

EXTENSIONS OF REMARKS

H.R. 2107

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. JONES of Tennessee. Mr. Speaker, today I am introducing the Agricultural Credit and Rural Development Act of 1985. It is my intention that this bill be used as the basis for markup next week when the House Agriculture Subcommittee on Conservation, Credit, and Rural Development, which I chair, begins work on a credit and rural development title for inclusion in the 1985 omnibus farm bill.

Nothing in this legislation I am introducing today is particularly controversial or costly. In fact, virtually every provision of this bill, in similar form, has been approved by the House on at least one occasion in the past 3 years: H.R. 5831, passed House on September 9, 1982; H.R. 1190, passed House on May 3, 1983; and H.R. 1035, passed House on February 27, 1985. Unfortunately, in all three cases no further action was taken on these bills once they passed the House.

As I view it, this bill is a compilation of basic agricultural credit and rural development initiatives which have surfaced over the past several years, and which continue to enjoy broad support, even today. I have purposely not included certain controversial provisions which have been contained in previous bills of this kind when Congress was considering emergency credit legislation. Obviously, the 1985 omnibus farm bill will not be enacted for months to come, and can be of little comfort to farmers who are strapped for operating credit this spring. By his veto last month, the President effectively ended any hope for substantive emergency credit relief for American farmers this year.

Once the committee begins its work on the credit and rural development title of the farm bill, this legislation will, of course, be open to changes and subject to any germane amendment. However, it is my hope that the Agriculture Committee and the Congress will focus on the problem of lack of profitability in agriculture instead of expending its efforts on an attempt to substitute credit for profit.

Following my remarks I insert a brief explanation and the legislation text of the Agricultural Credit and Rural Development Act of 1985:

BRIEF EXPLANATION—AGRICULTURAL CREDIT AND RURAL DEVELOPMENT ACT OF 1985

(By Mr. Jones of Tennessee)

I. WATER AND WASTE FACILITIES

(1) Direct the Secretary of Agriculture to establish a graduated scale of grant rates reflecting higher rates for communities with lower population and income levels which demonstrate a financial need, and fix the maximum grant rate (75 percent of costs) for projects in communities with a population of 1,500 or less and an income level not exceeding the higher of the poverty line prescribed by the Office of Management and Budget (OMB), or 80 percent of the Statewide nonmetropolitan median household income.

(2) Direct the Secretary to establish a projects selection system for choosing among applicants for loans and grants, the system to give equal weight to factors of (i) low community income, (ii) small population, and (iii) health hazards resulting from lack of potable water or inadequate waste disposal. These three factors would account for not less than 75 percent of the total rating points in the project selection system.

(3) Authorize grants to private nonprofit organizations for the purpose of enabling them to provide technical assistance and training to associations likely to receive loans or grants.

(4) Authorize up to \$10 million per year in grants to associations to test new, cost effective methods of serving communities which do not have and cannot afford safe drinking water.

(5) Change the standard for low-income areas eligible for 5 percent interest rate loans from those having an income level below the poverty line to those having an income level below 80 percent of the Statewide non-metropolitan median household income or the poverty line, whichever is higher.

(6) Establish a 7 percent maximum loan interest rate for borrowers which do not qualify for 5 percent loans but which have an income level not exceeding 100 percent of the Statewide nonmetropolitan median household income.

(7) Provide that interest rates on loans for water and waste facilities and loans for essential community facilities shall be the lower of (i) the rate in effect at the time of loan approval, or (ii) the rate in effect at the time of loan closing.

II. BUSINESS AND INDUSTRIAL LOAN LIMITS

Impose a limit of \$25 million on the size of any individual Business and Industrial loan which may be made, insured, or guaranteed by the Farmers Home Administration (FmHA).

III. ELIGIBILITY FOR EMERGENCY LOANS

Make clear that eligibility of applicants for FmHA emergency disaster loan assistance based on production losses is to be based solely on criteria specified in the Consolidated Farm and Rural Development Act and is not to be affected by whether or not the Secretary designates a county under a disaster declaration.

IV. FmHA COUNTY COMMITTEES

(1) Provide for FmHA county committees of three members, two of whom to be elected by farmers residing in the county, and one appointed by the Secretary. Committee members would serve staggered, three-year terms.

(2) In selecting the appointed member, the Secretary would ensure to the greatest extent practicable, that the Committee is fairly responsive of the farmers in the county.

(3) Authorize the Secretary to appoint an alternative for each member, and to remove members for cause.

(4) Authorize the Secretary to issue necessary regulations for election and appointment of members and alternatives.

V. REAUTHORIZATION

Add to the Consolidated Farm and Rural Development Act provisions reauthorizing program lending levels for each of the fiscal years 1986-1988 as follows:

(1) Real estate loans: insured (direct), \$650 million; guaranteed, \$50 million; total \$700 million.

(2) Operating loans: insured (direct), \$2,500 million; guaranteed \$650 million; total \$3,150 million.

(3) Emergency disaster loans: Such amounts as may be necessary.

For the real estate and operating loans, authority is provided to transfer 25 percent of the funds between direct and guarantee loan categories.

At least 25 percent of any amount available for insured (direct) farm real estate and operating loans would be for low-income, limited-resource applicants.

(4) Insured water and sewer facility loans: \$340 million.

(5) Industrial development (Business and Industrial) loans: \$250 million.

(6) Insured community facility loans: \$150 million.

VI. ADMINISTRATION OF GUARANTEED FARM LOAN PROGRAMS

To achieve greater participation in FmHA's farm loan guaranteed programs, direct the Secretary to ensure that loan guarantee programs are responsive to the needs of borrowers and lenders. Direct the Secretary to establish a procedure for making advances to lenders on guarantees on nonperforming loans prior to liquidation.

VII. ADVANCE RECOURSE COMMODITY LOANS

For the 1986 through 1990 crop years, provide discretionary authority for the Secretary to make advance recourse loans through the CCC available to producers of program crops if the Secretary finds it necessary to ensure adequate operating credit is available to farmers.

H.R. 2107

A bill to provide agricultural credit and rural development assistance, and for other purposes

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 "Agricultural Credit and Rural Development Act of 1985".

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

WATER AND WASTE DISPOSAL FACILITIES

Sec. 2. Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by—

(1) adding at the end of paragraph (2) the following: "The Secretary shall fix the grant rate for each project in conformity with regulations promulgated by the Secretary that shall provide for a graduated scale of grant rates establishing higher rates for projects in communities that have lower community population and income levels: *Provided*, That the grant rate shall be the maximum rate permitted under this paragraph for any project in a community that has a population of fifteen hundred or less inhabitants and a median household income level which does not exceed the higher of the poverty line prescribed by the Office of Management and Budget, as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971(d)), or 80 per centum of the statewide nonmetropolitan median household income."; and

(2) adding at the end thereof new paragraphs (16), (17), (18), and (19) as follows:

"(16) In providing financial assistance for water and waste disposal facilities under this section, the Secretary shall use a project selection system to determine which of the applicants for assistance meeting the basic requirements of this section shall be selected to receive assistance. Such project selection system shall provide for the objective and uniform comparison of requests for assistance (in the form of preapplications) on the basis of relative need as reflected by factors to be determined by the Secretary: *Provided*, That such factors shall include (A) low community median income; (B) low population; and (C) severity of health hazards resulting from inadequate provision for the reliable supply of potable water or from inadequate means of disposing of waste: *Provided further*, That these three factors shall be weighted equally and shall account for not less than 75 per centum of the total rating points in the project selection system.

"(17)(A) The Secretary may make grants to private nonprofit organizations for the purpose of enabling them to provide to associations described in paragraph (1) of this subsection technical assistance and training to—

"(i) identify, and evaluate alternative solutions to, problems relating to the obtaining, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

"(ii) prepare applications to receive financial assistance for any purpose specified in paragraph (2) of this subsection from any public or private source; and

"(iii) improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

"(B) In selecting recipients of grants to be made under subparagraph (A), the Secretary shall give priority to private nonprofit organizations that have experience in providing the technical assistance and training described in subparagraph (A) to associations serving rural areas in which residents have low income and in which water supply systems or waste facilities are unhealthful.

"(C) Not less than 2 per centum of any funds provided in appropriations acts to carry out paragraph (2) of this subsection for any fiscal year shall be reserved for grants under subparagraph (A) unless the applications for grants received by the Sec-

retary from eligible associations for the fiscal year total less than 2 per centum of any such funds.

"(18) In the case of water and waste disposal facility projects serving more than one separate rural community, the Secretary shall use the median population level and the community income level of all the separate communities to be served in applying the standards specified in paragraphs (2) and (16) of this subsection and section 307(a)(3)(A) of this title.

"(19) The Secretary may make grants, aggregating not to exceed \$10,000,000 in any fiscal year, to associations described in paragraph (1) of this subsection to test cost-effective methods of meeting the basic needs of rural residents who do not have and cannot afford safe drinking water services. Such grants may include, but are not limited to, financing for—

"(A) costs associated with the development or improvement of individual or small, multiuser drinking water facilities; or

"(B) costs associated with enabling such rural residents to connect to community water supply systems, such as the payment of connection fees; or

"(C) costs associated with improving the operation, maintenance, or management of small community water systems that are currently unable to provide safe drinking water at affordable rates to such rural residents; or

"(D) costs associated with implementing other alternatives to meeting the basic drinking water needs of such rural residents."

INTEREST RATES—WATER AND WASTE DISPOSAL FACILITY LOANS

Sec. 3. Section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)) is amended by—

(1) striking out "where the median family income of the persons to be served by such facility is below the poverty line" and inserting in lieu thereof "where the median household income of the persons to be served by such facility is below the higher of 80 per centum of the statewide nonmetropolitan median household income or the poverty line";

(2) inserting before the period at the end thereof the following: "; and not in excess of 7 per centum per annum on loans for such facilities that do not qualify for the 5 per centum per annum interest rate but are located in areas where the median household income of the persons to be served by the facility does not exceed 100 per centum of the statewide nonmetropolitan median household income"; and

(3) adding at the end thereof the following: "The interest rate on loans for water and waste disposal facilities and loans for essential community facilities shall be the lower of (i) the rate in effect at the time of the loan approval, or (ii) the rate in effect at the time of the loan closing."

EFFECTIVE DATE OF SECTIONS 2 AND 3

Sec. 4. The amendments made by sections 2 and 3 of this Act shall become effective on October 1, 1985, and shall apply to any association described in section 306(a)(1) of the Consolidated Farm and Rural Development Act without regard to whether the application for the loan or grant involved was made by such association before such effective date.

BUSINESS AND INDUSTRIAL LOAN LIMITS

Sec. 5. Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by adding at the

end thereof the following new sentence: "No loan may be made, insured, or guaranteed under this subsection that exceeds \$25,000,000 in principal amount."

ELIGIBILITY FOR EMERGENCY LOANS

Sec. 6. (a) Section 329 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1970) is amended by adding at the end thereof the following new sentence: "Notwithstanding the second sentence of section 321(a) of this subtitle, eligibility of an applicant for assistance under this subtitle based upon production losses shall be determined solely on the basis of the factors designated in this section without regard to the Secretary's failure to designate a county or counties for emergency loan purposes."

(b) The amendment made by this section shall be applicable to disasters occurring after September 30, 1985.

COUNTY COMMITTEES

Sec. 7. Section 332(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982(a)) is amended to read as follows:

"(a) In each county or area in which activities are carried out under this title, there shall be a county committee composed of three members. Two members shall be elected, from among their number, by farmers deriving the principal part of their income from farming who reside within the county or area, and one member, who shall reside within the county or area, shall be appointed by the Secretary for a term of three years. At the first election of county committee members under this subsection, one member shall be elected for a term of one year and one member shall be elected for a term of two years. Thereafter, elected members of the county committee shall be elected for a term of three years. The Secretary, in selecting the appointed member of the county committee, shall ensure that, to the greatest extent practicable, the committee is fairly representative of the farmers in the county or area. The Secretary may appoint an alternate for each member of the county committee. Appointed and alternate members of the county committee shall be removable by the Secretary for cause. The Secretary shall issue such regulations as are necessary relating to the election and appointment of members and alternate members of the county committees."

REAUTHORIZATION

Sec. 8. Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding the provisions of subsection (a) of this section—

"(1) loans for each of the fiscal years 1986, 1987, and 1988 are authorized to be insured, or made to be sold and insured, or guaranteed under the Agricultural Credit Insurance Fund as follows:

"(A) real estate loans, \$700,000,000, of which \$650,000,000 shall be for insured loans and \$50,000,000 for guaranteed loans, with authority to transfer 25 per centum of such amounts between categories;

"(B) operating loans, \$3,150,000,000, of which \$2,500,000,000 shall be for insured loans and \$650,000,000 for guaranteed loans, with authority to transfer 25 per centum of such amounts between categories; and

"(C) emergency loans in amounts necessary to meet the needs from natural disasters.

Not less than 25 per centum of the funds that may be used for insured loans for farm ownership purposes and not less than 25 per

centum of the funds that may be used for insured loans for farm operating purposes shall be made available for loans to low-income, limited-resource applicants to the extent needed to meet applications filed by such farmers who are eligible for such loans. The Secretary shall inform in writing all applicants for loans for farm ownership and farm operating purposes of the availability of the loan program for low-income, limited-resource borrowers and the general nature of the program.

"(2) loans for each of the fiscal years 1986, 1987, and 1988 are authorized to be insured, or made to be sold and insured, or guaranteed under the Rural Development Insurance Fund as follows:

"(A) insured water and sewer facility loans, \$340,000,000;

"(B) industrial development loans, \$250,000,000; and

"(C) insured community facility loans, \$150,000,000."

ADMINISTRATION OF GUARANTEED FARM LOAN PROGRAMS

SEC. 9. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 349. Notwithstanding any other provision of this title, the Secretary shall ensure that farm loan guarantee programs carried out under this title are designed so as to be responsive to borrower and lender needs and to include provision under reasonable terms and conditions for advances, prior to completion of the liquidation process, of guarantee proceeds on loans in default."

ADVANCE RECOURSE COMMODITY LOANS

SEC. 10. Effective for the 1986 through 1990 crops, the Agricultural Act of 1949 is amended by adding at the end thereof a new section 424 as follows:

"SEC. 424. Notwithstanding any other provision of this Act, the Secretary may make advance recourse loans available to producers of the commodities of the 1986 through 1990 crops for which nonrecourse loans are made available under this Act if the Secretary finds that such action is necessary to ensure that adequate operating credit is available to producers. Such loans may be made available under such reasonable terms and conditions as the Secretary may prescribe."

EFFECTIVE DATE

SEC. 11. Except as otherwise provided herein, the provisions of this Act shall become effective upon enactment.●

HIS EXCELLENCY TURGUT OZAL,
PRIME MINISTER OF THE RE-
PUBLIC OF TURKEY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to submit for the RECORD remarks made by His Excellency Turgut Ozal, Prime Minister of the Republic of Turkey, before a group of Members of the House of Representatives on April 3, 1985. I believe the Prime Minister's speech, which addresses Turkey's external relations, geographic conditions, domes-

tic political scene, and economy will be of interest to many.

TURKEY FACING UP TO CHALLENGES

It is indeed a great pleasure and honor for me to address such a distinguished gathering.

Before I proceed, I would like to express my sincere appreciation to Dr. Jordan, President of the Center for Strategic and International Studies. I believe I am the first Prime Minister of Turkey to address so large a group of members of Congress under its own roof.

The topic which I address today, "Turkey Facing up to Challenges" is a four dimensional subject. Those dimensions are Turkey's external relations, its geographical conditions, its domestic political scene and its economy.

Four sets of constants traditionally shape the foreign policy of Turkey.

The first is the geopolitical significance of Turkey's position as a gateway between the three continents of Europe, Asia and Africa. Due in part to its geographic location, Turkey plays a key role in both global strategic balance and regional equilibrium.

The second factor is the strong desire of the Turkish people for rapid socio-economic development and modernization. Turkey faces complex social and economic challenges. To cope with these challenges, it stands in great need of capital and technology as well as markets. Turkey's strategic location, with its accompanying national security concerns, make industrialization an even more urgent task, for these concerns continually require allocation of substantial national resources.

The third factor concerns the political aspirations and moral values of the Turkish people. Since the establishment of the Republic and the initiation of Atatürk's reforms Turkey has become a society oriented on democracy based on human rights and fundamental freedoms. Democracy has become an irrevocable process in Turkey leading to progress and establishing an ideological connection between Turkey and the Western world.

The fourth factor is Turkey's multi-regional cultural heritage and affinities resulting from its geographical location.

