WORLDWIDE COMBINED REPORTING

HON. BARBER B. CONABLE, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. CONABLE. Mr. Speaker, most States use the unitary method of tax assessment for those corporations doing business in more than one State. Under that method, income subject to tax is generally computed on the ratio of payroll, sales and property in the taxing State compared to all States. When the formula apportionment of the unitary method is carried one step further and overseas affiliated corporations are included that method of tax assessment has become known as the worldwide combined reporting system.

While the formulary apportionment of the unitary system may work for activities within the United States, its application to overseas activities presents serious problems of very different systems of accounting, languages, currencies, levels of productivity, cost of labor, cost of materials, and elements of risk. The obvious differences in property and labor costs worldwide builds in an instant unbalance which can cause a substantial risk of multiple taxation.

At present only a few States use the worldwide combined reporting system. The Federal Government does not use the worldwide combined reporting system and has agreed not to in its tax treaties. No foreign country uses the worldwide combined reporting system.

The fact that the Federal Government has one policy and a few States have different one has led to considerable international concern and opposition. The European Economic Community has twice filed demarches with the Departments of State in opposition to the use of the worldwide combined reporting system. At present there is pending in the British House of Commons an early day motion signed by over 190 members of that body protesting the fact that though Britain was promised a legislative solution none has been forthcoming.

The problems of State taxation of corporations doing business in more than one State also continued to be the subject of challenges in the courts. Since the introduction of H.R. 1983 in the 97th Congress, two major unitary tax cases—ASARCO and Woolworth—have been decided by the Supreme Court. Two more cases—Container Corporation of America and Caterpillar—are literally days away from a decision.

In light of these pending Court decisions, some have suggested that congressional consideration of unitary worldwide combination be delayed. However, the Supreme Court itself has repeatedly taken precisely the opposite view. Throughout its recent rulings, the Court has openly discussed the severe limitations of the judicial process in dealing with matters like worldwide combination.

Instead of the time consuming, piecemeal, case-by-case determinations of the judicial system, the Court has urged a comprehensive legislative solution.

Moreover, the questions before the Court and those before the Congress are not the same. The Court cases are being brought under the principle that the State tax practice is so damaging as to be prohibited by the Constitution. On the other hand, it is up to the Congress to determine whether these methods of taxation—even if marginally constitutional—are consistent with the national interest in the free flow of national and international commerce.

In March 1977 the Task Force on Foreign Source Income of the Committee on Ways and Means determined it to be in the national interest that:

States be precluded from taking into account, under the unitary method or any other method, the income of foreign affiliates of corporations doing business within the States until such time as that income is subject to Federal income tax. More recently, on July 1, 1983 the GAO in a report to the Chairman of Ways and Means said: “Federal legislation is the most appropriate solution.”

I am today introducing a bill for myself and Mr. Archer, Mr. Frenzel, Mr. GIBBONS, Mr. GRADISON, Mr. JENKINS, Mr. JONES of Oklahoma, Mr. MARTIN of North Carolina, and Mr. VANDER JAGT, which will bring uniformity to this country's taxation of foreign source income. It will also conform the State rules for taxation of dividends received by domestic corporations from their overseas subsidiaries to those of the Federal Government as to the quantity of those dividends which are taxed by the States.

The purpose of the section of the bill regarding dividends paid to U.S. corporations by their overseas affiliates is to provide that a State may not tax a greater portion of the dividend than the Federal Government effectively taxes. Under principles of State taxation, a State is only entitled to tax that part of a corporation's income which has been generated by that State's economy. Thus, States should not tax foreign source business profits or dividends paid from profits of a corporation not doing business in the United States. This legislation does not prohibit such taxation, but imposes only a limitation parallel to the Federal system. It would allow States to tax foreign source dividends to the extent that the Federal Government effectively taxes those dividends after taking into account the foreign tax credit.

I urge my colleagues to recognize that this Nation must have one uniform policy in this vital area in keeping with its treaty obligations. I hope that they will understand that this legislation will not only provide that uniformity, but will increase corporate, commercial and industrial investment in the United States by removing the obstacle that worldwide combined reporting presents, resulting in increased job opportunities. It will also remove the threat of multiple taxation and retaliatory taxing methods by other countries which could place U.S. companies at a disadvantage when competing in worldwide markets.

INTERNATIONAL RECOVERY AND FINANCIAL STABILITY ACT OF 1983

HON. FERNAND J. ST GERMAIN
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. ST. GERMAIN. Mr. Speaker, on behalf of myself, Mr. SCHUMER, and Mr. WYLIE, the ranking minority member of the Committee on Banking, Finance and Urban Affairs, I am introducing the International Recovery and Financial Stability Act of 1983. This proposal, a product of many hours of committee and subcommittee hearings and extended discussions involving virtually the entire membership of the committee is clearly a workable compromise proposal to encourage the coordination of national fiscal and monetary policy in order to achieve sustainable and noninflationary economic growth on a worldwide basis, to amend the Bretton Woods Agreements Act to authorize an increase in the U.S. quota in the International Monetary Fund, to reduce financial pressures on developing nations, and to improve the supervision of...
May 5, 1983

of international lending by U.S. banks. This committee will meet at 2 p.m., Monday, for the purpose of marking up this essential legislation. For the information of the members, a section-by-section analysis of the bill follows: SECTION-BY-SECTION ANALYSIS OF THE INTERNATIONAL RECOVERY AND FINANCIAL STABILITY ACT OF 1983

SECTION I: SHORT TITLE

Provides that the short title of the bill shall be "International Recovery and Financial Stability Act of 1983.

TITLE I—INTERNATIONAL ECONOMIC RECOVERY

Sec. 101. Sets forth Congressional findings that the U.S. depends on international economic recovery; that recovery is being impeded by high U.S. interest rates, by the high level of debt of developing nations, and by differences in bank regulations among nations; that U.S. jobs have been lost by the worldwide recession; that recovery would be helped by extending the maturity of developing country debt, and that bank regulations in individual nations may have contributed to the international debt problem and is needed. The bill requires the President to encourage industrialized nations to take coordinated actions to support sustainable, non-inflationary growth in the world economy, to reduce the stretch-out of developing country debt, to promote effective regulation of international banking, and to report to Congress in one year on implementation actions.

TITLE II—INTERNATIONAL MONETARY FUND

Sec. 201. Increases the U.S. commitment to the IMF as requested by the Administration. Directs the Secretary of the Treasury to instruct the U.S. Director of the IMF to vote against loans to nations which practice apartheid.

Sec. 202. Directs the Secretary of the Treasury to promote long-term recovery for developing countries and to require the U.S. Director of the IMF to undertake an analysis of the long-term effects of restructuring proposals, to work to secure conversion of high interest, short-term debt into long-term debt, and to report to the Congress on implementation.

Sec. 203. Directs the Secretary of the Treasury to instruct the U.S. Director of the IMF to consider limiting foreign country debt, to work to have the IMF consider limiting foreign country debt levels, and to publish in the IMF annual report detailed information on international debt levels and trends.

TITLE III—INTERNATIONAL LENDING

Sec. 301. Provides that the title shall be entitled the "International Lending Supervision Act of 1983.

Sec. 302. Defines the terms "appropriate Federal banking agency", "banking institution", and "Examination Council".

Sec. 303. Provides that the appropriate Federal banking agencies shall take the country exposure and transfer risk into account when considering the adequacy of the capital of banking institutions.

Sec. 304. Provides that the appropriate Federal banking agencies will require banking institutions to establish special reserves on international loans whenever (1) there is a protracted failure of foreign borrowers to meet payments according to terms of IMF lending agreements on restructuring of developing country debt; (2) that portion of the debt cannot be repaid in accordance with the terms of the original debt without restructuring or additional borrowing. The Examination Council is directed to promulgate regulations to implement this section within 180 days.

Sec. 305. Directs the Examination Council to establish rules or regulations to assure that fees on new IMF loans would be amortized over the life of a loan.

Sec. 306. Directs the appropriate Federal banking agencies to require banks to disclose their foreign country debt exposure. The Examination Council is directed to promulgate regulations and forms for this disclosure within 180 days of enactment.

