 days old. This rate, he said, is "the same level reported for Honduras, the poorest country in Central America."

These babies die for many different reasons, including the youth and inexperience of many of their mothers, poverty, ignorance or simple indifference, that are not all the result of a loss of health insurance.

CHARITY TREATMENT A SHOCK

And for people who look for it, medical help is available, although the charity ward comes as a shock to people who are used to the first-class treatment afforded by an insurance card.

"If you've got that dire need and you've got to have it, you go for it," said Darrell Taylor, who lost his job at the General Motors Hydramatic plant in Ypsilanti, Mich., 18 months ago, and his union-sponsored Blue Cross-Blue Shield coverage eight months later.

"I had to sell my boat and get my car appraised and show I didn't have nothing left, but I got on welfare and Medicare," he said. "I hated to do it, it's killing my pride, but when your kids get sick, you do what you have to do."

For many people, losing medical insurance has also brought a new and bitter slant on their once warm relations with the family doctor. "He doesn't have time for us now that we can't pay," said Mr. Taylor, the unemployed G.M. worker. "I thought doctors became doctors to treat ill people, but I guess that went out the window when they started getting their hands on the big bucks."

At a charity clinic in Los Angeles, Sunset Community Clinic, the calls for appointments have risen from 100 a day a year ago to 350 a day now. Virginia Halstead, an administrator there, recounts complaints about doctors.

"People tell us, 'I've been going to my private doctor for 10 years and he won't take me anymore,'" she said. ●

HONORING THE ROTARY CLUB OF WEST COVINA, CALIF.

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. TORRES. Mr. Speaker, I would like to take this opportunity to call to your attention the work of an organization in West Covina, Calif., that is celebrating its 30th anniversary on March 12, 1983.

The Rotary Club of West Covina received its charter on March 5, 1953, from Delmar Gray, then governor of district 532. Through the dedication of Fred Lavelle, of the Covina Rotary, their sponsoring chapter, the West Covina Rotary Club was born in the spirit of the Rotary motto, "service above self."

Although the West Covina Rotary Club is one of many chapters worldwide, they have distinguished themselves in their efforts to provide humanitarian service, encourage high ethical standards in all vocations, and

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to help promote goodwill and peace throughout the world.

West Covina is fortunate to have among its many service organizations the rotary club which for the past 30 years has dedicated itself to the betterment of the city. The West Covina Rotary Club awards scholarships to students attending high school in West Covina. They sponsor a youth bowling league, as well as West Covina Little League baseball teams. Every year they give Thanksgiving food baskets to the needy, and during Easter the rotary club sponsors an egg hunt for the children of West Covina. For senior citizens, they coordinate a vial of life program, designed to help seniors in times of emergencies.

In addition to conducting their own charity drives, the rotary club assists other organizations such as the West Covina Police Department and the Queen of the Valley Hospital. Among their recent activities is providing 21,000 polio vaccinations to children in the Philippines through their "think million" project.

The West Covina Rotary Club is not only worthy of notice, but they should be commended in their activities to make their city a better place in which to live.

Mr. Speaker, I ask my colleagues to join me today in thanking President Lewis Starble, Vice President Bernard Bregman, Secretary Dean Raftery, Treasurer Robert Marcus, Past President Woodrow Scott and Directors Edward Hernandez, Jr., Robert Winsel, Robert Levy, John Chandler, Deon Carrico and Jacques Brodeur for a job well done. ●

FOREIGN LANGUAGE WEEK

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, President Reagan has once again followed the tradition established by his predecessors and designated this as Foreign Language Week. I welcome his pronouncement, and I urge him and my colleagues in the House to join with me in support of a Federal initiative to rejuvenate the disgraceful state of language education in the United States.

In November 1979 the President's Commission on Foreign Language and International Studies said it was "profoundly alarmed at the serious deterioration it had found in this country's language and research capacity." Because of the language link to diplomacy, intelligence and business, the Commission concluded: "Nothing less is at stake than the Nation's security."

The former Deputy Director of the Central Intelligence Agency, Admiral Bobby R. Inman, in testimony given in

1981 said: "The foreign language capability of our country is poor and is getting worse." He called this failure "a major hazard to our national security" and concluded, "Decisive action should be taken on the Federal level to insure improvement in foreign language training in the United States."

I welcome the President's words of support for foreign language education. I would also welcome his support for my foreign language assistance legislation, which I will introduce this week or next week.

The text of the Reagan announcement follows:

THE WHITE HOUSE,
Washington, D.C.

NATIONAL FOREIGN LANGUAGE WEEK

Once again, I take great pleasure in commanding the observance of National Foreign Language Week. I am proud to join in this program which underscores the importance of foreign language study both to our educational system and to our cultural enrichment.

We cannot afford to be complacent about our position in the world community. Both our economy and our national security depend upon American competitiveness. We must be effective—not only in the development of high technology and telecommunications but also in our ability to communicate in our own language as well as the languages of other nations.

The study of foreign language is vitally important to the basic education of American youth and adults. I urge parents and community and business leaders alike to join educators in encouraging our youth to begin the study of a foreign language at an early age and to continue the study of this language until a significant level of proficiency has been achieved.

All who join in the celebration of National Foreign Language Week have my best wishes for a most successful and productive program, both this week and throughout the year.

RONALD REAGAN. ●

LEGISLATION TO IMPROVE BUDGET PROCESS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. MINETA. Mr. Speaker, today I am introducing legislation which improves and strengthens the budget process.

As chairman of the House Budget Committee Task Force on the Budget Process for 4 years, I conducted several oversight hearings on the Budget Act, and the bill I am introducing today is a compilation of changes to the Budget Act which experience has shown are needed to improve the budget process.

The legislation I am introducing today is very similar to legislation which I introduced in the 97th Congress.

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March 10, 1983

Since its inception in 1975, the budget process has been faced with a series of challenges, but none of these challenges were as difficult as those presented in the past 2 years. In February 1981, President Reagan proposed a broad economic initiative which included massive cutbacks in taxes and Federal spending.

The administration unexpectedly used the budget process to achieve not only these economic goals but also to implement a series of philosophical changes. Despite this misuse, the somewhat battered congressional budget process did manage to survive the trials of the past 2 years, and I am going to work to make sure that it continues to survive.

This country faces unprecedented large budget deficits for the next several years, and Congress will be forced to make extraordinarily difficult budget choices. If used correctly, the budget process can assist us in making these difficult choices and in producing a suitable Federal budget.

In my view, the budget process does work. Congress has adhered to the basic outline of the Budget Act and has used its inherent flexibility to adopt new procedures to deal with emerging problems. The objectives behind enactment of the Budget Act were quite diverse, and criticisms of the act have resulted because the different expectations of Members and interest groups have not been met. Self-discipline is always uncomfortable. Ordering priorities is difficult, and saying "no" is unpopular. But the alternative of uncontrolled Federal spending is vastly worse. The budget process is necessary. This country cannot afford to return to the practice of uncontrollable Federal spending.

I believe that Congress has made remarkable progress in the way it acts on the Federal budget. The budget process is now an accepted part of the congressional legislative process. By most assessments, the budget process has been very successful.

Before the adoption of the Budget and Impoundment Control Act of 1974, Congress was ill-equipped to take an overall look at the economic environment. The only budget was the President's budget and it served as a basis for all fiscal policy discussion and for some legislative action.

Under the Budget Act, Congress has a set of procedures which provide order, guidance, and information in assessing the relative merits of Federal spending with the overall needs of the economy. To this end, the budget process has basically proven to be a procedural and informational success. It is now, however, being tested as a fiscal policy tool, and there is some dissatisfaction that Congress is not exerting effective budgetary control. Many of those dissatisfied with the budget process have claimed that

adopting a constitutional amendment to balance the budget will resolve our fiscal problems. I believe that to achieve fiscal and budgetary control Congress needs a strong and enforceable budget process, not a politically inspired constitutional amendment that has no enforcement mechanisms and no provisions for economic stability.

The budget process is still evolving as a fiscal policy tool, and after 8 years of experience with the budget process, the time is right for examining it and for considering ways in which it might be strengthened and improved. Congress should incorporate changes that experience has shown are needed to improve the process, and steps should be taken to expand the coverage of the Budget Act.

Congress has avoided amending the Budget Act for fear of opening up Pandora's box. The fear is that opening up the act for amendments would allow Members who have been unhappy with the budget process to damage or even dismantle the Budget Act.

The budget process has been flexible enough to meet the increasing demands placed upon it. Many changes to the budget process have been tried on a trial basis through provisions of section 301(b)(2) of the Budget Act. This provision allows in a first budget resolution "any other procedure which is considered appropriate to carry out the purposes of the act." However, given the current balance budget craze, I fear that if the Budget Act is not amended carefully in order to strengthen and improve the budget process, we may see the Budget Act ignored and possibly replaced with a toothless balanced budget constitutional amendment.

After years of review and study of the budget process through my work as chairman of the Budget Process Task Force, and more importantly, after 6 years of experience with the budget process as a member of the Budget Committee, I have several recommendations for improving and expanding the Budget Act. The legislation which I am introducing today includes the following provisions:

Binding first budget resolution: Make the budget aggregates of the first budget resolution binding and eliminate the need for a second budget resolution unless significant change occurs in the economic outlook or unforeseen needs arise for legislative action.

Reconciliation in the first resolution: If reconciliation is needed, it should be used in the first budget resolution to allow committees sufficient time to achieve legislative savings. In addition, procedures for using reconciliation need to be established.

Appropriations process reform: On September 15, the Appropriations Committees begin to work on a comprehensive appropriations bill which

contains the following: First, the appropriations bills reported by the committees but not enacted by the Congress; second, the appropriations bills not reported by the Appropriations Committees; and third, the appropriations bills which are held at the desk because they exceed their committee, section 302(b), allocations.

Credit budget: One of the most important steps Congress can take to improve the Budget Act would be to make the credit budget a required part of the budget process.

Off-budget agencies: To improve the coverage of the Budget Act, all off-budget agencies should be made a part of the unified budget.

Binding multiyear budget totals: Expand Congress planning horizon by making the outyear targets in the budget resolution binding.

Capital budget: To allocate scarce funds for our Nation's infrastructure in the most efficient way possible, Congress needs a capital budget providing information on the condition of existing infrastructure and estimates of future infrastructure needs.

Entitlement control: Congress may want to consider directing the Joint Economic Committee to review and make recommendations for controlling the growth of entitlement programs.

Impoundment control: Certain technical changes to the Impoundment Control Act are necessary to clarify the intent of the act. In addition, impoundment control should be extended to direct loans and loan guarantees.

With careful review and revision, the budget process can be not only a successful procedural and informational tool, but also a successful fiscal policy tool. Utilizing the experience gained in the past 8 years under the Budget Act, Congress should now take actions to improve and strengthen the budget process. I hope that my bill will serve as a vehicle for discussion as Congress begins to consider changes to the Budget Act. ●

STEVEN FREEMAN'S OBSERVATIONS ON A TRIP TO THE U.S.S.R.

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an article by Steven Freeman, director of special projects for the Greater New York Conference on Soviet Jewry. Mr. Freeman traveled to the U.S.S.R. in October 1982, met with many Soviet Jews who have been denied permission to emigrate, and shares this experience in his article.

Mr. Freeman's essay reflects the quiet distress of Jews in the Soviet Union, but it also shows the deep hope that these gallant people maintain that one day they will be permitted to live in accordance with their traditions. It is vital that our Government do everything in its power on behalf of Soviet Jews. That is why I have introduced House Resolution 67, calling on the Soviet Government to release Anatoly Shcharansky and allow him to emigrate; and urging the President and Secretary of State to raise Shcharansky's treatment at every suitable opportunity and in the strongest of terms with Soviet officials.

Steve Freeman notes in his article:

I left (the U.S.S.R.) knowing that I would not quickly forget the people I had met and the stories they had told me. They had become more than names on files or subjects of articles; they were thinking, caring, feeling human beings, struggling under an awesome burden and counting on me and my country to recognize the justice of their cause. I promised myself to take their words to heart, because we are the ones who hold the key to their future in our hands.

I commend this important article to the attention of my colleagues, and congratulate Steve Freeman for an excellent report on his trip to the Soviet Union.

SOME OBSERVATIONS ON A TRIP TO THE SOVIET UNION—FEBRUARY 1983

(By Steven M. Freeman)

Last October, I had the opportunity to spend a week in Leningrad and Moscow, visiting with some of the Soviet Jewish refuseniks who have been seeking permission to emigrate for many years. I traveled as a tourist, with a group of friends, but although I saw impressive landmarks and magnificent museums, it was the Soviet Jews I met who made the most lasting impression on me. Letters, biographical sketches, newspaper articles and other documents cannot possible convey the true measure of their courage in the face of unrelenting pressure.

My first stop was Leningrad, a beautiful city of canals and islands a short flight away from Helsinki, Finland. In Leningrad, I was able to make contact with several members of the younger generation of Jewish activists, and spent one memorable afternoon talking with five of them, a few short hours after the KGB had paid their neighborhood a visit. These five Jews, Yakov, Abram, Mikhail, Simon, and Grigory, symbolized for me what the struggle to keep Judaism alive in the USSR is all about.

Of the five, I met Yakov first. Bearded, with dark hair, dark eyes, and a powerful sense of determination and dedication to his faith, Yakov probably spoke the best English of the five. Together with Grigory, he impressed me as a leader, an intense young man who knows how to get things done. Grigory, also bearded and dark-eyed, was the most charismatic member of the group, with a sparkle in his eyes and the kind of a smile which can light up a room. The others present let Yakov and Grigory lead the discussion, becoming animated when the subject reflected their personal experiences.

The topics we discussed included the difficulty of living "in refusal," unemployed in a

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"worker's state" with no source of income. They also told me of their tremendous thirst for Jewish educational materials, their concern for their friends, including some who were present or former Prisoners of Conscience, and the vital importance of the life-line to the West which my friends and I represented. Material gifts mattered less to them than our friendship and our concern, and our assurances that their friends abroad would not forget about them.

As I left the apartment and began walking down the street, I reflected on a personal story Abram had told me, somehow it encapsulated much of what I had learned.

In October 1980, two years earlier, Abram, the senior citizen of this group, had actually received permission to emigrate. However, at the time, his sister was on her deathbed, and he felt he could not leave her alone. When she died, shortly thereafter, he sought permission again only to be refused. I was particularly moved by Abram's "quiet desperation"—although he was clearly fond of the beautiful surroundings of Leningrad, he felt a strong identification with the Jewish people, and a tremendous desire to live his last years in Israel. The arbitrary Soviet action in his case was sadly typical of the cruel indifference they have shown to thousands of Soviet Jews seeking to join relatives living outside the USSR.

From Leningrad, I flew to Moscow, where I had the opportunity to tour the Kremlin, Red Square, and other symbols of the Soviet State. The sense of power conveyed by the Soviet capital was awesome, but it also struck me as a bleak, gray, oppressive city, a place which knew little joy. Once again, the warmest, most animated people I met were the Soviet Jews. Somehow, in spite of the measures of harassment and intimidation constantly being directed against them, they managed not only to survive, but to survive with a sense of purpose intact. Some of those I met were leaders, others were not, but they all identified with the Jewish people and yearned desperately to be free to practice their religion and study history and their culture.

In the first Jewish home I visited in Moscow, I met Esther and Lev, a mother and son who greeted me with great warmth and affection. Lev, an active member of the Moscow Jewish community, has been repeatedly refused permission to join his wife who lives in Israel, and he and his mother both became very wistful when one of my friends began talking about his last trip to the Jewish State. With tears in their eyes, they asked us to communicate with Lev's wife once we left the USSR. We agreed to do so, although there are really no words to convey the depth of love and emotion they shared with us.

The next family I visited was a family unaccustomed to Western guests. Living in a small, cramped apartment, on the outskirts of the city, they invited me to sit in their kitchen, around a small kitchen table, and I communicated with them mostly in Russian. Although my Russian was far from fluent, they seemed to hang on every word, tears filling their eyes when I told them about Western efforts on behalf of Soviet Jews. They were also extremely interested in hearing about recent developments in Israel; one of them told me that she had a sister living in Israel whom she hadn't seen in fifty years. This was not a family of activists, although they were refuseniks and identified themselves as Jews. One of them even told me that she has spent a whole day at the Moscow Synagogue trying to obtain

matzah the previous Passover. When she finally succeeded, she proceeded to send some of her ration to a Jewish friend in another Soviet city who was unable to get any at all.

On my next-to-last day in Moscow, I visited two of the leaders of the city's Jewish community. In contrast to my previous meetings with Jews in the Soviet capital, these activists were familiar with the broad picture and fairly well informed about the outside world. Walking outside to escape any hidden microphones, I asked one of them, Pavel, about some of the Prisoners of Conscience. He told me about the especially serious plight of two of them, Anatoly Shcharansky and Aleksandr Paritsky. We also spoke about Feliks Kochubievsky, who had recently been arrested in Novosibirsk, and he was extremely concerned about Kochubievsky's physical condition, noting that he has a history of serious kidney problems. Pavel, his brother-in-law Vladimir, my friends and I then paused at a quiet street corner, and began speaking about the crisis in emigration, the general situation, and future strategy. Both Pavel and Vladimir were deeply worried about the future of Judaism in the Soviet Union, and their words had a profound impact on me.

The culmination of my week in the USSR was a visit to the Moscow Synagogue on Saturday night, October 9, the Jewish holiday of Simchat Torah. When we arrived at the Synagogue, the only functioning synagogue in a city of 300,000 Jews, we were greeted by an incredible scene. A crowd estimated at 10,000 mobbed the synagogue and the street in front of it; clearly the Soviet Jews felt some sense of safety in numbers, and this was one holiday when, for one reason or another, they wanted to be there.

For me, this experience was both exhilarating and depressing: exhilarating to see the turnout, and depressing to realize the lack of understanding on most of the faces—of all the generations—and the hunger etched in their eyes when they tried to join in some of the songs and prayers without knowing the words. Some may have been there for social reasons, some just because they wanted to be seen there, and others were undoubtedly plainclothed KGB, but the sea of faces was something to behold.

I left the Soviet Union two days later, after another series of museum tours and two more meeting with refusenik families. I left knowing that I would not quickly forget the people I had met and the stories they had told me. They had become more than names on files or subject of articles; they were thinking, caring, feeling human beings, struggling under an awesome burden and counting on me and my country to recognize the justice of their cause. I promised myself to take their words to heart, because we are the ones who hold the key to their future in our hands.

AMERICANS OF INDIAN DESCENT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

• Mr. SIMON. Mr. Speaker, Much of America's strength and wisdom is the result of our diversity. We include among our population representatives of every nation on Earth, and each of

these groups has made major contributions to our national culture and our national economy. The accomplishments of many American ethnic groups have been rightfully acknowledged, but other deserving groups have received scant attention. Today, I would like to recognize an important group of Americans who have given much to our country—Americans of Indian descent.

Indian Americans are a diverse group who include Hindus, Moslems, and Sikhs, and individuals from the wide range of linguistic and racial backgrounds found on the Indian subcontinent. The earliest wave of Indian immigration to the United States came here in the early 20th century. They were primarily agricultural workers who participated in the tremendous expansion of farm productivity in California. For many years, Indians were unfairly excluded from entry into this country on racial grounds. Since immigration law reform in 1965, over 100,000 Indians have come to the United States.

Many Indian Americans are highly skilled professionals in such fields as medicine, engineering, science, and education. Others are skilled and hard-working entrepreneurs who have taken advantage of our opportunities for individual initiative.

As well as playing an important role in our economy, Indian Americans have brought with them a rich heritage, which has added to our cultural and intellectual pluralism. They have made distinctive contributions in science, music, literature, and philosophy. A number of individuals have been honored for their achievements. Har Gobind Khorana, an Indian-American chemist, shared the Nobel Prize for Medicine. Gobind Behari Lal was awarded the Pulitzer Prize. Dalip Singh Saund served as a Member of Congress from the State of California for three terms.

In short, the United States has reaped tremendous benefits from Indian Americans. Accordingly, it is appropriate that we commend them by enacting this resolution.●

RECKLESS WATCHDOGS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. CRANE. Mr. Speaker, Members of Congress have been targets of many irresponsible charges that contributions from political action committees, or PAC's, have swayed the vote of Members on issues directly concerning PAC contributors.

I do not accept PAC contributions. However, as long as there is full disclosure of the amount and source of

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funds it seems to me there should be no objection to any Senator or Member of Congress accepting financial assistance in this day of very costly political campaigns and unjustifiable restrictions on personal contributions.

Public Citizen's Congress Watch, a group founded by self-proclaimed consumer advocate Ralph Nader, presented a recent example of an unwarranted and unfounded attempt to show a direct relationship between campaign contributions from special interests PAC's and what Congress Watch deems anti-consumer votes.

But, this time, one member of the media investigated the charge as it applied to members of the Illinois congressional delegation in the House. Robert Estill, congressional correspondent for Copley News Service, dug into the allegation.

Estill is to be commended for his efforts to seek all of the facts. In his report, which was carried in the Elgin, Ill., Daily Courier News February 21, 1983, he noted that the tactics of Congress Watch are, at best, questionable. Estill goes on:

Congressional critics and reformers do a disservice to themselves and their causes when they lay on the tar with a broad brush, substitute innuendo for evidence, and buttress their argument with misleading statistics.

Estill also points out that the Congress Watch study, based on 20 House votes, included votes that have no direct bearing on PAC's or consumers, such as the nuclear freeze question and congressional tax breaks.

Mr. Speaker, I ask permission to insert Mr. Estill's story in the CONGRESSIONAL RECORD, and I recommend that each Member read this report on how misleading Citizen's Watch was in its so-called study of PAC contributions.

[From the Daily News Courier, Feb. 21, 1983]

BEWARE: RECKLESS WATCHDOG

(By Robert Estill)

WASHINGTON.—Caught up in its zeal to nip influence-buying, a congressional watchdog is biting indiscriminately. The case in point is a new study by Public Citizen's Congress Watch, a group founded by consumer advocate Ralph Nader, that invariably draws considerable news media attention with its congressional ratings.