These factors explain Turkey's strong commitment to the western ideals, its major contribution to the collective defense system and its friendly relations and close cooperation with the Free World. They also shape Turkish policies toward the Middle Eastern and Islamic countries. With the prestige and confidence that Turkey has gained in its relations with the countries of the region, it can provide a direct and increasingly effective economic and political link between the West and the Middle East.

On the other hand, Turkey's maintenance of good-neighborly relations and expanded commercial exchanges based on mutual respect and non-interference in internal affairs with the Soviet Union can also be explained in the light of these four factors.

The same factors determine Turkey's efforts aimed at the development of harmonious and mutually beneficial ties with the Balkan countries and with Greece. Aware of the utmost importance of the friendship and cooperation with Greece, we have several times appealed to the Greek Government for the establishment of a dialogue to resolve our differences. Turkey unilaterally abrogated the visa requirement for Greek citizens, confident that people-to-people contact between our two nations will promote a friendlier atmosphere. Unfortunately

ly the Greek Government has not only rebuffed our advances but it has continued to pursue a course of deliberate confrontation aiming at reducing military assistance to Turkey or conditioning it on irrelevant criterias. We have repeatedly declared that we seek only peace and cooperation. We do not covet an inch of Greek territory. However, the Greek Government has continued with the propaganda of a so-called, imaginary Turkish threat. Beside this, Greece causes serious concerns for all of us by taking steps such as venturing to establish "nuclear free zone" in the Balkans, and redeploying Greek forces allotted to NATO along the borders of Turkey under what is called the "New Defense Doctrine of Greece", all of which are in contradiction to the fundamental spirit of Western Alliance.

My Government keenly desires the normalization of our relations. I, have, very recently reiterated this desire and called upon the Greek Government to join Turkey in initiating the necessary process of dialogue, reconciliation, cooperation and friendship that good sense and mutual interest demand. Animated by such a spirit, I propose today to Greece that we sign an Agreement of "Friendship, Good-Neighborhood, Conciliation and Cooperation". Such an agreement can establish procedures and mechanism that will facilitate the solution not only of present disagreements but also those which may emerge in the future. In this agreement we can also mutually guarantee the inviolability of the present legal boundaries. We believe Greek and Turkish interests are not incompatible. Turkey and Greece were able, more than fifty years ago, under more difficult times, to make friendship. We are neighbours. Geography has imposed this on us. We should benefit from it. Our nations should know each other better. We should remove all obstacles so that journalists, businesswomen, artists and man in the street can freely contact one another.

I am ready to meet any time, anywhere with the Greek leadership to discuss all these issues.

I am ready to meet my Greek counterpart to give this process of peace and reconciliation the momentum it needs.

I am ready to meet at any proper time.

I am ready to meet at any proper place.

I am ready to see this necessary reconciliation through its earliest and widest application.

I offer this observation to the Greek leadership for what is worth.

I am prepared to trust in the good sense of the Greek people just as I trust in the good sense of the Turkish people.

On the issue of Cyprus, I must say that we feel the Turkish Cypriots have recently made an outstanding effort to solve the island's problem. In fact, as the Secretary General Perez de Cuellar's press release made it clear the Turkish Cypriot side had accepted the draft in-full of the agreement proposed by him, while the other side has not. Despite the great disappointment felt by the Turkish side, we are pleased that it has kept the door open for negotiations leading to establishment of a federal government.

My Government continues to support a workable and just solution of this problem, along the lines of establishment of an independent, territorially integral, bi-zonal, federal republic in which the two communities can cooperate with equal political status.

The current military and security relationships between Turkey and the United States are defined in a comprehensive De-

fense and Economic Cooperation Agreement concluded in 1980. Under it, Turkey authorizes the United States to use some of its defense facilities for the purposes of collective defense. In return the United States undertakes to provide defense equipment, so that Turkey can effectively carry out its crucial defense responsibilities. In addition to its indispensable geopolitical value as a strategic bastion of the West, Turkey has critically important military contribution to Western defense. Valuable as they have been, Turkey's contribution to NATO have taken on even greater significance. As the result of extensive integration of U.S. forces into the defensive capabilities of Europe, reinforced by the presence of tactical nuclear weapons on European territory, the Central front of NATO is now regarded as a militarily static area. The Strategic center of gravity can be considered to have shifted to the Middle East and Southwest Asia regions. Therefore, the strengthening of Turkey's military abilities should and must be a major NATO priority because Turkey presents an area where force improvement offers a maximum contribution to the NATO function of deterrence to aggression and to the peace of security of Europe and America.

I feel I must point out in this discussion a complication regarding full utilization of Turkey's potential. I refer to a resolution introduced in the 99th Congress aiming to maintain the so-called seven-to-ten ratio. This resolution contains totally baseless and erroneous accusations against Turkey. The ratio itself is totally arbitrary. It completely disregards the great disproportion between the NATO assigned missions of the two countries involved and makes Turkey's needs for military assistance dependent on those of Greece. I must say as well that this proposed resolution also manifestly ignores the evident disparity between the political and military commitments of the two countries to NATO and its objectives. The Turkish army has a well-merited reputation as a fighting force. However, the equipment of our armed forces require upgrading to meet current-day needs and missions. Although Turkey allocate 5% of its gross national product to defense, it still cannot make up deficiencies resulting from inadequate military assistance allocations of the past.

There is a second international issue in which Turkey and the United States share a major concern and in which a complicating factor threatens to jeopardize our mutual interests. I refer to international terrorism. The governments of Turkey and the United States as two countries which have suffered most heavily from terrorism must work together to put an end to it. This bond of common cause now stands in jeopardy because of the introduction in the Congress of House Joint Resolution 37, which would proclaim that the Armenian population in Turkey was the victim of genocide in 1915. Let me clearly state that we respect the Armenian communities around the world and appreciate their culture. Our problem is solely with the terrorists who murdered 41 Turkish diplomats and whose aim is to defame Turkey and to carve out certain parts of its territory and annex them to the Armenian Republic in the Soviet Union. Turkey joined NATO and made special security arrangements with the United States to guarantee its territorial integrity. One should realize that the support of the Armenian claims no matter under which disguise they are presented, contradicts the spirit of our bilateral relations with the United States, their very principle of the founda-

tion of NATO and even the commitment of the United States within NATO.

During the years preceding September 1980, Turkey's very existence was threatened. Along with the terrorism and anarchy, fragmentation of the parliament, succession of weak coalition governments, inflation, shortage of foreign currency and lack of many basic articles had led to paralysis of state governance. The country was on the brink of a civil war. These circumstances brought about a reluctant and temporary assumption of the reins of government by the military. The 3 year rule of the transitional government where I served as Deputy Prime Minister accomplished much. Terrorism was eradicated, a new Constitution was prepared and approved, a massive economic reform was undertaken.

With the general elections held on November 6, 1983 a new era was inaugurated in Turkey. My Party won a resounding victory. Local elections in March 1984 gained the stature of a nationwide referendum on the government. The result was a demonstration of strong popular support for the government.

It is our proud belief that we now have a stable democratic structure with all its institutions reconciling government efficiency with legitimacy and exercising authority while safeguarding individual freedoms.

I believe that political democracy is best able to have a healthy existence when coupled with a free market economy. Historical evidence supports that truth. Although not all free market systems are democratic, every functioning democracy has been coupled with an economy based primarily on free enterprise and private initiative.

During the fifteen months since we took office, the following measures have been taken.

A determined effort has been made to reduce bureaucratic formalities and unnecessary red tape.

Foreign exchange restrictions have been reduced to a minimum.

A programme has been launched for the gradual privatization of state economic enterprises.

Within the context of our privatization program, the private sector has been allowed to enter fields which were formerly reserved to the public sector.

Agribusiness and food processing constitute one of the major focus of our investment encouragement programs.

New legislation has been enacted and new procedures have been put into effect to encourage and facilitate foreign investments in Turkey.

All protectionist walls were demolished and all protective quotas and restrictions on imports were removed.

The tax system has been radically reformed through the introduction of the value added tax.

A flexible exchange rate policy has been adopted and steps were taken towards full convertibility of Turkish currency.

As a result of our policies, growth last year was 5.7 percent in real terms and exports increased by 25 percent in dollar terms.

We are trying to achieve two things at a time, namely strengthening democracy and furthering free enterprise and free market economy. All this program which has been successful now so far has been carried out at the expense of great sacrifices, by the Turkish people alone. This heavy burden still lies and will do so for some time, on the shoulders of our people. Turkey's success can be a

model for the others to follow. Therefore, the West has as much interest as we Turks do. With the support you can render, this system can be established more easily and strongly. The strong establishment and success of such a system in Turkey will rebuff the internal forces that oppose this system and will also be an answer at the international level to the forces that advocate the economic development and welfare of a country can not be achieved through free market economy and democracy.

We believe that Turkey's key location, large and growing domestic market, vast natural resources, availability of qualified manpower at very competitive wage levels, and experienced local partners make Turkey an ideal location for the establishment of export-oriented co-production undertakings and joint ventures. We are pleased to find that American business people are beginning to take note of the access offered by Turkey to regional markets.

I will conclude my words by saying that I have been and I am always optimistic about our relationships because Turkey and America share a common political philosophy, a common set of values, a common strategic orientation, a common determination to preserve freedom, a common commitment to free-market economic enterprise and a common desire for the betterment of our people's and of world society.

With so very much in common, I am confident that working together we can overcome all the challenges for our mutual good and for the good of the free world. ●

THE ASSAULT ON BENEFITS: DEFICIT THINKING

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SOLARZ. Mr. Speaker, as the administration and Congress seek to reduce the soaring budget deficit and to reform or simplify the Tax Code, the current tax treatment of employee benefits—pension and savings plans, life insurance, health insurance—is being increasingly jeopardized. It would seem that retirement security programs in particular are being singled out as easy targets for revenues to resolve the deficit.

This is not an easy issue to resolve and is one which will be given particularly close scrutiny by this body, especially by the Education and Labor Committee on which I serve as well as the Ways and Means Committee.

Recently, this very critical subject was discussed in a speech by Stuart J. Brahs, executive director of the Association of Private Pension and Welfare Plans [APPWP]. As Mr. Brahs has noted in his remarks, "For decades, the Congress encouraged American business and labor to create and maintain employee benefit programs for the security of the Nation's workers and their families." It would appear that these important benefits may not

be reduced or, in some instances eliminated entirely.

I offer, herewith, for inclusion in the RECORD the text of Mr. Brahs' speech. While I do not necessarily subscribe to the views expressed in this statement, this is a vital public policy issue which we will be debating during the 99th Congress and I believe our colleagues will find Mr. Brahs' comments to be timely and thought-provoking.

THE ASSAULT ON BENEFITS: DEFICIT THINKING

(By Stuart J. Brahs, Executive Director, Association of Private Pension and Welfare Plans, Inc., Washington, DC)

Everywhere you go in Washington today you hear discussion of the prospects for tax reform or tax simplification. Tax reform is a revolutionary concept and is increasingly being considered a likely outcome of the current Congressional session. It is perceived that the public is clamoring for a more equitable and simpler tax system. And the President and Congressional leaders are grasping for the Holy Grail of tax reform perhaps as a means of securing their niche in history.

Reform, flat tax, tax simplification—whatever it's called, if enacted, will be a fundamental shift in economic policy for the United States and would impact every American and every institution—far beyond what we can know or imagine. Simplification and equitable reform are laudable goals and the time is ripe to pursue them. However, we cannot, in the name of reform, spawn revolution in the lives of millions of American workers, their families and their secure futures; nor can we weaken beyond repair our nation's employee benefit system that has been carefully built over seven decades as good social policy.

In their attempts to come to grips with the soaring federal deficit, however, the Administration and the Congress are frantically searching for sources of revenue wherever they believe it can be found. Unfortunately, it has become axiomatic that employee benefits, in general, and retirement security programs, in particular, are easy targets for revenue. In the guise of tax reform, an assault on benefits has been launched.

A national trade publication very aptly noted earlier this year that government's attitude toward private pensions and employee benefits has changed dramatically—

"Increasingly, they are being viewed not as a social good to be promoted through tax policy but as simply another big tax loophole—the biggest of all—which, like oil-drilling schemes and cattle partnerships, favors the wealthy and robs the Treasury of billions in revenues each year."

These vital life security benefits are being viewed as "fringes"—something on the periphery of workers' income. They are not!

How very short-sighted can this perception be? Taxation of employee benefits in the name of simplification and reform is not fair. It's not flat. It's not flat.

IT'S NOT FLAT

Testifying before the House Committee on Education and Labor, AFL-CIO President Lane Kirkland observed: "The attack on employee benefit programs is taking place at a time of huge and deepening federal deficits. But the tax treatment of benefits is not the source of this crisis. The attempt to raise revenues by taxing workers' benefits

and reducing their standard of living is patently unfair."

For decades, the Congress encouraged American business and labor to create and maintain employee benefit programs for the security of the nation's workers and their families. Out of the tragic experience of the Depression our political leaders recognized the need to make saving for one's retirement a more painless and automatic discipline. And thus, through incentives built into the tax code over the decades, we have achieved these results:

One hundred sixty two million American workers and their dependents are protected by a half-million employee benefit plans.

Seventy five percent of these workers earned less than \$25,000 in 1982.

Ninety six percent of all workers in medium and large firms were covered by group life insurance in 1983, according to a government survey.

Approximately 8 in 10 of all Americans under age 65 are covered by employer-sponsored group health insurance policies.

Some 74 percent of full-time, year-round workers participate in pension plans and 72 percent of those retiring in 2007—just a bit more than two decades from now—will receive pension benefits. (Can the same be said about Social Security?)

Seventy-four percent of the benefit for contributions to a qualified pension plan goes to individuals with incomes less than \$50,000.

Seventy-eight percent of the benefit for employer contributions to group-term life, accident and disability insurance goes to individuals with incomes less than \$50,000.

Millions of Americans—represented by these data—have come to depend upon, and have too often taken for granted, benefits promised to them. It isn't fair now to pull the rug out from under these workers and their families. Taxing and limiting these benefits will be the descent down the slippery slope that will undermine and destroy this system of economic security for these millions.

The Administration and tax reform gurus on and off Capital Hill seek to justify the increased taxation of employee benefits through so-called horizontal equity. While it may, in fact, be unfair that all American workers do not benefit equally from an adequate medical program, pension protection, life and health insurance, and similar employee benefits, such inequities should be resolved through public and private policies that encourage a "leveling-up" of benefits. It makes no sense to resolve this perceived inequity through policies that seek to reduce everyone to the lowest common denominator. Union leader Kirkland quite appropriately stated that "Such a narrow view of equity ignores the far greater inequity that would result from a lowering of benefits and fewer participants. That viewpoint also implies that tax justice means merely rearranging the tax burdens of working people."

Over the years the Congress has also mandated requirements to make coverage more widely distributed among all income groups. Taxation of benefits would undermine such hard won equity. It would be unfair to tinker with the benefits many workers willingly opted for instead of higher wages and other short-term economic improvements.

It would also be unfair to eliminate one of the most popular and accessible retirement savings programs provided for in the tax code.

One of the particularly onerous proposals currently on the table is the elimination of

cash-or-deferred arrangements under Section 401(k) of the Internal Revenue Code. Available statistics from the APPWP, the Hewitt Co. and the Census Bureau indicate, however, that contrary to the view of the proponents of this ill-considered scheme, low-income workers are more likely to participate in a 401(k) plan than in an IRA. Also, there is a discrimination test to assure that 401(k) plans do not favor higher paid employees. These savings plans are particularly favored by a younger, more mobile workforce. The addition of a \$2,500 IRA for a non-employed spouse is of little benefit to lower-income families with little disposable income. Expanding IRAs would, in fact, favor relatively higher income families with one wage earner who have a lot of discretionary income. The Treasury proposal, therefore, is wholly inconsistent with social objectives and equity, as well as the long recognized need to encourage savings by Americans.

Companies responding to a recent APPWP survey reported that nearly 60 percent of employees in the lower two-thirds income group were participating in the company's 401(k) plan. Further, almost 70 percent of all employees represented by the companies with 401(k) plans who responded to the APPWP survey—over 3.3 million workers—were eligible to participate in the plan.

The 401(k) plans make a significant contribution to the nation's economic recovery by providing investment capital, thereby generating new employment opportunities from current income tax revenues. In contrast to IRAs, 401(k) plans typically provide a company "match" on employee contributions, which, in turn, significantly enhances the individual's long-term financial savings. 401(k) plans are so flexible, useful, and valuable that the federal Office of Personnel Management has recommended establishing such a savings program as part of its reformed pension program for millions of civil servants!

IT'S NOT FLAT

Besides the ill-considered notion of mandating horizontal equity by diminishing promised benefits and eliminating retirement savings options, is the notion that tax reform will be "revenue neutral," i.e. peoples' taxes will generally go down and the revenue flow into the Treasury will not go up.