Sec. 307. Directs the Examination Council and the Federal banking agencies to consult with their foreign counterparts to work for uniform supervisory practices with respect to international banking, and directs the Examination Council to report within bank supervisory practices in other countries.

Sec. 308. Directs the appropriate Federal banking agencies to require banking institutions to maintain adequate levels of capital. The Examination Council is directed to promulgate regulations under this section within 180 days of enactment.

Sec. 309. Provides the Examination Council authority to define terms used in the Act and establish rules for the banking agencies to implement the Act in a uniform manner. Provides that this Act does not limit, expand, or modify any existing laws. Provides that any banking institution which, or any person participating in the conduct of the affairs of that institution who, violates this Act or its regulations must pay a civil penalty of up to $1,000 per day as the violation continues. Such violations are deemed a violation of section 8(d)(2) of the Federal Deposit Insurance Act. Penalties will be assessed and collected under the procedures and rights provided in that section. Requires the Examination Council and the agencies to report to the Congress on this Act in one year and every two years thereafter.

Sec. 310. Provides a 30-day Congressional review of Examination Council regulations written pursuant to this Act. The 30-day period begins on the date of publication of final rules and establishes a procedure for either the House or the Senate Banking Committees to vote to disapprove or modify the regulation.

Sec. 311. Affirms the GAO's authority to audit the international regulatory, examination and supervisory actions of the Examination Council and the Federal banking agencies. The safeguards incorporated are identical to those now provided for in the Federal Banking Agency Audit Act.

OUR NATION'S STRENGTH AND GREATEST RESOURCE

HON. JOH. R. MCKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. MCKERNAN. Mr. Speaker, I would like to bring to the attention of my colleagues in the House a speech which was delivered recently by a young constituent of mine in Sanford, Maine. In her speech, "Youth—America's Strength" by Michele Rivard, makes it clear that our greatest resource is to be found in our young people. Indeed, Ms. Rivard is living proof of this fact, as her drive, her conviction, and her steadfast commitment to making this world a better place to live are all evident in her thoughts on the contributions our Nation's youth are capable of making to our society. I am confident that each one of us will view the future of this Nation with a bit more optimism and hope. If Michele Rivard is representative of tomorrow's leaders, the country will indeed be in good hands. At this time, I would like to insert in the Congressional Record the text of Ms. Rivard's recent speech.

YOUTH—AMERICA'S STRENGTH

(By Michele M. Rivard)

The future of this nation lies with its young people. We are the people who will determine whether our country is to progress and to strive for excellence is maintained in a sea of universal conflict and problems. We are the people whose steady force—is obtained from the new generation.

Youth denotes novelty and vitality, untried wis­dom and unction. We are the up­genesis and motivation in reference to the entire world out there. For years, young people have observed great happenings around them. At the point of adulthood, we are bursting forth to experience being a cat­alyst—a moving, driving force—in the world today.

Because of our determination to accom­plish, the youth of America is its strength. We have pride and belief in ourselves and our country, so we are willing to take on the challenge of building for now and for the future. An excitement fills the air with idea of risk and chance to succeed, an achieving of a far-sought goal, and perceiving of the unexplored.

Youth are vital forces of durable strength to the nation. They serve as Instruments of variance. Young people are not afraid of trying or accepting new ideas, trying a dif­ferent method of action, or attempting to change set procedure. This versatility of atti­tude encourages progress for continued ef­forts for excellence in all areas. Youth serve to stabilize and also improve facets of living, causing gradual change and improvement in all aspects of lifestyle. Youth pave new pathways, thereby encouraging new abilities and successes to take place.

Today's youth will be tomorrow's leaders. But before we make up a majority of the population, youth work to simulate growth and progress, strive for new goals, and en­couage enlightenment. Youth is the driving force behind the national yearning to ac­complish as much as is being able. Youth wants the entire land to be better for every­one in our world—to make it the best that it can be.

Youth is involved in all facets of life. From the economic viewpoint of employment force and buying power, to education­al standpoint of seeking greater knowledge, to politics and government and the environ­ment. We are the force behind the strength of our own country in all areas affecting the nation.

Also, a strong moral structure and stabi­lity of the family is desired by the entire American community, and if we look at today, youth is the hope of the family.
structure—to lead toward a stronger feeling of unity and understanding within our homes. This effects positive character build-up, a more morally satisfied people being an asset to a surviving country. Youth encourages transition. We are in favor of present developments and future continuities. Youth embraces diversity. New ideas are conceived and projected by people of the next age level. From cultural areas to government rulings to economic situations, youth follows the search for invention and creation through discovery.

Youth tempers the level of concern and humanity in the country. Our pride and determination and excitement for this world is a solid force as the backbone of American idealism and the pillar of ability and promise.

Youth accepts the duty given of ourselves to give back what we have received. We’re very lucky to live in the independent, free country that we do. Youth is proud of our high standards and far-reaching dreams and works to make successful our goals. Youth stands for promise and pride—which is the continuing strength of America.

A TRIBUTE TO MR. ALAN SHEPARD
HON. MEL LEVINE
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. LEVINE of California. Mr. Speaker, 22 years ago today Alan Shepard rode his Mercury-Redstone 3 Freedom 7 capsule into orbit to become the first American launched into space. This historic flight signalled the beginning of one of the great episodes in our history—our national campaign to land a man on the Moon.

Since that first flight, our manned space program has progressed through the Mercury, Gemini, and Apollo programs to the most technologically advanced and most promising manned space vehicle ever produced, the space shuttle.

Brave men like Alan Shepard deserve our gratitude for risking their lives as part of man’s efforts to reach for the stars and begin the exploration of outer space.

The space program and the men and women who have taken part in it made enormous contributions to our country. The efforts of these remarkable individuals have helped this country maintain its position as the world leader in technological innovation, given consumers all over the world remarkable new products to enrich their lives, and provided Americans with hope and inspiration during times when we have needed new sources of national pride.

And the space program holds even greater promise for the future.

In only five flights the space shuttle has already demonstrated its usefulness and potential as an orbiting laboratory for scientific experiments, the production of new and more effective drugs, and a platform to help scientists expand their knowledge of our planet, the solar system, and beyond.

It is important to recall the courage and commitment of men like Alan Shepard and the other two astronauts who accompanied him in The Challenger. President John F. Kennedy’s goal that the United States would lead the way in the exploration of outer space. It is truly one of man’s great adventures. We must remember our national commitment to space exploration.

BUSINESS AND ENVIRONMENTALISTS: A PEACE PROPOSAL

HON. WILLIAM F. GOODLING
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. GOODLING. Mr. Speaker, I believe that the preservation of our environment and our energy sources is a goal toward which we must all strive. On the other hand, I also believe that we must avoid unnecessary regulations, as well as our dependence on foreign energy sources.

Because of this, I have consistently reviewed any legislation affecting national energy and environmental policies with an eye for the best balance. I have considered the Clean Air and Clean Water Act reauthorizations, the acid rain phenomenon, the nuclear waste disposal debate, water conservation, and toxic waste cleanup—to name only a few.

I was, therefore, delighted to read the following article by a director in the Audubon Society, Mr. Christopher Palmer, which intelligently and succinctly describes the advantages to both the business and environmental communities in crafting such balances in public policy.


The bottom line is that now, more than ever, we need improved understanding and cooperation between business and environmental groups if we are to achieve both our economic and ecologic goals. These are not mutually exclusive; on the contrary, with diligence, creativity, and open lines of communication, the two can flourish harmoniously.

I commend Mr. Palmer’s article to my colleagues’ attention.

The article follows:

EXTENSIONS OF REMARKS

BUSINESS AND ENVIRONMENTALISTS: A PEACE PROPOSAL

(By Christopher Palmer)

Environmental groups are not perfect. We have flaws, as does business. By candidly exposing the flaws, we may be able to defuse the destructive animosity and mutual misunderstanding, and even find areas where we can make common cause.

This tendency is matched by a tendency to be rigid, unwilling to compromise or negotiate. Environmentalists are afraid to bend and be flexible. We think the arguments made by industry are totally self-interested and exaggerated.