Its latest study attempts to show a direct relationship between campaign contributions from special interest group "political action committees" (PACs) and what Congress Watch deems anti-consumer votes.

Congress Watch's concern about the rapid growth of PACs, their impact on campaigns and influence on legislation is commendable, well-founded, and shared even by some PAC beneficiaries.

But its tactics in this instance are, at best, questionable. Congressional critics and reformers do a disservice to themselves and their causes when they lay on the tar with a broad brush, substitute innuendo for evi-

dence, and buttress their arguments with misleading statistics.

The news release trumpeting the study carries the headline "Public Citizen Report Links PAC Money With Anti-Consumer Votes." The release goes on the state that "75 lawmakers took more than \$100,000 from PACs and voted against the consumer at least 80 percent of the time in 1982," that many of the issues "pitted consumers against heavily contributing PACs," and that "the cash sloshing over Congress continues to degrade the democratic process."

The clear implication is that consumers are sold out by lawmakers who get big money from PACs.

Rep. Philip Crane, R-Mount Prospect, calls such implications "smear tactics" and defies Congress Watch to cite specific lawmakers that have been bribed—a gauntlet the folks at Congress Watch will not touch with a 10-foot press release.

Crane is not contending that all of his colleagues are such noble souls that they do not at least lend an ear when donors speak, but he resents the insinuation Congress is on the auction block.

"What they are doing is pernicious because it creates an impression that they cannot prove, but it settles into the public consciousness," Crane said.

Crane's comments cannot be dismissed as sour grapes from a PAC beneficiary who scores poorly in the Congress Watch rating. Although he gets only a 10 percent score in the group's rating, Crane does not accept a nickel from PACs in his congressional campaigns. By the Congress Watch criteria, Crane should either have a ton of PAC money or a high pro-consumer score.

And Crane is by no means a solitary exception. There is no evidence to indicate that the Illinois lawmakers are more immune or susceptible to PAC money than their counterparts in other states. But analysis of Congress Watch's numbers on Illinois delegation PAC contributions and so-called consumer votes produces abundant contradictions of Congress Watch's implied hypothesis that big money and anti-consumer votes are cause-and-effect.

Rep. Sidney Yates, D-Chicago, who had the highest pro-consumer rating in the Illinois delegation, took only \$15,000 less in PAC contributions than Rep. Dan Crane, R-Danville, who had the lowest consumer rating. Yates took \$60,000 in PAC funds for his 1982 campaign and had a 90 percent score in the Congress Watch ratings. Dan Crane took \$75,000 from PACs and scored 5 percent in the consumer rating.

Five Illinois Republicans each took \$100,000 or more from PACs and got low consumer scores. But three Illinois Democrats each took more than \$100,000 from PACs and got high consumer scores.

There is often more beneath the surface than the simple citing of numbers would indicate. The pertinent question—and more difficult to determine than Congress Watch's simplistic approach would suggest—is whether a specific PAC contribution influenced a lawmaker's vote.

House Minority Leader Bob Michel, R-Peoria, caught in the closest campaign in his career, took \$470,000 from PACs—more than any other House member—and scored a 10 percent on the consumer rating, according to Congress Watch.

He took campaign contributions from medical groups and lost points with Congress Watch because he supported a position taken by the doctors that the Federal Trade Commission should no longer be al-

lowed to prosecute doctors and other professionals for price-fixing and other offenses. But that is the same position Michel took previously when he was shunning medical PAC contributions because of the appearance of a conflict-of-interest, according to Michel aide Mike Johnson.

A further look at the Congress Watch figures on Illinois lawmakers shows that the split is more along party or philosophical lines than on the amount of PAC money received. On the average, Illinois lawmakers each got nearly \$96,000 from PACs in 1982 and had a consumer score of 42 percent. There were 11 scores above that average—all 10 Democrats and one Republican, Rep. Lynn Martin of Rockford. The 13 scores below that average were all by Republicans.

Philip Crane contends the party-line splits occur not because the GOP is anti-consumer but are determined by the defining of what is a consumer vote. He said groups like Congress Watch favor government intervention in the marketplace, while Republicans generally disdain government regulation as a cost ultimately to be paid by consumers.

Looking beyond the Illinois delegation, the Congress Watch study is seriously flawed in two other major respects.

In its attempt to show the anti-consumer impact of PAC money, Congress Watch lumps together all PAC contributions, including those by PACs supporting the same positions taken by Congress Watch.

The study, based on 20 House votes, also includes votes that have no direct bearing on PACs or consumers, such as the nuclear freeze question and congressional tax breaks.

Nancy Drabble, a Congress Watch spokesperson, said the total PAC dollars and some of the votes were included because they were of interest to their local chapters. She conceded that some of the issues are not directly consumer-related but were included because they are issues in which Congress Watch is concerned.

Drabble rejects Crane's contention that Congress Watch is a disciple of government intervention and said it was among the supporters of airline and trucking industry deregulation.

She said the Congress Watch study is "fair to the extent that there is a correlation between getting a lot of money and how they did on consumer votes." She adds that 75 percent of the lawmakers who got \$100,000 or more in PAC contributions scored 60 percent or less on its consumer rating.

But she hastens to add that she "would not condemn somebody solely on the basis of PAC money" because other factors are involved.

That point was not made in the Congress Watch news release, nor even implied. Fair play—even for such a maligned body as Congress—requires that it be made.

Just as surely as all that glitters is not gold, all that is green is not necessarily tarnished.●

COMMEND BOSTON UNIVERSITY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SOLOMON. Mr. Speaker, as you know, this Congress passed a law last summer requiring all eligible stu-

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dents to register for the draft before they receive Federal aid. This law, which has since become known as the "Solomon amendment" because of my sponsorship, was approved by a 303-95 vote here in the House and by a voice vote in the Senate.

My purpose in introducing this legislation was to make sure that all registration-age young men were made aware of the registration requirement. I did not want them to assume they did not really have to register as their peers and professors were telling them and then end up in court with a criminal record for the rest of their lives.

What I hoped to accomplish has come to pass. When I introduced the bill there were more than 900,000 eligible young men who had not registered. Since then half a million have fulfilled their obligations and signed up. That is half a million young men who will not be subject to criminal prosecution.

I am disappointed to learn that some colleges and universities plan to defy the law of the land and provide assistance to those students who lose Federal aid when they refuse to register. To me this is nothing more than aiding and abetting in the commission of a crime and it certainly does the student no good to have his college subsidize his defiance of the law.

At least one university president has resisted the temptation to pander to students who would break the law whenever they felt like it. Boston University President John Silber has stood up courageously and forthrightly and said the law is the law and Boston University intends to obey it. I commend President Silber for his patriotic reaction. I happen to know that since Mr. Silber became president of Boston University several years ago, the university's reputation has improved considerably. With a man like John Silber leading the way, that is no surprise.●

STREAMLINE PROCEDURES FOR MILITARY BASE CLOSING

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SMITH of Oregon. Mr. Speaker, I am introducing legislation today to streamline the study and notification procedures contained in 10 U.S.C. 2687 on closing military bases or realigning military activities. The modifications that I am proposing should eliminate the years of unnecessary delay that are associated with effecting a closure or realignment while retaining adequate safeguards for: First, notifying Congress; second, consulting with local governments, and third, accomplishing appropriate studies on proposals likely to have a significant socioeconomic impact prior to making final decisions.

Let me review for a moment the need for this legislation. Years of unnecessary delay have resulted from the onerous and in many instances, unnecessary study and notification procedures that pertain to closure or realignment actions; 10 U.S.C. 2687 has been effectively used by local interests to delay and reverse national security decisions purely for the purpose of saving civil service jobs in their town or State.

In the 1984 budget proposal, the administration is proposing the sale of excess or surplus properties as a means of generating revenues. In addition, the President has established a Property Review Board for improving the management of Federal real property with primary emphasis in the disposal of excess or surplus Federal properties. (Reference: Executive Order 12346, March 1, 1982.) Revenues of \$9 billion are estimated for the period 1983-85. If we are to realize those revenues during the timeframe specified, changes will need to be made to 10 U.S.C. 2687. I am focusing on DOD properties since that agency controls the majority of high value, surplus properties in Federal ownership. This is an initiative that can reduce DOD operating and maintenance costs as well as generate significant revenue to reduce the Federal deficit.

BACKGROUND

Prior to 1977, a relatively routine and unencumbered process was used to declare DOD facilities excess to military needs. In 1977, revised procedures were passed creating a number of new legislative requirements in reaction to DOD's decisions to close a number of major installations and to realign numerous activities. Of the 19 major installations announced for closure in 1977, only 5 were able to surmount the legislative roadblocks. The existing legislative roadblocks reflect the intent of a few Members of Congress to delay any action on the realignments or closures for political rather than national security. Consequently, national security decisions are being thwarted by local political interests which are counterproductive to providing a strong national defense in a fiscally responsible manner. The study requirements and legal challenges involved have added years of unnecessary delay to the disposal process.

Title 10, United States Code, section 2687 applies to any DOD facility with as few as 300 civilians, worldwide. Political interest resulted in the criteria being drawn to encompass just about every action rather than focusing on those likely to result in a significant impact. Accordingly, the Secretary of Defense is prohibited from taking any action involving a reduction by more than 1,000 or by more than 50 percent, in the number of civilian personnel authorized at the installation. A proposal

affecting as few as 150 civilian personnel in a major metropolitan area could trigger the study requirements. Only if the President certifies to Congress that such action is necessary for reasons of national security or military emergency can the study requirements be waived.

Do we have to wait until the Nation is at war before the Secretary of Defense can adjust the base structure to manage our forces efficiently? Before the Secretary of Defense can make a tentative decision to close or realine, he must:

First, notify Congress that the installation or facility is a candidate for closure or realinement;

Second, issue a public notice of his intent to initiate a study on closure or realinement;

Third, prepare a study on the fiscal, economic, budgetary, strategic, and operational consequences of the proposed actions;

Fourth, evaluate the environmental consequences pursuant to the National Environmental Policy Act.

Only after those steps are completed, can a tentative decision be made. The Secretary must wait an additional 60 days before he can make a final decision. Even after a final decision is made, and assuming there is no court challenge, actual closure is still a number of years away.

Past experience indicates that it may take an additional 1 to 3 years to effect transition of the mission and transfer of the facilities to GSA for disposal. By this time, officials may have changed political office or lost their desire to pursue this onerous task.

PROPOSAL

To correct these abuses and to allow the Secretary to get on with the business at hand, I am proposing several modifications to 10 U.S.C. 2687; specifically:

Modify the criteria to limit extensive study and consultation to those proposals which could likely cause significant adverse socioeconomic impacts on the local or regional economy.

Simplify the study and the reporting requirements.

Reaffirm the requirements of NEPA compliance but grant a limited exemption of the provisions of NEPA concerning judicial review of Federal decisions to close, realine, transfer, exchange, or reuse military facilities or installations.

I believe there are sound fiscal, policy, and national security reasons for these changes.

MODIFICATION OF STUDY CRITERIA

It is intended that the Secretary of Defense will notify Congress of any proposal to realine missions or close any facilities. However, formal reports will only be required on actions that are likely to have a significant socioeconomic impact on the region affect-

ed. To affect that, I am proposing a change that will modify the threshold criteria for determining whether studies are mandatory.

Title 10, United States Code, section 2687 uses the number of civilian personnel impacted as the sole criterion for triggering the study and notification requirements. The criterion selected is entirely inappropriate. The issue of primary concern to local communities is the economic impact. Closures which have an inconsequential impact on the economy have been delayed for years purely because of the unnecessary study requirements embodied in 10 U.S.C. 2687. In retrospect, many costly and unnecessary studies assessing this impact have been done, directing scarce resources to unproductive uses. The cost of individual studies has ranged from \$10,000 to \$600,000.

We need to give the Secretary of Defense the flexibility to operate the Defense Establishment more efficiently with as little overhead as possible.

I am proposing that we change the triggering criteria to eliminate the studying of inconsequential actions—that is, those likely to have a minimal impact on the local economy. The triggering criteria will be changed to a measure of the unemployment rate in the economic region rather than using the number of civilian DOD employees affected.

This will serve as a screening mechanism to eliminate wasteful, costly, and unnecessary socioeconomic studies. To that end, I am proposing that we use a 1-percent change in the unemployment rate as the preliminary screening criterion for deciding whether or not a proposal requires more detailed study. This factor was selected after considering various criteria and after considerable discussion with experts in the field. Numerous socioeconomic studies were reviewed concerning mission realinement or closure. That review indicated that a 1-percent change in the region's unemployment rate has minimal economic impacts on the regional economy in the vast majority of cases.

The change in unemployment rate would be computed in the following manner: Percent change in the region's unemployment rate (ΔE) equals the number of anticipated civilians that would be unemployed in the region as a result of the military action (UE) divided by the regions total civilian work force, ΣWF , using the most recent data; ie:

$$E = UE / \Sigma WF$$

If the percent change is 1 percent or more, the studies as required by law, must first be completed and submitted to Congress before any final decision is made. Of course, the Secretary will have discretion to consider other socioeconomic factors and initiate formal studies for actions that would change the unemployment rate by less than 1

percent. It is intended that he would do so only in borderline cases where there are extenuating circumstances.

This approach reduces bias and permits calculation using readily available data collected by the Bureau of Labor Statistics. The approach is regionally sensitive as opposed to the current criteria which are arbitrary. The Secretary will be responsible for defining the economic region of influence. In doing so, he should take into consideration such factors as population density, commuting patterns and other special circumstances concerning the area.

SIMPLIFY AND STREAMLINE THE STUDY AND PROCEDURAL REQUIREMENTS

The extensive study requirements contained in 10 U.S.C. 2687 is duplicative and confusing. Not only is a detailed justification required but also—statements on the fiscal, local, economic, budgetary, environmental, strategic, and operational consequences. Section 2687(b)(2) reaffirms that the Secretary of Defense is required to comply with the requirements of NEPA. In addition to preparing the necessary environmental assessment or impact statement, the Secretary is also to include an environmental analysis in the detailed justification that is to be submitted to Congress (reference section 2687(b)(3)). This is unnecessary duplication.

I am proposing we modify this section to eliminate the redundancy and to focus on the key factors to assure that the decisions are not arbitrary and capricious.

In calling for a detailed justification, there is a tendency on the part of the executive branch to provide voluminous material that obscures the essential facts.

A concise statement of findings on the socioeconomic impacts with a succinct justification for taking the proposed action relative to the economic, strategic and operational aspects will better enable the public and the Congress to review and maintain oversight of the proposed action. Existing requirements place a burdensome hurdle on the Secretary's ability to move with timely deliberation in implementing realinement or closure, hampering his effectiveness in completing those actions.

Title 10, United States Code, section 2687(c) provides for the President to exempt certain actions. To do so, however, the President must certify to the Congress that such closure or realinement must be implemented for reasons of national security or a military emergency. Since the certification process for instituting this exemption falls principally on the Secretary of Defense, the President may decide that it is appropriate to delegate this authority to the Secretary.

PRECLUDING JUDICIAL REVIEW OF DECISIONS
UNDER NEPA

The disposal of surplus property has met tremendous barriers in many cases because employees and local communities have brought suit against DOD on the grounds of insufficient socioeconomic analysis in the environmental impact statements. Any delay in the implementation of decisions to close facilities or realine activities comes as a welcome reprieve to those who might be relocated or lose their jobs. Inappropriate legal challenges have added years of delay and excessive cost to the disposal process.

DOD has made considerable effort to comply with the National Environmental Policy Act (NEPA) and has done so as the record shows. The courts have ruled consistently in DOD's favor. Generally, the real reason for the challenges have been socioeconomic concerns of the local community rather than environmental impacts. The appeals court has ruled that socioeconomic impacts in and of themselves do not necessitate the need for an EIS under NEPA. This has always been DOD's position. In *Breckenridge v. Rumsfeld*, 537 F. 2d 864 (1976), the appeals court specifically stated:

We hold the District Court was in error in undertaking to transform NEPA from a law designed to protect and enhance the natural resources of the nation into a statute prohibiting the discharge and transfer of personnel at an army installation, and that it was not the intention of Congress for NEPA to be used for purposes of promoting full employment or to prevent the discharge or transfer of federal personnel. . . . NEPA is not a national employment act. Environmental goals and policies were never intended to reach social problems such as those presented here.

Current law requires the Department of Defense to comply with NEPA which is appropriate and good public policy. It provides for better Federal decisions and is a reasonable expectation.

However, to prevent continuing inappropriate use of this law as a means of delaying decisions to save Federal jobs, we should provide a limited exemption in that such decisions to close, realine, transfer, exchange, or reuse military facilities are not subject to judicial review under NEPA. All such actions regarding base closure or realinement will need to be environmentally assessed and formal EIS's prepared and processed in accordance with NEPA regulations when it is determined that the proposal is a major Federal action significantly affecting the quality of the human environment. The Secretary is required to have prepared the necessary draft and final EIS's, and to seek and consider public views pursuant to the Council on Environmental Quality Regulations. This limited exemption would be for NEPA review only and not apply to

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any other substantive environmental law such as the Endangered Species Act or the Historic Preservation Acts.

SUCCESSFUL COMMUNITY ADAPTABILITY

The experience of communities affected by earlier base realinements clearly indicates that communities can successfully adjust to such actions. Over 123,000 new jobs have replaced the loss of 87,000 former DOD or contractor jobs. This is based on a DOD survey of 97 communities conducted in November 1981.

During the 20-year period since May 1961, economic adjustment assistance has been provided to over 280 communities throughout the Nation affected by major cutbacks, contract terminations, major base expansions and military base closures. Numerous success stories exist of how these facilities have been quickly converted to productive local use which has generated new jobs, industry, tax revenue, and educational opportunities.

NOTIFICATION PROCESS

A final change enacted by H.R. 2037 would amend 10 U.S.C., 2687(b), (4) that presently reads:

A period of sixty days expires following the date on which the justification referred to in clause (3) has been submitted to such committees.

H.R. 2037 would speed the notification process by changing the idle time in which the proposal lays dormant from 60 to 30 days. This would make it consistent with the time frames established for NEPA review.

CONCLUSION

The administration has presented Congress with the bold management initiatives needed to pursue the disposal and sale of surplus Federal property. Creative and worthwhile administrative changes have been made to stop the transfer of surplus Federal facilities—except for those destined for use as jails—to other Federal agencies or State and local governments. All buyers will be required to pay full market price. Congress must take this opportunity to remove the unnecessary legislative barriers that bar the President and the Secretary of Defense from taking the swift action necessary to manage our base structure efficiently. Moreover, we need to shelter national security decisions from local self-serving political interests.

H.R. 2037 will accomplish those tasks. ●

AMERICA NEEDS A CITIZEN
CONGRESS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. CORCORAN. Mr. Speaker, I believe we are all aware of the fact that until just after the Civil War, the job

of a Congressman was not regarded as a long-term career occupation. Tradition until that time had been to retire after two terms. The idea was to have a citizen Congress, not professional politicians running this country.

Mr. Speaker, there has been some turnover in Congress during the last several years. However, it has not been complete, as you well know. I think we need a top-to-bottom infusion of new blood and new ideas in Congress on a periodic basis. A truly representative democracy needs a Congress consisting of people who have worked in the real world and can bring that personal experience to bear on the fundamental policymaking role of Congress.

Therefore, I introduced today a bill to limit the number of terms Members of Congress may serve. This legislation would restrict Members of the House to five terms—10 years—and Members of the Senate to two terms—12 years. The text of the bill follows my statement.

Mr. Speaker, I urge my colleagues to support this needed constitutional reform.

H.J. RES. 189

Joint resolution proposing an amendment to the Constitution of the United States providing that no person may be elected to the House of Representatives more than five times, and providing that no person may be elected to the Senate more than twice.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. No person may be elected to the House of Representatives more than five times.

"SEC. 2. No person may be elected to the Senate of the United States more than twice.

"SEC. 3. Any person currently serving a term which would be proscribed by Sections 1 or 2 after ratification of this article shall be allowed to complete their current term." ●

THE DIVORCED SPOUSES
SOCIAL SECURITY EQUITY ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. WEISS. Mr. Speaker, today I am introducing legislation which will correct a serious inequity affecting divorced women in the social security system. The Divorced Spouses Social Security Equity Act will enable divorced spouses to receive benefits at

age 62 even if the insured former spouse has not retired. This proposal is included within H.R. 1900, the Social Security Act Amendments of 1983.

This bill would not only help insure equal justice under one of our most important social institutions, but also would relieve the financial hardships of divorced women. Furthermore, it would place little financial burden on the ailing social security system. In fact, it would cost merely 0.01 percent of taxable payroll.

This legislation will eliminate the requirement that the dependent's former spouse must be 62 years or older and must have applied for and be entitled to social security benefits in order for her to receive benefits. Here are examples: A 60-year-old husband and a 62-year-old wife divorce after 30 years of marriage. Under the present law, she would not be eligible for benefits until her former spouse reached the age of 62. In another case, both spouses are 65 years old. The former husband decides against retirement. The former dependent wife may not apply for retirement benefits under the present law.

This requirement is based on the assumption of a lifelong marriage, in which the principal wage earner's income is available to the entire household. Considering today's high divorce rate, it makes far more sense for women to receive their benefits when they become eligible, rather than having to arbitrarily wait until their former spouses apply for benefits. Under present law, women may wait years without receiving any benefits.

These rules are based on an obsolete view of the American family structure. The social security system was created in 1935 when the average family consisted of a husband as sole wage earner and a wife as dependent spouse, homemaker, and mother. At that time, only one out of every seven marriages ended in divorce, while present statistics show that about 50 percent of all marriages will end in divorce.

Divorce causes severe economic hardships for women who have been financially dependent on their husbands. The wealthy divorcee receiving large alimony payments simply does not exist in reality. In fact, only 4 percent of all divorced women receive alimony.

Additionally, only one-quarter of divorced mothers receive child support from fathers. As a result, the majority of divorced women are the sole support for their families. Older, divorced women are the most impoverished group in our society today. An astonishing 85 percent of all people living at or below the poverty line are single women over 65 years of age, according to the Census Bureau. The numbers of older women living in poverty are in-

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creasing faster than any other group of people in this country. For more than 60 percent of women over 65 years of age, social security is the only source of income.