It just isn't so for the average American. The cost of pensions, life and health insurance and other critical economic life support benefits would rise appreciably because of increased taxes. Surveys indicate that employers and employees alike believe that if they are taxed on the provision and receipt of these programs, the benefits may well disappear. No matter how innocent or inconsequential it may appear when presented by proponents, taxation would dismember America's model benefit structure.

While the tax code has created this comprehensive system, its breadth of coverage has sustained it. Tinker with that and you will destroy the system. Tax reform proposals envision the individual—not group—approach to benefits. The economic advantages gained by including in the system workers from all age groups, from all industries and from all geographic areas would disappear. If the direct cost of these benefits to the employee is increased, many will have to limit their participation in what they can currently afford. In many instances, such as with health insurance, cov-

erage will be substantially reduced—younger and healthier workers would be motivated to consider avoiding taxation by having their employers drop coverage of certain services. Those left in the system would be those who could afford the higher costs, and those who are older and more in need of frequent health care services. This will cause plan premiums to go up, thus raising taxes further. Many plans would be discontinued altogether causing many to seek individual programs in the market place. Disarray and chaos would result. Almost everyone understands that group risk-sharing brings down the cost of these programs. Everyone, that is, but those two want to reform taxes by taxing benefits. Such reform is really a hidden tax that would hit middle and lower income workers the hardest.

IT'S NOT FAT

While the level and availability of employee benefits would be reduced, the need for them would not vanish. A recent survey showed that 73% of corporate CEOs believe that if employers cut back on benefits, the government will be pressured—particularly by the aging baby boom—to increase Social Security and add other welfare benefits. At best it could be expected to do no better than private enterprise has done but it would be safe to suggest that it would probably do much worse! All one has to do is examine the Government's current record of efficiency in delivering health care, food, and other life security benefits, and compare it to this exemplary private-sector structure. Sen. Packwood, Chairman of the Finance Committee and long-time champion of employee benefits, has said that if the government were to provide the health care benefits currently provided by the private sector, it would cost \$100 billion a year, compared to the \$30 billion cost by the private sector.

But clearly, the proponents of taxing benefits believe they are profitable targets for the Treasury. Independent studies have shown conclusively that their revenue estimates are bloated and misleading. It would be a grave mistake to act on the erroneous assumption that all employee benefits are forever lost to the tax base. About 70% of the Treasury's statistics, used to justify their raid on employee benefits, include legally-required or fully-taxed benefits. Other studies show that the Government will eventually recoup 60-86% of all tax expenditures for employee benefits that are currently tax-favored.

Those who think employee benefits are rich fields ready to be plucked are sadly wrong-headed. Attempts to tax away these benefits will only assure their diminishing existence; it would be folly to tax a disappearing revenue source. And, as a recent Library of Congress study revealed, the "relative level of U.S. fringe benefits still remains a smaller part of total compensation than it is in most other industrialized nations." Our system is good, not perfect. If the current programs are not undermined and the tax laws now on the books are not gutted, these benefit plans will continue to grow, improve, and meet future demands. They are not fat fringes that created—or can solve—our deficit crisis.

BENEFITS COALITION NEEDED

Curiously, there is really no one "against" employee benefits. However there is a vast sea of myths, half-truths and serious misunderstandings about the nature and extent of employee benefit programs and their criti-

cal role in protecting millions of workers, their dependents and retirees. We must take positive steps to correct this information gap.

We must forge a broad-based, nationwide coalition to protect and preserve our system of employer-provided, health and income security benefits. Recent legislative assaults on benefits in the Congress have taught us too well that employers and employees, as well as other advocates of employee benefits, need to be energized and catalyzed to act on this critical public policy issue.

The APPWP has been on the leading edge of efforts to develop this broadbased national coalition of employers, workers, pension and benefit providers and consultants to work to preserve and protect the private pension system. This national trade association of over 475 members—representing the entire spectrum of the pension and benefits community—has taken initiatives to educate federal lawmakers and other decision-makers in the Nation's Capital about the irreparable damage which will be done to employee benefit plans if ill-considered tax and pension policy proposals become law.

Through the successful Grassroots Program, our network of state and regional chairmen have conducted effective one-on-one educational briefings with Senators and Representatives in their home states and districts. We bring together major employers and Congressional representatives to discuss the salient issues involved in tampering with America's comprehensive private employee security benefits system.

The APPWP has let lawmakers hear about these critical issues—about the security private pension and employee benefits programs provide for American workers and the disastrous consequences if they are taxed. We have urged that they look beyond simplistic calculations about how much tax revenue is theoretically lost in a given year, and address the broad public policy aspects of the issue.

In the coming debate on tax reform, the business community will be keenly divided on many key issues. But there is one issue where they are uniquely united: Not taxing employee benefits. And as the statements of Lane Kirkland make clear, labor and management also see eye to eye on this issue.

The APPWP urges all those concerned about proposals which would eventually destroy this system to communicate immediately with the President and to write, visit, call or wire your Senators and Representatives in Congress—let them know where you stand. Tell them in the strongest language not to tax employee benefits and to oppose legislation which would destroy a pension and benefits system which it has taken employers and workers decades to build.

CONCLUSION

America's employee benefits system provides most workers with a remarkably varied, flexible, and comprehensive program that delivers an important measure of financial security both now and for retirement.

Yet the powerful Chairman of the tax-writing Ways and Means Committee, Dan Rostenkowski—whose influence over the shape and scope of any tax reform legislation is enormous—has said that "everything is on the table"—nothing is sacred in the tax reform debate, not even employee benefits.

Tax reform and simplification should fix what's broke; paralytic complexity in the tax code, unintended and wasteful investments in tax shelters, egregious inequities.

Reform must not become a fundamental and reckless abandonment of a benefits system that has become a model for the world.

If every American better understood what's on the table—what tax reform may mean for his or her family's economic future—you'd find employee benefits as sacred as mortgage interest deductions.

Although we support efforts to bring federal budget deficits under control, raising the needed revenue by taxing employee benefits is simply the wrong approach. Whatever the arguments for tax reform or simplification, they fail to make either economic or social sense when they lead to taxing employee benefit plans and thereby discourage their availability or erode their value.

For decades we have consciously bolstered the three-legged stool of private pension, private savings, and social security to enable today's workers to enjoy an unprecedented degree of financial security. Those who wish to tamper with a good—not perfect system—threaten to kick a leg out from under that carefully crafted stool.●

VIEWS OF FORMER DEFENSE SECRETARY McNAMARA ON CENTRAL AMERICA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, in view of our upcoming vote on President Reagan's request to renew funding for the Contras, I wanted to share with my colleagues a letter that former Defense Secretary Robert S. McNamara wrote last year to Dr. Henry A. Kissinger, Chairman of the National Bipartisan Commission on Central America, on which I had the honor to serve as a senior counselor. I would call my colleagues' attention to Secretary McNamara's statement that we should not use force in Central America except through the OAS, a view he reiterated to me as recently as last week. This is a prescription that we have systematically violated by funding the Contras. I thought the Members would be interested in the views of this distinguished former official.

WASHINGTON, DC, September 12, 1983.

Dr. HENRY A. KISSINGER,
National Bipartisan Commission on Central America, Washington, D.C.

DEAR HENRY. Upon returning to my office two days ago I found your letter of August 18th awaiting me. In it you asked for my "insights" on any aspects of your Commission's Mandate. Because my knowledge of the problem you are studying is limited, this reply will be brief:

In sum, I believe:

1. You are quite correct both in restricting your study to long-term issues and in broadening its focus beyond Central America.
2. We greatly over-estimate the effect of political instability in Central America on our security, and we seem unaware of the danger to us of such instability in Mexico.
3. For the next decade or two, Mexico's labor force will grow at the highest rate of any large country in the world. Unless the

government creates jobs to absorb that labor force, a significant part of it will flow across the 2,000 mile border into the United States. Neither the United States nor Mexico has begun to lay out the political and economic programs which are necessary to effectively address this problem. Failure to do so carries with it enormous political, economic, and security risks for our country.

4. The problem in Central America is essentially economic, social, and political in origin. It has been exacerbated by, but not caused by, Soviet and Cuban intervention. The solution to the problem requires action by the Central American governments in each of these fields.

We can assist the governments in implementing such programs, but we can not impose them upon their societies. Moreover, the "absorptive" capacity of their leaders and their institutions to receive foreign technical and financial assistance is limited. It should not be over-loaded. A "Marshall Plan" for Central America is likely to do so.

5. Because of such "capacity limitations", the majority of the countries in Central America are likely to be unstable for years to come. What we can do is contain the effects of such instability by:

(a) Maintaining a unified approach to the problem with the major countries of the Region—particularly Mexico, Venezuela, Columbia and Panama (we have not done so).

(b) Making clear to the Soviets we will not accept their "offensive" forces in the hemisphere, now or later.

(c) Joining with the Latin American countries in their efforts to normalize relations with Cuba, and to obtain agreement that Cuba will not use one country in the hemisphere as a base from which to subvert the established government of another country.

6. We should not use military force in Central America unless we are asked to do so by the OAS, and then only if our forces are accompanied by troops of major Latin American nations.

I will be happy to try to answer any questions which your staff wishes to put to me. With best wishes.

Sincerely,

ROBERT S. McNAMARA.●

WORK PLACE TRAINING

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. CLINGER. Mr. Speaker, it was a pleasure for me to learn last week that our House colleague, Representative NANCY L. JOHNSON and I, are the recipients of the American Society for Training and Development's [ASTD] Award for Public Service to Human Resource Development in National Affairs. It is certainly an honor for me to receive this prestigious award. As you know, the ASTD represents nearly 50,000 of America's employer-based trainers and resource development specialists.

Mr. Speaker, I believe you will agree that the issue of worker retraining has not received the national attention it merits. As the ASTD points out: "Workplace training and development

is generally under-reported in the national human resources debate, and remains the dark continent in the national training and development system."

During the last several weeks we have heard several of our colleagues refer to the ongoing problems of international trade and how foreign workers have in effect, taken away jobs from American workers. Though we may disagree about the methods in which to deal with those problems, one conclusion is inescapable. Many other industrial nations have met the challenge in training and retraining their workers to meet technological change. In addition, many of our unemployed workers cannot find jobs simply because they have yesterday's skills and are unable to compete for tomorrow's jobs.

In order to deal with these concerns, Congresswoman JOHNSON and I recently were joined by a bipartisan group of 32 of our House colleagues in reintroducing H.R. 1219, the National Training Incentives Act of 1985. This bill provides employers with a 25 percent tax credit for training expenses over a 5-year average—thereby rewarding the type of retaining, on-the-job training, which labor and business agree is the most effective—and permits workers to finance retraining with money withdrawn, without penalty or taxation, from their IRA or annuity accounts. This provision would allow over 15 million largely working class households to take advantage of an already established network of retirement financing.

Mr. Speaker, I would hope that our colleagues would join us in this effort in order that we may meet the global challenges which await us.

In this regard, I would also commend to our colleagues the following research summary written by ASTD chief economist, Anthony Carnevale, which outlines available data on the economic role of employer-based training and retraining.

WORKPLACE TRAINING (By Anthony P. Carnevale)

As the representatives of nearly 50,000 of the nation's employer-based specialists who train, retrain and educate the workforce, the American Society for Training and Development commends Representatives Johnson and Clinger's interest in workplace training.

Workplace training can be a powerful lever for resolving many of the nation's economic and human problems. Although employer-based training has attracted little public attention, it has been a critical aspect to the nation's education and training system since the great industrial expansion in the late nineteenth century. To some extent employer-based training and development has remained the dark continent in the public training and development system for good reason. The employer-based training and human resource development system has operated smoothly, informally, efficiently, and has little connection to the

public funding of institutions that dominated the human resources debate over the postwar period.

This employer-based "shadow education system" exists for many reasons: First, since 1946 the nations principle human resource development problem has been that of providing elementary, secondary and post-secondary education for the baby boom as that burgeoning population shouldered its way through childhood, adolescence and young adulthood. Second, throughout most of the postwar economic era the competitive adaption of human skills to factor price changes, new technologies, new products and shifting competitive advantage occurred smoothly and without major dislocation and disruption. Third, where major public efforts have been mounted to redistribute income toward the disadvantaged or ease transitions for dislocated employees, policymakers have relied almost exclusively on public education and training.

The growing importance of employer-based training and development is partly due to changing circumstances that have altered or challenged all of the latter presumptions. The baby boom has aged beyond the reach of elementary, secondary and even post-secondary educational institutions. Training and human resource development services are increasingly delivered to a working population. Moreover, available data suggests that adult Americans would prefer that their developmental services be delivered through the workplace.

ECONOMIC ADAPTION

The processes of competitive skill adaption have also accelerated as the internationalization of the American economy has intensified the pace of economic and technological change. On balance these forces have created more jobs than they have destroyed. At the same time, however, those who get the jobs that trade and new technologies create are rarely the same people who lose jobs to technology and trade. Those who are dislocated by healthy economic and technological changes need to be retrained. In general these dislocated workers represent a relatively small proportion of the nation's labor force. According to a November 30, 1984 Bureau of Labor Statistics report, of the 5.1 million employees who had been on the job for three years before being displaced over the four year period between January of 1979 and January of 1984, 60 percent had been reemployed, 25 percent were still looking for work and 700,000 had dropped out of the labor force. Those former employees actually forced to drop out of the labor force amounted to little more than one half of one percent of American workers in January 1984. Other studies suggest that displaced workers number 100,000 employees per year—less than one tenth of one percent of the current labor force.

The problems of dislocated workers are significant, real and deserving of public remedies; but America's more sizeable retraining problem lies elsewhere. The nation's most sizeable retraining challenge is the constant reskilling of existing employees. Employees dislocated by economic change and made redundant by new technologies are only the most obvious and dramatic evidence of a more subtle, incremental and pervasive process of economic and technological change that affects skill requirements for all employees. The dislocated and redundant employee is only the tip of the iceberg. By far the greater mass of change in skill

requirements is constantly underway in the workplace as those who remain on the job react to skill changes made necessary by economic and technological forces.

Skill changes impact primarily on the job because they are evolutionary. Economic and technological adaption exacts marginal changes among the bundle of tasks associated with individual jobs or occupations. These subtle shifts in job requirements are rarely noticed outside the workplace until they accumulate in sufficient quantity to effect pre-employment occupational preparations or until over a number of years and even decades they evolve into an entirely new occupation or job description. The employer-based job training system is the key element in adapting the nations human resources to changing skill requirements. Even in periods of relatively rapid economic and technological change, competitive skill changes are evolutionary not revolutionary.

Incremental shifts in prices, products, technologies and competitive advantage effect marginal changes in employee skills. Moreover, the workplace is the most appropriate site for retraining. It is in the workplace where subtle shifts in products, prices and new technologies are translated into new skill requirements instantly and articulately through the calculus of market competition. The employer-based training and human resource development system is the most sensitive barometer for registering economic and technological impacts on job requirements. The employer-based training system is our first line of defense in the effort to adapt to economic and technological change and to maintain international competitive advantage.

PRODUCTIVITY, INTERNATIONAL ADVANTAGE AND TECHNOLOGY

Workplace training is also the key in promoting productivity, price stability and international competitive advantage. Productivity is driven by the working "team." Productivity results from the ability of working groups or "teams" to learn together in the workplace. Individualized learning outside the workplace contributes to employee productivity only to the extent it provides individuals with the necessary basic educational, occupational and social skills that make them ready for workplace learning in the context of the production process. It is the informal and formal learning in the workplace that drives team productivity and the effective integration of human and machine capital.

Productivity and thereby training are our most effective means for maintaining price stability. While reduced wage costs can hold prices down, there are limits to the effectiveness of downward wage pressures on prices. All out wage competition, for instance, would threaten the productivity of the working team, especially if experienced employees became less willing to pass on their skills to new employees or resist new technologies for fear of losing their jobs. In fact, it is rare for even the most extreme wage pressures to result in actual wage reductions. At best, employers are able to slow the rate of increase in wages to the rate of increase in productivity.

Team productivity and the formal and informal workplace training that leverages it are also the most powerful lever for maintaining the nation's competitive advantage. We cannot match sweat equity with the masses of low wage workers in the underdeveloped world. Americans cannot win the race to the lowest common wage. Foreign workers willing to work for as little as fifty

cents per day will win the race for low wages and low skill jobs. Moreover, the surplus of low skilled adult labor will grow in the underdeveloped world. Between 1980 and the year 2000, population growth in the twenty to forty year old cohort will increase by 600 million people in the underdeveloped world as compared with 35 million in the developed world.