Too often environmentalists think of profits as dirt. We don’t always appreciate the effectiveness of the free market. Too few of us have ever worked as entrepreneurs and, consequently, lack an appreciation of just how hard it is to succeed in business. We are more expert at greenmepship.

Some environmentalists—like some business people—probably not concerned enough about the harsh impact of high prices on poor people. Few of us know anything about the degradation and pain of poverty. While the image of us—in Michael Kinsley’s words—as a ‘clique of rich people affecting policy to protect the backyard’ is an exaggeration, nevertheless we are probably oversensitive to the desires of the upper and middle class and insufficiently sensitive to the desires of those less well-off.

Environmental goals should not be pursued without regard to their consequences elsewhere. Preserving wilderness is important, but it is only one of a number of important national goals. For example, economic policy should not be based on environmental issues alone. Also, the concept of an environment is just one of many results we want in an energy policy, not the central driving force. Environmentalists have been, and occasionally—ideally, rarely—they may have to compromise some environmental goals for more important ones, such as jobs.

This brings me to economic growth and productivity. Too often environmentalists give the impression of wishing economic growth would somehow go away. But economic growth and increased productivity are needed to create new jobs, to increase our investments in energy efficient housing and our investments in new less polluting industrial processes.

And finally, environmentalists, like other human beings, can suffer from parochialism. A recent issue of a major environmental magazine contained a long and detailed editorial on how domestic cats are not a threat to birds. We voraciously consume each other’s newsletters but tend to neglect Business Week, Forbes and Fortune.

Let me now turn to steps that business could take to gain the sympathy of us and to help win our confidence and trust.

There should be a greater realization on the part of business that future growth and profits depend on efforts
to preserve land, air and water. Erosion control aims at maintaining the productivity of soils, essential to sustaining life, and air and water. Erosion control and air pollution control are essential to the protection of soils and watersheds. Reduced pollution means fewer work days lost to environmental protection make direct contributions to economic productivity.

Another step that business could take would be to show greater appreciation of the tremendous market opportunities in energy conservation, solar energy and pollution control. Business Week reported in its April 6, 1981, issue that the market for energy conservation investments was growing phenomenally fast and could reach $30 billion by 1985. An article in the November/December 1980 Harvard Business Review concluded that alert companies can turn pollution prevention into profit and increase economic growth and environmental protection go hand in hand. There are now over 600 companies in the business of manufacturing air-and water-pollution-control equipment, including cooling towers, scrubbers, precipitators and catalytic converters. These firms constitute a multi-billion-dollar industry employing hundreds of thousands of people.

THE CALL TO CONSCIENCE VIGIL FOR THE BYALY AND YAKIR FAMILIES—SOVIET REFUSENIKS

HON. HOWARD L. BERMAN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. BERMAN. Mr. Speaker, it is my privilege today to be able to participate in the 1983 Congressional Call to Conscience Vigil for Soviet Jews, organized by our distinguished colleague, the gentleman from Colorado (Mr. WIRTH).

Earlier this year, Sharon and I, together with our colleagues, called for a special committee to consider the cases of two Soviet families who have at times become the targets of widespread attacks. These attacks are the result of the Soviet Government's oppressive policies and are designed to suppress any public expression of opposition to these policies. The attacks have been directed at the Byaly family and the Yakir family. The Byaly family is made up of Alexander, Rimma, Sasha, and their son, Sasha. The Yakir family is made up of Yvgeny, Rimma, Sasha, and their son, Sasha. The Byaly family is made up of Alexander, Rimma, Sasha, and their son, Sasha. The Yakir family is made up of Yvgeny, Rimma, Sasha, and their son, Sasha. The Byaly family is made up of Alexander, Rimma, Sasha, and their son, Sasha. The Yakir family is made up of Yvgeny, Rimma, Sasha, and their son, Sasha.

The Byaly family applied for permission to emigrate to Israel in 1977. Mrs. Byaly's father passed away in 1978, and her mother now awaits their arrival alone. In 1979, the Byaly's son Mikhail and five other Jewish students received failing grades on the Moscow University mathematics department entrance exam. When private tests with a math professor revealed that Mikhail and the others were actually quite proficient in the subject, the Byaly's held a press conference to call attention to this blatant anti-Semitism at the university. Subsequently, the six students' failing marks were reviewed and corrected, and they were admitted to Moscow University.

In 1981, their younger son, Alexander, was prevented from celebrating his Bar Mitzvah by the KGB. A number of young Jews around the world reacted to this by celebrating their own Bar Mitzvah and dedicating the ceremonies to Alexander Byaly.

The Byaly family continues their attempts to obtain emigration visas, in spite of the persistent threats of the KGB and Soviet authorities that they will not be permitted to leave. The Yakir family, Yvgeny, Rimma, and their son, Sasha, first applied to emigrate to Israel in 1973. They were refused permission on the grounds that Rimma, as an engineer, allegedly had access to state secrets. She has not been permitted to work since that time. Sasha also has been denied work as an engineer since his graduation. In the hope of improving his chances of being able to emigrate, he applied to and was accepted at Brandeis University. However, his requests for a visa have been turned down.

Sasha's situation has been especially critical because young men in the Soviet Union who are not attending school are subject to induction into the military. After serving for a term of 3 years in the military, the entire Yakir family could be detained an additional 5 years.

The Byaly and the Yakir families are, for all practical purposes, being held as hostages in the Soviet Union because they are Jews. They and their fellow Soviet Jews are engaged in a constant daily struggle for survival, as the repressive Soviet Government continues its efforts to eliminate all Jewish activities through harassment, arrest, imprisonment, and officially sanctioned anti-Semitism. Emigration of Soviet Jews has dropped to its lowest level in over 10 years in what clearly seems to be a calculated plan on the part of the Soviet Union to con­ceal these refuseniks from the world, and to shut the world out for Soviet Jews.

Mr. Speaker, any action that we can take on behalf of Soviet Jewry, such as the Call to Conscience Vigil I am participating in today, is potentially very significant. The reason we speak out is the pressure the people of our country have placed on the Soviet leadership to relax their repressive grip on Soviet Jews. With the situation growing worse, there can be little doubt that the number of Jews wishing to emigrate will increase. We must do everything in our power to help them emigrate, before it is too late.

EXTENSIONS OF REMARKS

HON. HENRY B. GONZALEZ
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 3, 1983

Mr. WITTEN. Mr. Speaker, need­less to say, I have served with many Members of Congress and my associations have been most pleasant and rewarding. In the years of service I have had here and among all the fine people with whom I have served, HENRY GONZALEZ ranks with the best in sincerity, application, and in forth­right­ness.

No one ever has to worry about where HENRY stands today nor have they had to wonder through the years he has been here. You find that he makes every effort to know the sub­ject and he takes a position and his standing with his colleagues is as solid as anyone I know.

I join with my friends in congratulating HENRY and the people of his dis­trict on his 30 years of public service. He sets a fine example and one I am pleased to join in recognizing for the record.

HENRY, we wish you the very best and may we have more of your kind—but from some other district, for many years to come.

THE STRONG DOLLAR

HON. DONALD J. PEASE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. PEASE. Mr. Speaker, econo­mists say that the dollar is overvalued and that most other currencies are undervalued against the American dollar. The worldwide demand for dollars is great and our dollar is "strong" compared with the Japanese yen, the German mark, the French franc, the British pound, and virtually every other currency in the world.

While there are some advantages to a "strong" dollar, there are major drawbacks when it comes to our trade with other nations. This is the topic I addressed in one of my recent weekly newspaper columns. It follows.

WASHINGTON REPORT
(By Don J. Pease)

If you had $1,000 to invest and were contemplating the myriad places where you could invest your money, the chances are you would ask yourself three questions. How easily can I get access to my money once it is invested? Will my money be safe? Where can I get the highest interest?

Across the world, the same questions are asked by all investors, whether they be wealthy individuals, oil sheikdoms, big corporations, national banks or insurance companies.

The answers all point to the United States and to investments denominated in Ameri­
can dollars. With billions of dollars traded every day in world financial markets, invest­
ments denominated in dollars are easy to dispose of. The U.S. is considered a stable "safe haven" in a politically volatile world, and interest rates in the U.S. are among the highest in the industrial west.