A system so vital to the well-being of older Americans must not favor certain groups over others. Dependent spouses have earned the right to social security benefits. Women have contributed to the social security system, either as workers in their own right, or by taking care of the home and children, enabling their husbands to provide the economic support for the family.

One of the great strengths of the social security system has been its capacity to adapt to changing social and economic conditions. The system must now be flexible to provide greater economic independence to millions of divorced women who have spent their lifetimes contributing to social security.

This year, Congress is undertaking major overhaul of the social security system. It is vital that the Divorced Spouses Social Security Equity Act be incorporated with other changes that will bring the social security system into the modern age.

I urge prompt consideration and approval of the Divorced Spouse's Social Security Equity Act.

H.R. 2044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 202 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Benefits For Certain Divorced Spouses of Fully Insured Individuals Not Yet Actually Entitled to Benefits

"(x)(1) The divorced spouse of an individual who is not entitled to old-age or disability insurance benefits but who is a fully insured individual (as defined in section 214) or would be a fully insured individual (as so defined) had he or she attained age 62 and filed application for such benefits, if such divorced spouse meets—

"(A) the criteria set forth (with respect to divorced wives) in paragraphs (1) and (4) of section 216(d), and

"(B) the criteria specified in subparagraphs (B), (C), and (D) of subsection (b)(1) in the case of a divorced wife or the comparable criteria in the case of a divorced husband, shall upon filing application therefor be entitled to a spouse's insurance benefit under subsection (b) or (c) (as may be appropriate) for each month, as though the insured individual were entitled to old-age or disability insurance benefits, beginning with the first month in which such divorced spouse becomes so entitled to such spouse's insurance benefits and ending with the month preceding the first month in which—

"(i) one of the terminating events specified in subparagraphs (E) through (K) of subsection (b)(1) occurs in the case of a divorced wife or a comparable terminating event occurs in the case of a divorced husband, or

"(ii) such individual is no longer a fully insured individual or (if he or she is under age

62) would no longer be a fully insured individual upon attaining age 62 and filing application for old-age insurance benefits.

"(2) Except as otherwise specifically provided in this subsection, all of the provisions and requirements of this title dealing with eligibility for benefits, computation of benefit amounts, and interrelationships between benefits shall apply with respect to any spouse's benefits which are payable by reason of this subsection in the same manner and to the same extent as they apply (without regard to this subsection) with respect to wife's insurance benefits under subsection (b) or husband's insurance benefits under subsection (c) (as may be appropriate)."

(b)(1) Section 202(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) For provisions relating to payment of wife's insurance benefits in certain additional cases involving divorced wives, see subsection (x)."

(2) Section 202(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) For provisions relating to payment of husband's insurance benefits in certain additional cases involving divorced husbands, see subsection (x)."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of applications filed in or after such month.●

CHARLES A. RUSSELL
CELEBRATES 86TH BIRTHDAY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. EDWARDS of California. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the 86th birthday of a valued community leader and a dear friend.

Charles A. Russell was born on March 17, 1897, in New York City. He moved to Irvington, Calif., with his grandmother in 1909. Almost a lifelong resident of the Fremont area, Charlie attended the then Irvington Grammar School and Washington Union High School.

Charlie's only time away from Fremont was during a brief tour of service in the Army during World War I. Upon returning to the Bay area, Charlie was an integral part of the project that created Boulder Dam. Upon completion of that work, Charlie began a career as a homebuilder. Included in these endeavors was his establishment of the then Eastside Improvement Club, one of the first homeowners groups in the area.

Charlie Russell is perhaps best known for his keen interest in politics. Charlie was a founder of the city of Fremont, and his face has been seen in nearly every political activity since that time. He has contributed to the

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city government by serving on the Planning Commission, Historical Architectural Review Board and on the Human Relations Commission. Currently Charlie is keeping busy lending his service to the Senior Citizens Commission and the Alameda County Commission on Aging.

Charlie Russell is the kind of friend and constituent that all of us can appreciate—a genial, thoughtful man, involved in the issues of the time. He continues to serve his community, and these last 86 years are just a taste of what we can continue to expect from Mr. Charles A. Russell.●

EL SALVADOR'S 9 to 5 WAR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Ms. KAPTUR. Mr. Speaker, I am greatly disturbed by the Reagan administration plan to send the Salvadoran Government \$110 million military aid. Not only am I opposed to further military aid for a country which consistently violates human rights, but I am also worried about the form in which the funds may be appropriated.

The Reagan administration appears to be leaning in favor of asking Congress to provide these funds in the form of a supplemental appropriation. I fear, however, that if this course generates an intensive debate in Congress which is not favorable to the administration plan, Mr. Reagan may seek refuge under the President's "emergency" authority. Just yesterday, before the administration nearly doubled its request from \$60 to \$110 million, it was planning to evade congressional review by providing the \$60 million of aid through the special authority in section 506(a) of the Foreign Assistance Act. The Reagan administration has had a tendency to circumvent Congress through the use of emergency authority. We must insure that the nature and extent of the U.S. commitment in El Salvador is fully debated by Congress and determined by the normal authorizations and appropriations process.

Under section 506(a), the President can provide military aid to foreign countries without authorization by Congress, if he declares that "an unforeseen emergency exists" which would necessitate immediate action that cannot be met by any other legal means. The emergency power is referred to as the Defense Department "drawdown" provision, because the aid must be drawn from Pentagon supplies. The amount of military assistance provided under 506(a) is not to exceed \$75 million for fiscal year 1983.

The history of the special authority reflects the degree and nature of Pres-

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idential flexibility which Congress concluded was justified under special circumstances. During the period between 1976 and 1979, Congress virtually presented the use of the emergency authorities because of congressional concern over the war in Southeast Asia, and the use of the special authority to continue the bombing of Cambodia. Since the restrictions were eased during the 96th Congress, 97 percent of the funds from 506(a) have gone to El Salvador, and two-thirds of the military aid provided to El Salvador in fiscal years 1981 and 1982 was acquired from this emergency fund. The "drawdown" has been used five times since the easing of the restrictions: Thailand, \$1.1 million; Liberia, \$1 million; El Salvador, \$5 million; El Salvador, \$25 million, El Salvador, \$55 million. The use of the special authority for El Salvador has deviated from past usage in both frequency and amount of funding. It is obvious that Congress must not allow President Reagan to once again avoid the normal legislative process if the congressional debate over increased military assistance is hostile to the administration's plan.

If President Reagan believes that military assistance is necessary for El Salvador, he should come to the Congress and explain why it is necessary. The decisions involved in this instance—an expanded military conflict and greater U.S. involvement in El Salvador—are critical and must be debated and decided in Congress. I hope that my colleagues will join with me in this process.

As the debate begins, I recommend to you an editorial which appeared in the March 9 New York Times.

EL SALVADOR'S 9 to 5 WAR

Not lies but Huck Finn's word, "stretchers," best describes the Reagan Administration's tales about the imminent collapse of "our" side in El Salvador's civil war. There was the one about the possibility that the Salvadoran Army would run out of bullets in 30 days. Or the State Department's forecast that Nicaragua's 40,000-strong army might invade El Salvador, presumably without being noticed as it crossed Honduras.

The official analysis goes on in that apocalyptic, simplistic way. Why are the guerrillas doing better? Because they get Soviet arms. What factors can turn the tide of battle? More American aid and advisers (or "trainers," according to the revised standard version).

Congress, distracted and uncertain of the truth even if it disbelieves these tales, may again give President Reagan what he wants—and now he's asking \$110 million for military assistance. No one wants to be blamed for "losing" El Salvador, and when a case is joined in such black-and-red terms, waverers tilt to the President. But let the Administration beware: all its claims will be hostage to the real world of El Salvador.

The claim of an ammunition shortage has already been detonated. Whatever else the Salvadoran Army may lack, it's not bullets. Nor do its officers confirm any seismic shift in the military balance. Though the insur-

gents took a provincial town for three days, this war is still a stalemate.

If the guerrillas have seized the initiative, a very different explanation for their success is offered from the scene. The Times' Drew Middleton reports that Soviet and Cuban military aid is not a key factor in the insurgent campaign. He finds no such easy parallel with Vietnam. What raises Vietnam memories is the inadequate motivation and leadership of "our" troops. While the guerrillas fight around the clock, it's a 9-to-5 war for Salvadoran officers. And most of the casualties have been civilians.

Americans have been on this slope before and know too well what lies at the bottom: desperate appeals for greater United States involvement. For that there is no significant support in Congress or among the American people, much as all wish to keep El Salvador from yet a new kind of tyranny. Wise policy would fit available resources to an attainable goal.

Whatever weapons may be needed, they cannot replace motivation and a plausible political strategy. For that the Administration now suggests another election, in December. But who will run it, and who will assure the safety of an opposition whose leaders have been slaughtered? That can't simply be left to the government of the day, not without justifying another leftist boycott and strengthening the extreme right.

There is a better way, urged again by Pope John Paul II. He calls for a "dialogue" between Government and opposition—a word that is acceptable to insurgents, and apparently also to some Reagan aides. "Dialogue" can, of course, mean anything. What it should mean is serious talks, then an internationally monitored campaign. Power sharing of some kind could yet resolve what violence cannot.●

A BILL TO IMPROVE ACCESS TO CHILD AND DEPENDENT CARE

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mrs. KENNELLY. Mr. Speaker, I am pleased to join with my colleagues, Representatives BARBER CONABLE and BARBARA MIKULSKI, in introducing legislation that will improve access to child and dependent care.

There are few job issues more important than dependent care to single working parents and to families where both husband and wife work. Parents who once allowed their children to go home to an empty house after school, now are increasingly reluctant to leave their children unsupervised. The friendly neighbor who used to keep an eye out for the kids is more than likely working outside the home herself. In March 1982, two-thirds of the mothers of school-age children were in the labor force or looking for jobs. Rather than returning to an empty house, children are returning to an empty neighborhood.

At the same time, mothers in increasing numbers are returning to their jobs before their children enter

school, sometimes out of choice, often out of necessity. Over the last decade, this has been the segment of the population that has had the greatest increase in labor force participation. Even more significantly, between 1975 and 1982 there was a 68 percent increase in the number of women working with children under the age of 3 years old. This has meant a corresponding increase in demand for infant care, usually more expensive and harder to find than other child care facilities.

The private sector has gradually come to recognize the importance of dependent care, and many companies have made sincere efforts to fill this need of their employees. In Hartford, Conn., for instance, five of our largest insurance companies and banks have formed a consortium in order to provide information and referral services and seminars on child care.

The 1981 tax bill facilitated access to dependent care in several ways: primarily by replacing the flat rate tax credit for dependent care with a sliding scale favoring those with the lowest income, thus increasing the limit on eligible expenditures to \$2,400 for one dependent and \$4,800 for two or more. Despite this progress, there is still a need to provide better tax treatment both for dependent care expenses of providers and for employers' contributions to help establish and operate facilities.

The measures I am cosponsoring today, which later will be incorporated into the Women's Economic Equity Act, will do three things. One will raise the credit sliding scale to 50 percent of expenses for those earning \$10,000 or less, helping providers with the lowest incomes who face average annual preschool child care bills of \$2,900 and average infant care costs of \$3,900 in Connecticut.

This bill will also clarify the definition of child care facilities in the Tax Code in order that nonprofit after-school and infant care centers will qualify for tax exempt 501(c)(3) status. It is intended that this will give added incentives for corporations to assist a variety of dependent care centers throughout the community. In my district, where commuters come to the central business hub from over 30 different surrounding towns, having a lot of options is an absolute necessity. Finally, I am cosponsoring legislation that will provide seed money for public and nonprofit information and referral services. Not only will these centers help all who care for dependents find the facility that fits their needs, they should also help the Federal Government identify the needs that typically are unmet.●

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MEDICAL FACILITY DEPENDENT CARE ACT OF 1983

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. SIMON. Mr. Speaker, we are facing a serious shortage of nurses in this country, a shortage which is impairing our ability to provide quality health care. Nurses provide much of our routine hospital care, and they are needed on a 24-hour, 7 days a week basis. They are the source of much of the continuity and compassion in our health care system.

According to the American Hospital Association, 88 percent of American hospitals are unable to fill all of their full-time R.N. positions. A 1980 survey by the Bureau of Labor Statistics estimated that 85,000 new nurses would be needed each year through 1990.

The shortage in nursing is not simply a matter of bringing more people into the profession. While there are 1.6 million registered nurses who are currently licensed to practice, only 51.4 percent of them actually work full time. Some trained nurses work only part time; many others, not at all.

Many of these part-time or inactive nurses are staying at home and caring for young children. Half of the total R.N. population have children under the age of 17 in their households, and 24 percent have children under the age of 5. Research has shown that nurses tend to drop out of the work force to care for their children, and re-enter once their children reach school age.

I am sure that a large number of nurses would prefer to stay at home with their children. However, many of them might be willing to work at their profession if it were feasible for them to do so, particularly those with limited income.

One inducement that an increasing number of hospitals have used to encourage nurses to remain in or return to the work force is the provision of child care. In 1968, there were 98 hospitals in the United States with child care facilities. There are now over 300, 60 of which have been established in the last 2 years. Hospitals which have established centers have experienced lower absenteeism, higher morale, and improved recruitment and retention of nurses and other personnel. Frequently, hospitals go on to expand centers once these results are observed.

The 300 child care centers which now exist are serving only 4 percent of hospitals nationally. Facilities operated by hospitals have the advantage of taking into account the special needs of their staffs, by operating on a 24-hour basis, or by providing for the care of other dependents, such as the

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elderly. The provision of child and dependent care has been supported by nursing organizations and by the American Hospital Association.

The bill I am introducing today, the Medical Facility Care Act of 1983, is a limited step toward meeting this need. It would provide funds to medical care facilities to help them establish dependent care programs. The legislation would not provide operating expenses, but only startup funds. Facilities themselves ought to be able to provide whatever subsequent operating subsidies are needed.

This bill would also authorize grants to establish information and referral networks for dependent care, so that facilities which do not have sufficient demand for their own programs can assist their employees in obtaining appropriate dependent care.

We do not have adequate child care or dependent care in this country. We also are experiencing a serious shortage of nurses. The legislation I am introducing today addresses these problems in a modest and cost-effective way. A companion bill has been introduced by Senator PAULA HAWKINS, and we hope to obtain bipartisan support. I urge my colleagues to study this bill, and am confident that they will endorse our proposal.●

GEKAS LAUDS SUNBURY "VOICE OF DEMOCRACY" WINNER

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GEKAS. Mr. Speaker, for 35 years the Veterans of Foreign Wars of the United States has conducted an annual Voice of Democracy scholarship program for secondary school students. Each contestant delivers a speech on a specific theme chosen by the VFW, and the results are judged at local, State, and national levels. Six national scholarships are awarded to the winners, who use the funds to attend the school of his or her choice. For this year's contest, more than 250,000 students participated. In all, more than 8,000 schools took part in the program; over 4,400 VFW posts and 3,600 auxiliaries sponsored the program, and more than 2,400 radio and TV stations cooperated. The VFW is to be highly commended for organizing and sponsoring this contest, which involves so many American students in a worthwhile endeavor.

I am very pleased to report that this year's first-place winner of the Voice of Democracy scholarship is a constituent of mine. Melissa A. Houghton, of 527 South River Avenue in Sunbury, Pa., delivered a wonderful speech on the theme of "Youth—America's Strength." I insert in the CONGRES-

SIONAL RECORD the speech of Ms. Houghton, who has made everyone in the 17th Congressional District of Pennsylvania very proud.

YOUTH—AMERICA'S STRENGTH

(By Melissa A. Houghton)

Today was Mr. Smith's day off. After working all week, he thought that he could just sit down and relax with his favorite paper all day. No sooner did Mr. Smith get settled until his son, Johnny, came in to the room and begged his father to play. Even though Mr. Smith really didn't want to play, he just couldn't say no. So he got an idea—on the front page of the paper, there was a picture of the United States. Mr. Smith ripped the picture up into tiny pieces, gave them to Johnny, and told him that if he could put the picture back together, his father would play with him. Expecting to get at least another hour of relaxation, Mr. Smith no sooner got settled again until Johnny walked back into the room. He had the picture with him, and much to his father's astonishment, it was together correctly. When his father asked him how he did it, Johnny simply replied, "on the back of the map was a picture of a little boy, and I thought that if I put the little boy together right, America would be right."

American youth . . . strong willed, well educated—tomorrow's leaders. True as this may be, I'm sure you've all heard it too many times before. But did you ever ask yourself if all those statements are really true? Probably not! But being one of America's youth, I did. And obviously so did Johnny. Perhaps he is right. Perhaps if the youth of America are strong enough and intelligent enough and patient enough, then America itself will hold these qualities also.

But we still didn't answer the question—do the youth hold these qualities? In very many cases—no! In nine out of ten kids, the potential is there, but there is just no allowance for development.

All too many times, when Johnny or Mary want to play or perhaps even just talk with their parents, they are turned away and told to wait until later or go ask big brother or sister. We have all had this done to us, and probably even done it ourselves. But what about the child who had a terrific idea that might have helped someone, or wanted to try a new innovative game. The idea will go unheard and the game unplayed. So many times slow or backward children, labeled such by society, are really quite intelligent and skillful but simply haven't been given the chance to express themselves. The youth of today must be given a chance to speak their minds, and once they do, they must be listened to, not just shrugged off as some childish mind, trying to make his way through an adult world.

On the other hand this misconception of an "Adult World" is much less than true! Each day, more and more of our everyday living is being geared towards the youth. Our television programs are being made to catch the young people's interest, the songs on the radio are what the young people want to hear, and youth are constantly being included in community activities where they were less than welcome before. There obviously must be a reason for this. And that reason has to be that the youth are the ones who are getting things done. They are beginning to have influence in today's society and therefore have to have a better understanding of what is going on.

Just think what it would be like without any young people at all. Where would we be

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today if everyone from ages one to 21 was suddenly just not here? Where would we be without the "flappers" of the 20's who taught us how to have fun even in bad times. And how much would have been lost if we wouldn't have experienced the exploration of the 50's or the liberation of the 60's. We owe a great deal to the young mechanical geniuses of the 70's and 80's. All their ideas and many of their dreams which are still upheld today would have been lost.

So when we ask ourselves if the youth of today is America's strength, we must realize that the answer is—yes! Even if a person may not live up to society's expectations on the outside, deep down in, there just may be a very talented person waiting to be given a chance.

You see, Johnny really was right, the youth are America's strength, the foundation of a better future. Let's give them a chance to prove it, to become strong and to develop their skills. Given the opportunity, the strength of today's youth, will become the strength of America!●

PROTECTING THE WORKERS' RIGHTS TO POLITICAL EXPRESSION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 9, 1983

● Mr. GILMAN. Mr. Speaker, it may come as a surprise to many of my colleagues, as we begin our work in the 98th Congress, that some of those who worked for or against us in the recent election, or who may have contributed funds to help us gain election, or who have written to us at our offices, did so because they were coerced into doing so, and that no Federal laws protect Americans from such coercion.

In my view, political decisions should be solely matters of individual choice. Yet there are no effective laws to prevent employers, labor unions, or employment agencies from discriminating against individuals because, for example, they choose to write, or to refrain from writing, to their elected representatives, or because they choose to make, or to decline to make, a campaign contribution.

I am today reintroducing legislation to amend the Civil Rights Act of 1964 to prohibit employment discrimination based on "political preference," defined in the bill to include such manifestations of that preference as writing, or declining to write, to an elected legislative representative, or making, or declining to make, a contribution of anything of value, including services, to a political campaign or political action committee. Exceptions to the Civil Rights Act for bona fide occupational requirements will enable employers to require their employees whose work assignments to lobby for or against legislation, for example, to carry out those assignments notwithstanding the enactment of this bill.

In my view, Mr. Speaker, the passage of this legislation is necessary not only to protect the first amendment rights of workers, but also to protect the legislative process from undue economic influence. We should take the step of passing this bill so that we can have some assurance that the communications we receive from the public represent the genuine beliefs and desires of those who write us, and not the views of persons or organizations who temporarily exercise economic power over them.

I urge my colleagues to review the provisions of the legislation I am introducing today, H.R. 2015, and to join in this effort by becoming cosponsors of the legislation. I ask that a copy of the bill be printed in the RECORD at this point, together with an analysis of protections against political coercion prepared by the Library of Congress and a copy of an article from the March 10, 1980, edition of Business Week, entitled "Browbeating employees into lobbyists."

CONGRESSIONAL RESEARCH SERVICE,

THE LIBRARY OF CONGRESS,
Washington, D.C., June 24, 1980.

To: Hon. BENJAMIN A. GILMAN
(Attention Hillel Weinberg).

From: American Law Division.

Subject: Protecting employees' right of political expression.

At common law, an employee could be dismissed for any reason, with or without cause, at the whim of his or her employer. Now, however, the Federal Equal Employment Opportunities Act prohibits employment discrimination on account of an individual's "race, color, religion, sex, or national origin" (42 U.S.C. § 2000e-2). Age discrimination in employment is prohibited by 29 U.S.C. § 623(a). The majority of States have adopted legislation along these same lines.¹ The Labor Management Relations Act (29 U.S.C. §§ 141 et seq.) provides certain protections to those engaged in union activities, and many union contracts provide additional protection (union related and/or general) to covered employees.

However, there are still some gaps in coverage. For example, there appears to be nothing in Federal or State law² to prohibit an employer from forcing an employee to write, or refrain from writing, a letter to a Member of Congress expressing his or her views on a pending issue or piece of legislation. An employee refusing to take such an action could thus be dismissed or otherwise disciplined as a result. Such employees have First Amendment rights of free speech and political association, but asserting them can be expensive and time consuming.

¹ The Government Division of the Congressional Research Service is presently conducting a telephone survey of 250 less-than-statewide entities to determine what, if any, affirmative action rights are covered by their enactment (municipal codes and ordinances, etc.). Other than through that procedure, these are not readily available for research purposes.