Nor will technology save us. Technology knows no cultural or national loyalties and is instantly transportable. In addition, evidence shows that human factors far outweigh other resources in their contribution to American productivity growth and increases in the national income since comparative data first became available in 1929. Moreover, "working smarter" or learning on the job shows up as the most significant among human contributions to productivity and national income since 1929. Finally, we should all remember that machines are ultimately human artifacts and that if they are to be utilized effectively they must be integrated into the working team at the job site.

ENTRY LEVEL JOB SKILLS

Workplace training also is a clear and critical role in development of individual working skills. While elementary, secondary and post-secondary education institutions provide most basic academic and vocational skills, it is workplace training that provides most, if not all job specific skills. This is due in part to the nature of America's human development system. After graduation from secondary school, young adults tend to experiment with alternative education, training and work experiences until roughly age twenty-five when they begin to settle into a long term career pattern.

Secondary school job-specific training is relatively outdated and irrelevant by age twenty-five. The research literature tends to bear this out. Most secondary school graduates do not work in the labor market areas in which they went to high school. Most continued work in occupations in which they received job-specific training in secondary schools. As compared with those who did not receive job-specific training in secondary school, only those with training in clerical and construction occupations showed income gains from job-specific training in secondary school. Moreover, even those gains tend to wash out within five years of secondary school graduation. According to the Bureau of Labor Statistics, in 1983 only 5% of the nation's employees report they learned something they needed to know to do their current job in secondary vocational schools and only 4% said they learned something necessary to qualify for their current job in post-secondary vocational schools.

SKILL SHORTAGES

Workplace training is surprisingly important in developing basic job skills even among professional and specialty occupations. This fact has become ever more apparent over the years in the investigation of skill shortages that are often announced but rarely materialize in the workplace. Most skill shortage projections are based on headcounts of graduates of formal secondary and post-secondary occupational programs relative to projected industry hiring requirements in specific occupations and professions. Projections arrived at in this manner tend to ignore the role of the workplace training system in providing for job related skills. Employers tend to take the closest available approximation to the skill they want and train it into the skill they need.

This is even true among the most highly skilled professions. In 1979, for instance, most new engineering jobs were not filled by new engineering graduates. In 1983 fully a third or 33 percent of those trained in professional or specialized occupations said they received some or all of the training necessary to qualify for their jobs through formal or informal training in the workplace. Among technicians who received training to qualify for their jobs, a remarkable 54 percent said they received some or all of their qualifying training from their employers in the workplace. In the remainder of occupational categories of the workforce, the proportion of employees who received some or all of their qualifying training for their jobs through workplace training was even higher than in 1983. Among employees in other than professional or technical occupations, 79 percent of those who needed training to get their jobs received some or all of that training in the workplace as compared with 40 percent who said they received some or all of their training from schools.

RETRAINING

As noted above, the employer's role in retraining is significant. The workplace is the most sensitive and immediate barometer of economic change. A full 70 percent of executives, administrators and managers said they received some or all of their retraining on the job as compared with 37 percent of executives and administrators who said they received some or all of their retraining at schools.¹ Among professionals and technicians, an equivalent proportion of employees said they got all or some of their retraining on the job or at schools. Of those who received retraining in the remaining occupational categories of the workforce, 76 percent said they received all or some of their retraining in the workplace and 23 percent said they received some or all of their retraining in schools.

The latter figures likely understate the amount of training leveraged through the workplace. Workplace training is informal, especially OJT, and of short duration. As a result it is least memorable and survey respondents are likely to understate the amount of training they receive that is directly related to their current job. In addition, the above figures only tell us where the training takes place. This understates the quantity of employer sponsored training that does not take place in the work setting but is initiated and paid for by employers. Employers always have a choice as to whether it is most efficient to make or buy the training they need. The incentive to buy rather than make training is especially strong for smaller employers who do not have sufficient employees to realize economies of scale necessary to set up their own in-house training staffs or programs. We estimate that 38% of formalized workplace training is paid for by employers but bought outside the workplace. As the above data would suggest, most of the outside training paid for by employers is professional, management, technical and sales training. Also, as the above data would suggest, 64% of the training paid for by employers but provided outside the workplace is provided by

¹ Since many trainees responded that some of their training comes from both employer and other institutions, there is overlap between employer provided and other training. Figures then, will not add to 100 percent. (Source: Bureau of Labor Statistics, 1984.)

schools. Another 14% is bought from the "training industry," 12% from professional or labor organizations and the rest from government, community organizations and private tutors.

SIZE AND SCOPE OF TRAINING

Overall spending for training by employers is sizeable. Employers may spend as much as \$30 billion per annum on formal training alone and an estimated additional \$180 billion per year on informal OJT. Total spending for formal and informal employer-based training adds to roughly \$210 billion. This compares with an annual expenditure of \$133 billion for public and private elementary and secondary education and roughly \$95 billion for public and private higher education.

The most impressive aspect of employer-based training is its direct connection to opportunity and lifetime earnings for individuals. Econometric studies have consistently shown that only 15% of the variation in income among Americans can be accounted for by formal education. The remaining 85% is accounted for by learning in the workplace. Earnings are driven by the ability of working teams to learn together in the context of appropriate technology. It is this reality that accounts for the fact that earnings variation among people with the same education level consistently equals the earnings variation in the nation's population at large. In more concrete terms, this is why auto and steel workers were able to command salaries so much greater than other industrial workers with equal educational achievement and attainment for so long.

THE DISADVANTAGED/DISLOCATED

The importance of employer-based training is also evident in our experience with training for disadvantaged and dislocated workers. Our experience with the training of disadvantaged and dislocated workers has taught a simple and straightforward lesson: Training Does Not Create Jobs. Jobs Create Training. It is access to jobs with training and associated career ladders that provide lifetime opportunities and successful career transitions. Job-specific training outside the context of a specific job is folly. The function of all training outside the context of the job is to give individuals sufficient basic intellectual and occupational skills so that they are job ready or training ready. The evaluation data on public job training programs is clear on these points. Training closest to the job is most successful. Where jobs are unavailable at the end of the training period and training is not targeted on a specific job, training is no more successful and much more expensive than simple job search assistance.

The American Society for Training and Development agrees with Representative Nancy Johnson that the current and future status of employer-based training raises important issues: First, are we doing enough employer-based training? There is substantial evidence to suggest that we are underinvesting in workplace training. In theory, employers are likely to underinvest because they cannot own human capital, guarantee a future stream of investment returns or measure investment risks and potential gains effectively. In practice, surplus labor markets encourage employers to buy rather than make human capital and to pirate trained personnel away from competitors willing to invest in training.

Second, how does the current tax system and proposed changes affect employer-based training? A recent study by the Con-

gressional Research Service concludes that "human capital is taxed at rates which are as great or perhaps even greater than those applied to other investments . . . It might therefore be socially desirable for the government to provide some type of subsidy to employers to provide training . . ." In order to shed further light on tax issues, ASTD had contracted a major tax study which will be made available to Congress by early fall.

Third, does the future portend a need for more or less employer-based training? All signs including those mentioned above suggest a growing emphasis on human resource development in the workplace. The pace of economic change seems unrelenting. Demographic changes and the absence of inflation suggest unemployment rates below six percent in the foreseeable future. Should labor markets tighten significantly, employers will have to make, rather than buy, a much larger share of their skilled employees. Moreover, should unemployment rates slip below six percent, employers will be drawing their entry level employees from among a population with high concentrations of persons with significant basic skill deficiencies requiring significant human development investments if they are to be made ready for training on the job.

The American Society for Training and Development welcomes Representatives Johnson, Clinger, and the House Wednesday Group's interest and applaud the foresight demonstrated in the introduction of H.R. 1219, the National Training Incentives Act. We will continue to work with Congress as the legislation develops. ●

SOLVANG CITYHOOD

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I rise to bring to the attention of my colleagues a significant event that will occur later this spring in my congressional district. On May 1, 1985, the residents of the town of Solvang will become California's 440th city, to be known thereafter as the city of Solvang.

On November 6, 1984, as many Members of this body were anxiously awaiting results of their own election, residents of the "Danish Capital of America" were voting overwhelmingly to incorporate and create a new city. When the votes were counted, 1,342 were in favor of cityhood, 591 opposed. That night, five residents of the community were elected to become the first City Council of Solvang. They are: Elaine Willi Campbell, Alan T. Larsen, Stewart F. Mee, Thomas G. Nielsen, and Leslie Les Wilkes.

Many citizens of the country received their first glimpse of Solvang earlier in the day when the Nation's media followed President and Mrs. Reagan to Solvang as they cast their ballots in the November general election. While the First Family does not live within the new city limits, they can see Solvang from their ranch in

the Santa Ynez Mountains and vote at a Solvang polling place.

The new city government will replace the current Solvang Municipal Improvement District and the current directors, by popular vote, will move into the council. Additionally, it is the intent of the new city to appoint JoAnn Waring as city clerk-treasurer, James R. Christiansen as city attorney and Leo Mathiasen as city administrator. Tourism, as it has been in the past, will continue to be the primary industry of the new city with a population of 3,500.

To mark this occasion, residents have planned a major celebration marking cityhood on April 27, 1985. I know my colleagues join me in wishing the city of Solvang prosperity and good fortune in the years ahead. ●

STOP SELLING SOUTH AFRICA THE TOOLS TO ENFORCE APARTHEID

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BERMAN. Mr. Speaker, yesterday the House Foreign Affairs Committee began its consideration of the Anti-Apartheid Act of 1985. This legislation will make clear the U.S. abhorrence for the South African Government's repressive apartheid policy.

As the author of the provisions in the bill banning sales of computers to the South African Government, I testified before the committee on the uses of U.S. computers in enforcing apartheid. I am inserting the complete text of my testimony.

The text follows:

TESTIMONY

Mr. Chairman, the legislation I have introduced would restrict United States exports to South Africa in three areas: ban all sales to South Africa's military and police, halt exports of computers and computer parts and software to the South African government and prohibit Munitions List sales to South Africa.

I am fortunate to serve on both the Africa Subcommittee and the International Economic Policy and Trade Subcommittee, which are meeting to jointly consider this legislation. Chairman Wolpe and Chairman Bonker have laid the foundation for a policy toward South Africa that will reflect this country's commitment to human rights and racial equality.

Under Chairman Wolpe's leadership, the Africa subcommittee has exercised thorough and persistent oversight over the administration's policy of "constructive engagement" with those who enforce apartheid in South Africa. The subcommittee has examined the relaxation of export controls that is a central feature of current policy. It has investigated and documented numerous sales that have strengthened the regime in Pretoria and supported apartheid, sales such as twenty five hundred shock batons to the South African police, computers useful

for nuclear weapons development to a government-sponsored research institute, and munitions list sales far in excess of combined sales for the previous thirty years.

We are deeply indebted to Chairman Wolpe for repeatedly pointing out the weaknesses and tragedy inherent in a policy of "constructive engagement" with the South African government. Your voice, Mr. Chairman, has been heard in South Africa. Blacks as well as whites know that when President Reagan calls the Pretoria regime a friend and ally, he is not speaking for all Americans. You have demonstrated that others in this government consider our true allies to be those South Africans who seek justice and freedom.

We also owe a great debt to Chairman Bonker. No one in this Congress is more committed to promotion of American exports. No one has worked more diligently or more creatively for legislative remedies to our growing trade imbalance. No one is more critical of economic sanctions when they serve only to hamper American exports, and do not further foreign policy goals. At the same time, Chairman Bonker has been a leader for a strong human rights policy, and for the use of non-violent measures to further the rights and freedom of people around the globe.

Chairman Bonker's support for restrictions on U.S. business with South Africa carries great weight with this committee and with the whole House. Because Chairman Bonker was willing to include sanctions against South Africa in the Export Administration Act, we were able to secure passage of broad trade and investment restrictions in the House last year and narrower measures in the Senate. Chairman Bonker consistently defended these sanctions, even though they complicated passage of legislation to which he devoted much of his time and effort, and which included wide-ranging reforms.

I am pleased that part of the legislation which I introduced at the beginning of this Congress—the ban on sales of computers and related equipment to the South African government—has been included in the legislation which Chairman Wolpe has introduced together with Congressman Gray, myself and others of our colleagues in the House, and with Senators Kennedy, Weicker and others in the Senate. I want to devote most of my testimony to that issue.

However, I want to briefly mention another part of the legislation I introduced which has already passed the House and is on its way to becoming law. That is the total ban on sales to South Africa's military and police. Such a ban was in effect from 1978 to 1982, and is restored for one year by the Export Administration Act passed by the House yesterday and soon to be passed by the Senate.

This action is an important first step in disassociating the United States from growing repression in South Africa. Over the past seven months, at least 250 people have been killed by police—most of them unarmed civilians engaged in non-violent protest, many of them children. American companies should not be making profits from the victims of apartheid. The United States must stop selling the South African government the instruments of repression.

The legislation passed by the House yesterday also restores earlier United States restrictions on computer sales to the South African government. The Export Administration Act restores the requirement, lifted in early 1982, that State Department review

all computer sales above a certain level of technology to the South African government. This is a step in the right direction. Under current regulations, a wide range of computers can be sold to the South African government without any State Department review of their possible use in enforcing apartheid, including computers destined to the military and police and departments directly responsible for enforcement of apartheid.

However, that legislation, first introduced three years ago, does not go far enough. We can assure that U.S. computers are not used to enforce apartheid—we can send a significant signal to the bureaucrats and politicians who maintain racial domination—only if we ban all sales of computers and computer-related equipment to the South African government. I would like to outline a few reasons why a total ban is necessary.

USE OF COMPUTERS TO IMPLEMENT APARTHEID

Computers are central to the South African government's pervasive control over every aspect of existence for every black individual. From the age of sixteen, all blacks must carry passbooks indicating where they have permission to live and work and whether they are allowed to live with their families. The South African government maintains extensive records on all blacks—where they were born, their employment histories, family members, where they have lived—and this information is periodically checked against blacks' passbooks.

At the headquarters of the Black Sash—where volunteers try to help those caught up in pass law enforcement—one sees countless people, from the elderly to the very young, who are scheduled to be removed from their homes and separated from their families. The government's computers say they haven't permission to be where they are.

The South African government maintains thorough information on opponents of apartheid. It bugs and records their conversations. Its police and informers monitor their every movement. Computers help in the collection, retrieval and use of this information.

Yes, apartheid existed before the South African government began widespread use of computers. But at that time the government's controls over blacks provided the only employment for vast numbers of marginally educated Afrikaners. As the South African economy and population grew, political leaders became concerned that a growing white manpower shortage would inhibit the implementation of apartheid. Computers have helped to solve that problem.

Moreover, computers have enabled the South African government to strengthen its grip on the population and intensify apartheid enforcement over recent years. Pass law arrests doubled between 1980 and 1982. Political detentions have increased sharply in recent months. Armed with more thorough and more readily available information on black residents, the government has accelerated forced removals of whole communities from so-called "black spots"—areas where black families have lived for generations, but which the government has declared "white." Police have increased raids on camps where black families illegally attempt to live together, attacking women and children with tear gas and police dogs, demolishing their shacks in the middle of winter.

Those whose service is not needed by white South Africa—the elderly, the spouses, the children—are forced to live in

barren, overcrowded African homelands. The white minority, seventeen percent of South Africa's population, has assigned itself eighty-seven percent of the land, including all industry and mining and most fertile land. Africans who are allowed to remain in "white areas" live under constant threat of being endorsed out, of losing all means to support their families. Three million blacks have been forcibly resettled in African homelands. Two million more are scheduled for resettlement.

CURRENT RESTRICTIONS INADEQUATE

The United States dominates the computer market in South Africa—supplying 70% of all computers sold. Figures are not readily available on computer sales to the government. IBM, the largest supplier of computers to South Africa, says that less than 1/4 of its sales go to the government. But this does not include sales to municipalities, public utilities and state-owned trading corporations.

Given the significant American share of the South African computer market and the importance of computers in implementing apartheid, current restrictions on computer sales to South Africa are woefully inadequate in three areas.

First, there are no restrictions at all on sales of many kinds of computers. A wide range of personal computers can be sold without a license to any South African government agency, including the military, police and departments directly responsible for enforcing apartheid.

Since the Reagan administration relaxed trade controls on South Africa, restrictions on computer sales have had a checkered history. At first, licensing requirements were lifted completely on sales of personal computers and related software to all branches of the South African government. Then, when trade controls on South Africa were tied to national security controls licensing requirements were reimposed on personal computers because their sale to the Eastern bloc was restricted. This year, with the lifting of licensing requirements on many personal computers to the Soviet Union and its allies, restrictions have again been removed from the sale of those computers to the South African government.