The result? The worldwide demand for dollars is great and the American dollar is "strong" compared with the Japanese yen, the German mark, the French franc, the British pound and virtually every other cur­rency in the world. Monetarists say that the dollar is overvalued and that most other currencies are un­dervalued against the American dollar.

While there are some advantages to a "weak" dollar, there are many reasons why the dollar is a magnet to draw money to the United States and serve as a source of innovation and invention; and small busi­ness is the cutting edge of competi­tion; small business is the vanguard of innovation and invention; and small business is the source of the free enter­prise leadership. It is the responsi­bility of all of us in public service to recognize these attributes and today, due to Congressman Ireland's hard work, I feel we have done just that.

Next year the envelope will actually be released. At the press conference Andy said:

"There are over 13 million small businesses in our country today. I plan on wide-spread publicity to let them know of this envelope. I also plan on encouraging each and every one of them to use this envelope in their business correspondence. And even if only half of them heed my advice, we will have record breaking sales in the number of com­memorative envelopes sold, I think this is a great accomplish­ment and think Congressman Ireland should be commended for the hard work and dedication he has shown toward helping our Nation's small businesses."

May 5, 1983

TRIBUTE TO CONGRESSMAN HENRY GONZALEZ

HON. DON FUQUA
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 3, 1983

Mr. FUQUA. Mr. Speaker, it is with great pleasure that I join my colleagues today in recognizing the outstanding 30-year career in public serv­ice achieved by my good friend from Texas.

Last Sunday marked the anniversary of Mr. Gonzalez's election in 1953 to the San Antonio City Council. Mr. Gonzalez was subsequently elected to the Texas Senate and, in 1961, to the U.S. House of Representa­tives where he has since served with dedication and vision.

Today, of course, also marks the 67th anniversary of Mr. Gonzalez's birth, so it is cause for double rejoicing for his friends.

I look forward to many future oppor­tunities to offer Mr. Gonzalez an­niversary and birthday greetings as he continues his valuable work in this House.

SIXTY YEARS OF COMBINED SERVICE

HON. CLARENCE D. LONG
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. LONG of Maryland. Mr. Speaker, today, I am honored to recognize two noncommissioned officers who have given over 60 years of combined service to our Nation's Armed Forces.

First Sergeant Kenneth Stewart Yingling served on active duty for 2 1/2 years from July 1943 to January 1946 and spent a total of over 5 years in the Maryland National Guard before join­ing the U.S. Army Reserve in 1956. This weekend he will be retiring after a total of nearly 35 years of service to our country. In that time, he has been decorated nine times.

Retiring with him, Sfc. William Edward Pittinger has given over 25 years of service in the U.S. Army Re­serve, beginning in 1958. In that time, he has been decorated seven times.

These men, as all men in our Re­serve Forces, provide an invaluable service to our country. They help keep our defense strong by being prepared to go into active duty at a moment's notice, in any circumstances where the Nation's security is in danger.
LOARA HIGH SCHOOL NATIONAL HONOR SOCIETY INDUCTEES

HON. JERRY M. PATTERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. PATTERSON. Mr. Speaker, it is great with pride that I ask my colleagues to join me in recognizing the achievements of the Loara High School National Honor Society inductees.

These 124 students are not only being honored for their scholastic leadership and achievements, but for the character they have displayed in maintaining a 3.0 or better cumulative grade point average during their four years of high school.

Mr. Speaker, to properly honor the Loara High School National Honor Society inductees, I would like to read into the CONGRESSIONAL RECORD the names of these exemplary students: Miles Acker, Celeste Antenucci, Jeannete Antoine, Richard Arden, Hilda Beck, Barbara Bergines, Cheryl Biggs, Katherine Brannen, Erik Brewer, Mary Burrows, Angelo Casimiro, Gen-Phong Chen, Lynnette Chen, Susan Cheng, Yoon-Koo Cho, Denise Cords, Sheri Craig, Jonathan Davidson, Steve Davis, Adriana Degodoy, Silvio Delligatta, Rachel Dinco, and Lisa D'Or- dine.

Larry Edmond, Alme Errington, Jenny Ewing, Maryann Fabian, Annette Fong, Mike Fono, Wendy Fowke, Jacqueline Fruhlinger, Jane Fujishiee, Steven Gann, Andria Gold, Lisa Gonzales, Denise Gugliotta, David Gunderson, Karen Guthrie, Mette Hansen, Kevin Hastings, Robert Heine, George Holloway, Monique Hoogstraten, Lisa Hugdahl, Gaylord Humphries, and Jimmy Wang.

Jenny Jensen, Elizabeth Jirikils, Jung-Hyun Joe, David Judy, Linda Karlen, Mike Kim, Scott Knight, Melissa Kobl, Veronica Krueger, June Kusaka, David Lappin, Kristan Laugh­ inghouse, Shari Lerner, Grace Lim, Kim Lindquist, Becky Liptrap, Mark Lorenti, Jacquelin Mahrley, Gregory Martin, Florence McDoele, and Rebecca Milo.

James Monahan, Cindy Moore, Molly Moore, Dan Mrotzek, Kristina Myers, Hung Ngo, Kiet-Tuan Nguyen, Quan Nguyen, Shari Oblenberi, Doug Patterson, Ken Pechter, Elena Per­ rota, Donna Petersen, Jill Porter, Leanne Posner, Diane Puccio, Rapha­ el Reich, Edward Reyes, Lynne Rich­ ertsen, Yvonne Ritchey, Susan Rumble, Gary Samples, Lisa Santangelo, Jerry Scalf, Kimberly Scherer, entities who want to offer competitively priced goods and services to consumers.

Mr. Speaker, the 98th Congress requested efforts to provide a complete exemption from the FTC oversight to professionals; an outcome the Coalition to Save the Jurisdiction of the Federal Trade Commission over the Professions worked very hard to bring about. The 98th Congress is now faced with the same issue. Special interest group exemptions from the laws which the rest of American business must follow cannot be permitted. Such exemptions would make it impossible for the FTC to pursue the actions which it has successfully prevented in the past: fixing prices, conducting illegal boycotts, using false or deceptive advertising and using abusive billing practices.

The FTC is the only independent federal agency which has actively enforced the anti­trust and consumer protection laws in the health care and professional services industry. The FTC has proved itself to be of critical importance to consumers. Competition in the health care marketplace is a crucial variable in the equation which produces increased availability, improved quality and lowered costs for consumers. Currently consumers are spending over $300 billion a year on health care, representing over 10 percent of the Gross National Product. Although overall inflation has declined, inflation in the price of health care services remains high—about three times the general inflation rate. In the face of these rising costs, the need for the Federal Trade Commission to ensure fair and open competition among the professions has never been greater.

NASW-New Jersey urges the Congress to resist any attempts to carve special interest, anti-competitive exemptions out of the FTC's authority over the professions.

Sincerely,

JEFFREY L. FAZEK
Executive Director

URGE REJECTION OF MX MISSILE PLAN

HON. ROBERT J. MRAZEK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. MRAZEK. Mr. Speaker, contrary to recent impressions put forth by the Reagan administration, no consensus exists in this Nation among the experts on the subject of MX missile deployment. Although the Scowcroft Commission's findings recommended procurement of the MX in conjunction with development of the single-warhead Midgetman missile, the following letter should demonstrate that serious reservations remain concerning the MX among others with vast knowledge on matters of strategic weaponry.

Mr. Speaker, I hope my colleagues will consider the sentiments contained in this message when the debate on the MX missile resumes this year. The letter follows:

STRATEGIC EXPERTS URGE CONGRESS TO REJECT MX MISSILE PLAN

The recent Scowcroft Commission recommendation that the United States should
both procure the MX missile and proceed with research and development of a new, single-warhead missile, the so-called Midgetman, is based upon an assertion that these two weapons are linked into a complex and indivisible strategic whole. This assertion is untenable. The MX and the Midgetman are not inevitably wedded together and should not be considered as a package. We urge the Congress to examine and debate these two missile programs as individual proposals, and to decide upon the fate of each without reference to the other.