² Standard reference works, the SCORPIO computer citation file, the Chamber of Commerce of the United States, and the National Council of State Governments were consulted on this point, without finding any such enactments.

All States prohibit election coercion or intimidation, and 34 (all except Alaska, Georgia, Hawaii, Illinois, Iowa, Louisiana, Maine, New Hampshire, New Mexico, North Dakota, Oklahoma, South Carolina, Texas, Vermont, Virginia, and Washington) specifically prohibit election coercion by an employer.³ However, contacting a Member of Congress, or refusing to do so, does not strictly speaking come within the realm of an election. (Although it may tangentially, no cases were found where such an interpretation of any of the above statutes was offered.)

Although arguments can be offered in support of employees' rights in these areas, these rights would be greatly strengthened through a statutory enactment specifically providing for such protection. Adverse actions and lawsuits might still be required in some instances (for example, to determine if exercising the protected right has in fact led to disciplinary action), but the basic right of employees to be free from harassment because of such action would be settled.

We hope this information will be helpful.

RITA ANN REIMER,
Legislative Attorney.

[From *Business Week*, Mar. 10, 1980]

BROWBEATING EMPLOYEES INTO LOBBYISTS

A truism of political life is that mail moves politicians. But how does a legislator respond to 500 preprinted postcards from the employees of xyz Corp. or to 200 letters written on company stationery?

The question is far from academic to the growing number of corporations that use their employees as political lobbyists. In industries ranging from oil to aerospace, workers have been urged—and sometimes marshaled into boardrooms, offices, and cafeterias—to write to their elected representatives, recommending action that the company wants. One Senator, Carl Levin (D-Mich.), estimates that up to 10 percent of his mail is identifiably from employees writing in their companies' interest.

INTRUSION

Predictably, the practice has inspired employee grumbling that "managed" letter-writing is not part of their jobs, complaints from civil libertarians that it invades the writers' privacy, and attempts by political theorists, in and out of Congress, to curb the trend. Professor David W. Ewing, of the Harvard Business School, who dubs the workplace "the black hole in American rights," calls for a movement to give employees the constitutional guarantees they have as citizens. Noting that some 50 major companies (including IBM, Citibank, and Bank of America) have issued guidelines protecting employees from coercion or intrusion upon their privacy, Professor Alan F. Westin, A political scientist at Columbia University, says: "Management must see that the choice lies between making the effort themselves and government regulation."

In Congress, Representative Frank Thompson, Jr. (D-N.J.) has introduced a bill to give the National Labor Relations Board jurisdiction over supervisory employees—admittedly only a first step toward their protection against political arm-twisting. Supervisory employees would still have to form unions and file grievances under NLRB-protected union contracts providing for arbitration, or possibly win an NLRB hearing by

EXTENSIONS OF REMARKS

approaching the board as a unit to protest such action as a mass firing for refusing to write letters. Moreover, a similar bill introduced by Thompson in the 1974-75 session died in committee.

But the Thompson bill—and other bills on employee rights currently being considered by potential sponsors—may have better luck this time, in part because Congress has become aware of the quantum increase in its company-inspired mail. There is no question, says a congressional aide, that more companies "have realized that their employees represent electoral power."

Operating on that realization, Fluor Corp., of Irvine, Calif., urged its 20,000 employees to write to their congressman in support of arms sales to Saudi Arabia in 1978. Fluor holds multimillion-dollar contracts to design and construct oil refineries and other projects in Saudi Arabia. Rockwell International Corp., of Pittsburgh, provided preprinted postcards to its headquarters employees so that they could petition Congress in support of the B-1 bomber in 1977. Rockwell was the primary bidder for production of the B-1, a program whose lowest estimate was \$10 billion. For most of the last year, the major oil companies have used company newsletters, pep talks over plant intercoms, and fliers posted on department bulletin boards to persuade employees to send lawmakers the message that proposed taxes on "windfall profits" would unjustly hurt the companies.

LABOR'S EFFORTS

Unions, too, have pitched in on occasion. Last year the Federation of Grain Millers urged its 3,000 members in Battle Creek, Mich., to write letters objecting to an antimonopoly suit brought against the cereal industry by the Federal Trade Commission. More recently, the United Auto Workers organized a campaign to support a bid by Chrysler Corp. for federal loan guarantees. Senator Levin reports that he received some 7,000 letters clearly stemming from that campaign.

While corporations that sponsor letter-writing campaigns stress that participation is voluntary, even voluntary action must be motivated. When 22 specialty steel companies, backed by the United Steelworkers, joined in a push for continuation of the specialty steel import quotas last year, an industry brochure hammered home the warning, "Your job is at stake!" Says Hubert W. Delano, assistant vice-president of Cyclops Corp., a Pittsburgh-based diversified steelmaker: "Our people realized what the import-restraint program meant to them. The plant here in Pittsburgh had a 40 percent unemployment rate a couple of years ago."

THE JOB THREAT

Sometimes, however, the threat to a worker's job becomes more personal. A worker in Cyclops' Specialty Steel Div. felt that his job was at stake when he balked at joining in the second of the division's two letter-writing sessions. A technician in a nonunion job, the employee had dutifully appeared in the company board room as requested in 1978 and had written a letter supporting quotas. When asked to make a return appearance last summer, he refused. "I lost my cool," he says. "I didn't agree with the company's position which I thought was very self-serving." Instead, he offered to write a letter at home and mail it privately.

The result, he says, was a visit from his supervisor, who told him that everyone had to write a letter on the premises. "He said,

'Go up and write something. Nobody's ever refused to do it,'" the employee says.

At that point the technician turned to his local chapter of the American Civil Liberties Union, only to be told that the company was within its rights in using him as a lobbyist. The Constitution protects an American from political pressures by the government but is silent on the subject of employer pressures, the ACLU said.

Specific laws restrain companies from acting freely in specific areas—for instance, the Equal Employment Opportunity Act and the Occupational Safety and Health Act—but in areas that are left uncovered by law, "the power of a large corporation over the worker is fairly unlimited," confirms Ira Glasser, the ACLU's executive director. This is particularly true if he does not belong to a union, Glasser says.

PROTECTION

Almost all union contracts specify that firings must be for just cause and provide grievance procedures culminating in arbitration; an arbitrator is unlikely to find that refusing to write to a congressman is just cause for dismissal. And if the union, sympathetic to the company, drags its feet on processing the grievance, the member can sue it under the Landrum-Griffin Act for failing to represent him. But in the absence of union or legislative protection, Glasser says, employees must weigh the economic consequences of refusing to act on the company's behalf. These economic considerations are "more effective political inhibitors than even the fear of arrest," he says.

In the Cyclops case, the technician finally wrote the letter. The experience left him shaken. "I felt my constitutional right to privacy had been violated," he says. "I wanted to refuse, but I didn't because I am the main support of my family."

Cyclops' Delano denies that the specialty steel campaign was coercive. "We were certainly very anxious that our employees write, so a strong effort was made," he says. But Delano stresses that nobody was forced.

EFFICACY

Company-inspired mail campaigns have met with varying degrees of success. The specialty steel campaign apparently persuaded Congress but not the President, who vetoed the bill. In general, says Representative William S. Moorhead (D-Pa.), a 22-year congressional veteran, he is most persuaded by "the one letter that analyzes and presents a problem logically," and he discounts postcards and petitions. Moorhead quotes the late Senator Sam Rayburn to the effect that "a letter written with a stub pencil on a scrap of paper counts for more than a fancy letterhead because it probably comes from someone who has never written to his congressman before."

In any case, says Moorhead, "I am not elected to tote up letters and find out how many people in my district are for or against an issue. People back home rely on me to study the question and vote accordingly."

Other congressman, often with less secure political bases, feel that even coordinated letter-writing has some value. When weekend vehicle gas restrictions were proposed last year, first-term Representative Howard E. Wolpe (D-Mich.) received two dozen identical letters on company stationery from employees of a small supplier of brass fittings for recreational vehicles. The letters noted that restricted gas sales would hurt the makers of snowmobiles and other recre-

³ See "Senate Election Law Guidebook 1980," S. Doc. 96-45 (1980), pp. 304-305.

ational vehicles, ultimately producing layoffs in the supplier company.

THE PERSONAL TOUCH

James D. Margolis, Wolpe's executive assistant, believes that even this obviously orchestrated effort was effective because "it clued us into the ramifications of those restrictions." Even so, Margolis says that Wolpe prefers the personal touch. "I'd say he gives two points for sending anything, but 10 for a personal letter," he says.

Company-inspired employee lobbying can also generate undesirable side effects. When Fluor Chairman J. Robert Fluor wrote to employees and shareholders in 1978 to ask them to petition legislators in support of the sale of military jets to both Saudi Arabia and Israel, he drew widespread criticism, especially from the Jewish community.

"We took a lot of heat on that," says Thomas C. Ellick, vice-president of corporate relations, who supervises such activities. Fluor seldom uses grass-roots lobbying, Ellick says, but "we felt strongly about the bill and saw that it was in trouble," so Fluor made a conscious decision to try to use the political clout of its 20,000 employees. The effort, however, involved "no coercion and no attempt to follow up on who wrote letters and who didn't," Ellick says.

THE SOFT SELL

That kind of company attempt to inspire employee lobbying violates no one's privacy "if it is truly voluntary, with no threat of sanctions," says Columbia's Westin. Moreover, says William R. Maloni, a former aide to Representative Moorhead, "better efforts at internal corporate communications would produce better results than blackjack letter-writing sessions" because they would generate more spontaneous letters.

In fact, Illinois State Senator Dawn Clark Netsch insists that she can identify the effects of a company newsletter in the letters she receives. She finds such obviously voluntary expressions of concern more persuasive than "200 organized letters," she says.

H.R. 2015

A bill to amend title VII of the Civil Rights Act of 1964 to prohibit employment discrimination on the basis of political preference.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Civil Rights Act of 1964 (42 U.S.C. 2000e) is amended by adding at the end thereof the following:

"(1)(1) The term 'political preference', as used with respect to an individual, means a political preference of such individual, as expressed—

"(A) by making, or declining to make, a contribution of anything of value (including services) for the benefit of any candidate, political party, or political committee, or

"(B) by attempting, or declining to attempt, to influence—

"(i) the passage or defeat of any legislation, or

"(ii) the outcome of any referendum, initiative, or recall proceeding of a State or of a political subdivision of a State,

other than through an act prohibited by law.

"(2) For the purposes of paragraph (1)—

"(A) the term 'candidate' shall have the meaning given such term by section 601(b) of title 18, United States Code;

"(B) the term 'political committee' shall have the meaning given such term by sec-

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tion 301(4) of the Federal Election Campaign Act of 1971; and

"(C) the term 'legislation' means any bill, resolution, amendment, nomination, or other matter pending or proposed in, or which may otherwise be the subject of action by, either House of Congress, or a legislative body of a State or of a political subdivision of a State."

SEC. 2. (a) Title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e and following) is amended—

(1) by inserting "political preference," after "sex," each place it appears in sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(h), 704(b), and 706(g);

(2) by inserting "political preference," after "religion, sex" in section 703(h); and

(3) by inserting in section 703(j)—

(A) "political preference," after "sex," the first place it appears;

(B) "(or the total number or percentage of persons having any particular political preference)" after "national origin" the second place it appears; and

(C) "(or the total number or percentage of persons having such a political preference)" after "national origin" the third place it appears.

(b) The section heading for section 703 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2) is amended by inserting "Political Preference," after "Sex."

SEC. 3. The amendments made by this Act shall apply with respect to employment practices occurring after the 180th day following the date of the enactment of this Act.●

ADDITIONAL STATEMENT ON SUPPLEMENTAL APPROPRIATIONS RESOLUTION

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. WYLIE. Mr. Speaker, because of the time limitations on the debate of H.R. 1718, the urgent supplemental appropriations bill the House passed last Thursday, I did not have sufficient time to address other items in the legislation which I find troublesome. There is one small provision in H.R. 1718 under the Banking Committee's jurisdiction which disturbs me.

I find once again that the Appropriations Committee's original bill included what can only be described as ambiguous and confusing statements about the proper course of monetary policy. Rule X of the House rules plainly states that the Banking Committee has jurisdiction over monetary policy; nothing in the House rules suggests that the Appropriations Committee has jurisdiction in this area at all. To include such language in the urgent supplemental only makes a mockery of the House rules and the legislative process in general. If we would have had the opportunity to consider this supplemental under an open rule, I would have been the first to strike this language if only for purely procedural reasons. Since this language was contained in the commit-

tee's original bill, unfortunately a point of order did not lie against it.

My colleagues will recall that we went through this same exercise last year when the Appropriations Committee included a directive to the Federal Reserve in the fiscal year 1983 continuing resolution. I went to the well last December as I do today to question such monetary policy instructions. Section 104 states that the Federal Reserve:

Should continue such actions as are necessary to achieve and maintain a level of interest rates low enough to generate significant economic growth and thereby reduce the current intolerable level of unemployment. * * *

Such language sounds quite virtuous on the surface: Who can be against high interest rates and who is in favor of unemployment? Yet, I have learned from my long years of service on the Banking Committee that the Federal Reserve does not have a magic button it can push to lower interest rates. We witnessed this last year when market rates failed to decline after the Federal Reserve's most recent lowering of its discount rate.

This language also is mischievous in that it fails to mention the ultimate reason for so many of our problems today: Inflation. Fortunately, when similar language passed the House last year, the other body had the good sense to point out the Federal Reserve's contribution to lower inflation and to state affirmatively that in the pursuit of both increased growth and reduced unemployment the Federal Reserve have "due regard for controlling inflation so as not to have an opposite effect of driving interest rates upward." * * *

Section 104 is vague enough to permit any observer to believe congressional intent is that the Federal Reserve continue its legislative mandate to promote stable prices. But that language is also dangerous if it implies to Wall Street and Main Street alike that we are retreating from the congressional prescription in last year's continuing resolution to persevere in the fight against inflation. At best, section 104 is counterproductive if the financial markets perceive this as a mandate to the Federal Reserve to follow an inflationary monetary policy.

The fear of future inflation—which can only keep interest rates unnecessarily high—in large measure is driven by the concern over looming budget deficits. This is precisely the reason we must be conscious about the need to reduce the deficits in future years. If recent history has taught us anything, it has demonstrated to my satisfaction that an overly expansive monetary policy, for the reasons I have cited, is the wrong road to travel in pursuit of

full employment and economic growth.

Mr. Speaker, let me state for the record that this provision was not included in the motion to recommit offered by my good friend from Massachusetts, the ranking Republican Member of the Appropriations Committee, Mr. CONTE. There are good reasons not to have this extraneous provision in the urgent supplemental, and this in part explains why I voted for the motion to recommit. I hope that the other body will delete section 104, or at least modify it to state explicitly that which is implied anyway: the continuing need for our Nation's monetary authority to pay close attention to inflationary trends and continue in its efforts to promote price stability. Finally, let me close by affirming that our best—and for most of this country's jobless the only—solution to productive job creation is to do everything within our means to promote genuine recovery and stable economic growth.●

CITIZENS AGAINST NUCLEAR WAR SUPPORT THE FREEZE AND REDUCTIONS RESOLUTION

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

Mr. MARKEY. Mr. Speaker, I would like to commend to my colleagues testimony by Mr. Terry Herdon, president of Citizens Against Nuclear War (CAN), in support of the bilateral nuclear freeze and reductions resolution (H.J. Res. 13). It was given before the House Foreign Affairs Committee on February 17. CAN is a coalition of 42 national membership organizations, among them a number of unions, associations, and churches. Their endorsement of the freeze and reductions resolution should be seen in the context of the overwhelming majority of the American people who are in favor of an agreement halting the nuclear arms race. I recommend this excellent testimony to my colleagues.

The testimony and the list of groups supporting a nuclear freeze follow:

TESTIMONY OF TERRY HERDON, PRESIDENT OF CITIZENS AGAINST NUCLEAR WAR (CAN)

Mr. Chairman and Members of the Committee, the past two years have witnessed an uncommon focus of public attention on arms policies, the nuclear arms race, and the security strategies of the United States. Popular literature, scholarly literature, political debate, and the mass media have all contributed to an unprecedented awareness and sensitivity within the electorate of our country.

It is in this context of awareness that public opinion polls find 64% support for a verifiable, comprehensive, bilateral freeze on nuclear weapons. It is in this context of awareness that 60% of those voting in state-

wide referenda voted in support of the "Freeze." It is in the context of awareness that more than 300 communities have voted support for the "Freeze" and more than 100 national organizations have endorsed it. It is in this context of awareness that the esteemed leaders of 42 prominent, national organizations formed Citizens Against Nuclear War.

The depth and breadth of the contemporary public debate and basic respect for the idea of self-government must lead one to conclude that we, the people, have a right to express ourselves regarding government policy in this area; and that, at this time, we express ourselves with a relatively sound knowledge of our alternative choices. The more the people learn about the rapid evolution of nuclear weapons technology, the more we fear the uncontrollable nature of the arms race.

The more we learn about the awesome destructive power of current arsenals, the less sanguine we are about survivability, civil defense, or any possibility of even pyrrhic victory. The more we consider the destabilizing quality of the next generation of weapons (MX, Trident II, Pershings, Cruise missiles, etc.), the less secure we are with the traditional notions of deterrence, balance of terror, and mutually assured destruction. The more we ponder the awesome economic burdens the arms race imposes upon us, our children, and the other peoples of the world, the more fervently, we cry, "Why?" and seek leaders who will deliver us.

If this is a "government of the people, by the people, and for the people," then we must be heard. We wish for our government to lead the world into a more sane living environment; we want our government to provide initiative toward a verifiable, comprehensive, bilateral freeze on the production, testing, and deployment of nuclear weapons. Inasmuch as our President has spurned this plea, we come to the Congress, the most direct representatives of the people, and ask that you express our view. We ask that you, Mr. Chairman and members of the Committee, report out a resolution for an immediate, verifiable and bilateral nuclear weapons freeze. We ask that you pursue a simple, swift, and sure end to the nuclear arms race.

The members of CAN are not peace and disarmament organizations. We are organizations of American citizens who have come together with quite different primary purposes.

We are as diverse as the NEA, the United Food and Commercial Workers Union, the Wilderness Society, the National Black Caucus of State Legislators, the YWCA, the American Jewish Congress, and the Japanese-American Citizens League. These organizations and 35 more are now together because their leaders and most of their members believe that—

The citizens of a democracy have a responsibility for foreign policy:

The U.S. must urgently seek international agreements to reduce the risk of war:

The existing arsenals and the nuclear arms race cannot provide effective security and indeed threaten the survival of civilization;

U.S. policy should not be based on an effort to win or survive a nuclear war; and

Civil defense cannot provide a "safety net" against nuclear war.

We support a verifiable bilateral freeze on the production, testing, and deployment of all nuclear weapons.

Our member organizations involve more than 20 million American citizens. Many of

them have appended their own letters to this testimony. I come on their behalf and say to you that the thoughts that I express today spring from millions of American hearts.

We have not been duped, manipulated, or misled. We sincerely want the world freed of the nuclear arms race. We want a nuclear freeze which is followed by rapid reductions in the present arsenals.

We come with the desperate hope that Thoreau spoke the truth when he said: "Let every man make known what kind of government would command his respect, and that will be one step toward obtaining it."

Mr. Chairman and Members of the Committee, we are grateful for your attention to our plea.

MEMBERS OF CITIZENS AGAINST NUCLEAR WAR

Amalgamated Clothing and Textile Workers Union: Murray H. Finley.

American Association of University Women: Mary Purcell.

American Coalition of Citizens with Disabilities, Inc.: Phyllis Rubenfeld.

American Federation of State, County and Municipal Employees: Gerald W. McEntee.

American Jewish Congress: Henry Siegman.

American Medical Student Association: Patrick S. Romano.

American Public Health Association: Dr. William H. McBeath.

Americans for Democratic Action: Leon Shull.

Coalition of Black Trade Unionists: William Lucy.

Congress of Italian-American Organizations, Inc.: Mary C. Sansone.

Delta Sigma Theta Sorority: Mona H. Bailey.

Environmental Action: Elizabeth Davenport.

Friends Committee on National Legislation: Edward F. Snyder.

Friends of the Earth: Rafe Pomerance.

Greenpeace USA: Jon Hinck.

International Association of Machinists and Aerospace Workers: William W. Winspisinger.

International Chemical Workers Union: Frank D. Martino.

Japanese-American Citizens League: Ron Wakabayashi.

League of United Latin American Citizens (LULAC): Arnaldo Torres.

National Association of Social Workers: Dr. Mary Ann Quaranta.

National Black Caucus of State Legislators: Clarence Mitchell III.

National Council for the Social Studies: Dr. Carole L. Hahn.

National Council of Negro Women: Dorothy Height.

National Council of Senior Citizens: William R. Hutton.

National Education Association: Terry Herndon.

The Newspaper Guild: Charles A. Perlik, Jr.

Nuclear Information & Resource Service: Janet Lowenthal.

Older Women's League: Tish Sommers.

Organization of Pan Asian American Women, Inc.: Wendy Lim.

Presbyterian Health, Education and Welfare Association: Rodney T. Martin.

Reformed Church in America: Rev. Dr. Arie R. Brouwer.

The Ripon Society: Jayne A. Hart.

Rural American Women: Carolyn Kazdin.

Southern Christian Leadership Conference: Rev. Dr. Joseph E. Lowery.

Union of American Hebrew Congregations: Rabbi Alexander Schindler.
 Unitarian Universalist Association: Dr. Eugene Pickett.
 United Electrical, Radio and Machine Workers of America: James Kane.
 United Farm Workers of America: Cesar E. Chavez.
 United Food and Commercial Workers International Union: William H. Wynn.
 United Presbyterian Church USA: William P. Thompson.
 United States Student Association: Janice Fine.
 The Wilderness Society: William Turnage.
 Women for Racial & Economic Equality: Cheryl Craig.
 Young Women's Christian Association: Roshan Billimoria.●

PRESIDENT MAGANA'S RESPONSE TO PROPOSAL FOR CEASE-FIRE IN EL SALVADOR

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BARNES. Mr. Speaker, on February 25, 80 Members of the House joined me in sending a letter to President Alvaro Magana of El Salvador and Dr. Guillermo Ungo of the Democratic Revolutionary Front urging both sides to begin an indefinite cease-fire on the occasion of the Pope's visit. I have received a reply from President Magana, which I wish to include in the RECORD for the information of the co-signers of the letter and the public. I also include the text of our letter.