A computer's military usefulness to Eastern bloc countries has nothing to do with the usefulness to the South African government in enforcing apartheid. Personal computers of no strategic value to a superpower can still be very useful in keeping information on South African blacks. Small computers in local police departments, labor unions and Bantu Administration Boards in South Africa can be just as important in enforcing apartheid as are larger computers in central offices.

A second problem with current regulations on computer sales to the South African government is that most departments are exempt from all restrictions. Yet once a computer is sold to the South African government, there is no guarantee it will not be used to enforce apartheid. As IBM stated in its February, 1983 update on operations in South Africa, "... it would be misleading to suggest that any manufacturer can control how its products are used."

Thomas Conrad, in an article entitled "Computers programmed for Racism," documents the use of American computers by various agencies of the South African government in implementing Pretoria's "Total Strategy" of racial domination. A few examples from Conrad's article are:

For over ten years, Pretoria's Interior Department (not on the U.S. list of restricted agencies) has used IBM hardware to store details on seven million citizens whom the government classifies as "coloureds," Asians and whites. The data maintained includes identity numbers, "racial classifications," date of birth and so on.

At least four U.S. computers are at the disposal of the "Bantu Administration Boards," the fourteen regional bureaus that administer the permits and controls which govern the lives of blacks in South Africa. These computers were supplied by Burroughs, NCR and Mohawk Data Sciences.

South Africa's Department of Statistics uses a large IBM mainframe computer.

A number of American companies have supplied computers to the regional and local government bodies which legally enforce controls on blacks living in "white" areas.

An institution which trains police computer operators uses equipment from IBM and Data General.

Pretoria uses a central purchasing agent, the State Tender Board, to acquire many of its computers. It is next to impossible to determine where a U.S. product sold to this board will end up in the system.

We cannot fool ourselves any longer that we can find the "good" parts of the South African government and quarantine the "bad" sections. There is only one way to guarantee that U.S. computers are not used to enforce apartheid. There must be a ban on computer sales, and sales of related software and equipment, to all agencies of the South African government.

A third problem with current regulations on computer sales to the South African government is that even for agencies where licenses are required, those licenses are far too readily granted.

Regulations published in October, 1984 point out that licenses will generally be considered favorably:

For those personal computers still controlled for sale to the military and police "if the export would not contribute significantly to military or police functions;"

For computers of all kinds destined to departments directly responsible for implementing the government's controls over the black population if the computers "would not be used to enforce the South African policy of apartheid;" and

For parts and software for computers not subject to licensing requirements or for any computers whose sale has been approved.

Licensing officials at the Department of Commerce may have some problem in determining the "significance" of a computer sale to South African security forces or the ultimate use of a computer by a department charged with enforcing apartheid. An official at the Office of Export Administration told a researcher, "the Commerce Department has no criteria to determine how useful an item might be to the South African security forces. Such criteria," he said, "would be developed on an ad hoc basis."

It is also troublesome that the regulations assume that licenses should be granted for software once a computer has been approved, or if the computer requires no license. Numerous U.S. firms produce police software packages in the public domain. A published list of IBM products available in South Africa included a locally marketed software package called, "Law Enforcement System." One company has a special software package "designed in South Africa to meet local government requirements," according to an internal publication.

Under relaxed regulations on computer licensing for South Africa, the administration has approved a number of highly questionable sales. These include:

In May, 1982, the sale of a Control Data Cyber 170/750 was approved to the government-controlled research institute, the Council for Scientific and Industrial Research (CSIR). This sale was approved only after a delay of fourteen months because the Pentagon was worried that it would endanger highly sensitive U.S. cryptographic technology. The computer is useful for nuclear weapons development.

In September, 1982, a license was granted for a second powerful computer useful for nuclear weapons development for CSIR. It should be pointed out that CSIR researchers have designed military electronics systems, constructed fingerprint storage mechanisms, performed research and development in aeronautics and helped designed shells for explosives.

In October, 1981, a license was granted for a powerful computer—a Sperry Univac 1100—for the ARMSCOR subsidiary, Atlas Aircraft.

POLITICAL IMPORTANCE OF COMPUTER EMBARGO
An embargo on computer will send an important political signal to the enforcers of apartheid.

This legislation not only would halt all new computer sales by South Africa's principal suppliers, but also would stop spare parts and servicing for existing American computers.

Such restrictions will hamper the enforcement of South Africa's extensive controls over the black population. They will inconvenience government workers throughout the South African bureaucracy, and will serve as a daily reminder that the United States wants no part in enforcing apartheid.

United States actions are more important to Pretoria than many realize, particularly when they withdraw support from the forces of "law and order," as President Reagan likes to call them. South African officials see their troubles in East-West terms. They see themselves as the guardians of Western civilization on the African continent. They look to the United States as the leader of the West to ultimately rescue them from what they mistakenly believe to be a "communist onslaught." It is in fact the black majority's inevitable reaction against repression.

POSSIBLE COOPERATION BY OTHER SUPPLIERS
In closing, I would like to make a few comments on the argument that if the United States stops selling computers to the South African government, other suppliers will quickly and greedily fill the void.

The Kennedy-Gray bill, of which the computer provision is a part, calls for negotiations with other countries to secure their cooperation with U.S. sanctions. I believe that chances for securing international cooperation will be particularly great with the computer sanctions. This is true because the embargo relates directly to enforcement of apartheid, and because computers are exported by a relatively few countries that can control exports with comparative ease.

The United States unilaterally embargoed arms sales to South Africa before convincing other countries to go along. Now, according to the Commerce Department, the arms embargo is generally adhered to by other nations. A recent report in the Washington Post indicates that the embargo has been effective in denying South Africa equipment that it needs to modernize its

forces, and in making the defense of apartheid far more costly. Countries far more dependent on trade with South Africa than the United States may never have accepted the arms embargo had we not taken the lead.

Even if other countries do not follow the United States' example, I believe this is one area where for moral reasons we should prohibit sales of equipment used directly in human rights violations. We took the lead in embargoing nerve gas sales to Iraq. Congress imposed a unilateral trade embargo against Idi Amin's Uganda. Similarly, we should ban sales to South African government agencies of the instruments of repression, including computers. ●

NICARAGUA: THE HARD QUESTIONS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, the administration has unfortunately chosen to cast the debate over its Nicaragua policy in terms of extreme rhetoric, catch phrases, and slogans. This tends to drown out good, hardheaded analyses that try to look at the issues from the point of view of our national interest.

A good example of the latter is a column by David D. Newsom in the February 28 Christian Science Monitor. Mr. Newsom points out that we have yet to answer three basic questions with respect to Nicaragua.

First. What do we want in Nicaragua? We hear a lot of rhetoric about democracy, something to which we all aspire, but we have yet to elaborate a clear set of practical objectives that can be achieved with the means at hand.

Second. Who have we been supporting? We have yet to face the fact that Contra forces that we support are anything but the appropriate vehicle for bringing Nicaragua the democracy that we say we want for it.

Third. How will they succeed? Since the Contras do not have the capability to remove the Sandinistas and install whatever kind of government it is that we want in Managua, we must inevitably face the question, "How far do we go to ensure victory? More American aid? U.S. troops?"

As Mr. Newsom says, "These questions deserve attention. We have had national tragedies when we have turned away from the hard questions." I urge my colleagues to give careful consideration to this analysis.

[From the Christian Science Monitor, Feb. 28, 1985]

NICARAGUA: THE HARD QUESTIONS

(By David D. Newsom)

We are once again locked in a national ideological debate: this time it is over Nica-

ragua and the hard questions tend to be submerged in catch phrases and slogans.

Those favoring help to the contras speak of democracy and declare the Sandinistas to be a dangerous extension into Central America of the Soviet empire. Those opposed to American involvement with the anti-Sandinistas stress "nonintervention" and "diplomacy."

Both sides argue from analogies. Afghanistan is seen as the model for the "freedom fighters." Fears are raised of another Cuba. Opponents of aid to the contras suggest that we are resorting to "terrorism," that we are no different from the Soviets. The credibility of both sides is strained by extreme assertions.

The two sides seem to agree only that the Sandinista regime is inimical to US interests in the region. There the agreement stops. The debate becomes drowned in often exaggerated rhetoric while at least three significant questions remain unasked and unanswered.

1. What do we want in Nicaragua? The administration wants a different regime, one that is "democratic." Conditions laid down for improved relations with Nicaragua—that go to the heart of Sandinista power—would be difficult for any sovereign government to accept. The argument is that only through the acceptance of such conditions can the Nicaraguan threat to its neighbors be reduced.

Is it the nature and philosophy of the regime that represents the threat to us? Isn't it the possibility that a regime with close ties to Cuba and the USSR might become a site for Soviet military activities? Is that possibility not one that can be monitored and verified? A U.S. demand that such bases not be established would be understood and supported in the hemisphere to a greater degree than our efforts to overthrow a government. The possibility of containing, rather than attacking Nicaragua should at least be a part of the national debate.

2. Who have we been supporting? The forces opposing the Sandinista regime are made up of various individuals and points of view. The military leader in the field is a former colonel in General Somoza's National Guard. Political leaders include some from the center and others, like Arturo Cruz, who broke with the Sandinistas. Recent efforts in Miami to bring the factions of the opposition together failed. Edin Pastora, an early hero of the revolution, refuses to join with the others.

The administration speaks of the contras as democratic forces, yet there is little evidence that such forces have a sufficient respect for democratic principles to sort out their own house. We know little of the ultimate leadership, the ultimate policies of this diverse group. Is it enough at this time to say that any alternative to the Sandinistas is preferable and to hope for a restoration of the democratic process? Should not we, in our debate, ask a few more questions about the nature of our "friends" or be at least a little less certain regarding the democratic future?

3. How will they succeed? Supporters clearly expect the contras to emerge as the rulers. How? Will they create a popular uprising that will overthrow the government? There is little evidence now to suggest that will happen. Will they march to Managua and win a military victory? The odds against this are high. Will they so disrupt the economy and public life that the Sandinistas will sue for peace? The Sandinista staying power may be greater than that.

In the face of the growing Sandinista military power and mobilization, it is hard to foresee a military victory for the "democratic" forces. If aid to the anti-Sandinistas is approved by the Congress and the government in Managua does not change its policies, will the United States once more face the hardest of questions: How far do we go to ensure victory? More American aid? More advisers? U.S. troops?

These questions deserve attention. We have had national tragedies when we have turned away from the hard questions. The time has come to address these unpopular but essential questions.

David D. Newsom is associate dean and director of the Institute for the Study of Diplomacy at Georgetown University. ●

HOMEOWNERSHIP OPPORTUNITY ACT OF 1985

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MITCHELL. Mr. Speaker, today, I am introducing the Homeownership Opportunity Act of 1985. The purpose of the legislation is to provide assistance to first-time, low-income home buyers. The bill would make available single family properties that are constructed or substantially rehabilitated with Federal funds and properties that are owned by the Department of Housing and Urban Development for purchase by low-income families.

The Buyers Home Survey, "Homeownership: Celebrating the American Dream," prepared by the U.S. League of Savings Institutions found that in 1983, the median income of \$35,987, was required to qualify for a mortgage loan. Nearly 6 percent of the home buyers for that year had incomes of less than \$15,000. Approximately 8 percent had incomes between \$15,000 and \$19,999. Homeownership affordability is an acute problem for low-income households. Indeed, most low-income households cannot qualify for mortgage financing. Moreover, when low-income families buy their own homes, they pay a higher percentage of their income for housing than do families with higher incomes.

The Federal Government has not adequately addressed the problem of assisting low-income home buyers. There is one Federal Government homeownership program, section 235, which is intended to assist families with income below 95 percent of the median. However, this program will provide assistance to 5,400 units nationwide in fiscal year 1985. The section 312 program which was designed to stimulate homeownership opportunities for families unable to qualify for mortgage financing or to raise the required downpayment is operating on loan repayments rather than funds appropriated by Congress.

The Homeownership Opportunity Act recognizes the severity of the problem of homeownership affordability. The bill would make families whose incomes are below 50 percent of the median eligible for assistance to purchase homes. The eligible families would be first-time buyers. The bill would make available single family dwellings constructed or substantially rehabilitated by Federal assistance or HUD-owned properties for purchase by such families. The properties would have to meet HUD's standards for decent, safe, and sanitary housing.

The key component of the Homeownership Opportunity Act is the method by which assistance would be provided to low-income families. There would be an interest bearing loan secured by a first mortgage, on an amount not to exceed 30 percent of the original cost of construction or substantial rehabilitation or 30 percent of fair market value of the house, whichever is less. Since the purchase price could not exceed \$55,000, the first mortgage would be on an amount of \$16,500 or less. The interest would be based on the income of the family, pursuant to the section 235 homeownership program. Thus, the interest rate would be less than market mortgage interest rates.

In addition, there would be a noninterest bearing second mortgage equal to the difference between the purchase price and the amount of the first mortgage. The second mortgage would be repayable upon the sale of the house, if the family sells before the end of a 20-year period.

Of the 7,863 units of HUD held properties, approximately 90 percent of the units are FHA insured, while 10 percent are not insured. These units are section 312 rehabilitated properties, et cetera. This small universe of properties does not totally address the homeownership affordability issue. It is a step in the direction of expanding the dream of homeownership to families who want to own a home, but can not without some assistance.

SECTION BY SECTION ANALYSIS OF THE HOMEOWNERSHIP OPPORTUNITY ACT OF 1985

SECTION 1, the bill is entitled the Homeownership Opportunity Act of 1985.

SECTION 2, establishes the basis for the Homeownership Opportunity Act of 1985. The bill is based on the assumption that housing for ownership by low-income families is too expensive without some form of assistance. Therefore, the bill would provide loans to permit very low-income families to purchase single-family dwellings owned by the Department of Housing and Urban Development (HUD).

SECTION 3, grants authority to the Secretary of Housing and Urban Development to provide the assistance under the Act.

SECTION 4, sets forth the requirements for eligibility and makes a family whose income does not exceed 50 percent of the median eligible for assistance. The family must be first-time home buyers. The hous-

ing for purchase must be constructed or rehabilitated with some form of Federal assistance and owned by HUD. The housing would also have to meet HUD's minimum property standards for decent, safe and sanitary housing. The purchase price of the housing can not exceed \$40,000, (\$47,500 in any geographical area where the Secretary authorizes an increase in the basis of a finding that cost levels so require, except with respect to any family with five or more persons, the limits shall be \$47,500 and \$55,000 respectively).

SECTION 5, sets forth the kind of assistance and the method by which it would be provided to eligible families. The assistance would be provided in two ways. One, there would be an interest bearing loan secured by a first mortgage, on an amount not to exceed 30 percent of the original cost of construction or substantial rehabilitation or 30 percent of the fair market value of the house, whichever is less. The interest rate on the first mortgage could be as low as 4.5 percent for a 30 year mortgage as determined pursuant to the section 235 homeownership program. Second, there would be a non-interest bearing second mortgage equal to the difference between the purchase price and the amount of the first mortgage. This second mortgage would be repayable upon the sale of the house, if the family sells before the end of a twenty year period.

The downpayment would be 2 percent of the purchase price of the home, or \$500, whichever amount is less.

SECTION 6, provides for distribution of the assistance pursuant to the 1974 Act. That is, the allocation of funds would be based on the existence of a housing assistance plan. In allocating assistance, the Secretary would have to consider the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, etc.

SECTION 7, establishes the Homeownership Opportunity Fund. The "fund" would be a revolving fund containing funds appropriated, loan repayments, etc.

SECTIONS 8 and 9, provides for regulations and annual report requirements under the Act.

SECTION 10, provides definitions. The definition of "home" means any single family dwelling unit that was constructed or substantially rehabilitated with the use of Federal assistance and is owned by HUD.

The term "very low-income family" means a family whose income is not greater than 50 percent of the median income.●

MORAL OBLIGATIONS AND U.S. POLICY IN NICARAGUA

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. COURTER. Mr. Speaker, at this moment, few issues facing this House are as important as that of assistance to the Nicaraguan Resistance. For that reason, I ask that the prepared statement I delivered on April 17 to the Subcommittee on Western Hemisphere Affairs be included in today's RECORD.

MORAL OBLIGATIONS AND U.S. POLICY IN NICARAGUA

(Statement of Congressman Jim Courter before the Subcommittee on Western Hemisphere Affairs, April 17, 1985)

Whether or not we choose to bear it, we have a moral obligation in Nicaragua. This is the obligation to see that the promises of Nicaragua's 1979 revolution—for democracy, pluralism, civil rights and justice—are fulfilled. We took this obligation on ourselves in 1979 when we joined the nations of the OAS in delegitimizing the Somoza government and in granting recognition to the Sandinistas.