The proposal to build a new, single-warhead intercontinental ballistic missile has many interesting aspects—the idea should be examined at length and in depth. In the end, the final value of such missile may be found less in its technical characteristics, and more in the number of missiles procured, the basing system(s) selected, and the arms control context under which it is deployed. In any event, research into the Midgetman should not be held hostage to a decision to procure the MX.

The MX has been debated at length for several years—it should now be possible for the Congress to resolve the issues of whether the MX should be procured and how it should be funded independently on that weapon's technical merits. The Commission's proposal to permanently base the MX in existing areas is not a final answer. The MX, which repeatedly stated are vulnerable to Soviet attack certainly raises grave questions on the way we will add to the already de­terrent force. The potential vulnerability of fixed land-based missiles suggests that the MX is intended for use as a first-strike weapon. If so, its survival for second-strike use cannot be assumed.

We believe that placing the MX missile in fixed silos will detract from, not add to, our deterrent force. The potential vulnerability of the MX since its survival for second-strike use cannot be assumed.

...
number of ways and from a variety of places.

The following statistics will give you an idea of the extent of the problem we are facing. According to the DEA, in 1982 there were 2,861 thefts by night breakins, 1,037 thefts by armed robbery, 876 employee thefts, 247 cus­
tomer pilferages, and 833 incidents of loss in transit. Each one of these thefts or losses involves a large number of drugs. The average night breakin resulted in a loss of over 4,000 dosage units. This data clearly rein­
Forces the need for enactment of legis­
lation. This bill was designed in response to the statistics compiled by the Drug Enforcement Administration. The bill is comprehensive and addresses a seri­
A SPEECH BY THE HONORABLE ALBERT GORE, JR.

HON. RON WYDEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 5, 1983

Mr. WYDEN. Mr. Speaker, my good friend and colleague from Tennessee, Albert Gore, Jr., recently delivered a speech in Memphis, Tenn., concerning the issues in the Middle East. His thoughtful analysis of the complex problems in this area is very insightful and I would like to share it with you.

His speech follows:

REMARKS OF HON. ALBERT GORE, JR., BARON HIRSH SYNAGOGUE, MEMPHIS, TENN., APRIL 24, 1983

I am very pleased to be here today, I wel­
come this opportunity to discuss with you the present situation in Israel and the Middle East—A subject that is important to all of us. I know that so many of you have worked tirelessly over the years in support of Israel and I share your concern that Israel be strong and secure.

It is time for Israel's neighbors to realize how much more they have to gain by making peace rather than needlessly pro­
longaing a state of war. Let them finally put to rest their refrain of "no recognition, no negotiations, no peace." That position has accomplished nothing—nothing that is, except the tragic continuation of hatred and hostility.

The United States must make it unmistak­
ably clear to all nations that Israel is a per­
manency and key part of the map of the Middle East. It is appropriate to be discussing the secu­

rety of Israel's Independence and just after the season of Passover, the Festival of Free­
dom. There is a saying that each generation should consider itself as if it participated in the Exodus—just one of all too many examples of efforts to destroy the Jewish people. I recently attended a Seder with a family in Nashville. I admire a tradition that places such emphasis on teaching its young people the importance of freedom.

There is also the importance of Israel today—a tiny, narrow country, surrounded by hostile armies, called upon to defend her very exist­
ence in tumultuous world history. And yet, Israel is the only democratic socie­
ty in the Middle East.

To ask questions, as so many families have just done during the Passover season is a sign of freedom. Is it not now time for the people of the Arab Nations to ask their leaders fundamental questions about their future, their hopes and dreams, and the lives of their sons and daughters? As the days of wine are spilled on the Seder Plate, we do not rejoice in Arab suffering, and we wonder when they too will develop leader­ship committed to peace, compassion, and the values of hope.

All of our prayers and hopes are for an Israel at peace. We share the dream of a day when Israel is free of threats to some­
thing so obvious to all, especially the

Americans—that the Israeli Defense Forces are the strongest deterrent in the region and what is so obvious to all, especially the

Russians—that the Israeli Defense Forces are the strongest deterrent in the region and what is so obvious to all, especially the

First, at the very end of the 1978 War, Israel was proclaimed a nation in May, 1948. It is no secret that there were those who advised President Truman against recognizing Israel. But the President did what he thought was right and helped Israel gain some measure of ac­
ceptance in the world. And for 35 years, the special relationship has deepened and grown stronger.

It is important for us to remember that each country contributes to this special rel­
ationship and benefits from it. Israel is a strong and independent democracy, with a free and vocal press, contested elections, peaceful transitions of government, and a commitment to freedom of speech and the right to dissent. All of the world's major re­
ligious luminaries praise Israel. Israel provides free access to all that is happening to the world that was denied to Jews when Jordan controlled them prior to the Six Day War. It is very sad that so many countries have lost belief in democratic values. When our government disagrees with Israel on one issue or an­
other, it is important to keep in mind our common commitment to basic democratic ideals.

It is particularly important also to remem­
ber that Israel is of great strategic value to the United States. This contribution should never be overlooked or underestimated. Israel is our closest and most stable ally in a volatile part of the world. In the thirty­
five years of Israel's existence, her army has demonstrated truly outstanding abilities, at times against overwhelming odds. It is not difficult to imagine circumstances when the United States might choose to take advan­
tage of this situation in the future and per­
haps even her military facilities. Our own military leaders talk about a rapid deploy­
ment force stretched over thousands of miles, but too often fail to acknowledge what is so obvious to all, especially the Rus­
sians—that the Israeli Defense Forces are the strongest deterrent in the region and what is so obvious to all, especially the

Fourth, at the same time we are delaying the shipment of arms to Israel, the Presi­
dent is discussing arms sales with other countries in the area. Just as I opposed the sale of AWACS to Saudi Arabia as not con­
ductive to the peace process, I will continue to oppose these proposed sales. I have signed a letter to the President stating my strong opposition to the sale of planes to Jordan, unless King Hussein actively and openly joins the peace process. He has now once again refused to do so. Jordan has op­posed U.S. efforts to bring peace to the Middle East, has rejected Camp David and, of course, does not even recognize Israel. More tragically, it is also the recipient of some actions by our government have not been in the best interest of the United States.

Let me briefly discuss four recent in­
stances that have strained the relationship. First, United States and Israeli negoti­
or

ators had reached an agreement on the shar­
ing of military information gained by Israel during the war in Lebanon. Even though the agreement was negotiated and initia­
ed by our Defense Department officials, Secretary of Defense Casper Weinberger rejected it because of Israeli requests for safeguards to prevent this information from falling into the hands of its enemies. As a member of the House Intelligence Committee, I know how useful this kind of information has been in the past. It has been enormously successful in combating Soviet weapons and Israel has first-hand battle­
experience using American arms. Ameri­
can security is at stake and we know what works and what needs improve­
ment. It knows the strengths and weaknesses of Soviet military equipment, and has sold some of the most advanced Soviet weapons. Access to this material makes our own defense planning more accu­
rate and more efficient. In addition, it saves us unnecessary expenditures. Indeed the lessons learned by Israel can help our own Defense Department reduce the cost of new weapons. In order to avoid further strains in the relationship, Israel has agreed to provide this information to the United States with the hope it will not be passed on to other nations, specifically those that might give it to Israel's enemies.

Second, I disagree with the Reagan Ad­

ministration's proposal to sharply cut grant military aid to Israel. The President has asked for $200 million less in grant military aid than was appropriated last year. Since I have been in Congress, I have supported military aid to Israel because of Israeli requests for safeguards to prevent military information gained by Israel during the war in Lebanon from falling into the hands of its enemies. As a member of the House Intelligence Committee, I know how useful this kind of information has been in the past. It has been enormously successful in combating Soviet weapons and Israel has first-hand battle­
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Third, I am troubled by the Administra­
tion's delay in finalizing the sale of seventy­
five F-15 airplanes to Israel. These planes were originally scheduled to be sold to Israel last June. I urge the President to expedite their shipment. There is no good reason for further delay. We should be preparing Syria by strengthening Israel.