HOUSE OF REPRESENTATIVES,

Washington, D.C., February 25, 1983.

His Excellency

ALVARO ALFREDO MAGANA BORJO,

President, Republic of El Salvador, National Palace, San Salvador, El Salvador.

DEAR MR. PRESIDENT: It has been reported in the United States press that Msgr. Arturo Rivera y Damas, Acting Archbishop of San Salvador, has called upon both Government and guerrilla forces to observe a truce in observance of the visit of His Holiness John Paul II in early March.

We strongly endorse this proposal and urge the forces on both sides to observe such a truce. Furthermore, we urge the forces of both sides to observe the truce indefinitely, in order to give initiatives for a political settlement of the conflict an opportunity to surface and to take effect.

The people of El Salvador want peace, and they believe that the visit of His Holiness can help bring peace. It is our strong hope that this constructive initiative of Msgr. Rivera y Damas could lead to a break in the unhappy cycle of violence that has afflicted your country and could open up avenues for a peaceful resolution of the conflict.

Sincerely,

Michael D. Barnes, Gerry E. Studds, David E. Bonior, Joe Moakley, Edolphus Towns, Edward F. Feighan, Richard L. Ottinger, Douglas Applegate, Baltasar Corradia, Barney Frank, Ferdinand J. St Germain, Hal Daub, Frank Harrison, Ted Weiss, Les AuCoin, Bill Green, Walter E. Fauntroy, Jim Bates, Mike Lowry, Henry B. Gonzalez, Robert T. Matsui, Norman E.

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D'Amours, Thomas J. Downey, Ronald V. Dellums, Harold E. Ford, James F. McNulty, Jr., Gus Yatron, Frank Horton, Jim Leach, Mel Levine, William D. Ford, James L. Oberstar, George Miller, Fortney H. Stark, James H. Scheuer, Bruce F. Vento, Robert A. Roe, Stephen J. Solarz, Edward J. Markey, Ron Wyden, Doug Walgren, Bob Edgar, Robert J. Mrazek, Sidney R. Yates, Barbara B. Kennelly, John J. LaFalce, Vic Fazio, William J. Hughes, Marcy Kaptur, Lawrence J. Smith, George W. Crockett, Jr., Don Edwards, John F. Seiberling, Barbara Boxer, Robert A. Borski, Norman Y. Mineta, Lynn Martin, Parren J. Mitchell, Sam Gejdenson, Peter H. Kostmayer, James Weaver, Ike Andrews, Barbara Mikulski, Robert G. Torricelli, Dale E. Kildee, Dennis E. Eckart, Thomas A. Lukens, Larry Winn, Jr., Mary Rose Oakar, Bill Frenzel, Jim Moody, Lane Evans, Claudine Schneider, Robert Garcia, Patricia Schroeder, Mervyn M. Dymally, Howard Wolpe, Olympia J. Snowe, Dan Glickman, Martin Frost, Tom Bliley.

[Telegram]

WASHINGTON, D.C., March 7, 1983.

Congressman MIKE BARNES,
 Capitol,
 Washington, D.C.

On the authority of President Alvaro Magana I'm pleased to submit following translation of his reply to your letter 2/25/83. I would appreciate your conveying copy of this reply to your colleagues who joined in endorsing a cessation of hostilities proposed by archbishop Rivera Y. Damas.

"GENTLEMEN: I have honor of writing you in response to your letter dated 2/25/83 in which you recommend supporting the proposal of the Archbishop of San Salvador Msgr. Rivera Y Damas, relative to a halt to violence during the ceremonies of the visit of his holiness John Paul II to El Salvador. A cessation which would be indefinitely prolonged. In this respect I am pleased to say that my government has always held that a solution to the problem of violence ought to be essentially political and democratic. For this reason, we have categorically rejected a military solution, imposed and supported from abroad, because it would be contrary to our peoples' peaceful and democratic values. Our people need peace, and hope that the visit of his holiness John Paul II will spark ideas to remove us from the spiral of entrenched violence that has destroyed our country, thus solving our problems peacefully and democratically.

"I should mention that the political commission established by my government, unanimously reaffirmed its unwavering intention to maintain peace, as well as its firm determination to establish respect for different ideologies in order to achieve a pluralistic, democratic and equitable society that will guarantee respect for human rights, in turn, promoting social progress. It will be indispensable in achieving peace that groups opposed to genuine democracy, of whatever ideology, abandon their radicalism and their irrational strategy of violence, destruction and revenge, so that peace can be achieved and enjoyed by all sectors and forces without discrimination.

"Thus, I am pleased to announce that on that day, so that peace may prevail, my government will not initiate activities that lead to armed encounters or violent situations.

At the same time, we call upon armed groups to abandon their policy and join in the democratic process so as to move forward on the road to peace.

"I appreciate your interest in peace in El Salvador, and I assure you of my intention to give it my highest consideration. Signed, President Alvaro Magana, Republic of El Salvador." End text.

Ambassador ERNESTO RIVAS-BALLONT,
 Embassy of El Salvador, Washington, D.C.●

A TRIBUTE TO CROSS COUNTY FEDERAL SAVINGS & LOAN ASSOCIATION

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ADDABBO. Mr. Speaker, it is with great pleasure that I note that Cross County Federal Savings & Loan Association of New York City has for the fourth consecutive time been named to a distinguished list of high performance associations.

Cross County, which is located in Middle Village with branches in Massapequa, Brooklyn, and Manhattan, was rated No. 10 out of 800 associations across the country in the \$50 to \$100 million asset category. In the State of New York Cross County was rated tops in earnings.

Congratulations are in order for chairman of the board, Michael Cousin, and president, Ira Bailey, who is celebrating his 25th year with Cross County during which time assets rose from \$25 to \$65 million.

In addition, the American Broadcasting Corp. has just completed a prime time televised story in which Cross County was cited as an example of how a well managed savings and loan association can be successful when most S&L's around the country are experiencing serious financial problems.

I am delighted to add my voice to those throughout Brooklyn and Queens who are providing congratulations to Cross County for these important achievements and I wish them and their many employees the best of luck in their future endeavors.●

CALL TO CONSCIENCE FOR ALEXANDER PEVZNER

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BARNES. Mr. Speaker, the call to conscience vigil in Congress, on behalf of the many Soviet Jews who need our help, continues in the 98th Congress with the strong support of many Members of the House. In the face of the drastic decline in the num-

bers of Jewish people permitted to emigrate from the Soviet Union, our collective efforts become all the more important for those who still cannot escape Soviet oppression.

I raise a personal protest to the Soviet Government on behalf of Alexander Pevzner. I do it now as I have done it again and again in the past. Last December, 65 Members of the House joined with me in an appeal to the Soviet Government to give Alexander Pevzner permission to leave the Soviet Union with his family so that he can come to the United States to join his father, his mother, and his sister, who were permitted to leave the Soviet Union over 3 years ago. At that time, Alexander Pevzner expected that he and his family would soon follow. They are still waiting.

We have not yet heard one word from Soviet officials about Alexander Pevzner, but they will continue to hear from me until he is reunited with his family here in the United States.

All of us, in participating in the congressional call to conscience vigil, have taken on a personal responsibility to see our way through to success for at least one individual. Alexander Pevzner, who has applied to emigrate six times since his first application in March 1979, and who every time has been denied, must hear each time the lame excuse offered by Soviet officials to justify their denial of his fundamental human rights. But neither he, nor I, will give up.

Alexander Pevzner has great courage, as do many thousands in the Soviet Union who have dared to ask for what they, as human beings, deserve. Many of these people are unknown to us and many of them fight this very difficult and painful battle alone. They have a dream of living in a free society and we are working hard to make sure that will be possible.

When I spend time with my own family, I often think of Alexander and his family and the vital importance of our work here, of our continued strong protests as Members of Congress, speaking up for those who are powerless to change their tragic situation. I have written and personally met with Soviet officials on Alexander's behalf and I will continue to do that, and more, because I think we need to take advantage of every single opportunity we have to raise the issue of human rights with the Soviet Government.

My hope today is for the freedom of Alexander Pevzner. ●

ONLY THE BEGINNING

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. TRAXLER. Mr. Speaker, I would like to take this opportunity to

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explain to my colleagues and constituents my vote yesterday against the Social Security Reform Act of 1983. One of the primary reasons that I could not support the social security reform package was that I did not support the Pickle amendment to raise the retirement age from 65 to 67 years old. This is breaking the social contract that the U.S. Government has with the American worker. Once this action has been taken it will be much easier in the future to raise the age again.

We have abandoned the historic principle of permitting people to leave the work force with full benefits at age 65. This commitment has insured retirement benefits at a specified age for more than four decades.

This will create a great hardship on those older workers who are unable to find work due to poor health or forced retirement. They will be forced on to social security without the full retirement benefits. When you take away the option for older workers to retire, there will be less opportunities for the younger worker.

I regret that the bill was brought up on the House of Representatives floor under a closed rule which would not allow us to amend other portions of the bill that I had problems with including those provisions affecting Federal workers and the self-employed. Although the social security reform package did contact several excellent points, I could not support increasing the social security retirement age. ●

INTRODUCTION OF THE GEOTHERMAL STEAM ACT OF 1983

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. MARRIOTT. Mr. Speaker, today I am introducing a bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001) to expedite exploration and development of geothermal resources, to be cited as the Geothermal Steam Act of 1983.

I recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted as legislation vital to the economic security and well-being of the Nation.

This bill contains numerous amendments to the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) intended to expedite exploration and development of our Nation's vast geothermal energy resources.

Certainly the most important of these amendments is that in section 8, increasing the maximum acreage a single lessee can hold in any one State from 20,480 to 51,200 acres, and authorizing the Secretary, in his discre-

tion, to increase the limitation to 115,200 acres in 1985. Experience in geothermal development has shown that, at a minimum, 10,000 to 15,000 acres of land are needed for meaningful exploration of geothermal resources at any one site. The current limitation on ownership, therefore, restricts lessees to only one or two prospects per State and prevents them from reaping full benefit of economies of scale, and of new techniques they may invest in, both of which can, in many cases, mean the difference between an unprofitable investment and a commercial success. This amendment, to section 7 of the act, will remove this economic impediment which has discouraged companies from participating in geothermal development, and which has slowed the growth of a geothermal industry in the United States. This amendment will also exclude acreage in commercial production from the acreage limitation, providing an additional positive incentive for lessees to quickly explore their leases and bring them into production.

Another very important amendment in this bill is the redefinition of known geothermal resource area (KGRA) which is contained in section 4. The new definition removes the economic test of competitive interest in a tract as an indicator of the geologic presence of geothermal potential in an area. The amendment substitutes a more proper requirement that, for classification as a KGRA, there must be sufficient physical evidence of the geothermal resources in an area to engender a professional belief that the prospects for generating electricity in commercial quantities warrant substantial expenditures. This more narrow definition of known geothermal resource areas will allow hard geologic evidence, rather than economic speculation, to guide KGRA classifications.

In addition to these two, most important amendments, the bill makes several other changes in the provisions of the Geothermal Steam Act of 1970. Section 3 extends the Secretary's leasing authority. Currently, only those Federal lands under his control, and those under the control of the U.S. Forest Service, are leaseable. This amendment will permit geothermal development on additional Federal lands. Section 15(c) exclusions, however, are still maintained.

Section 5 provides for automatic declassification of known geothermal resource area lands where there are no competitive bids. This amendment recognizes the fact that continued competitive classification of such lands needlessly withdraws them from leasing. Section 5 also provides protection for those filing lease applications, and

for those who have invested in discoveries on adjacent lands.

Section 6 retains the royalty structure already in section 5(a) of the act for electrical generation, but reduces the minimum royalty by 5 percent for nonelectric users. This reduction in the royalty rate serves as an incentive for nonelectric users to employ geothermal resources in their operations. It recognizes that such operations may not be as profitable as electrical generation.

Section 7 redefines production or utilization of geothermal steam in commercial quantities to include not only completion of a producing or producible well in conjunction with a sale of the energy from the resource to an existing or planned facility, but also a commitment for utilization by the developer himself. It also allows the Secretary to extend lease terms for up to 15 years when construction has been delayed by administrative delays or by the marginal economics of such a facility or facilities.

Section 9 extends the periods of review and adjustment of lease terms and conditions provided in section 8(a) of the act from 10 to 20 years. This extension will give lessees additional economic and operating security for their leaseholds.

Section 10 amends section 15(b) of the act to make that section consistent with the amendments made by section 3, which extends coverage of this act to additional Federal lands. It transfers responsibility to determine lease terms and conditions on such lands to the Secretary, in consultation with the Federal department or agency with jurisdiction over lands. For acquired lands, however, it requires the Secretary to obtain the consent of the head of the other department or agency involved prior to leasing.

Section 11—protection of national parks—amends section 15 of the act to add a new subsection (f) intended to provide additional protection to nationally significant thermal features found in national parks from damage caused by geothermal exploration or development outside the boundaries of a park. It requires the Secretary to list within 180 days of enactment, nationally significant thermal features found in national parks, and to describe zones outside park boundaries on Federal lands within which the Secretary determines that development of geothermal resources may affect such features. Unlike statutorily mandated buffer zones around parks, this provision would allow the Secretary discretion in utilizing the best hydrological and geological data available to customize the zone to the particular feature which may be affected. Since aquifers can differ widely in size, shape, and depth, arbitrarily designated buffer zones may or may not be suitable to protect a particular feature.

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The fact that the Secretary has described a zone of concern outside a national park boundary, does not necessarily mean geothermal exploration and development will be prohibited. Under subsection (f)(2), the Secretary may permit such exploration and development if he determines, upon review of the best geological, hydrological, and other relevant evidence, that there is no significant likelihood of adverse effect to the thermal feature. Further, where leasing is permitted in such zones, the Secretary may impose conditions and stipulations to insure the protection of thermal features.

Section 12 creates three new subsections in section 23 of the act. The first new subsection permits noncommercial free uses of geothermal resources where it is found to be in the public interest. Generation of electricity in any amount is excluded from this provision. The second new subsection provides for use by Federal agencies of the geothermal resources within lands under those agencies' jurisdictions. Generation of electricity, however, is not prohibited for Federal agencies. Both of these subsections will encourage incidental uses of domestically produced geothermal energy, thereby freeing demand for hydrocarbon or imported energy sources in many cases. The third new subsection provides the Secretary with authority to issue a free use permit to anyone who assumes the Federal interest in any geothermal energy research and development facility, pilot plant, or demonstration facility utilizing geothermal resources from lands subject to the provisions of this act. This subsection will allow the private sector to continue geothermal research and development projects begun with Federal assistance.

Section 13 contains a series of technical changes to section 2(c), and to other sections throughout the act, to expand the presently narrow definition of geothermal resources to include geopressurized water, magma, and hot rock formations.

I strongly believe that this proposal is vital to our national security and well-being. Presently, this Nation is overly dependent upon foreign sources of energy, and upon fuels which occur naturally in limited supply. Wherever it is possible to substitute energy resources which are not subject to external supply interruption, we have responsibility to do so as expeditiously as possible. Geothermal resources are an essentially unlimited domestic energy resource. This bill will remove significant impediments to the development of these geothermal resources, impediments which now shackle the growth of a strong geothermal industry.

Geothermal resources, by their very nature, impose high risks upon developers, and require large scale resource

bases. To insure the commercial success of geothermal projects, this bill will provide industry, for the first time, with the opportunity to acquire lands of sufficient size to justify the large investments required. It also provides a realistic and scientific basis for determining which lands are less prone to risk, and, hence, which lands should be leased competitively. Likewise, it provides the vitally needed flexibility to offer truly speculative lands at low cost to applicants where circumstances justify such offers.

This bill goes further, providing incentives for expanded use of this domestic energy resource. The geographic extent of lands open to geothermal exploration and development will be expanded to additional suitable Federal acreage, while at the same time protecting the unique geothermal features in our national parks. The range of uses for geothermal energy also will be expanded by revising the requirements for production in commercial quantities, by authorizing the Secretary to permit incidental use of geothermal energy by holders or administrators of lands where less sizable resources occur, and by providing, through free use permits, an incentive for the private sector to continue the geothermal research and development efforts begun by the Federal Government. Finally, this bill provides some much-needed economic security to operators by lengthening lease review periods, and moderating royalties for nonelectric uses.

The benefits of this bill to our Nation are clear, and I am hopeful it will receive expeditious and favorable action.●

RECOGNITION OF THE VIETNAM VETERANS FOUNDATION

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. RITTER. Mr. Speaker, this week Congress is considering many pieces of legislation that affect the lives of all Americans. One piece of legislation, House Resolution 73, resolves that the House of Representatives disapprove the proposed deferral of \$143 million for the Small Business Administration loan and investment fund.

These moneys are direct loan funds previously appropriated by Congress for energy-related loans, minorities, the handicapped, and Vietnam veterans loans. The deferral was proposed pursuant to section 1013 of the Impoundment Control Act of 1974.

My fellow colleagues, there is quite a story surrounding this one simple resolution. This impoundment resolution disapproving the proposed action spe-

cifically allocates \$25 million in direct loans for Vietnam veterans. The resolution was passed by the House Appropriations Committee on March 3, 1983. A favorable vote today by the full House will bring a tough 4-year struggle to a successful conclusion. And it will be a victory for our Vietnam veterans.

I am hopeful that Congress will vote in favor of making this money available.

While we consider this piece of legislation, I would also like to give deserved recognition to an organization and its leaders who are largely responsible for this event. That group is the Vietnam Veterans Foundation.

The VVF was incorporated as a national nonprofit advocacy organization here in Washington, D.C., in February 1979. Since its inception, the VVF has been a major force dedicating all its efforts to small business issues and economic development programs as they affect all disabled veterans and veterans of the Vietnam era.

It can be said that the VVF has been totally engrossed in seeking full implementation of veterans programs in the Small Business Administration. The foundation, led by Thomas J. Wincek, chairman, and Robert A. Sniffen, executive vice chairman has lobbied the Hall of Congress for over 4 years to accomplish their objectives. They recognized that veterans have long been neglected in many Government programs responsible for development of the small business sector of the Nation.

Tom Wincek is a Vietnam veteran with a dozen years of experience in all issues affecting his peers including 7 years as director of veterans programs at the University of Minnesota and past national president of the National Association of Veteran Program Administrators. Bob Sniffen, not a Vietnam veteran, has spent over 14 years working on the issues affecting this group. He has held such former positions as national legislative and service director of AMVETS and special assistant to Deputy Assistant Secretary of Labor for Veterans Employment.

These two citizens backed by many supporters have accomplished great deeds on behalf of Vietnam veterans by their courageous and undaunted leadership. In my eyes, they and their excellent organization have brought about the impossible dream on behalf of their constituency.

They accurately made the case that veterans were entitled to "special consideration" as provided for by Congress under Public Law 93-237 of the Small Business Act of 1975 as amended. The intent of Congress was clear to this group and they set out to implement this law. The VVF soon brought to the attention of the Congress the cold hard facts that next to nothing had been done to implement the provi-

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sions of Public Law 93-237 from 1975 to the creation of the foundation's business efforts in early 1979.

SBA officials quickly responded that there simply was no constituency for business needs among the disabled and Vietnam veterans. To counter this claim, VVF in cooperation with national media asked those Vietnam veterans who were already in business for themselves or who would like to own a small business, to contact the Vietnam Veterans Foundation.

The results were overwhelming. Thousands of these disabled and Vietnam veterans pointed out that they were indeed a valid constituency. These veterans outlined their needs for loans, loan packaging, management and technical assistance, and their desires to market their products and service and inquiries as to exporting opportunities.

These letters and SBA's refusal to recognize the special needs of this group led the VVF to request congressional hearings early on in the 97th Congress. After some six hearings before congressional Committees on Oversight, Small Business and Veterans' Affairs, it was clear that most, if not all of the purported programs were ineffective or existed only on paper.

It was the VVF's testimony at these hearings that convinced Congress that only strong legislative action by our body would ever rectify the long neglect and existence by SBA of the business needs of our latest veterans.

The serious and candid testimony of the VVF provided Congress with an effective framework of recommendations and solutions that would enable veterans to better participate in the Nation's free enterprise system. Congress took action and sponsored legislation to take this responsibility away from the SBA. The House Veterans' Affairs Committee introduced legislation that eventually became Public Law 97-72 and was signed by the President on November 3, 1981. The new law created a direct loan program in the VA and created a revolving fund with \$25 million.

The President signed the law without appropriations and directed SBA to review its veterans programs to avoid any possible duplication of effort. In response, SBA created a task force on special consideration for veterans. The VA delayed for over 8 months in writing regulations. Many Members in Congress joined together with the VVF to bring about action to uphold both the intents of Public Law 93-237 and the new law Public Law 97-72 by insuring funding.

In one of the more unique procedural and almost unheard of compromise efforts of the Congress, it was agreed that the SBA, not VA would be charged to implement the law and would be provided \$25 million to do so.

To accomplish that commitment, this money and an additional \$3 million for outreach services were provided as part of the concurrent resolution passed by Congress on December 20, 1982, and signed into public law by President Reagan the next day.

So, I am sure each Member will see the significance of a positive vote on the resolution. Yet there would be no vote, nor any funding nor any legislation without the efforts of this fine and determined organization I have referred to: The Vietnam Veterans Foundation.

In honoring the foundation, we honor all Vietnam veterans who seek the American dream of owning one's own business.

Listed below are just a few of VVF's achievements in reference to small business issues:

Sponsored the first Vietnam Small Business Fair, National Coliseum, Washington, D.C., May 1979.

Member of, and group responsible for inclusion of veterans on the White House Conference for Small Business, January 1980.

Conducted first Vietnam Veterans Small Business Week, August 1980, Ithaca, N.Y.