Our recognition of the Sandinistas was conditional. It depended on the fulfillment of promises they made in writing to the OAS. These promises have been broken, as we all know. For the United States to do nothing about this would now send two messages to the world. They are:

(1) The United States will allow its neighbors to be subverted by Communist revolutions, provided that these revolutions make good use of some of the appearances and slogans of democratic governments.

(2) We cared enough for the Nicaraguans in 1979 that we were willing to speed Somoza's fall from power, but we do not care enough to protect them from the greater tyranny of Communism today.

Of course no Member of Congress and no official of the United States Government wishes to send messages. Few of us doubt that we have a moral obligation to our neighbors in Nicaragua. But as certain as we are of the need to act, we are equally uncertain as to how we should act.

In my view, the first problem we must overcome is one of perception. We are troubled by many things that we see in Nicaragua. The Nicaraguan military, itself an arm of the Sandinista political party and not a truly national institution, has grown far beyond the size needed to meet any conceivable threat. In fact Nicaragua's Defense Minister announced a goal of putting 200,000 Nicaraguans under arms. This goal, which aims at building an army over 14 times the size of Somoza's National Guard at its peak strength, was announced in 1980, before any armed opposition had formed against the Sandinista government, and when United States aid was still pouring into Nicaragua. Soviet bloc advisers are in Nicaragua by the thousands. The Sandinistas have a particular affinity for the PLO—the PLO's representative in Managua is treated as an Ambassador. On the domestic side, the facts are no more encouraging. The Nicaraguan Jewish community is in exile. Subversion of labor unions has been authoritatively documented by the AFL-CIO. The Inter-American Commission on Human Rights and other groups have reported on unjust treatment of Miskito Indians. The press is either state-controlled or censored. The political opposition is harassed. The population as a whole is increasingly controlled by block organizations, secret police and Sandinista mass organizations. Soviet bloc advisers are at work in these areas too.

We have all seen this evidence, but many of us still miss the forest for the trees. Some of us believe that these are separate problems that can be attacked separately. But in fact, these are the many manifestations of one single phenomenon: Marxism-Leninism. If the Sandinistas were not Communists they would not need to control the domestic population, they would not have to militarize their society, and they would not have to play host to the thousands of Soviet bloc

advisors that are on their soil. But they have made the choice to take the path of Marxism-Leninism, and they are following the appropriate policies.

Just as there is one single problem in Nicaragua—the problem of Communism—there is only one solution, and it is internal reconciliation. Some have tried to divide the issue, seeking a settlement that keeps Nicaragua from subverting or threatening its neighbors, and leaving the Sandinistas free to choose the domestic policy of their liking. But this is an impossible goal, for several reasons.

It is opposed to the ideology of the Sandinistas, which virtually guarantees that they would violate such a promise even if they agreed to sign it. It would not fulfill our obligation to work for the establishment of democracy in Nicaragua. And finally, it would not bring peace, because Sandinista repression is the very cause of the growing armed resistance in Nicaragua—a resistance that will not disappear until democratic hopes are fulfilled.

The issue, then, is indivisible. We must direct our policy toward the goal of removing the threat that Nicaraguan Communism poses to all the people of Central America, both inside and outside of Nicaragua.

A plan exists for the internal reconciliation that can bring to Nicaragua the rights and freedoms to which it aspired when it ousted the Somoza dictatorship. The plan was announced on March 3, 1985 in San Jose, Costa Rica, and it was remarkable in several respects. First, it was put forward by a broad coalition of Nicaraguan opposition figures which had not previously joined together, so it represented a union of the civil and military resistance. Second, it called for a cease-fire pending Church-sponsored negotiations on the conditions and processes that would be needed to bring democracy to Nicaragua. It is important to note that this plan is supported by many defectors from the Sandinista revolution, including Arturo Cruz, a former Sandinista Ambassador to Washington who only recently decided to align himself with the Contras. It was also supported in editorials in the *Washington Post* and the *New Republic*.

This peace plan, which was embodied in the San Jose Document of the Nicaraguan Resistance, is also the subject of a resolution I offered, H. Con. Res. 81, which has won the support of 64 Members of the House who have cosponsored it.

Now President Reagan has supported this peace plan by offering to suspend military aid to the Nicaraguan freedom fighters if the Sandinistas will negotiate seriously with their domestic opposition. Some have argued that the President's proposal puts undue pressure on the Sandinistas, but recent history shows that the President's judgment is right. Even though democracy and internal reconciliation are fundamental goals of the Contadora process, the Sandinistas have shown no willingness to negotiate on this point which is central to achieving regional peace.

When you, Mr. Chairman, wrote with eleven of our colleagues to Daniel Ortega on June 2, 1983 urging him to negotiate a political solution to Nicaragua's crisis, your call was rejected.

When Nicaragua's Catholic Bishops issued a pastoral letter calling for this same dialogue on April 20, 1984, their letter was banned from publication, labelled a "criminal suggestion" by the Sandinistas and the call for negotiations was rejected.

And this year, the Nicaraguan Resistance's call for dialogue was categorically rejected by the Sandinista government.

These facts should make it clear that pressure is required to bring the Sandinistas into negotiations. If this call for dialog is not accepted, it should be clear to us that there is no hope for the Contadora talks to succeed. If the Sandinistas refuse to negotiate seriously with their own people over a part of the Contadora objectives, they most certainly will not negotiate seriously with foreign governments on all the Contadora objectives.

Therefore, Mr. Chairman, I hope that this Subcommittee will support the President's proposal for \$14 million in aid to the Nicaraguan Resistance tied to the offer of negotiations. It constitutes a constructive step toward a solution to the civil war in Nicaragua which is consonant with our moral obligations and security interests.

But it is not the only step that can be taken, and it is clearly only an interim step pending the outcome of the proposed negotiations between the Sandinistas and the democratic Nicaraguan Resistance. Other forms of pressure can be brought to bear on Nicaragua, and they should be employed if Nicaragua's current policies continue. These measures can include higher levels of military aid to the freedom fighters, economic sanctions such as an end to U.S. imports of Nicaraguan products, withdrawal of diplomatic recognition, recognition of a government in exile, or action in the OAS to isolate Nicaragua or to plan collective sanctions that could be imposed under OAS auspices.

These types of measures will be necessary if the Sandinistas fail to enter talks aimed at internal political reconciliation. Positive incentives such as economic assistance have been tried before, and they failed to keep Nicaragua from its alignment with the Soviet bloc.

Mr. Chairman, this month marks the tenth anniversary of America's departure from Vietnam. We should use the Vietnam experience to learn the lesson that human rights and Western strategic interests are not served when America turns away from the long twilight struggle against tyranny in the Third World.

In Nicaragua, we are fortunate that no direct American military involvement is necessary, but the situation is pressing nonetheless. There is no area of greater strategic interest to the United States than the Caribbean basin. There is no greater moral interest in U.S. foreign policy than the protection of democracy.

In Nicaragua, the facts are simple. A good democratic revolution was stolen. Our neighbors fought and labored to overthrow a tyrant, and now they are faced with a far greater tyranny. They don't deserve this, and we need not abandon them as they struggle to escape it. President Reagan's plan may not be the perfect and definitive solution, but it is, like democracy itself, better than all the alternatives.

I urge this Committee's support of the President's plan. ●

MARX'S HEIRS BELIE THE PACIFIST PROMISE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FIELDS. Mr. Speaker, I bring to the attention of our colleagues in the Congress an editorial and an op-ed piece appearing in the Wall Street Journal on April 5.

Read separately, these two writings raise interesting and serious sets of questions. When read together, and compared, they raise an even more serious set of questions. James Payne, a professor of political science at Texas A&M University, writes, " * * * Oddly enough, the same groups that deplore arms races tend to favor, or are neutral about, efforts to implant Marxist dictatorships around the world." This is consistently accurate concerning the actions of "some groups" toward South Africa, South Korea, the Philippines, El Salvador, Taiwan, et cetera. The corollary seems to be that once the Marxist dictatorships are implanted, these same "groups" will move mountains to help maintain them; Cuba and Nicaragua serve as sterling examples.

Indeed, Mr. Speaker, there seems to be no end to the efforts of some in this body to provide a continuing flow of chapters to the Republican Study Committee's brilliant analysis, "What's the Matter with Democratic Foreign Policy?" I urge my colleagues to read and ponder these editorials, and consider them seriously as we vote on aid for the Contras and all other anti-Marxist forces in our world.

[From the Wall Street Journal, Apr. 5, 1985]

MESSAGE TO SOLARZ

We had hoped that efforts in the U.S. Congress to shield Nicaragua's communist government from its enemies were merely an aberration, an isolated lobbying victory for Washington's leftist fronts. Now we're not so sure. A new move is afoot in the House to give moral support to yet another group of communists, those seeking to overthrow the U.S.-aligned government of the Philippines.

At the behest of the subcommittee chaired by Rep. Stephen J. Solarz (D., N.Y.), the House Foreign Affairs Committee has voted to chop U.S. military aid to the Philippines. The timing couldn't be worse, just when the communist insurgency in the Philippines is becoming a serious threat. It is serious enough, in fact, that we have to ask Rep. Solarz and his allies if they really want to help soul mates of Nicaragua's Sandinistas come to power in yet another country.

Mr. Solarz argues that reduced aid will send a "message" to Philippine President Ferdinand Marcos, prodding him to make the political, economic and military reforms that are the only long-term solution to the insurgency. There will be a message all right, not only to Mr. Marcos but to all other U.S. allies. It will say that the U.S. is

preparing to sell out yet another of its friends.

Certainly the Manila government could use some reforms, not unlike a lot of other governments around the world, including the one in Washington. After a brilliant political career, the 67-year-old Mr. Marcos is ill and seems out of touch with the Philippines' many problems. For one thing, U.S. and IMF economic aid should be conditioned on the opening up of Manila's government-controlled economy to more market competition.

But the unhappy truth is that the communists now have become a great enough threat that a strong military response is essential. The Communist New People's Army has grown dramatically in the past year. It now deploys up to 12,000 armed guerrillas (in a country of 52 million), operating in most provinces. Many rural neighborhoods and parts of one major city, Davao, are now run by the NPA. And these aren't just agrarian reformers: They kill people. Just last Sunday, NPA gunmen murdered officials in one rural town, then interrupted a Mass to warn everyone else. U.S. intelligence now estimates that without an effective military response, the NPA could be strong enough to take power within five years. This would be a disaster for Filipinos, but it would also be a disaster for U.S. interests in what has, since the Vietnam War, been a mostly stable, prospering Southeast Asia.

It's true that U.S. military aid has been abused in the past. It's also true that the Philippine military has often proved to be undisciplined and corrupt. But that has at least begun to change under Fidel Ramos, a West Point grad who has replaced a longtime Marcos crony as Philippine chief of staff. Further change is far more likely to result from sustained U.S. aid and quiet pressure rather than from public carping and penny-pinching messages.

The Philippines doesn't yet face the unhappy choice of communist revolution or continued authoritarianism. Moderate Filipinos in business, the Roman Catholic Church and politics have steadily pressured Mr. Marcos to open up the system; they've had some, though far from total, success. Their goal is a post-Marcos transition that follows the example of Spain after Francisco Franco. But democracy won't have any chance if the communists are able to terrorize and sabotage at will. If that happens, Manila's precedent might be Nicaragua after Anastasio Somoza, when the Sandinistas—the only organized opposition, just like the NPA—took over.

Tip O'Neill and the full House ought to think about that before they agree to Mr. Solarz's message.

MARX'S HEIRS BELIE THE PACIFIST PROMISE

(By James L. Payne)

When Lenin declared that under socialism "disarmament will be achieved," he was merely repeating what had been an article of faith on the left for generations. The West, the argument ran, wanted armies to carry out imperialism abroad and to suppress the working class at home. Once workers gained control of the government, they wouldn't want to suppress themselves, nor would they carry out aggression against other countries. Armies would therefore become unnecessary.

That was the theory. The reality turns out to be a tragic inversion of the Marxist promise. Far from being champions of disar-

mament, Marxist regimes are consistently more militaristic than other countries.

Until recently, it was difficult to document this pattern because Marxism was mainly confined to the Soviet Union and its Eastern European satellites, a restricted sample. Today, the number of countries adhering to Marxist-Leninism has grown to 34, spanning many different cultures and levels of development. Consequently, the effect of Marxism on military forces can now be assessed with confidence.

A nation's commitment to military power can best be measured by its "force ratio," the number of full-time regular military personnel per 1,000 population. These data are compiled yearly by the U.S. Arms Control and Disarmament Agency (as well as by the British Institute for Strategic Studies, whose figures are quite similar).

THE PATTERN HOLDS

Overall, the numbers show that Marxist regimes have armed forces over twice as large as those of non-Marxist countries. The 32 Marxist countries for which data are available have an average force ratio of 13.3; for the 109 non-Marxist regimes, the average is 6.1.

This general pattern is repeated in more specific comparisons. Marxist North Korea has a force ratio of 38, while non-Marxist South Korea's is 14.7; Marxist South Yemen's is 12.5, non-Marxist North Yemen's is 3.9; Marxist East Germany is at 14, non-Marxist West Germany has only a 7.8. The eight Marxist European countries have an average force ratio of 13.8; the 17 non-Marxist European countries have an average of 7.6. The pattern holds for the superpowers: The Soviet Union has a force ratio of 16.3; the U.S., 9.1.

The Marxist regimes continue to stand out as more militaristic if other conditions affecting force ratios are held constant. For example, poor countries tend to have lower force ratios than richer ones (which can afford relatively larger armies). For this reason, African countries have lower force ratios than, say, European countries. But within this group, the effect of Marxism is still noticeable. The nine Marxist African countries have an average force ratio of 5.9; the 31 non-Marxist African countries have an average of 2.1.

Another way to measure the effect of Marxism is to see what happens to the size of the armed forces after Marxists come to power. For the 10 countries where this type of comparison is possible, the average increase in the force ratio under Marxism has been 282 percent. Ethiopia is a poignant case of a recent transition to Marxist rule. In 1973, the last year of non-Marxist rule, the force ratio was 1.8; under Marxism it has increased 355 percent, to 8.2.

Explaining why Marxists are so keen on military forces turns out to be more difficult than one would at first suppose. The usual theories seem inadequate to explain the breadth of the pattern. For example, Marxist sympathizers say that Marxist regimes need large military forces to defend themselves against "capitalist counterrevolution" by the U.S. and its allies. This would be said to explain the high force ratios of Cuba (23.5) and Nicaragua (27.8).

But even if one assumes that these countries are "threatened," their military forces are still abnormally large. Many countries threatened by the Soviet Union and its satellites have moderate force ratios, including Norway (9), West Germany (7.8) and Pakistan (5.2).

Another weakness of this theory is that Marxist countries not plausibly threatened by Western attack still have high force ratios. They include Mongolia (21.2), Albania (19.3), Romania (10.5), Yugoslavia (10.9), Bulgaria (19.7), and Laos (15.8).

A different argument contends that Marxist regimes have large armed forces because they plan to attack, or are attacking, their neighbors. This theory would apply quite broadly, as most Marxist countries have been aggressive. But not all. Marxist Mongolia, sandwiched between the Soviet Union and China, and thousands of miles from the nearest non-Marxist country, is necessarily nonaggressive on the world scene. Yet its force ratio is an extremely high 21.2. Three other Marxist countries that on account of their location and alignment have not been aggressive but that have elevated force ratios are Poland (11.9), Romania and Yugoslavia.

Another weakness in the aggressiveness theory is that it assumes that aggressive countries always have high force ratios, and this is by no means the case. The non-Marxist military dictatorship in Argentina was clearly the aggressor in the 1982 Falklands War (and almost went to war with Chile in a dispute over the Beagle Islands). Yet its force ratio was a mere 6, about one-quarter Cuba's. Guatemala, which has mobilized twice since 1972 to back up its territorial demands for neighboring Belize, has a force ratio of 2.3. An aggressive orientation, then will not entirely account for the endemic militarism of Marxist countries. Aggressive non-Marxist countries don't have such consistently high ratios.

Another hypothesis to explain the large armies of Marxist countries is that they need these forces to quell domestic dissent. This theory is easily rejected. Domestic repression is severe in Marxist countries, but the regular armed forces are seldom needed to carry it out. The police, secret police and party bureaucracy nip opposition in the bud, so violent dissent requiring military suppression is rare. It is in the non-Marxist regimes, where more freedom is allowed, that collective violence—unruly street demonstrations, terrorist gangs, guerrilla movements—is more common.

Even where such violence occurs, it appears to have little effect on the size of the regular armed forces in any case. Countries facing severe terrorist or guerrilla problems do not have unusually large armed forces. These include Colombia (2.6), the Philippines (3), Sri Lanka (1.2), and, of course, El Salvador (5.4).