Fourth, at the same time we are delaying the shipment of arms to Israel, the Presi­
dent is discussing arms sales with other countries in the area. Just as I opposed the sale of AWACS to Saudi Arabia as not con­
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engages in direct negotiations with Israel should the United States even consider selling arms to Jordan. It is not necessary to agree with or condemn the president's views, but it is important to consider the details of a final agreement which it then tries to persuade the nations in the region to accept. The only real true method is that of an "honest broker", facilitating negotiations between the nations involved. This approach is the one which was spectacularly successful at Camp David. The recent rejection by King Hussein of President Reagan's plan shows once again that the "honest broker" approach is the best and most productive way to proceed.

The United States, in its analysis of the President's plan, but any discussion of this plan, or any other peace plan, is purely academic. Unless King Hussein of Jordan is prepared to negotiate with Israel, there will be no movement toward peace in the Middle East. Sadly, King Hussein is opposed to the President's plan, as was I speaking directly to God. Kissinger said, "Golda, are you sure that when I pray at the Western Wall, your prayers go directly to God?" Golda Meir replied, "Don't tell me you already speak directly to God." "Good," said Henry, "I was just checking."

Kissinger went to the Wall and said loudly, "God, I pray for peace for the people of Israel." He looked at Golda and said, "Golda, was I speaking directly to God?" The reply was, "Yes, Henry, you are talking to the wall."

The existence of Israel for the past thirty-five years is a fact. Recognition of Israel by other neighbors is not a concession for which Israel must negotiate. Once Jordan, or any other country, agrees to recognize and negotiate with Israel, I think Israel might be surprisingly forthcoming in the concessions it is prepared to make. The peace process is a powerful force anywhere in the world, but especially in Israel. Israelis are a proud people and they are prepared to defend their freedom and their country. But the cost is high. The loss of life over the past thirty-five years has been staggering. Give the people of Israel a chance to put this loss of life behind them and there will be a strong desire within Israel to accept. And the more confident and secure Israel feels in its relationship with the United States, the easier it will find making concessions with its neighbors.

Let King Hussein look at the treaty between Israel and Egypt as his example. Since its birth, Israel has sought peace—but one country cannot negotiate by itself. When Anwar Sadat came to Jerusalem and recognized Israel, Prime Minister Begin made far-reaching concessions to achieve peace. Returning the entire Sinai was painful for Israel, but when Egypt, enabled Israel to take this most difficult step and the Sinai was returned on schedule. The negotiations between Egypt and Israel were too slow to develop. But Egypt and Israel chose to resolve their differences by negotiations and diplomacy. The peace treaty, signed four years ago, proves that the 500,000 barrels of oil a day to Israel. This provision is being fulfilled. Egypt and Israel are at peace. They are making efforts to undo the history of hostility brought about by decades of war. Does anyone doubt that both Egypt and Israel are better off today having signed a treaty than they would be without one?

The United States plays an important role in this process. Without American counsel and encouragement, and more than a little persistence, the Egyptian-Israeli peace treaty would not have been achieved. We are ready to provide the same help to the Jordanian-Israeli negotiations, whenever King Hussein is prepared to participate. We can offer the good offices of our diplomatic service. We can provide assistance to assure that the terms of agreements are carried out—technology that includes early warning systems and satellite photography. Small numbers of American soldiers can participate in multi-national peacekeeping forces. The United States is the only world power with credibility on all sides of the dispute. We should continue to provide economic aid to those countries participating in the peace process. The United States is much more political and the provision of economic aid to countries at peace, rather than military aid to countries waging war.

I admire what this young country of Israel has accomplished in thirty-five years. When I look at Israel, I think how sad it is that in its long struggle for freedom and independence, it has been so frequently a target for so much of its resources to its defense; now that it is so many of its best young lives have been sacrificed to war. But despite all these sacrifices, Israel has survived; it has thrived. Israel has built great universities and medical centers, trained outstanding scholars and scientists, developed its agricultural resources and induc-
May 5, 1983

Back in 1978, when it passed Public Law 95-625, Congress recognized the unique value of the Santa Monica Mountains. Yet, only $41 million authorization of $155 million, has been appropriated. As a result, the Santa Monica Mountains National Recreation Area has lagged behind other areas established at the same time, in terms of land acquired. We have waited for our turn for funds, and we hope it will be this year.

I was born in southern California and I have lived there all my life. I would like to let you know how important these mountains are to all of us. They are literally vital to us, for they are the airshed that provides the fresh air that we must breathe. Without action to protect the trees of the Santa Monica Mountains, the future could have us all choking on fumes.

But the Santa Monica Mountains provide us with more than just air. It is part of the most beautiful area of our State. It provides a place to relax and learn from nature. Just how much the people of southern California appreciate the Santa Monica Mountains Recreation Area is shown by the attendance figures: no less than 29 million visitors to public lands within the National Recreation Area, 7 million visitors through National Park Service Areas and $95,000 visitors to National Park Service activity areas. The Santa Monica Mountains are as necessary to Los Angeles as Central Park is to New York, as the Common is to Boston, because Los Angeles is not a traditional downtown-core city, but one that is spread out, so it is only fitting that its greatest park should lie outside the city itself. The Santa Monica Mountains are one of the closest parklands to any American city, and so are all the more important.

If our southern California is not to become one enormous slab of concrete, we must preserve our natural beauty and heritage. That is what I have urged Senator Wilson, my California colleagues, and now this committee to do in appropriating funds for the Santa Monica Mountains.

The Santa Monica Mountains have lagged behind our other National Recreation Areas in terms of land acquisition. Only 11 percent of the planned land acquisition has been completed to date on the Santa Monica Mountains.

In comparison, other National Recreation Areas have achieved much higher levels of completion: Gateway, 106 percent, Indiana Dunes, 85 percent, Golden Gate, 73 percent, Cuyahoga: 71 percent, and Chattahoochee—authorized at the same time as Santa Monica Mountains—are one of the closest parklands to any American city, and so are all the more important.

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THE PAIUTE RESTORATION ACT

HON. DAN MARRIOTT
OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. MARRIOTT. Mr. Speaker, under Public Law 96-227, the Paiute Restoration Act, Congress authorized up to 15,000 acres of land for the enlargement of the Paiute Tribe of Utah’s present reservation and restored tribal status to the Paiute community. Today, I have introduced legislation, H.R. 2898, which will provide approximately 5,000 acres of land to fulfill that mandate, along with a 5-year trust fund for economic development of that land.

During the past 3 years, since the enactment of Public Law 96-227, the Bureau of Land Management, the Bureau of Indian Affairs, the Department of the Interior, the U.S. Forest Service, and the Paiute Indian Tribe Commission for Self-Determination have been working on proposals for the land restoration. Unfortunately, 3 years have passed since the passage of the original mandate and still no plan has been adopted. It is important for the 98th Congress to fulfill the mandate of the 96th Congress. H.R. 2898 will do this. It is a workable compromise based on the proposals, opinions, objectives, and suggestions of all the parties involved.

H.R. 2898 will provide that certain lands in the State of Utah be held in trust for the benefit of the Paiute Indian Tribe. In addition, this measure establishes a fund for the economic development of the land, a trust fund financed by revenues received from public lands. It is important to note, Mr. Speaker, that these moneys are to be used by the tribe collectively for the economic development of the lands being transferred to the tribe; these are not “pocket” reimbursements for any previous wrongs.

Public Law 96-227 provided for up to 15,000 acres of land. We, by passing this measure, will transfer just 5,000 acres of land, but along with that will provide a 5-year trust fund to provide for economic sustenance off of the lands. Public Law 96-227 indicated the intent of Congress by stating that the Federal trust relationship be restored to the Paiute Tribe of Utah and that lands be provided for “the benefit of members of the tribe or bands.” By providing lands to the tribe, along with the limited trust fund to be administered by the Secretary of the Interior, the Paiute Tribe of Utah will now be able to provide an economic base for their community.

Mr. Speaker, it has always been the intent of Congress restored to the tribe their tribal status, that they be a self-sufficient body, not dependent upon funding from the Bureau of Indian Affairs. It is my belief that we should provide these lands and the funds for development of the lands to provide a sound economic base. This is consistent with substantial historical and economic justification. The Paiute Tribe wishes to be part of the economic mainstream, while maintaining their heritage and traditional religious beliefs.