Assisted the 97th Congress in initiating six congressional review hearings on the issue of Small Business Administration performance.

Assisted in the passage of Public Law 97-72 the Veterans Health Care, Training and Small Business Loan Act of 1981.

Responsible for inclusion of Vietnam veterans on SBA PASS system (procurement automated selection system) which now has some 7,000 Vietnam veteran-owned businesses listed.

Responsible for convincing Congress to include \$28 million to fund Public Law 97-72 and Public Law 93-237.

Conducted the 1981 Vietnam veteran tribute series:

Texas Rangers Baseball Team, Dallas-Fort Worth, Tex., Memorial Day, 1981.

Sports Car Club of America Race, Summit Point, W. Va., June 7, 1981.

Washington Diplomats Soccer Team, R. F. K. Stadium, Washington, D.C., Independence Day, 1981.

Produced "The Vietnam Experience" art exhibition, New York City, November 11 to December 6, 1981.

Assisted in the creation of the Maryland Vietnam Veterans Business Resource Council.

Current member of the SBA Task Force on Special Consideration for Veterans.

Conducted the Minneapolis Veterans Special Business Training Seminars, January 19-20, 1983.

Please join with me in thanking these outstanding individuals and their fine accomplishments. I wanted to make their achievements known to

you and the public. I believe the Vietnamese Veterans Foundation will continue its commitments to priority programs for Vietnam veterans as one of our best national resources in the world of small business.●

**CONGRESSIONAL WORKSHOP
ON CAPITAL BUDGETING**

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. CLINGER. Mr. Speaker, as chairman of the House Wednesday Group, I will host a congressional workshop on capital budgeting to discuss the importance of planning our public works investments more effectively on April 18.

Experts on the issue from both Government and the private sector, as well as Members of Congress with a legislative interest in the issue, will be encouraged to attend.

To lend perspective to the importance of capital budgeting as a planning tool, I request that an editorial by David J. Mahoney, entitled "Beyond the Free Market"—New York Times, February 7—and a response to the editorial by the Wednesday Group, be reprinted in the RECORD.

(From the New York Times, Feb. 7, 1983)

BEYOND THE FREE MARKET

(By David J. Mahoney)

The State of the Union Message, the Federal budget and President Reagan's Economic Report purport to be an annual updating of the nation's goals and plans for meeting them. But they offer neither a credible assessment of the country's prospects for prosperity nor an adequate blueprint for improving America.

As a businessman competing in international markets, I believe America can no longer pretend that a wholly unregulated, free market economy exists in the world. We must coordinate our domestic and international economic policies and plan for the future if we are to compete effectively in the world marketplace. Planning is the watchword of nations competing with us, and it must become a part of our public processes as well.

Recently we have seen a number of examples of the Government's inability to address national problems in a carefully planned manner. The gasoline tax bill was a hastily drawn response to a problem everyone has known about for years—the deterioration of our roads, bridges and transportation systems. Quick expedients might be avoided if the country could better assess its long-term needs. Most major American companies operate on the basis of such an assessment, and so should Washington.

The Government should create an agency to study domestic and international trends and to help policy makers discern the probable economic effects of public policies.

A broad-based, permanent Federal economic planning agency has not existed in America since the end of World War II, when the Office of War Mobilization and

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Reconversion guided demobilization. The problem is not an absolute absence of Government planning: Countless plans emerge piecemeal from departments, agencies and commissions dealing with transportation, land use, employment, water and countless other subjects. But these plans are too narrowly cast and are not routinely factored into the decision-making process.

We no longer can afford to rely solely on the great strengths of our unplanned domestic economy. International trends dictate otherwise. Better planning must address issues such as rising debt-service obligations, commodity cartels and agreements, technology transfer, balance-of-payments pressures, international monetary fluctuations, and protectionism. France, Japan and other free world countries have planning ministries helping their industries take advantage of emerging trends. We ignore their example at our peril.

The United States needs to ask tough questions about whether present investment strategies are serving the national interest. The Government has an obligation to plan coordinated programs supportive of both mature and emerging American industries; but inevitably hard choices will have to be made.

Our economy is encumbered with an ad hoc industrial policy lacking rhyme or reason. Why does the Government spend five times more on research and development for commercial fisheries than for steel, and provide nearly \$500 million in annual tax concessions for the timber industry but none for semiconductors? Why should the Government continue subsidizing industries such as housing that are sheltered from international trade, industries such as footwear that depend on low-wage labor, and industries such as shipbuilding that have no advantage over foreign competitors?

More often than not, the Government undertakes such policies with little concern for their effects on the economy. Although the Government is drowning in information, the data are simply not comprehensive enough and not available in a form that allows accurate analysis of the impact of public policies on economic efficiency and industrial competitiveness.

I may be swimming against the tide by advocating creation of a new agency, but the Government exists to carry out responsibilities that no sector of our society can fulfill alone. What I have in mind is a National Planning Agency whose members would be confirmed by the Senate and consist of representatives from business, labor and academia, in addition to Government. By helping eliminate the guesswork that now goes into policy decisions, the agency would make us less prone to self-deception and less often surprised by world events.

Careful analysis of world market trends and the sources of competitive advantage would not restrict the choices available to the elected officials who are ultimately our Government's planners; rather, it would expand their options.

America faces a potentially disastrous economic and social tidal wave in the form of a projected \$200 billion Federal deficit, 10.8 percent unemployment, \$130 billion in potentially risky private bank loans to developing and Eastern bloc countries and an anticipated record \$75 billion foreign trade deficit. The threat these problems pose makes it clear that if America fails to plan for the future, we will be at the mercy of those who do.

(From the New York Times, Feb. 18, 1983)

TO TAKE THE GUESSING OUT OF U.S. PUBLIC WORKS

To the Editor:

We agree with David J. Mahoney's analysis ("Beyond the Free Market," Op-Ed Feb. 7) that Federal economic policies lack "an adequate blueprint for improving America." In fact, nowhere is this problem more evident than in the area of Federal public works spending.

As incredible as it may seem, the Federal Government allocates billions of dollars for public-works investments each year without an inventory of the nation's public facilities.

Specifically, we have no assessment of the condition of our public facilities, no list of investment priorities, no estimate of future investment requirements and virtually no oversight of public-works expenditures. In short, the Federal Government lacks some very fundamental planning tools.

One modest reform which could be adopted now is Federal capital budgeting. This is a small step when compared with Mr. Mahoney's suggested National Planning Agency, but its importance should not be underestimated. Capital budgeting is used by virtually all major corporations and most states to make thoughtful, rational and well-planned decisions concerning future capital investments.

This proposal calls for the creation of a new budget document which would identify and separate, within the unified budget, expenditures that represent investments in public capital, such as roads, highways, dams and water systems, and those that represent current operating outlays, such as salaries and interest payments. It would also mandate an inventory and assessment of such Federal public facilities.

Capital budgeting, if adopted, would for the first time permit the Federal Government to establish explicit priorities and public capital-investment plans. This approach would go beyond the simplistic and inefficient solution of pouring more money into new programs and would help to insure that the Federal Government gets the most from the public-works dollars it spends.

Mr. Mahoney is correct to imply that solutions to our most pressing and monumental problems are possible if we strike at the heart of government decision-making. Capital budgeting is no cure-all for our ailing infrastructure, but in an era of limited resources it is a reform whose time has come.

STEVEN HOFMAN,
MATTHEW COOK.

WASHINGTON, Feb. 9, 1983.

(The writers are, respectively, executive director and research associate of the House Wednesday Group, a Congressional caucus consisting of 27 Republican House members.)

A TRIBUTE TO THE BALTIC STATES FIGHT FOR INDEPENDENCE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. COURTER. Mr. Speaker, I would like to join my colleagues and the Estonian, Lithuanian, and Latvian-American communities in commemo-

rating the 65th anniversary of Independence Day in the Baltic States. It is my wish that one day these three countries will again be free from the dominance of Soviet Communist oppression.

After World War I the Baltic States emerged as free nations from a long history of Russian and German rule. However, the Soviet Union seized the Governments of Estonia, Lithuania, and Latvia and has retained Communist control for the past 43 years.

The United States endorses efforts to bring the issue of self-determination before the Helsinki accords meetings and the U.N. Subcommittee on Decolonization. I would like to quote a Voice of America editorial supporting the proposal.

*** bringing their colonial status before the United Nations would emphasize that time has not legitimized the Soviet claims to Estonia, Latvia and Lithuania. It would also remind the Kremlin leaders that the outside world is aware of their treatment of the Baltic populations—and of the harrassment and imprisonment of the Baltic patriots who even today continue to defy the imperial Soviet state.

The Baltic States heritage of heroism, bravery, and dedication to the right of freedom will continue to be source of inspiration for all of the oppressed people of the world. Thank you. ●

CONGRESS SHOULD ACT TO ADDRESS THE NATURAL GAS CRISIS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which I believe must be an element of any meaningful natural gas policy reform which the Congress may enact.

It is essential that the Congress act, and act expeditiously, to address the natural gas crisis confronting our Nation. Virtually no one, including residential and industrial consumers, producers, and pipelines, is pleased with the current natural gas regulatory structure. Many in fact are demanding that the current policy be revised, and most others have recognized that reform is necessary.

Consumers, in particular, are insistent that the Congress act to grant relief from current high prices. The depth of their feelings on this issue is particularly understandable. Mr. Speaker, in view of the fact that despite consumers' best efforts to conserve, such as installing insulation and storm windows, or simply lowering the thermostat, they have watched their heating costs continue to soar. As a reward for drastically reducing con-

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sumption, they have been forced to accept skyrocketing prices.

The simple apprehension with which many once viewed the onset of winter has been replaced instead by a gripping fear—the dread of knowing that certain high fuel bills will force a choice between staying warm or doing with less of life's other basics.

The frustration, anger, and despair which settles in on consumers as they absorb these astronomical increases in the face of decreased consumption, a reported glut of natural gas, and a supposed end to our national energy dilemma requires that the Congress take the steps necessary to correct the current market distortions.

I am pleased to note that included in the major natural gas policy reform proposals which have been advanced are provisions allowing for the renegotiation or rescission of current producer/pipeline contracts, as well as a limitation on the amount and type of costs which may be passed through to consumers. I believe that these proposals go to the heart of the current price problem, and I readily support them.

However, I believe that if we are to bring about a sustained period of moderate natural gas prices, then we must assure that there is full competition in the natural gas marketplace. In my opinion, this desired degree of market freedom cannot exist unless we provide consumers with full access to all available natural gas supplies.

The intent of the legislation I am introducing today is to provide consumers—through their local distribution companies—as well as industrial users, with the tools necessary to assure this access.

My proposal would require both interstate and intrastate pipelines to carry natural gas at the request of a producer or purchaser of natural gas, unless a pipeline could demonstrate to the satisfaction of the Federal Energy Regulatory Commission that: First, the pipeline has no available capacity to carry the gas; second, carriage of the gas would place an undue burden on the pipeline; third, construction of new facilities by the pipeline would be required to carry the gas; or fourth, carriage of the gas would impair the ability of the pipeline to provide adequate service to its existing customers.

In addition, the measure would provide for compensating pipelines at the rate of \$0.05 per million Btu's plus the cost of transportation for complying with a request to move gas.

Mr. Speaker, this legislation is similar to the proposals offered by the administration and others, except that my bill would make clear that intrastate pipelines are also subject to an order to move gas at the request of producers or consumers. Moreover, the legislation would clearly place a burden on the pipelines to move the gas or document, to the satisfaction of

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FERC, why they cannot comply with the order.

As I stated, Mr. Speaker, I strongly believe that this concept must be a part of any meaningful effort to resolve the current natural gas dilemma. I hope that my colleagues will recognize the merits of this proposal, and I urge their support.

The text of the bill follows:

H.R. —

A bill to amend the Natural Gas Policy Act of 1978 to require interstate and intrastate pipelines to transport natural gas on behalf of producers and purchasers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Natural Gas Policy Act of 1978 is amended by adding at the end thereof the following new section:

"SEC. 316. CONTRACT CARRIER AUTHORIZATION.

"(a) In GENERAL.—Upon application by a producer of natural gas or by a purchaser of natural gas from a producer, an interstate pipeline or intrastate pipeline shall carry the natural gas described in such application unless the Commission finds, pursuant to a request by such pipeline, that—

"(1) such pipeline has no available capacity to carry such gas, or

"(2) carriage of such gas would place an undue burden on such pipeline, or

"(3) construction of new facilities by such pipeline would be required to carry such gas, or

"(4) carriage of such gas would impair the ability of such pipeline to render adequate service to its existing customers.

"(b) FINDINGS MADE BY RULE OR ORDER.—The Commission shall make all findings under subsection (a) by rule or order.

"(c) CONSIDERATION.—The consideration for any transportation provided by any pipeline under this section shall be \$0.05 per million Btu's plus the cost of such transportation, as established by the Commission, unless the Commission has established, by rule, a different rate as just compensation for such transportation. No amount of such consideration shall be required to be credited and flowed back to the customers of such pipeline."

(b) The table of contents of such Act is amended by inserting after the item relating to section 315 the following new item:

"Sec. 316. Contract carrier authorization."

(c) The amendments made by this section shall apply to applications made after the date of the enactment of this Act for the carriage of natural gas after such date. ●

GULF AVENUE ELEMENTARY—AN OUTSTANDING SCHOOL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ANDERSON. Mr. Speaker, I am delighted at a time such as this, when our public schools are increasingly becoming the scapegoat of many politicians and educators alike for the educational deficiencies of some of our Nation's young people, to draw the attention of our colleagues to the accom-

plishments of Gulf Avenue Elementary School in Wilmington, Calif.

Gulf Avenue Elementary recently was visited, at random, by a Los Angeles Unified School District School Compliance Review Team to assess the academic quality of the school's curricula, as well as the progress and achievements of its pupils.

Upon completion of the 2-day evaluation, Gulf Avenue Elementary was informed by the compliance review team that the school ranks as a paradigm of educational excellence. What has earned Gulf Avenue its superior rating is the result of a cumulative effort by parents, faculty members, and students.

Gulf Avenue parents demonstrate their deep concern for the academic progress of their children by playing an active role in assuring that a quality instructional program is developed and then maintained. The principal and instructors are very well organized. They provide clear educational goals for their students that encourage each to aspire to his or her educational potentials; and Gulf Avenue students are aspiring.

I am confident that Gulf Avenue Elementary graduates will continue to excel as students. They are a fine example of the quality of academic programming that is provided by our Nation's system of public schools.

My wife, Lee, joins me in sending all of the parents, faculty, and students associated with Gulf Avenue Elementary School our warmest wishes for success in their future endeavors. ●

TRINITY REFORMED CHURCH CELEBRATES ITS 75TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

• Mr. GUARINI. Mr. Speaker, on March 20, 1983, a grand and glorious house of God located in West New York, N.J., will celebrate its diamond jubilee. Trinity Reformed Church has long stood like a beacon providing services to thousands of individuals who have been residents of Hudson County.

On February 25, 1983, the following article appeared on the front page of the Jersey Journal, written by its fine North Hudson Editor Haig Anlian:

[From the Jersey Journal Feb. 25, 1983]

Landmark church plans to celebrate its 75 years. Trinity Reformed Church in West New York, one of the area's leading Protestant congregations, will launch its 75th anniversary celebration on March 20.

The pastor, the Rev. Theodore Muller, and Herbert Trenz, chairman of the anniversary committee, and other church officials are finalizing the schedule of activities to mark its founding on that March date

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back in 1908, just 10 years after the town itself was incorporated.

The stately church in the center of town is one of the town's landmarks. Once it had one of the largest memberships among Protestant churches in the area. While membership has declined in recent years, primarily due to a changing population, Trinity with its many dedicated members had continued to serve the community.

Thirty years ago, church officials said, the membership of 800 was one of the largest among Protestant churches. Membership is said to be less than half that now.

In the mid-1970's Trinity Church membership increased with a merger with First Presbyterian Church, an early victim of the population shift in the community. The influx of Cuban refugees had much to do with the change.

It was the influx of an earlier wave of immigrants from Germany that led to the eventual founding of Trinity. Trinity's history really dates to even before the town was incorporated. Seeking an "reaffirmation of faith" after the Civil War, Jacob Gunset Sr. purchased a building at the corner of what is now Sixty-first and Adams Streets to be used for the new Zion Evangelical Church in 1871. As immigrants from other European countries came to the area, the ratio of the German-speaking population decreased. An English-language Sunday School was formed in 1898 by Dr. Isaac Gowen, then pastor of Grove Reformed Church in North Bergen, which was regarded as the denomination's senior church in the area. Dr. Abram Hopper took charge of Zion's chapel in 1903, and within a year had so stimulated activity that a larger edifice was needed to accommodate the growth of church membership. The present Trinity site at Palisade Avenue and 60th Street was selected in April 1907.

The leaders of Trinity Reformed Church indeed have provided the leadership and advice so important to the generations they serve. It was a haven for the newcomers to this Nation and has served the many families meeting the challenges of life. Trinity Reformed Church has helped develop the character of its people providing faith and hope and preparing them for the opportunities that life provided. It has shared their grief and their struggles.

This church has helped develop lasting friendships and most important an intense spirit of brotherhood urging all to "walk joyfully over this Earth answering to that of God and every man."

While we are making this observation, we must relate the great inspiration that Pope John Paul II is providing at this very moment in his tour of Central America, touching millions of people expressing Victor Hugo's words: "The word which God has written on the brow of every man is Hope," telling us tomorrow will be better by awakening the courage in every man and woman.

This church has indeed shown its patriotism on many occasions. As part of the 75th anniversary ceremony they have requested a flag which has been flown over the Capitol here in

Washington, which I am most pleased to provide.

This church has given an opportunity for deep and meaningful friendships, proving the words of Robert Louis Stevenson:

We are all travellers in the wilderness of this world, and the best that we find in our travels is an honest friend.

I am sure that my colleagues here in the House of Representatives want to join me in this diamond jubilee celebration. All in the community of west New York agree that it will be most difficult to add more luster to such a polished gem as Trinity Reformed Church, which is best described in this short poem entitled, "The Church":

"Beautiful is the large church,
With stately arch and steeple;
Neighborly is the small church,
With groups of friendly people;
Reverent is the old church,
With centuries of grace;
And a wooden church or a stone church
Can hold an altar place.

"And whether it be a rich church
Or a poor church anywhere,
Truly it is a great church
If God is worshiped there." ●

THE SOVIETS AND ANGOLA

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

• Mr. FIELDS. Mr. Speaker, today I am inserting an article which describes several interesting and relevant facts about the Soviet Union's political and economic relationship with Angola.

The article highlights the Soviet exploitation of Angola, one of its client states. Written by Gunter Krabbe, the article is a free translation of the original version which appeared in the authoritative West German newspaper, *Frankfurter Allgemeine Zeitung*, on October 26, 1982.

I commend my colleagues' attention to this piece which provides us with additional insight on Soviet political and economic exploitation of Angola.

FRATERNAL AID AMONGST COMRADES: WHY THE ANGOLANS DO NOT FISH IN RUSSIAN WATERS

(By Gunter Krabbe)

The comrades in the socialist People's Republic of Angola have now begun to realize what the implications of fraternal aid from the Soviet Union are—by way of fish. As recently as 1974, the last year under Portuguese Colonial rule, 315,904 tons of fish were brought into the port of Mocamedes. The cold waters of the South Atlantic Benguela current transform the sea off the South West African and Angolan coastline into one of the richest fishing grounds in the world. Until Angola's independence in 1974, when Cuban soldiers, acting on Soviet orders, brought to power the communist MPLA government in Luanda, fish was one of the staple foods of the local population, being very cheap—even more so than bread.

Today, fish has become an extravagant delicacy, if it is to be found at all. When indeed it is, it is imported from the Soviet Union.

How did this come about? Through the decrease of the number of fish being brought to shore. Mocamedes, now named Namibe, received a mere 21,498 tons during the last fiscal year—that is only 6.8 percent of the 1973 figure (according to the party mouthpiece "Jornal de Angola"). Why? Because, since 1973, the Soviet Union has enjoyed unrestricted fishing rights in Angolan waters and has selfishly exploited these. Why? Because not only did the Soviet Union send the Cuban troops to Angola, it also supplied their weapons. The Cubans did not come to Angola free of charge. Angola has to pay them in cash in Havana: every soldier receives 200 dollars per month. Angola earns this money through its natural oil resources, its only source of currency. In addition, also the Soviet weapons are not free of charge.

Angola has to pay for them in fish. And only those catches reported to the Angolans by the Russians are considered payment. A great number of catches are probably never reported to the Angolans—there is no control whatsoever. It would of course be false to claim that this is a one-sided agreement with the Angolans on the losing side and the Soviets cashing in. Although it is true that Soviet fishing vessels are under no restriction off the coast of Angola, the Angolans, in turn, receive something from the Soviet Union. Angolan fishermen are permitted to fish in both Angolan and Soviet waters: without restriction. It is therefore a mutually agreeable arrangement. But, in spite of this the comrades in Luanda are dissatisfied—why else did they publish the relevant article in "Jornal de Angola"? Because Angola does not have a fishing fleet and is therefore not in a position to take advantage of the fishing rights in Soviet waters offered to it.●

LAW OF THE SEA

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. LEACH of Iowa. Mr. Speaker, while the attention of Congress is focused this week on the nuclear freeze issue, another less publicized foreign policy development is taking place which may have an extraordinarily profound effect on the national security interests of the United States in the century ahead.

Even if we achieve substantial progress in arms control in the next several decades, the probability remains that a number of countries, including our own, will continue for the foreseeable future to possess arsenals of war of civilization-threatening proportion.

For that reason, the United States must yield to the urgent imperative to establish and broaden a regime of international law which makes armed conflict less likely to occur, and thereby diminish the temptation to use weapons of mass destruction to resolve international disputes.

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Nowhere is this imperative as compelling as in the case of the Law of the Sea Treaty which seeks to outline the rule of law over two-thirds of the Earth's surface.