South Africa is another interesting case. Many would suppose that that country would need a huge army to restrain the violent opposition of members of the black majority. As it happens, South Africa has a force of 2.3, less than one-tenth that of Cuba. South Africa is larger than Yugoslavia or North Korea, yet its 70,000 man armed forces are less than one-third Yugoslavia's force of 247,000 and less than one-tenth North Korea's force of 710,000.

If the usual explanations don't fit, why, then, do Marxist regimes pursue military might? Apparently, it is an expression of their basic character, not a response to a particular foreign or domestic policy aim. One almost has to suppose that if a Marxist regime came to power on Mars, with nothing to conquer and nothing to defend against, it would still have an army twice as large as that of a comparable non-Marxist country here on Earth. The ruling parties in Marxist regimes reach for military power to

validate their ideological view of a world locked in perpetual struggle. They have, as Henry Kissinger put it, "a vested interest in tension."

EXAMPLES CLOSE TO HOME

This point is strangely ignored by those groups in the West that are such outspoken critics of military forces. Logically, pacifists should be consistent opponents of Marxism, since Marxism is the harbinger of militarism in the world today. But, oddly enough, the same groups that deplore arms races tend to favor, or are neutral about, efforts to implant Marxist dictatorships around the world.

Take the case of El Salvador. Most peace activists, both in the U.S. and in Europe, view a possible Marxist victory there with approval. But if the Marxists take control, the one thing we can be sure of is that the military forces of El Salvador will more than double. Examples close to home indicate the increase could be staggering. In Cuba, the transition to Marxism has seen a 12-fold increase in the size of the armed forces, from 19,000 under Batista to 230,000. The same 12-fold increase has taken place in Nicaragua, from 6,000 under Somoza to 75,000. These are numbers that the foes of militarism ought to ponder in evaluating U.S. policy toward Central America. ●

PHASE OUT THE CONTRAS; LEAVE PEACE TO CONTADORA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, recently Mr. Robert Pastor, a professor at the University of Maryland and a former National Security Council official, published an article that I think my colleagues will find useful as we approach a vote on the question of U.S. support for the Contras in Nicaragua.

Mr. Pastor makes several good points in his article. He points out that "sympathy for the Sandinista has disappeared," but that nevertheless, "the strong sentiment in Congress is that the Contra Program is the wrong approach." He notes that "the Contra strategy is counterproductive" because "it will not dislodge the Sandinistas, and it will leave them more hostile to U.S. interests than before."

"By directly confronting a small, beleaguered country," Mr. Pastor points out, "the Reagan administration has made the Sandinistas look heroic and the United States foolish." Also, the administration's "support for the Contras has all but undermined the efforts of Latin Americans to reach a guaranteeable settlement."

Mr. Pastor, points us toward a solution: "The objective should be to phase out support for the Contras in a manner providing leverage for the Contadora countries to construct a peace that they are committed to making work." I hope my colleagues will carefully consider Mr. Pastor's ideas.

PHASE OUT SUPPORT OF CONTRAS; LEAVE
PEACE TO CONTADORA
(By Robert Pastor)

President Reagan has left no doubt of his intention to continue supporting the contras, who seek to overthrow the Nicaraguan government. Can the president persuade Congress to support his program? Can it succeed?

Though sympathy for the Sandinistas has disappeared, the strong sentiment in Congress is that the contra program is the wrong approach. To win approval of the aid, Reagan would have to apply enormous pressure and use Neanderthal Red-baiting tactics, portraying his opponents as Communist dupes or dopes. Even then he would be unlikely to win. But he has other options.

It is estimated that Congress provided \$80 million for the contras between 1981 and mid-1984, when it halted covert support. Since then the contras reportedly have received funds from private sources in the United States and from the governments of El Salvador, Honduras and Israel—which happen to be among the most dependent on U.S. aid in the world.

The contras are also said to benefit from food, weapons and equipment left behind by U.S. servicemen after maneuvers in Honduras. Contra leaders also have talked about floating bonds or tax-sheltered limited partnerships as additional ways to raise money in the United States.

Congress has shown little disposition thus far to investigate how these funding maneuvers square with international law, or Congress' own prohibition on aid, or the Neutrality Act, which prohibits private support for groups seeking to overthrow governments—the contras' stated aim. Nor does the Department of Justice seem interested in whether these various actions might set precedents that could be used at a future time by U.S.-based groups supporting leftist guerrillas.

David Durenberger, new chairman of the Senate Intelligence Committee, has suggested that the administration unite the various rebel groups and provide aid openly. But unity is proving elusive, and Congress is unlikely to approve overt aid, which would be tantamount to a declaration of war.

It is paradoxical, but apparently true, that the administration strategy so far has been both effective and counterproductive; effective in encouraging negotiating flexibility by the Sandinistas, but counterproductive in giving them a just cause to mobilize support for the revolution.

Yet the administration is uninterested in negotiations, as confirmed by its walkout in January. Many in the administration, including the president, believe that the Sandinistas could not be trusted to fulfill an agreement; therefore they see no point in negotiating, except to deflect criticism.

Thus the net assessment is that the contra strategy is counter-productive. It will not dislodge the Sandinistas, and it will leave them more hostile to U.S. interests than before.

The administration's objective is clearer now: to delegitimize the Sandinistas and encourage the remaining moderate leaders in Nicaragua to leave and transfer their legitimacy and support to the contras. The administration hopes that the middle eventually will disappear, along with international support for the Sandinistas, enabling the contras to either divide or conquer the revolutionary regime.

Contrary to Reagan's argument, support for the contras is not consistent with the

charters of the Organization of American States or the United Nations. Both organizations have mechanisms for responding to intervention or subversion, but these have been ignored.

The United States and its Central American friends do not have to stop all the weapons flowing out of Nicaragua; all they need do is to produce evidence that the flow occurs. With such proof, Central America and the Contadora countries (Venezuela, Mexico, Colombia and Panama) could go to the OAS for collective action or sanctions.

This is the most effective source of leverage over the Nicaraguans, since they have no desire to replicate Cuba's isolation from the hemisphere; nor could the Sandinistas cope with collective OAS action.

By directly confronting a small, beleaguered country, the Reagan administration has made the Sandinistas look heroic and the United States foolish.

And by suggesting that the only security interests that matter in the region are those of the United States, the administration is arrogantly dismissing the United States' neighbors by suggesting that they do not know what is best for their own security interests—or, worse, that their interests are irrelevant. That is the fatal flaw in the administration's approach. Its support of the contras has all but undermined the efforts of Latin Americans to reach a guaranteeable settlement.

In time the Sandinistas may become as hideous as Reagan thinks they are. This is not inevitable, but the logic of U.S. policy and its interaction with the Sandinistas may make it so. At work is a self-fulfilling process whereby hard-liners in both the United States and Nicaragua repeatedly confirm one another's worst suspicions, the result is increasing belligerence and polarization and the destruction of a moderate alternative.

Eventually the Contadora countries will recede in frustration and resentment, perhaps rage. And the United States will face a choice of abandoning its security interests or giving the contras direct help to win. Unless one believes that the contras have the ability to overthrow the Sandinistas, covert support is not an alternative to military intervention; it is an avenue toward intervention.

The time to change direction is now. The president ought to listen to Congress and forge a genuine bipartisan approach. The objective should be to phase out support for the contras in a manner providing leverage for the Contadora countries to construct a peace that they are committed to making work. The U.S. choice may be between a negotiated settlement today and military intervention tomorrow. ●

FREE ENTERPRISE WEEK
CONTEST GRAND PRIZEWINNER

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MOORE. Mr. Speaker, 8 years ago I initiated free enterprise week in my congressional district as a broad educational effort on the mechanics and values of free enterprise. In each of the past 8 years Louisiana students have written essays on our State's commercial activities to be judged during free enterprise week. This year

over 80 entries were received from nine parishes. I am pleased to announce to my colleagues that Brent James Hedges of Plaquemine, LA, has been chosen as the grand prizewinner of the 1985 essay contest. He is a student at Plaquemine Senior High School and chose to write his winning essay on the utilization of computer technology in petrochemical and hospital applications. I congratulate Brent Hedges on his achievement and invite my colleagues to read this essay which follows:

THE IMPACT OF THE COMPUTER ON BUSINESS
IN LOUISIANA

To show the impact of the computer on business in Louisiana, let us examine the recent trends in Louisiana's petrochemical and hospital industries.

"Louisiana's petrochemical industry has been slowed by the worldwide recession, and some people close to the industry predict it will never regain the vigor it once had." The preceding statement, taken from an article that appeared in the Baton Rouge *Morning Advocate* on January 23, 1983, paints a bleak picture for the future of the industry that provides the base for Louisiana's economy. The reason for such a pessimistic forecast is twofold—rising energy costs and increased foreign competition.

As Louisiana's chemical plant managers have attempted to absorb additional operations costs by developing new techniques to increase efficiency and productivity without jeopardizing their plants' abilities to compete with plants in foreign countries, the computer has become an effective weapon in their struggle to remain in business. In contrast to the petrochemical industry, in recent years Louisiana's hospital industry has been experiencing a period of prosperity, which is indicated by the expansion of existing hospitals and the construction of new medical facilities across the state. Once again the computer, with its many efficient applications, is a major contributor to this boom; for when they are asked to name the most beneficial investment that their hospitals have made, many hospital administrators feel that their computer system is priceless.⁽³⁾ The computer, therefore, has had a tremendous impact on the petrochemical and hospital industries in Louisiana, an impact that affects the employment and health care of many citizens of Louisiana.

Before Louisiana's chemical plants can yield their products, oil companies must find and recover petroleum. Geologists and computer personnel have developed special computer programs that analyze collected data to determine the probable locations for petroleum deposits. Once the computer specifies a likely location, the computer programmer continues to input data to determine the best drilling site and best equipment to use. The computer then estimates the cost of recovering that particular petroleum deposit. After the drilling begins, management ensures the efficient use of the equipment by utilizing computers to monitor bit and mud temperature and pressure and other factors that are involved in the recovery process.

Once an oil company strikes petroleum, the oil is usually sent to a refinery to be processed or to a chemical plant to be used in the production of petrochemical products. Because both of these options require

many complex chemical reactions to occur at many different temperatures and pressures, many Louisiana plants have computer systems that control and monitor these processes. Plant personnel have installed special temperature and pressure gauges on pipes and in stacks that convert actual temperature and pressure to a digital form that computers can read. Consequently, the use of the computer in plants increases efficiency and productivity, but reduces the number of operations personnel.

Not only have computers had a tremendous impact upon the operations departments of Louisiana's chemical plants, but they also have had a significant impact upon their administrative departments. Computers now perform the manual accounting practices that are conducive to human error—journalizing, posting, computing payroll, taking inventory, etc. Using the computer in this manner results in greater efficiency, for computers allow plant employees in administrative departments to complete their work quickly and accurately. Similarly, owning a computer has proved to be a wise investment for those businesses that provide construction and maintenance services to Louisiana's chemical plants. With the slowing of the petrochemical industry in recent years come less expansion of existing chemical facilities and only a small amount of new plant construction. The companies that specialize in industrial construction and maintenance must be capable of competing for the fewer number of jobs that plants offer; therefore, many businesses have discovered that using computers for accounting, inventory, and scheduling purposes assures their ability to compete with their rivals.

Unlike the petrochemical industry, Louisiana's hospital industry has not had to weather the hardships experienced by so many of Louisiana's chemical plants in recent years. Expansion and new construction of hospitals have been occurring across the state as computers have entered into the world of medicine. Record keeping, diagnosis, and patient monitoring are three areas of medical care in which Louisiana hospitals have experimented with computers. (5)

In some large hospitals, computerized record keeping is more than just bookkeeping and bill preparation. It includes keeping track of bed assignments and printing at appropriate times what specific medicine and/or meals each patient must have. (5) In these ways an up-to-date total of hospital stay costs is always available for every patient. Furthermore, some doctors use computers for laboratory analysis. After a doctor obtains a blood or urine sample from a patient, he can send it to a laboratory where a computerized apparatus analyzes it and prints out the results on which the doctor can base his diagnosis. Some hospitals in Louisiana use computers to find volunteer blood donors. (5) By inputting the name, address, phone number, blood type, and a brief medical history for each volunteer donor into a computer, when an emergency arises and the patient needs a rare blood type, the computer can search its memory and print a list of all possible donors.

To those patients who require twenty-four-hour monitoring, computers are extremely important. Computerized observation of pulse rate, breathing, brain-wave activity, blood pressure, and other functions has become more common in many Louisiana hospitals. (5) Patients are fitted with special converters that permit a computer to

read and store information concerning certain bodily functions. If a discrepancy arises between a patient's vital signs reading and the proper levels with which the computer has been programmed, the computer sounds an alarm and nurses and/or doctors can immediately treat that patient. Consequently, these computer methods, without reducing the level of care, decrease the workload of nurses and their aides.

In summary, by considering the powerful impact of computers on Louisiana's ailing petrochemical industry and prospering hospital industry, one can gather that computers have allowed many chemical plants and companies that service these plants to remain in business and have been one of the factors for the recent improvements in the medical care industry. By no means are these the only industries in Louisiana that computers have affected, for computers have saved and increased the efficiency and productivity of many businesses in other industries as well. Since the petrochemical industry, however, is the base for Louisiana's economy and the hospital industry provides necessary health care services to so many Louisianians, computers have preserved one industry that employs thousands of workers and assisted another industry that saves thousands of lives each year—two industries that many Louisiana citizens depend upon for their livelihoods and their lives.

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LEAH TAYLOR, HOOSIER VOD
CHAMPION

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. COATS. Mr. Speaker, I would like to take this opportunity to commend Leah Taylor of New Haven, IN, on her selection as the Hoosier representative to the Veterans of Foreign Wars' "Voice of Democracy" contest.

The VFW and its over 2 million members nationwide sponsor this competition every year. Participating high school students prepare a short speech in order to better understand the concepts of freedom and democracy upon which our Nation was built, with national finalists receiving scholarships.

I laud the group, its membership nationwide, and especially the 300,000 students who took part in the contest for their involvement in this worthwhile project.

This year, participants spoke on the theme "My Pledge to America." I was impressed with Leah's remarks, for they focused largely on the often-neglected duties which we all have as Americans. Particularly insightful was her recognition of the place of parents in our society and the special role which they play in our development as a nation. We should all remember this perspective as we work to strengthen America's families.

I am proud to have Leah as one of my constituents and as the representative of the State of Indiana in the competition, and I am inserting a copy of her excellent speech in the RECORD to share with my colleagues.

MY PLEDGE TO AMERICA

(By Leah Taylor)

The hope of the desperate. The home of the determined. The Pilgrims and Revolutionists fought to live in it. The "Boat People" see it as their light at the end of a very dark tunnel. Because of the work, pain, and even deaths of our forefathers, I live in it: The United States of America, a free country, a nation that promises me life, liberty, and the pursuit of happiness. In return, I want to pledge my allegiance to it, my home and protector.

Allegiance. The dictionary informed me that allegiance is loyalty to one's country. I believe pledging my allegiance to America, goes even deeper than just being loyal. It involves supporting America, having pride in my heritage, and desiring this nation's well-being.

Support. I pledge my support and assistance to America. There are many ways to support one's country. Four of these, which I believe are the most important, are paying one's taxes, parenting and caring for one's children, caring about others and, individually, doing the best one can do, whether it be at work or in one's personal life.

Paying one's taxes is probably the most obvious means of supporting America, although not always the most enjoyable. But if we, as Americans, fail to pay our taxes, we would be destroying our government, including benefits such as schools, firefighters, officials to enforce the law, and a defense system to keep our freedom. Without those benefits America could quickly lose some of the freedom and tranquility that we enjoy more than any other nation. When it is my turn to pay taxes, even though I might dislike having to give away money, I know I would much rather have the American privileges I enjoy now than just my personal gain.

Another way to strengthen America is almost overlooked; the role of parents. Their job is the most important because the children for whom they care and whom they teach will be the new generation, and that generation will keep America strong. As my parents instilled in me pride and love of America, I will try to bring up my children in the same way and teach them to cherish God, America, and other people.

Loving others and helping them also helps our nation. Volunteers all over the country have helped other people in need. Foster

parents, charity organizers and sponsors, half-way houses, and responsible and considerate neighbors are only a few of the examples of love shown by Americans. The United States is not just the government or the land, but it is the people. So, I believe helping others is a major part of supporting America.

Anyone, whether he be a doctor, clerk or student, can strengthen America by doing his job to the best of his abilities. Hard working colonists were the ones who succeeded in starting America and hard work is still needed to keep America strong. It starts with the individual and that includes me, so I try to use the ability God gave me so that I benefit not only myself but this great country, too. If everyone is the best he can be, America is the strongest it can be.