Mr. Speaker, the Governor of the State of Utah, along with my colleagues in the House and Senate, know the importance of this piece of legislation. This is a compromise document. In fact, many individuals in Utah supported an even greater land transfer proposal, including the Governor’s office.

While opposition to the stronger proposal was heard in the State of Utah, many of the objections to the measure have been eliminated in H.R. 2898. For example, this bill will not levy taxes on any existing land rights nor annulate existing grazing rights, usurp existing water rights, hunting or fishing rights. Nor will the tribe have claim to any mining rights. In fact, no coal reserves or leases are involved in the land being transferred.

The tribes are subject to the laws—both civil and criminal—of the State of Utah and the United States. No one is opposed to providing the tribe the opportunity to achieve self-determination and economic self-sufficiency. By having a 5-year trust available to the Paiute Tribe for development of the 5,000 acres of land provided for in H.R. 2898, Congress will provide them that opportunity to develop self-sufficiency—and, in future years, the tribe will no longer be in need of the $500,000 they received in 1982 from the BIA.

Is it not better, Mr. Speaker, to provide $500,000 for 5 years rather than an escalating amount for an indefinite period?

Further, Mr. Speaker. I have been informed that the House Interior and Insular Affairs Committee, chaired by my good friend and colleague, Representative Morris Udall, has authorized that I hold public meetings later this month, May 27, in Utah to receive comments on the proposed legislation. After consultation with Utahans, their concerns will be presented at a hearing in Washington, D.C., on June 2 on H.R. 2898, and hopefully markup of this legislation can be concluded on June 9.

This is a mandate Mr. Speaker, from the 96th Congress. I urge that my colleagues in the 98th Congress collectively join with me in fulfilling this mandate.

EXTENSIONS OF REMARKS

May 5, 1983

TRIBUTE TO A TRUE YANKEE

HON. JUDD GREGG
OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mr. GREGG. Mr. Speaker, today I want to call to the attention of my colleagues the dedication of a man who exemplifies the characteristics of a true Yankee. Haven Little, of Rumney, N.H., will be honored at an afternoon reception in the Rumney Town Hall, on May 15, for his 45 years of service as a town selector.

Selectmen serve as the governing body of town affairs, taking care of social security forms, timber tax forms, the road department, the cemeteries, the town bills, the tax books, and believe it or not, answering individual problems, including what to do about a hedgehog gnawing on an outdoor door. Obviously serving as a selectman is a humbling experience. A special kind of individual is needed who is willing to be held accountable to such a degree for solutions to the townspeople’s problems. Over 45 years, Mr. Little has been an irreplaceable part of the governing of Rumney, including going before the people at the annual town meeting. As some of you may know, the town meeting form of government requires an annual meeting of the townspeople to adopt annual operating and capital budgets, enact ordinances, and take other actions required or authorized by State law. All registered voters of the town may vote. Articles are passed by a simple majority unless a State law states otherwise. The board of selectmen is responsible for presenting background information on the articles voted on at the town meeting. This small-town government is very important to the people of New Hampshire.

Mr. Little has played a vital role in keeping government by the people a continuing tradition. When he first ran for selectman, in 1937, Mr. Little barely won, by one vote. At that time most of the town was in farms and selectmen would go out, house to house, farm to farm, with inventory blanks. At town meeting things might get a little hot, but everyone knew everyone and it was all carried out with good humor. Today, the inventories are mailed out. At town meetings there are many more people finding fault and asking questions and there is a different atmosphere because people do not know each other. Mr. Little will not say it was better in the thirties, only different.

Clearly Mr. Little’s steadfast service of 45 years is a fine example of a true Yankee, a person who works hard, cherishes independence, is plain spoken, and most of all is practical in

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that he makes do with what he has in good times and bad. I hope my colleagues will join me in saluting Haven Little, a true Yankee.

CARGO PREFERENCE

HON. VIRGINIA SMITH
OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

Mrs. SMITH of Nebraska. Mr. Speaker, I would like to comment regarding H.R. 1242, providing cargo preference for 20 percent of all bulk imports and exports, introduced by my good friend and colleague, Mrs. Boggs. Lindy and I work closely together about water resources and navigation, and share many of the same concerns about water resources and navigation. However, today I must take exception to the cargo preference provisions contained in H.R. 1242.

Before expounding my objections, I would like the Members to know that I understand and sympathize with the motivations for this measure. The decline of U.S. shipbuilding and U.S.-flag fleet cargo capacity is well documented. This steady downturn beginning after World War II has undoubtedly contributed to economic loss in the building communities and U.S.-flag lines.

In light of this situation and because I recognize the value of a strong and competitive merchant marine, I voted in favor of H.R. 4374, the Shipping Act of 1982. I have a letter from Chairman Brock thanking me for my vote and stating that the shipping law changes embodied in the Shipping Act would make the merchant marine more competitive and efficient. I know that the bill did not see passage in the Senate last year, but I hope sponsors and supporters have not given up on this regulatory approach to upgrade the competitive standard of U.S.-flag ships.

Although I had serious reservations about voting in favor of the Shipping Act, I felt that it was a much more rational approach to revitalization than the concept of expanding guaranteed business through cargo-preference rules.

U.S. agricultural interests have been fighting a losing battle to increase our exports over the last 2 years. The combination of bumper crops worldwide, economic recession, increased value of the dollar, and competitive trade practices by other exporters have all contributed to economic losses in the export and, hence, the farm sector. The 1983 forecast shows $36.5 billion worth of agricultural exports versus $42 billion in 1981 or a 16.6-percent decline. Using history as a guide, this legislation would further erode our competitive standing in the international grain trade by increasing ocean transportation costs that would inhibit demand. Further, H.R. 1242 would prolong the expansion and eliminate jobs, not create them.

In an assessment of a similar piece of legislation put forth last year, the General Accounting Office stated that the ability of exporters to pass on these increased ocean freight costs depends on the particular commodity's price advantage relative to its competitor.

This year our agricultural export volume will fall for the third year in a row. More importantly, we are losing our market share of many commodities, which means that other countries are increasing their exports while ours are decreasing. This situation makes it easy to see that our commodities do not enjoy a price advantage that would enable exporters to pass through increased costs.

Also, with 25 percent of the dry bulk fleet out of operation and ocean freight rates falling due to world economic conditions, it is highly unlikely that the trade-deficient sector could absorb the increased costs.

Who will pay the increased costs then? I predict they would be passed directly back to agriculture. Exporters would be forced to reduce prices to producers would be forced lower.

If the present cargo preference laws have done nothing else, they have at least given us a quantitative measure of how U.S.-flag bulk-carryer rates compare to foreign-flag bulk-carryer rates. The following table illustrates weighted ocean-freight differentials calculated from actual negotiated voyage charter rates from all U.S. ports that service both U.S.-flag and foreign-flag heavy grain carriers:

<table>
<thead>
<tr>
<th>OCEAN FREIGHT DIFFERENTIALS (ODF)</th>
<th>(Dollars per metric ton, volume in metric tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year</td>
<td>U.S. Flag</td>
</tr>
<tr>
<td>1980</td>
<td>81.15</td>
</tr>
<tr>
<td>1981</td>
<td>77.92</td>
</tr>
<tr>
<td>1982</td>
<td>78.93</td>
</tr>
</tbody>
</table>

Using the latest ocean freight differentials of $52.98 per metric ton for the first two quarters of 1982, it can be deduced that the bill's provisions calling for 25 percent cargo preference on all imports and exports in the first year after passage would result in the loss of 14,185 jobs in the agricultural sector alone. This estimate is drawn from employment figures in an April 1981 USDA staff report, "Agriculture's Role in the U.S. Economy." The report shows that every $1 billion in agricultural exports accounts for 35,000 jobs. Grain exports for 1983 are estimated at 153 million metric tons (MMT) and assuming 7.65 MMT—5 percent—would be carried by U.S.-flag ships in the first year—$408 million would be added to transportation costs. Since these costs could not be passed through, they would be translated into reduced sales and fewer jobs.