Tragically, the administration has not only rejected the treaty itself, but is issuing today a unilateral proclamation establishing a 200-mile Exclusive Economic Zone for the United States. It is difficult to understand why the administration is acting in such haste to assert the U.S. claim when the Law of the Sea Treaty has not yet come into force. To all the world, it can only appear that the United States has decided to pick and choose which rights and obligations embodied in the treaty it will enjoy and which it will shun.

This U.S. declaration can only be described as provocative, inviting anarchy rather than a new international discipline. Unilateral proclamations invite and legitimize counterclaims by other States, thereby potentially jeopardizing the very global security interests of the United States the administration's action today is intended to protect.

Mr. Speaker, what is ultimately at stake in the Law of the Sea issue is whether a civilization whose creation required the establishment domestically of the rule of law, can now insure its survival by ignoring the authority of international law.●

LEGAL SERVICES INCENTIVES ACT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. GARCIA. Mr. Speaker, today along with 13 of my colleagues I am introducing the Legal Service Incentives Act, a bill to supplement the funding of the Legal Services Corporation. Let me state from the start that this is not another Government funding measure, but a mechanism for providing incentives to make contributions to supplement the Legal Services Corporation.

Let me explain how my bill would work. In several States there exists something called interest on lawyers trust accounts. This voluntary mechanism allows lawyers acting collectively through bar associations to take steps to generate interest on otherwise unproductive client funds and to use the interest to fund law related public interest activities. The principle is simple. Client funds in the lawyer's possession that are nominal in amount or are to be held for a short period of time are pooled in NOW accounts. The interest generated by the NOW account is allocated to law related public interest activities through a not-for-profit corporation. I would point out

that this program in Canada has generated \$34 million for legal aid to people in need of legal services.

Unfortunately, the program has become so successful that the money generated has been used too often for activities other than direct legal services to indigent people, such things as law school scholarships, legal law libraries, and so forth.

My bill would provide an incentive to keep these funds for direct legal services to the poor by placing a tax on the money that is not used directly to provide legal services to indigents. While this legislation would not prohibit interest on lawyers trust accounts funds from being used for other purposes, it would encourage the use for which the funds were originally established. With this mechanism, we can provide the much needed money to assist the faltering Legal Service Corporation without additional increases in the Federal deficit. I urge my colleagues to cosponsor this measure.

SINGLE MOTHERS STAND ON THE BRINK

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. SIKORSKI. Mr. Speaker, I am inserting this recent editorial that appeared in the Minneapolis Star & Tribune into the CONGRESSIONAL RECORD to call attention to the crucially pressing problem of unemployment among single mothers.

The editorial very clearly points out the impact of unemployment on single mothers in this country and the need to address their plight.

SINGLE MOTHERS STAND ON THE BRINK

Janet Norwood, commissioner of the U.S. Bureau of Labor Statistics, recently was asked why the current period of high unemployment—longest and highest since World War II—has caused so little civil disorder. Because for many, she speculated, unemployment no longer is linked to immediate poverty. But, Norwood added, for an emerging group of disadvantaged Americans—single mothers—that link remains direct and threatening.

Norwood did not dismiss the stress that accompanies unemployment, or the financial burden it carries, especially when joblessness stretches to a year and beyond. But she did suggest that most Americans today can better cope with unemployment than could those who lost jobs during the Great Depression or even during the 1950s and 1960s.

A story last Sunday in the Tribune's Marketplace section illustrates Norwood's point. Ralph Leciejewski of Aurora, Minn., lost his welding job at Erie Mining Co. last July. He may be called back in April, after nine months without a paycheck. Leciejewski has worries, but not about food for his family table. Three relatively recent developments

have softened unemployment's impact on the Leciejewski family: high wages, which allowed savings; unemployment compensation, which made up much of the lost income; and a working spouse, whose income continued.

But single mothers, who Norwood says number nearly 10 million, are not so fortunate. Not only do they lack back-up income, they struggle under a load of other disadvantages. On average, single mothers earn significantly less than other workers. In 1981, 34.5 percent of families maintained by women were classified improverished, compared to 6.8 percent of husband-wife families. Average income for female-headed families stood at \$11,000, less than half the \$25,000 average for husband-wife families.

A disproportionate number of the women who maintain families are black; many have little education and few skills. And single mothers are more likely to lose their jobs. When they do, their fall into poverty is often precipitous. In January, the unemployment rate for women who maintain families was 13.2 percent, compared to 7.1 percent for married men and 7.8 percent for married women.

Single women parents didn't suddenly become vulnerable, but their plight is beginning to capture attention because their ranks are growing. True, they are not the only ones with problems; black and youth unemployment also are alarmingly, chronically high. But high unemployment for blacks and young people has connections to the plight of single mothers. Many of the mothers are young and black themselves, and all have children who must be clothed, fed and educated. Left to poverty, many of these mothers will raise their children to the same marginal lives of few skills, little education and little hope. If the country lets that happen, the cycle will go on.●

**VERMONT'S VOICE OF
DEMOCRACY WINNER**

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. JEFFORDS. Mr. Speaker, for the benefit of my House and Senate colleagues, today I am reprinting in the RECORD the text of the winning speech from the State of Vermont in the Veterans of Foreign Wars' Voice of Democracy contest.

This fine speech was composed by Paul Howard Spaulding, of Chester, and was chosen from a number of high-quality works by students all over Vermont. On behalf of the people of Vermont, I want to say how proud I am of Paul and extend him our best wishes for a successful future.

1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM VERMONT WINNER, PAUL SPAULDING, CHESTER, VT.

Driving through the mountains of California, the redwood trees are awe inspiring. Their foreboding size and power attract wonder from everyone who sees them. When the redwood sapling first springs through the soil, it is fragile and delicate, much like a child. As that redwood tree grows, it becomes stronger and more powerful, just as a child becomes strong and wise.

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The youth of America has its support in the roots of their past. These roots draw strength from the Declaration of Independence which insures the freedom to grow, to stand firm, and to stand tall. This freedom has been nurtured throughout two-hundred years of growth with the addition of the Bill of Rights, and amendments to the Constitution that include the 19th Amendment, giving women the right to vote, and the 26th Amendment that gave any person over eighteen years of age the right to cast their ballot.

The mighty redwood is protected by thick, strong bark which keeps the tree safe from violent rains and hail, bitter winter snows, and thunderous summer showers. Youth is the bark that protects America. Youthful American men of the past and young American men of the present have given their lives' work to improve and reinforce our country's protection. They each increase the knowledge of our youth, making America what it is.

To survive, a tree must have a sturdy, healthy trunk to support its massive weight. To uphold this great country, American youth forms this support, the trunk of the tree. The youth of America today are strong, able to support this great country, because of the leadership, responsibility, and knowledge gained through their education. Knowledge not only of America, but of the entire world.

The level of today's education is as high as the branches of the redwood which reach, seemingly, into infinity. This high level allows youth an insight into a great number of concerns that affect the world today and will affect the world of tomorrow.

Because of today's education, the number of careers that youth have the opportunity to enter into are as numerous as the leaves on the redwood tree. Many commit their lives to the rugged life of a farmer, growing the food that feeds much of the world. Others, enter private enterprise where thrift, good decision making, and quick thinking lead to the high standard of living that we have in this country. Some enter the professional world as craftsmen and handymen. These youth repair and keep America intact. A few, through long periods of schooling, become specialists, doctors and lawyers. Many go into what is called the hardest of all jobs, teaching. They give their lives to spreading knowledge to youth, as it was once given to them. The young men and women of yesterday are passing their knowledge to the youth of today, increasing the strength of America.

Today's youth strives for freedom, justice, and greatness as the branches of the redwood reach for the rays of the ever powerful sun. The roots have been laid, the foundation set, and now, youth continues to lead and guide America toward the sun. American youth acts as the core of the tree that provides life giving sap, which nourishes the redwood allowing it to grow and thrive. The ideas and beliefs of America's youth are the sap which flows through the veins of our country, pumping it full of energy and creativity. American youth nourishes this great country of ours, proving that the strength of America, rests with its youth.●

**THE 20TH ANNIVERSARY OF
THE CALIFORNIA POOL FOR
THE HANDICAPPED**

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. ANDERSON. Mr. Speaker, I wish to share with you and our colleagues the story of a woman stricken with polio. She is Evelyn Dempsey DePont-Evans. Evelyn was once a swimmer of international acclaim; yet for almost 10 years her laps in the pool were but memories of a distant past.

Remarkably, those remembrances of her glorious past became Evelyn's vision for the future. Courageously, she raised herself from out of the bed to which she was believed condemned. Although for considerable years reliant upon crutches or a cane, Evelyn's fortitude, and her determination to again know her first love—swimming—enabled her to overcome the debilitating effects of her handicap. It also instilled within her an indelible desire to help others overcome their handicaps.

Twenty years ago this April, Evelyn founded the California Pool for the Handicapped, Inc. A nonprofit organization, their goal has been maintaining a swimming facility that will accommodate all those handicapped persons proximate to Long Beach who, as Evelyn did, want to free themselves from their handicap.

For many years, however, the only pool readily welcoming these people was located in Evelyn's own backyard. Like pools you and I know, her own pool was not designed especially for their needs. Nor was her backyard pool large enough for all who wished to swim there. And so, in 1968 the California Pool for the Handicapped, Inc. opened its doors at 6801 Long Beach Boulevard. Last year more than 2,500 handicapped persons—adults as well as children—were able to take advantage of this very special and meaningful program.

The California Pool for the Handicapped does much more than merely provide an opportunity for handicapped persons to wet their feet in a pool. Participants spend hours, for most the only true recreational time they ever experience, swimming for the purpose of rehabilitating basic motor responses that those of us who are not handicapped take for granted. There are several cases involving children who have been completely rehabilitated directly as a result of their swimming program under Evelyn's guidance. Pervasive in and around the pool, too, is a true spirit of camaraderie, which adds immeasurable encouragement to these swimmers who spend

most of their time in a world away from the pool.

Very few of us are aware of the difficulties experienced by the handicapped, unless some member of our family is or becomes handicapped. Thus very few of us are actively involved as supporters of programs expressly benefiting the handicapped. The California Pool for the Handicapped is not a recipient of Federal or State support. The continuation of their program is predicated upon the generosity of people like you and me. Fortunately, private support has existed up until now for this organization; however, in these difficult times it has become ever more difficult to count on the patronage of past supporter, and the continued sustenance of this organization may, I fear, be jeopardized.

As the California Pool for the Handicapped, Inc. approaches the 20th anniversary of its inception, my wife, Lee, and I wish Evelyn Dempsey du-Pont-Evans continued success in the future. We sincerely hope that private support for her organization will not wane.●

ILLINOIS' VOICE OF DEMOCRACY WINNER

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. RUSSO. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy contest. The program began 35 years ago with the endorsement of the U.S. Office of Education and National Association of Secondary School Principals. This year more than 250,000 students participated in the contest writing speeches to this year's theme, "Youth—America's Strength," with the five top winners awarded national scholarships. The Veterans of Foreign Wars brings the winner from each State to Washington, D.C., for the final judging. I am deeply proud to announce this year's Illinois winner is from the Third Congressional District, 17-year-old Raymond M. Lesieski of Burbank, Ill.

Raymond exemplifies the best in American youth. He demonstrates versatility, curiosity, commitment, and patriotism—vital characteristics our youth will need to secure our future economic and social well-being and which do indeed serve as the source of America's strength. His thirst for learning provides an extraordinary example for all youth who wish to develop their full potential. I respectfully request that the full text of his creative and insightful speech be included as part of the CONGRESSIONAL RECORD.

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1982-83 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM ILLINOIS WINNER, RAYMOND J. LESNIEWSKI, BURBANK, ILL.

As the sun rises slowly in the distance, its light shines gently upon the face of a huge mountain. From around the bend a determined locomotive presses on down the track. All of America is on that train and we, the youth of this nation, are in the first car. A refreshing breeze blows against our faces as we travel confidently through the countryside. The morning sky is now a bright blue and there is not the slightest hint of bad weather. Then . . .

A pinpoint of gray appears in the distance. Not much at first. Only sharp eyes can detect it. But after only a short while the gray has rolled in on top of us unknowingly and becomes monstrous thunderclouds of mixed emotions. These clouds empty their rain upon us carrying drops of hate, mistrust, war, and death. It is at this point where we, the youth of America, begin our slow ascent up the steep incline of life. Though we must struggle exhaustively against these torrential outbursts, we will succeed; but the path that we must take will not be an easy one, for we will have to stop at three very important stations before completing our journey.

By now it is early afternoon as the train stops at the first station. A disembodied voice calls out to us. "First car, this is your stop." As we step onto the platform we see a huge sign looming over us. Education—it reads. During the past few years America has advanced in technology significantly and the youth must be ready to meet this challenge. We must keep pace by developing our skills through serious study, guidance from responsible adults, and experience. Only then will the youth have been educated to the fullest extent possible to conquer this problem.

"All aboard!" The rain falls harder now, trying to slow down the locomotive.

"Second stop!" yells the voice. We have entered the mysterious station of Government. This is a very confusing concept but it plays a vital role in the determination of America's strength. Many of today's youthful generation have ideas about government which are clouded by their parents' beliefs and opinions. We must learn to think clearly and for ourselves—study our political system through every type of information available to us. We observe our government in action daily and slowly become involved in the political process through discussing, questioning, challenging, and eventually, voting.

It is now early evening and the storm is doing its best to stop us. Swirling winds lash at us with images of drugs, alcohol, and vandalism; but we keep our eyes pinned to the next station, defense.

The last station is almost as important as the first one, for without defense America would be reduced to the likeness of an abused child. We would be forced by other countries to obey their every demand. But there is no chance of this happening for America knows how to defend her legacy. At the present time our army is becoming stronger by the minute. More and more young men and women have voluntarily joined the Armed Forces. For the past three years the service has been able to meet or exceed their recruiting goals. The Army is also working to develop a feeling of togetherness among soldiers by keeping them in one permanent outfit, giving them a chance to become a "close-knit" unit. America will

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continue to negotiate with other world powers from a base of strength.

"Last chance to get on board!"

As the train pulls out of the final station the thick, gray clouds dissipate and we push ahead full speed into the shimmering twilight of the evening. We know that we will win. We know that we, the youth, will make a stronger America!●

PORTUGAL TAKES STRONG POSITION IN SUPPORT OF SELF-DETERMINATION FOR EAST TIMOR

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. HALL of Ohio. Mr. Speaker, on February 16, 1983, the U.N. Human Rights Commission approved a measure asserting that the people of East Timor, a former Portuguese colony that was invaded by Indonesia in 1975 and forcibly annexed, "must be enabled freely to determine their own future." The Commission's vote has the effect of placing the status of East Timor firmly on the U.N. human rights agenda.

In the last Congress, 45 of my colleagues joined with me to cosponsor House Concurrent Resolution 321, a resolution expressing the sense of Congress about East Timor. One of the four points of this legislation was that:

the President should take all appropriate measures to encourage the Government of Indonesia to agree to negotiations through which Indonesian troops will be withdrawn from East Timor and the people of East Timor will be permitted to freely exercise their internationally recognized right of self-determination.

On September 14, 1982, the House Foreign Affairs Committee's Subcommittee on Asian and Pacific Affairs held a hearing on recent developments in East Timor. I had the honor of testifying before the subcommittee and discussing House Concurrent Resolution 321.

During the course of that hearing, State Department reiterated opposition to efforts calling for self-determination for East Timor. The official State Department position is to recognize the incorporation of East Timor into Indonesia. I believe this policy gives credence to a type of common law theory of territorial integration: The passage of time makes things legal.

Under international law, Indonesia had no right to annex East Timor. Like the Baltic States under Russian rule, East Timor has become a captive nation under Indonesian rule.

At the subcommittee hearing last September, questions were raised about international support for self-determination for East Timor. The

February vote of the U.N. Human Rights Commission, coupled with the adoption of the East Timor resolution by the U.N. General Assembly last November, underscore international concern about developments in East Timor and support for renewed initiatives on the political status of the territory.

The country of Portugal has been spearheading the effort to affirm East Timor's right to self-determination. Prior to the vote by the U.N. Human Rights Commission, Portugal circulated a strong memorandum in support of self-determination for East Timor.

In the memorandum, Portugal reiterated that it has no claim on the territory of East Timor and that its sole objective is "that a decolonization process be implemented according to the rules of international law."

Portugal's position on East Timor is based on two basic principles of the United Nations Charter: the condemnation of all foreign military intervention and the right of peoples to self-determination.

The Portuguese Government stated in the memorandum or aide-memoire:

The denial of the legitimate right of self-determination to the people of East Timor constitutes a clear violation of that people's fundamental rights with grave consequences for the territory. World public opinion, the mass media, and the international organizations, notably Amnesty International, have on several occasions denounced the situation in East Timor where Indonesia persists in exerting various political, social, cultural and religious pressures through forced displacement of populations, preventing family reunions, mainly in Australia and Portugal, and in keeping on the island of Atauro more than 4,000 prisoners whose future liberation has only now been announced. All these restrictions and violations obviously prevent the people of East Timor from exercising their own civic, political, economical, social and cultural rights.

The Government of Portugal deserves to be both commended and supported for its international work on the East Timor question. My colleagues should be aware that the issue of self-determination for East Timor is very much alive, despite efforts by State Department to declare it dead.

The memorandum circulated by Portugal should make it clear to my colleagues that some of our friends and allies are continuing to press for diplomatic initiatives on the status of East Timor. For the benefit of my colleagues, the full text of the Portuguese aide-memoire follows:

AIDE-MEMOIRE

The 39th session of the Commission on Human Rights is to consider the draft Resolution on the question of East Timor which the Sub-Commission on the Prevention of Discrimination and Protection of Minorities adopted at its 35th session (resolution 1982/20 of the Sub-Commission). The Sub-Commission recommends that the Commission adopt a draft Resolution entitled "East Timor question" (draft VII—see page 6 of document E/CN.4/1983/4-E/CN.4/sub.2/

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1982/43). According to the annotated agenda of the 39th session the Commission shall consider the draft resolution under item 9 of the agenda (the right of peoples to self-determination).

2. Portugal's position on East Timor is well known and it is determined by the following elements:

(a) the total absence of any claim on the territory of East Timor. Portugal's sole objective is that a decolonization process be implemented according to the rules of international law.

(b) Portugal's attitude is and will always be based on the full acceptance and absolute respect of any real act of self-determination taking place in East Timor, provided it is recognized by the U.N.

(c) Portugal's policy is founded in the full acceptance of all Resolutions of the Security Council and of the General Assembly on East Timor, namely Security Council Resolutions 384 (1975) and 389 (1976) as well as General Assembly Resolutions 3485(XXX), 31/53 (1976), 32/34 (1977), 33/39 (1978), 34/40 (1979), 35/27 (1980), 36/50 (1981) and 37/30 (1982);

(d) Portugal's attitude is also guided by a deep concern over the predominant conditions in that territory. Well-known circumstances have prevented Portugal from respecting the provisions of article 73, paragraph (c) of the United Nations Charter on the transmissions of information to the U.N. regarding non-autonomous territories.

(e) the present circumstances prevent the Portuguese authorities from having full access to direct or totally impartial sources. On the other hand, in many cases the indications from U.N. documents (for instance document A/AC. 109/715) are not reassuring.

(f) as Portugal stressed once again during the debate in the 4th Commission at the last session of the General Assembly in November 1982, an adequate solution can only be found within a legal and political framework which takes into consideration the real aims of the population of East Timor and which at the same time is acceptable to the United Nations.

(g) as was underlined in the "communiques" of Portugal's Council of Ministers dated 12th September 1980 and 15th October 1981, the Portuguese position is characterised by a firm intention to support all initiatives aimed at solving this problem in addition to the ones Portugal has undertaken itself, Portugal "being prepared to undertake all possible diplomatic efforts in order to find a solution concerning either the humanitarian aspects of the problem or the implementation of the principle of self-determination".

(h) Portugal's position concerning the question of East Timor rests on two basic principles of the United Nations Charter: the condemnation of all foreign military intervention and the right of peoples to self-determination.

3. It is Portugal's strong conviction that a peaceful and negotiated solution to the East Timor question requires the mutual and positive co-operation of all parties concerned. This necessary spirit of entente derives from the respect of the principles of the Charter and from the acceptance of the Resolutions and Decisions already taken. The request for an intervention by the Secretary General of the United Nations underlined in the last Resolution adopted by the General Assembly (37/30) which Portugal co-sponsored, shows that Portugal is fully prepared to take part in this dialogue. More-

over, the Sub-Commission Resolution 1982/20 notes "with appreciation the recent diplomatic efforts of the Government of Portugal and, in particular the communiqué of the Council of Ministers, issued on 12th September 1980, in which Portugal pledged itself, as the administering Power, to undertake broad initiatives with a view to ensuring the full and speedy decolonization of East Timor".

4. Portugal, like the Sub-Commission, deplores the fact that the gravity of the situation of the people of East Timor is not being given sufficient attention by a large part of the international community. Like the Sub-Commission, Portugal is deeply concerned at all the suffering inflicted on the people of East Timor by the failure to respect their right to self-determination. Again like the Sub-Commission, Portugal reaffirms the inalienable right of the people of East Timor to self-determination. In agreement with paragraph 2 of the Sub-Commission's draft Resolution, Portugal maintains that "the people of East Timor must be enabled freely to determine their own future on the basis of the relevant General Assembly Resolutions and the relevant United Nations human rights instruments".

5. The human rights violations in East Timor have been not just recognized but even underlined *inter alia* by the U.N. Secretariat (for instance, document A/AC.109/715), by private organizations like Amnesty International (see report 1982 pages 241 to 248) and by the State Department of the United States of America (see "Country reports on human rights practices for 1981—report submitted to the Committee on foreign affairs U.S. House of Representatives and the Committee on foreign relations U.S. Senate by the Department of State", pages 592 to 602).

The members of the Sub-Commission acting in their own individual capacity have also examined the East Timor question, thus stressing the acute importance of human rights violations. The gravity of this problem led a group of human rights experts—free and independent of their Governments—to take their own stand on the question of East Timor and to draw it to the attention of the Commission of Human Rights.