Taking the scenario one step further and figuring a full 20-percent set-aside for U.S.-flag ships, the legislation would cost $6,830 jobs. This admittedly rough estimate is pertinent because it demonstrates the resultant magnitude of the loss of jobs in one sector when resources are statutorily diverted to another sector. The total estimate of ship-related job creation is 112,000, while the effect on only one of the many sectors encompassed by H.R. 1242 would negate the job creation by 50 percent. When the impacts on all the other exporting and importing industries are calculated, the net job loss would be tremendous.

I can only speak about the effects of this legislation upon the agricultural sector of the economy. If I have outlined for this one sector are reflected in other kinds of import and export businesses, and I predict they would, this body may agree that H.R. 1242 is not in the best national interest.

Let me turn briefly now to the other main purpose of H.R. 1242. The argument for an expanded U.S. bulk fleet has constantly been based on strategic military needs. Rather than rely on my own opinions regarding this argument I need only to turn to an April 1982 letter from the Department of State to Clement Zablocki, chairman of the House Committee on Foreign Affairs. An excerpt from that letter outlining the Department of State's position on last year's attempt to increase cargo preference—title IV of H.R. 4377, the Port Development and Navigation Improvement Act of 1982—follows:

In the view of the Department, Title IV would not substantially increase security of supply or the primary rationale for its passage. While only about two percent of U.S. bulk imports and exports are carried in U.S.-flag vessels, a much larger percentage is carried in foreign-flag vessels owned and controlled by American citizens and corporations. The Department agrees with the assessment made by Secretary Weinberger in June 1981 that there is no basis to believe that most of these vessels would not be available when needed in time of war and national emergency. Still other vessels are controlled by U.S. entities under long term charters, and the great majority of the remainder of the world's merchant fleet is managed by nationals of our allies. Under these circumstances, a U.S.-flag bulk fleet would not significantly improve the security of supply of bulk cargo even in times of national emergency. Moreover, it is difficult to understand what interest we would have in securing the supply of exports under these circumstances.

I remind the House that this comes from an administration currently being accused of military extrava-
In contrast, maritime subsidies are designed to prop up an undercapitalized and uncompetitive shipping base. I urge the House Merchant Marine Subcommittee to defer action on H.R. 966 until 1984, to provide time to support the merchant marine in its efforts to regain a sizable share of this country's bulk cargoes. I implore shipping interests not to follow the path of the past that has led nowhere, that cannot possibly redound to continued recession in the agricultural economy, and would eliminate countless thousands of jobs in the general economy.

H.R. 966—THE SAVING OF JOBS THROUGH STRENGTHENING TRADE REMEDIES

HON. BOBBI FIEDLER
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 5, 1983

My testimony deals with H.R. 966, a bill amending the Trade Act of 1974 that I believe has the potential to help restore jobs and export potential that have been lost as a result of unfair trade practices by foreign nations. I believe that this bill is a powerful weapon against protectionism and for the free trade that will keep America working, for it would allow Congress to become directly involved in countering unfair trade practices. I have appended a copy of my testimony before the Trade Subcommittee of the House of Representatives on Ways and Means and a copy of H.R. 966 itself. H.R. 966 provides a significant and yet highly feasible step in helping to restore American jobs and export potential.

TESTIMONY OF HON. BOBBI FIEDLER

Mr. Chairman, I appreciate having the opportunity to express my views concerning trade remedy laws. I have introduced legislation, H.R. 966, that I believe can make a significant contribution in this effort. I commend this Committee for taking on this challenge to restore America's competitive leadership.

We all know that free trade increases the standard of living of all our citizens. Likewise, we know, from experience, that protectionism hurts people. It increases consumer prices, limits consumer choices and international efficiency. America is an exporting nation. We all benefit from a free international flow of goods. Unfortunately, today, changing economic realities have pushed many nations away from the responsibilities of our interdependent global economy.

In recent years, America's export performance has declined. It may well continue to unless we seriously examine those restrictive policies of other nations that restrain U.S. trade and our response to these barriers. We must provide the leadership to expand international markets, for the job situation in this country depends heavily on the future. We have gone out of five manufacturing jobs producing products for export, our action is demanded.
what has been done and what needs to be done. While Commerce does provide limited information now, it does not provide information that focuses on specific unfair trade practices.

Currently, Congress is not directly involved in the Section 301 process; only the President or private business can initiate an application for investigation. H.R. 966 will give Congress a vehicle that provides leverage to directly affect the decisions the President makes on unfair trade practices, rather than being kept from direct involvement in this key area.

Congressional action would be initiated by adopting a concurrent resolution, citing a particular foreign trade action that Congress has determined to be unfair and requesting Presidential action. Within 21 days, the President will publish, in the Federal Register, what action, if any, he is taking in response to such unfair trade practices. It does not mandate any specific sanctions by the Executive branch.

The annual report, combined with Congress’ own expertise and resources, will make the Congress a valuable ally to the U.S. Trade Representative in his international negotiations and as a part of our national effort to keep America exporting. H.R. 966 would complement the existing remedies available under Section 301 of the Trade Act of 1974 without prejudicing or reducing any of the other remedies available, and in practice should present no obstacle to the use of any of them. Much proposed legislation has come before the Congress recently dealing with issues touching the broad spectrum of international trade. I believe H.R. 966 is entirely consistent with the thrust of what we, in the Congress, are trying to achieve—to encourage free competition and trade, but to discourage the unfair trade practices by foreign countries that have cost us so much in jobs and opportunities in the past.

Indeed, I believe that the enactment of legislation such as H.R. 966 would reduce the need for the use of any of the many remedies for our trade problems that now exist. Such legislation, by its very existence, would help to deter foreign countries from instituting or carrying out unfair trade practices. Deterrence would be helped by the knowledge that the Congress could act quickly to request action and to have the President come to grips with the issue. It would certainly be much more of a deterrent than the long adjudication times in many Section 301 proceedings.

Today, the institution of world trade is faced with a choice. It can either proceed toward protectionism and all the hardship that it entails, or proceed toward the free system of exports that holds the potential for economic growth for America. I believe that by adopting H.R. 966 and thus strengthening Section 301, we would be arming ourselves with a strong, sharp sword. A weapon that would deter as much as it would retaliate against those who have violated the rules on international trade. I urge this committee to give it its full consideration.

H.R. 966
A bill to amend the Trade Act of 1974 to provide for congressional initiation of actions to respond to unfair foreign trade practices, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That chapter 1 of title III of the Trade Act of 1974 (19 U.S.C. 2411-2416) is amended—

(1) by adding at the end of section 301(c) the following new paragraph:

(3) ACTION REQUESTED BY CONGRESS.—If the Congress adopts a concurrent resolution that—

(A) states in effect that the Congress considers that an act, policy, or practice of a foreign country or instrumentality is an act, policy, or practice described in subsection (a)(2)(A) or (B); and

(B) requests the President to take action with respect to such act, policy, or practice under this section;

then not later than twenty-one days after the date on which the concurrent resolution is adopted the President shall determine what action, if any, he will take under this section, and shall submit written notice of his determination, including the reasons for the determination, to each House of Congress and shall also publish such notice in the Federal Register. Before making such a determination, the President shall provide opportunity for the presentation of views concerning the matters raised in the concurrent resolution;”;

(2) by adding at the end thereof the following new section:

“SEC. 307. PRESIDENTIAL REPORT REGARDING EFFECT OF FOREIGN PRACTICES ON BALANCES OF TRADE.

Within ninety days after publication by the Department of Commerce of its complete balance-of-trade results for any year after 1982, the President shall submit to each House of Congress a report specifying, with respect to each foreign country or instrumentality with which the United States had, according to such results, a negative balance of trade for that year—

“(1) the extent to which such negative balance of trade was attributable to acts, policies, or practices of such country or instrumentality that are acts, policies, or practices described in sections 301(a)(2) (A) and (B); and

“(2) what actions were taken during such year under the authority of this chapter, as well as other provisions of law, to eliminate each such act, policy, or practice, and the results of such action.”; and

(3) by amending the table of contents of such Act of 1974 by inserting immediately after

“Sec. 306. Administration.”

the following:

“Sec. 307. Presidential report regarding effect of foreign practices on balances of trade.”.

EXTENSIONS OF REMARKS

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