6. As stressed in several General Assembly Resolutions, the fact that the Commission on Human Rights considers the question of East Timor in no way implies an interference with matters within the domestic jurisdiction of Indonesia. In fact, under international law and more specifically under article 73 of the United Nations Charter, East Timor is a dependent territory.

7. The fact that the Commission on Human Rights is analyzing the situation in East Timor in no way signifies a duplication of concern on the part of the International community since, as in so many other situations of violation of human rights its specific importance fully justifies that this matter be analyzed outside the General Assembly by the body of the United Nations in charge of human rights to which the exercise of self-determination is fundamental. In this sense it is only logical that the Commission on Human Rights, as the body dealing with East Timor should adopt a Resolution already mentioned in the General Assembly Resolution 37/30.

8. Through groundless and libellous accusations regarding Portugal's actions and intentions on East Timor, Indonesia is trying to hide the fact that Portugal has no territorial claim over East Timor. Moreover In-

donesia is in fact trying to hide the real situation in that territory, forgetting that the Portuguese position, duly based on international law is followed by the United Nations whose General Assembly has each and every year since 1975 unquestionably condemned the invasion by Indonesia and has reaffirmed the right of the people of East Timor to self-determination. The unchanged position of the United Nations clearly demonstrates the inadmissibility of Indonesia's statements claiming that East Timor is part of its territory and that the draft Resolution to be considered by the Commission constitutes an interference in its domestic affairs. The unquestionable position taken by the United Nations since 1975 renders meaningless the Indonesian position on the inadmissibility of discussing the East Timor question in multilateral fora.

9. Portugal cannot accept Indonesia's new and restrictive interpretation which on the one hand recognizes the competence of the Commission to deal with human rights and on the other hand denies the ability of the same Commission to deal with the question of East Timor. In fact, Portugal has always maintained, either at the General Assembly or at the Commission while a member, that the right to self-determination is clearly comprised in the main international instruments related to human rights, namely the U.N. Charter, the Universal Declaration and the International Covenants, in addition to the Resolutions which deal with the matter in a specific and exclusively political spirit.

It is unquestionable for the United Nations and for the International Community that the right to self-determination is a fundamental right without which peoples can hardly exercise effectively their other rights and fundamental freedoms. That is why the right of peoples to self-determination has always been one of the most important items on the Agenda of the Commission on Human Rights which also deals for instance with Middle East and Namibia questions.

10. The denial of the legitimate right of self-determination to the people of East Timor constitutes a clear violation of that people's fundamental rights with grave consequences for the territory. World public opinion, the mass media, and the international organizations, notably Amnesty International, have on several occasions denounced the situation in East Timor where Indonesia persists in exerting various political, social, cultural and religious pressures through forced displacement of populations, preventing family reunions, mainly in Australia and in Portugal, and in keeping on the island of Atauro more than 4,000 prisoners whose future liberation has only now been announced.

All these restrictions and violations obviously prevent the people of East Timor from exercising their own civic, political, economical, social and cultural rights.

11. For all these reasons, and always having in mind the fate of the people of East Timor in the present and in the future, it is Portugal's desire that the Commission on Human Rights adopts the draft resolution recommended by the Sub-Commission. Portugal and its people are gravely concerned by all the suffering endured by the people of East Timor as a result of the non-respect of their right to self-determination. Portugal expresses once again its willingness at all times to explore, with flexibility, possible and realistic ways that might overcome the present situation, but Portugal is firmly convinced that the international

community cannot ignore the grave violations of human rights in East Timor.

GENEVA, February 1, 1983.●

ALLEVIATING THE DEBT CRISIS: ALTERNATIVE VIEWS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. KEMP. Mr. Speaker, in the next few months, the House will be considering ways of alleviating the current crisis in the international monetary system. Various alternatives, including an increase in the permanent size of the International Monetary Fund, will be considered.

In very thoughtful testimony before the House Budget Committee's Task Force on International Finance and Trade, Prof. Paul Craig Roberts presented several alternatives which we might consider. I believe that his testimony will assist Members in placing the international debt situation in its proper perspective and, to that end, I ask that Professor Roberts' testimony be reprinted in the RECORD.

STATEMENT BY PAUL CRAIG ROBERTS

(William E. Simon, Professor of Political Economy, Center for Strategic and International Studies, Georgetown University)

Mr. Chairman, distinguished members of the House Budget Committee's Task Force on International Finance and Trade, I am pleased to give you my views on U.S. participation in the eighth quota increase of the International Monetary Fund and the expanded facilities of the General Agreement to Borrow.

An atmosphere of crisis is being used to urge U.S. participation in yet another expansion of funding for the IMF and the scope of its activities. Policymakers have stressed in testimony before Congress (for example, Paul Volcker, House Banking Committee, February 2, 1983) the pressures on the international financial system and the implicit risks should foreign governments slide into default on their loans to our banks. Federal Reserve chairman Paul Volcker recently called the crisis "a threat to the recovery, the jobs, and the prosperity of our own country, a threat essentially without parallel in the postwar period."

As a result of this kind of rhetoric, a seriously mistaken attitude is forming that a quota increase to finance an IMF-led bailout of debtor nations and their creditors is all benefit and no cost. In my testimony today, I would like to bring out the following points:

(1) the IMF's rapid growth in recent years did not prevent the current crisis, and its further growth does not preclude a future crisis.

(2) the alternative to an IMF bailout is not default, but a partial write down of some of the loans.

(3) if a bailout is nevertheless deemed desirable, there are alternatives to conducting it through the IMF, and

(4) there are real costs to the U.S. economy, to U.S. diplomatic and financial influence and, perhaps, even to our national sovereignty of participating in the IMF bailout.

THE RAPID GROWTH OF THE IMF

Normally, an IMF loan is supposed to be a bridge loan to provide balance-of-payments financing for countries whose imports temporarily exceed their exports. More recently, however, the IMF has taken an expanded view of balance-of-payments problems and has made investment loans to countries for "structural adjustment." These loans are supposed to allow countries to increase their exports by investing in ports and industrial projects and to reduce imports by investing in domestic energy projects. Money, of course, is fungible, and a \$5.5 billion "structural adjustment" loan to India in 1981 was followed by large Indian arms purchases from France.

The IMF's ability to add "structural adjustment" loans to its product line reflects the rapid growth of its funding and statutory lending obligations. In 1978, IMF quotas increased 50 percent from 40 billion to 60 billion special drawing rights (SDRs). The same year the maximum credit lines of member countries almost doubled, increasing from 2.5 to 4.5 times their quotas.

The result was a jump in IMF statutory lending obligations from 100 billion to 270 billion SDRs. This, in turn, led to a demand for additional IMF funding to meet the needs implied by the larger lending obligations. If the approximately 50 percent quota increase takes place in 1984 as planned, the statutory lending obligations of the IMF will expand to about 400 billions SDRs or about \$440 billion at the current exchange rate of 1 SDR=\$1.10, and the IMF will have enlarged its scope of activity as a world central bank charged with maintaining the liquidity of the international financial system.

Despite the IMF's rapid growth—or perhaps because of it—numerous debtor countries including some oil exporters cannot today repay principal and interest on their loans. One of the reasons is that in recent years debtor countries' loans have been growing faster than their export earnings. The willingness of banks to lend so much may reflect a feeling of security provided by the IMF's presence. For example, on February 2, 1983, Paul Volcker told the House Banking Committee that the availability of IMF funds "provides a base for attracting commercial bank and other financing."

Further growth in the IMF in order to finance a bailout does not preclude a worsening of the crisis. The crisis exists because debtor nations already have too much debt and because our banks have too much exposure. For example, our nine largest banks have lent 222 percent of their total capital to the non-oil-producing developing countries. The same banks have 112.5 percent of their capital exposed in just three countries—Argentina, Brazil and Mexico.

The IMF bailout packages require additional lending by the same private banks that are already over-exposed. For example, the terms of the IMF's bailout of Mexico require Mexico's creditors to increase their exposure by \$5 billion. Administration spokesmen such as Secretary of State George Shultz have described the policy as bailing our banks in rather than out, and he has described it as "our objective" to get the banks in deeper.

It is the wrong objective. The result is to load up debtor countries with more debt and to worsen the exposure of the private banks that are already at risk. It is not for certain that this is a solution. It could be throwing good money after bad and result in a wors-

ening of the crisis. The main achievement of the bailout might be to pass a sinking ship on to someone else's watch.

ALTERNATIVE TO A BAILOUT

The alternative to a bailout, which increases the debt of the borrowers and the exposure of the lenders, is for the banks to write down whatever fraction of the loans it takes to make the remainder good. In other words, the alternative is to reduce the debt burden on debtors to levels that can be serviced. It would require the banks to sacrifice some part of the earnings that were anticipated from the loans, and bank dividends, stock prices and bonuses to management would fall, but the banks wouldn't.

The banks should be aided in this write down by being allowed a larger tax-deductible loan loss reserve. Currently banks are only allowed a reserve of 1.0 percent of their loans, and this year the IRS in a shortsighted grab for revenues is reducing the tax allowable reserve to 0.6 percent. George Champion, the former chairman of Chase Manhattan Bank, believes that the allowable loan loss reserve should be at least 3 percent and, in the current circumstances, 5 percent. There is no doubt in my mind that he is right. If the banks currently had reserves of 3 to 5 percent of their loans, there would not be a crisis.¹

MANAGING THE BAILOUT WITHOUT THE IMF

If, for some political or other reason, a bailout is deemed necessary, there is no obvious reason for conducting it through the IMF. Since most of the IMF's resources are provided by the United States and its allies, there are no financial reasons to prevent the Western alliance from organizing the bailout itself and extracting political and strategic benefits on a quid pro quo basis. If the problem of foreign borrowers is only one of cash flow, as is claimed, a self-liquidating revolving fund could be set up to tide over the debtor countries. When the crisis is over, the participating countries could withdraw their funds for their own use because they would not be permanently transferred to the IMF.

It might be argued that the bailout should be conducted through the IMF because its staff has the expertise to help manage them to health. Unfortunately, the typical austerity that the IMF imposes on a troubled borrower—measures designed to force a reduction in imports and an expansion of exports in order to build foreign exchange reserves—cannot be conducted in the aggregate. One or a few countries could improve their ability to service their loans through such policies. However, currently there is a large number of borrowers in difficulty, and it is not possible for all of them to simultaneously increase their exports and reduce their imports. Most likely, if the bailout proceeds through the IMF, one casualty will be the vaunted IMF "conditionality."

COSTS TO THE UNITED STATES OF THE IMF QUOTA INCREASE

Advocates of the bailout claim that the quota increase is an asset swap between the IMF and the U.S. Treasury with no economic or financial cost to the United States. This claim is incorrect. From an accounting point of view, an IMF subscription is a swap of assets, though one few prudent men would make. Once Congress passes an (off-

¹ Alternatively, a system can be designed that sets aside loan loss reserves tied not to all loans but to those foreign loans that have not been repaid on time, with set-asides compulsory and rising in proportion to amounts rescheduled.

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budget) appropriation, the Treasury issues the IMF a letter of credit in dollars equal to 75 percent of the subscription. The remaining 25 percent is paid in dollars, other hard currencies or SDRs from Treasury holdings. In exchange the Treasury receives a claim on the IMF.

Although treated as an asset swap, there is an economic cost to the United States. The Treasury gives up liquid assets having immediate command over real resources for illiquid or dormant reserve assets denominated in SDRs. The Treasury cannot withdraw large amounts of SDRs and spend them, and it could not borrow from the IMF in amounts anywhere near the size of its quota. Therefore, the U.S. asset position in the IMF is substantially inferior to Treasury's cash balances or swap lines with foreign central banks.

As the IMF draws on its line of credit, the Treasury has to cover it by borrowing in the financial markets. (With the present debt problems of debtor countries, the line of credit is likely to be drawn down rapidly to finance the bailouts.) A quota increase is equivalent to a larger deficit, because the United States has to finance it by borrowing in the credit market. The total impact on the credit market is greater than the \$8.4 billion quota subscription and GAB contribution, because the IMF bailout packages require additional lending by U.S. banks, thus reducing their ability to purchase U.S. Government and corporate bonds.

The borrowing necessary to finance the IMF quota increase and GAB contribution offsets dollar for dollar any reductions in Treasury borrowings achieved by cutbacks in defense or domestic programs or by raising U.S. taxes. It is a straight resource transfer from U.S. purposes to IMF purposes and as such is equivalent to a higher tax on American incomes.

In testimony before the Joint Economic Committee on January 27, Federal Reserve chairman Paul Volcker warned that there is not enough credit to go around and that unless federal borrowing is reduced, higher U.S. interest rates will work against the economic recovery. Clearly, in Mr. Volcker's mind the cost to the United States of a larger IMF quota is either higher interest rates and a weaker recovery or higher taxes or reduced defense and social spending. These costs are being discounted by the same U.S. policymakers who are responding to the federal deficit by trying to force President Reagan to abandon his supply-side tax policy and to cut his defense program.

A quota increase would also reduce the interest income stream on Treasury assets, because interest payments on IMF reserve holdings amount to only 85 percent of the weighted average of market interest rates of the SDR component currencies.

Some people claim that an IMF quota increase helps our economy because it gives foreigners money with which to buy our products. This argument stands in total contradiction to IMF conditionality which requires debtor countries to reduce their imports. Furthermore, if the argument were true—it is not—instead of increasing the quota 50 percent, we should double it or increase it tenfold or a hundred times.

In addition to the economic costs there are other costs. At best the bailouts of the foreign countries are a form of foreign aid; at worse they are international transfer payments from "rich" nations to "poor" nations, from North to South, from the West to the Third World. By handling the bail-

outs through the IMF we are allowing a third party to disburse our money for us, thereby enfeebling our diplomacy. Passing foreign aid through an international bureaucracy reduces the control and influence of the donor countries. The ultimate result is to divorce foreign aid from the policy interests of the United States and the NATO alliance. There is no obvious reason why the United States should use its scarce resources to increase the power of the IMF, a supranational organization that we do not control.

Prior to the sudden emergence of the default crisis, the U.S. Treasury and President Reagan were resisting the Third World's pressures for a large increase in IMF quotas, which implies that, the crisis aside, there are good reasons to resist further rapid growth of the IMF. And there are. By responding to demands for money we legitimize the chorus of voices that holds the United States responsible for Third World poverty, world recession and the inability of developing countries to repay their loans. A country cannot continually respond to aggressive demands with concessions without losing its sovereignty. The IMF, which under Bretton Woods dealt with temporary balance of payments problems, seems to increasingly function as a mechanism through which the West makes transfer payments to the Third World. The IMF quota subscriptions are a de facto tax on the American people. Perhaps in the past the tax was better disguised, but today it is clear enough. At a time when the United States is forced to cut back on its own domestic transfer payments, the Congress is expected to pass an \$8.4 billion off-budget appropriation for the IMF.

The evolution of the IMF into an institution that makes permanent resource transfers from the West to the Third World is perhaps implicit in the structural organization of the IMF, which allows the United States and its allies a voting share that is considerably smaller than their contributions in real resources.

In principle each member country's voting share and credit line is proportionate to its stated quota, which purportedly reflects the member's relative weight in the world economy. However, in practice the United States has contributed about twice as much in real resources as it has voting weight in the IMF. The disparity results from the fact that only 25 percent of each member's quota is required to be paid in convertible currencies and SDRs acceptable as means of payment in international settlements. The remaining 75 percent can be paid in members' own currencies. The result is that only those countries whose currencies are convertible contribute in terms of command over real resources 100 percent of their quotas; the others contribute only 25 percent. The hard currency nations of the United States, Western Europe, and Japan contribute the bulk of the IMF's resources, but their voting share and power are diluted by the voting share allotted to the countries with "useless currencies" that account for about 50 percent of the IMF's total stated quotas.

Consider, for example, the eighth quota increase under current consideration. Leaving aside the General Agreement to Borrow, the U.S. quota increase is about \$6 billion, which is about 37.5 percent of the approximately \$16 billion in useable currencies that will accrue to the IMF from the quota increase. However, based on the official quota the U.S. voting share is only about 20 per-

cent—clearly, taxation without equal representation. Indeed, the situation is worse than I have described, because by means of an SDR allocation the IMF can create and distribute new SDRs—thus printing the useable currency to cover the 25-percent requirement.

My testimony should not be misinterpreted as being anti-IMF, anti-big banks, or anti-Third World. But I am opposed to institutions and governments being stampeded by thoughtless fears along paths that might not be prudent. The foreign loans were made in the exception that rising commodity prices, fueled by world inflation, would provide the export earnings to make them good. When the Federal Reserve deviated from the administration's monetary policy in 1981 and precipitated a recession, the expectations upon which the loans were based turned out to be wrong. Now banks, governments and the Federal Reserve itself are running for short-run cover without giving sufficient thought to the longer run implications of the bailout.

The deeper our banks, the State Department, the Treasury and the Federal Reserve get involved in trying to prop up old loans with new ones, the greater the stake they acquire in the resurgence of world inflation. Rapidly rising oil and commodity prices would provide the Third World with growing revenues to service depreciating debt—and the American consumer could be left holding the bag in a big way.

It wasn't that long ago that the United States stood astride the world like a colossus. Our financial and diplomatic power was respected, and countries sought to be in our good graces. We even managed to conduct our diplomacy through our own institutions. But today, after subordinating our interest to international organizations, the United States risks standing before the world as "Uncle Sap." We ante up to quiet foreigners while the President's tax cuts and defense buildup fall under the budgetary knife.

The world has serious problems that require U.S. leadership, but the United States cannot lead as long as it acquiesces to demands. We must resist strongly the notion that foreign debtors have our banks over a barrel or they will take advantage of the situation to extract ever more American resources through the IMF.

TABLE 1.—CLAIMS ON NONOIL DEVELOPING COUNTRIES: COUNTRY EXPOSURE LENDING SURVEY DATA FOR 9 LARGEST BANKS

[In billions of dollars]

	Claims on nonoil developing countries	Report-ing banks' total assets	Report-ing banks' total capital	Claims on nonoil developing countries as a percent of	
				Total assets	Total capital
1977:					
December	30.0	372.5	18.4	8.1	163
1978:					
June	31.0	390.2	19.0	8.0	164
December	33.4	422.5	20.0	7.9	176
1979:					
June	35.0	449.8	21.1	7.8	166
December	39.9	486.1	21.9	8.2	182
1980:					
June	41.9	508.4	23.0	8.2	182
December	47.9	531.0	24.0	9.0	199
1981:					
June	51.6	553.7	25.0	9.3	206
December	57.6	564.6	26.1	10.2	220
1982:					
June	60.3	566.3	27.1	10.6	222

EXTENSIONS OF REMARKS

Source: Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Feb. 2, 1983.

TABLE 2.—CLAIMS ON SELECTED DEVELOPING COUNTRIES FOR 9 LARGE U.S. BANKS

Date	Argentina	Brazil	Mexico	Total, 3 countries
Claims (billions of dollars)				
1977:	1.8	7.7	6.1	15.6
1978:	1.9	8.0	5.9	15.8
June	1.8	8.5	6.1	16.4
December	2.1	8.8	5.8	16.7
1979:	2.9	8.8	6.5	18.2
1980:	3.3	9.1	7.3	19.7
June	4.2	9.4	9.1	22.7
December	4.6	9.7	10.2	24.5
1981:	5.2	10.6	11.6	27.4
June	5.3	11.8	13.4	30.5
Claims (as percent of capital)				
1977:	9.8	41.8	33.2	84.8
December	10.0	42.1	31.1	83.2
1978:	9.0	42.5	30.5	82.0
June	10.0	41.7	27.5	79.1
December	13.2	40.2	29.7	83.1
1979:	14.3	39.6	31.7	85.7
June	17.5	39.2	37.9	94.6
December	18.4	38.8	40.8	98.0
1980:	19.9	40.6	44.4	105.0
June	19.6	43.5	49.4	112.5

Source: Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, Feb. 2, 1983. ●

SOCIAL SECURITY VOTE

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1983

● Mr. STANGELAND. Mr. Speaker, when the House approved by a 282-to-148 vote the plan to raise \$165 billion for social security, they were hurting almost everyone in the Seventh District of Minnesota.

Instead of approving a way to revitalize the ailing program, Congress prescribed a bigger dose of the same medicine that has weakened social security for decades. This is a Band-Aid bill, that raises taxes and reduces benefits and delays decisions and costs that will be passed on to our children.

We all agree that social security must be preserved, but this bill does not do the job. Look at the people who will be hurt by the proposals.

Senior citizens will lose between \$1,100 and \$1,800 because of delayed COLA benefits. This cut will fall most heavily on the 4 million retirees who live at or below the poverty line.

Those senior citizens who invested for their retirement will also have their social security benefits taxed away. This is a "means test," providing

full benefits only for those senior citizens who are not still working or who did not invest; it will be easy for future Congressmen to lower those benefits. Furthermore, young people will now be discouraged from saving for their retirements.

Farmers and small business owners will now pay double the payroll taxes that every other American worker is paying.

All workers will have 7 years of tax increases moved forward.

Young people will find it harder to get jobs because of higher payroll taxes on themselves and their prospective employers.

Most families will now pay more for social security taxes than income taxes.

Taxpayers will pay hundreds of billions of dollars for tax credits, for direct Treasury transfers to social security, for bailing out the civil service retirement system, and for other items that do not even have a price tag yet.

Our children will be paying for decades because Congress failed to act now in a reasonable fashion.

All these sacrifices might have been worth it if social security had been guaranteed. But this plan is merely a temporary fix, putting off the day of political reckoning for another few years.

When you get right down to it, this plan hurts everyone that social security is supposed to help. That is not my idea of a rescue plan. It has more of a rubberstamp approval of a political deal.

For 2 years, you have heard me say that any social security reform would have to pass three basic tests. First, the basic benefits of retirees must be maintained. Second, the long-term solvency of the system must be guaranteed. Finally, payroll taxes on both workers and employers must not be raised to levels which impair our economy.

This plan flunked all three tests, so I voted against it.

This may have been our last chance to make reasonable changes in social security. But instead of facing squarely the problems of social security, the Congress passed a bill that allowed Washington to avoid the politically sensitive issue of caring for our senior citizens, our economy, and our future.●