Supporting America also means wanting the best for it. Since I believe all good things come from God, I pray for His blessing and protection. As our paper money states: "In God We Trust", I try to remember America every night in my prayers and I hope other Americans do the same.

Another part of fulfilling one's pledge of allegiance to America is to care about its well-being. Voting is one way of accomplishing this. Another way is to be concerned about the different social and political matters that could be detrimental or helpful to America. Even though I don't always understand these matters, I try, which is every American's duty.

The final and probably easiest way of showing one's allegiance to America is by being proud of it. I am proud of America. Therefore, I take care of it, appreciate its resources and love it. I believe my pride in this country is shown by my behavior and cooperation, so I try to obey the law and act with responsibility.

America is my past and present. God willing, it will also be my future. Because I love America, I pledge my support of it, my pride in it, and my desire for its well-being. I wouldn't want to live any place else. "God bless America, my home sweet home" ●

MAINTAIN U.S. AFRICAN INVESTMENTS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LAGOMARSINO. Mr. Speaker, the following editorial from the Oxnard Press-Courier—Saturday, March 2, 1985—entitled, "Maintain U.S. African Investments," I believe accurately explains how economic disinvestment by the United States in South Africa is not going to assist us in reforming apartheid, nor is it supported by a large portion of that country's black majority population, and I am pleased to bring it to the attention of my colleagues.

[From the Press-Courier, Mar. 2, 1985]

MAINTAIN U.S. AFRICAN INVESTMENTS

A contingent of liberals in this country believe that punishing South Africa with economic sanctions is the best way to reform the white-minority government's egregious policy of racial discrimination. These punitive measures, however, are opposed by numerous South African blacks, including

Chief Gatsha Buthelezi, the 56-year-old leader of the nation's 6-million-member Zulu tribe.

Chief Buthelezi urges American businessmen to continue to invest in his country, and he argues that economic sanctions would worsen the plight of millions of the country's blacks and "condemn a whole new generation to living in appalling slum conditions."

Although he doesn't speak for all blacks in South Africa, the chief nonetheless expresses the feelings of many of his countrymen who have jobs and enjoy an improved standard of living because of American investment.

At present, U.S. firms employ approximately 100,000 South Africans. Most of these firms, moreover, adhere to the Sullivan Principles, a voluntary code of corporate conduct for American companies in that country.

The Sullivan purpose is to channel corporate resources into activities designed to promote social and economic improvements for South Africa's non-white population. To date, American firms have spent more than \$100 million in pursuit of the principles' goals, which include equal pay and fair-employment practices for all employees, training programs to prepare blacks, coloreds and Asians for administrative and technical positions and improved housing, transportation, schooling, recreation and health facilities for employees and their families.

By maintaining commercial ties with South Africa, the United States is able to exert a moderating influence. Recent proof of this is to be found in President P.W. Botha's willingness to give the country's black population basic political and property rights.

Disinvestment, however, would disrupt this evolutionary process and harden the determination of the South African government to continue excluding blacks from full citizenship.

Chief Buthelezi concludes as much when he calls for a toughening of the Sullivan Principles so that all U.S. firms would be obliged to treat black and white workers equally. His prudent advice surely is preferable to economic sanctions that would prevent American businesses from playing a positive role in South Africa, and, ultimately, punish the black population all the more. ●

PUT CENTRAL AMERICA IN PERSPECTIVE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, the March 11 issue of Business Week magazine—hardly a radical publication—carried an editorial on Nicaragua that makes a lot of sense. The editorial states the issue succinctly in its first three sentences:

By declaring that his goal is to "remove" the "present structure" of the Sandinista regime, President Reagan has stripped the camouflage from U.S. support for the Contra guerrillas in Nicaragua. A vote to renew "covert" aid to the Contras, frozen by Congress last fall, would now amount to approval of a U.S. commitment to overthrow

the Nicaraguan government. Congress properly is unlikely to vote such an approval.

As Washington Post writer Lou Cannon has recently written,

It is difficult to comprehend how anyone opposed to this aid, on strategic or moral grounds, could rationalize voting for it just because Reagan has renamed his request "the Central American peace plan."

I agree with that, and am confident that the House will once again vote against this aid, as it has four times before.

Business Week is absolutely right when it says, in its editorial, that there is a better way:

To get U.S. policy on Central America back on a sensible track, the Administration must regain a sense of proportion between U.S. goals and the means of achieving them. Nicaragua is a small, poor country that on its own cannot pose a threat to the U.S. nor even—if the U.S. works diligently to achieve a political settlement in the region—to its small, poor neighbors. * * * The U.S. can use its power and influence in the region more effectively by making a long-term commitment to peace and stability rather than simply supporting the Contras.

There is more wisdom in this brief editorial than there is in all the volumes of propaganda coming out of the White House. I hope my colleagues will give the editorial their careful attention.

[From Business Week, Mar. 11, 1985]

PUT CENTRAL AMERICA IN PERSPECTIVE

By declaring that his goal is to "remove" the "present structures" of the Sandinista regime, President Reagan has stripped the camouflage from U.S. support for the contra guerrillas in Nicaragua. A vote to renew "covert" aid to the contras, frozen by Congress last fall, would now amount to approval of a U.S. commitment to overthrow the Nicaraguan government. Congress properly is unlikely to vote such an approval. It certainly should reject open aid to the contras as equivalent to a declaration of war against Managua.

In the Administration's view, Nicaragua is a Soviet outpost. Secretary of State George P. Shultz asserts that the country is slipping "behind the Iron Curtain." He even suggests that it is covered by the Brezhnev Doctrine, which ties Eastern Europe to Big Brother in the Kremlin.

Such rhetoric lacks perspective. Obviously, the Soviet Union cannot send the Red Army to Central America, as it can to Eastern Europe, to erect an Iron Curtain around a satellite or enforce the Brezhnev Doctrine. Nor will Moscow risk another Cuban-style missile confrontation over Nicaragua.

To get U.S. Policy on Central America back on a sensible track, the Administration must regain a sense of proportion between U.S. goals and the means of achieving them. Nicaragua is a small, poor country that on its own cannot pose a threat to the U.S. nor even—if the U.S. works diligently to achieve a political settlement in the region—to its small, poor neighbors. The Sandinista leaders know that if Nicaragua acquired offense weapons, such as Soviet MiGs, Congress would support decisive U.S. action to neutralize them.

The U.S. can use its power and influence in the region more effectively by making a long-term commitment to peace and stability.

ty rather than simply supporting the contras. Nicaraguan President Daniel Ortega's invitation to congressional leaders to visit Nicaragua offers the opportunity for a fresh start. But the U.S. should not take on the burden of serving as yanqui enforcer in Central America. Countries with a stake in the area are eager to play a role. The U.S. should enlist their help. Such an approach would be far more cost effective, politically and financially, than contra ventures—and far less divisive at home and in the hemisphere. ●

GOOD SAMARITAN ASSISTANCE ACT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SCHUMER. Mr. Speaker, on Sunday, June 22, 1980, James McDaniel and his wife arrived at the First Baptist Church in Daingerfield, TX, and sat near the back, as they usually did. The congregation was in the middle of the offertory song when a man burst in, screaming "This is war," and started firing into the crowd. Mrs. McDaniel and others in the crowd were struck. Her husband jumped out of his seat and wrestled the assailant out of the church into the street. The gunman continued to shoot, firing bullets into Mr. McDaniel. The gunman was subdued, Mr. McDaniel died on the steps of the church.

We have all heard the tales of victims who suffered at the hands of criminals while onlookers did nothing. But the brave acts of those who, like Mr. McDaniel, did do something have received little attention and little compensation. Today, I am introducing the Good Samaritan Assistance Act of 1985, which will provide matching grants to the States for programs that reward citizens who intervene in an attempt to prevent a crime or apprehend a criminal. The bill will encourage States to reward these deserving individuals and, at the same time, will educate the public that one can do something to help another who is being victimized.

These grants will not contribute a penny to the Federal deficit, because they will be financed by the trust fund set up under the Victims of Crime Assistance Act of 1984. The trust fund receives its moneys solely from fines imposed on criminals. This mechanism provides the perfect way to make criminals foot the bill for both those who seek to apprehend them and those they have victimized.

In addition, States will only receive 35-percent funding for the programs, so the chief financial responsibility will continue to rest with those who have the chief enforcement responsibility for most crimes. Forcing States to bear the lion's share of the cost of the reward programs will ensure that

EXTENSIONS OF REMARKS

the programs are administered efficiently and that Federal money is not wasted.

In the past few years, we have seen a shift in public attention from criminals to crime fighters and crime victims. One result of the shift has been increased support for community self-help efforts to fight crime. These efforts have contributed to a 2-percent decline in the number of households affected by crimes of violence or theft. Nonetheless, in 1983, 37 million individuals were victims of serious crime. Obviously more remains to be done.

The Good Samaritan Assistance Act will further citizen crime-control efforts by promoting the recognition and reward of citizens who intervene to stop a crime. I urge my colleagues to join me in support of this effort to promote the spirit of mutual responsibility and thus make our neighborhoods more secure and more pleasant.

I ask unanimous consent that the text of the bill be printed in the RECORD.

H.R. 2130

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Good Samaritan Assistance Act of 1985".

SEC. 2. GOOD SAMARITAN REWARDS.

The Victims of Crime Act of 1984 is amended by inserting after section 1403 the following new section:

"GOOD SAMARITAN REWARDS

"SEC. 1403A. (a) ANNUAL GRANTS.—(1) Subject to the availability of money in the Fund, the Attorney General shall make an annual grant from any portion of the Fund, not used for grants under section 1403 or 1404, with respect to a particular fiscal year to an eligible good samaritan reward program of 35 percent of the amounts awarded during the preceding fiscal year, other than amounts awarded for property damage. If such program did not exist during the entire preceding fiscal year, such grant shall be in an amount equal to 35 percent of the amounts projected to be awarded during the current fiscal year. A grant under this section shall be used by such program only for rewards.

"(2) If the sums available in the Fund for grants under this section are insufficient to provide grants of 35 percent as provided in paragraph (1), the Attorney General shall make, from the sums available, a grant to each eligible good samaritan reward program so that each such program receives the same percentage of amounts awarded by such program during the preceding fiscal year, other than amounts awarded for property damage.

"(b) ELIGIBILITY.—A good samaritan reward program is an eligible good samaritan reward program for the purposes of this section if—

"(1) such program is operated by a State and offers rewards to good samaritans and survivors of good samaritans;

"(2) such State certifies that grants under this section will not be used to supplant State funds otherwise available to provide good samaritan rewards;

"(3) such program meets, with respect to rewards to good samaritans, the same re-

quirements as are imposed under paragraphs (4) and (5) of section 1403(b) with respect to compensation to victims of crime; and

"(4) such program is not an entitlement program.

"(c) DEFINITIONS.—As used in this section—

"(1) the terms 'property damage', and 'State' have the meanings given those terms, respectively, in section 1403(d); and

"(2) the term 'good samaritan' means, to the extent provided under the eligible good samaritan reward program, an individual who acted voluntarily and nonnegligently—

"(A) to prevent the commission of a criminal offense, or to prevent what the individual reasonably believes is the commission of a criminal offense;

"(B) to apprehend a person who commits a criminal offense, or to apprehend a person who the individual reasonably believes is committing a criminal offense;

"(C) to preserve the public peace; or

"(D) to prevent a public disturbance;

but such term does not include any individual performing official police or military duty or any child determined by the eligible good samaritan reward program to be too young to understand the risks of such child's conduct."

SEC. 3. CONFORMING AMENDMENT.

Section 1404(a)(1) of the Victims of Crime Act of 1984 is amended by inserting "or 1403A" after "1403".

SEC. 4. MODIFICATION OF FUND ALLOCATION.

Section 1402(d)(2) of Victims of Crime Act of 1984 is amended—

(1) by striking out "Fifty" and inserting "45" in lieu thereof;

(2) by striking out "fifty" and inserting "45" in lieu thereof; and

(3) by adding at the end the following new sentence: "10 percent of such total shall be available for grants under section 1403A." ●

BAN ON CHEMICAL WEAPONS PRODUCTION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. UDALL. Mr. Speaker, I am joining today with 49 other colleagues in the introduction of legislation to stop funding for the production of new binary nerve gas weapons. For the past 3 years this body has rejected the President's request for chemical weapons production by margins of nearly 100 votes or more. It is my hope and expectation that we will do so again this year.

There are, I believe, sound policy reasons for rejecting the President's request. First, there is no immediate need for new chemical weapons. The President's own bipartisan commission found that the existing stockpile is adequate until the mid-1990's, a conclusion also reached by Secretary Weinberger.

Second, there are continuing doubts about the reliability and survivability of the weapons used to deliver the binary chemical agents. The "Bigeye"

bomb would be highly vulnerable in actual combat conditions; unlike our existing rocketed launched weapons, the Bigeye must be delivered upwind of its target by an airplane.

Third, our allies are unwilling at this point to allow us to preposition new, binary nerve gas weapons in Europe. U.S. efforts to deploy such weapons, in fact, could lead to a major split in NATO.

Beyond these purely policy considerations, there are the budgetary ones. The administration wants to spend \$174 million in fiscal year 1986 and \$2.3 billion over the next 5 years for chemical weapons production. Coming at a time of \$200 billion deficits, we can hardly afford such a request. I think we have other needs, including defense needs, that deserve a higher priority in this year's budget.

I urge my colleagues to cosponsor our initiative and to reject the President's budget request.●

NATIONAL LIBRARY WEEK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1985

● Mr. LANTOS. Mr. Speaker, I am delighted today to join in the celebrations marking National Library Week and pay tribute to the libraries of this Nation. From the Library of Congress here in Washington right across the country the United States can rightfully boast of the finest public library system anywhere in the world.

In particular, I would like to commend the outstanding libraries in San Mateo County, CA. The hard work of their dedicated staffs has resulted in libraries of the very highest quality, not only in the books provided but also in their support services.

As a former professor, I am particularly aware of the importance of libraries. Education is dependent on the availability of information and the exchange of ideas. Students of all ages—in nursery school or law school—rely upon libraries for information on every conceivable subject.

As a society we have become increasingly dependent upon knowledge and the dissemination of knowledge. Civilization and culture, science and economic progress would be impossible without our outstanding libraries.

Libraries also provide endless hours of pleasure and entertainment. Books are one of the real sources of enjoyment and recreation. Few of us possess all the books we would like—but a library makes them readily available at little or no charge.

Tragically, our libraries are under threat. The administration has not allocated any funds in the fiscal year 1986 budget for either the Library

Services and Construction Act or for the funding of college and research libraries. If such a policy continues, it could place in jeopardy one of the most basic resources, not only of our educational system, but of our Nation.

The library is freely available to all regardless of income, race, or sex. It provides a universal source of information. To cut library funding will inevitably deprive those in our society who are least able to turn elsewhere. Mr. Speaker, while there is no question that we must work to reduce the soaring Federal budget deficit, we must also take steps to insure that our libraries continue to have the support essential for their continued growth and existence.

While National Library Week is a time for us to celebrate an outstanding system, we should not be complacent. Now is also the time for us to act in order to preserve our magnificent library system.●

TRIBUTE TO COMMANDER AL MILLER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LAGOMARSINO. Mr. Speaker, I appreciate this opportunity to extend recognition to one of my constituents on the occasion of his retirement from the Ventura County Sheriff's Department.

Commander Miller is retiring after 32 years with the sheriff's department. He began his career in law enforcement in 1953 after having served in the U.S. Army during World War II and the Korean War.

In 1955, after working for 2 years as a jailer, Commander Miller was appointed as a deputy sheriff and was assigned to the patrol division. Over the next 10 years he earned a promotion to the rank of sergeant in 1957 and lieutenant in 1963.

In 1966 Commander Miller was elevated to the rank of captain and was responsible for supervising the patrol division. In 1970, he was promoted to inspector and was reassigned to head the sheriff's criminal division. Two years later he was advanced to the rank of chief deputy.

In 1976, the sheriff's department reorganized and Commander Miller assumed his present rank. For the past 8 years he has been responsible for the sheriff's support services division where he oversees the sheriff's business office, records, psychological services, research and planning, emergency services, personnel and training bureaus.

Commander Miller's accomplishments are numerous but among the most recent is his involvement in the

revitalization of the office of emergency services. This office is responsible for developing disaster response plans and for disseminating disaster preparedness information to the public.

Commander Miller was also a member of the California National Guard and was called into service in 1965 during the Watts riots. As a result of his involvement he was awarded the California National Guard's Medal of Merit and was also commended for his actions by the mayor of the city of Inglewood. He retired from the Guard in 1967 with the rank of major.

I extend to Al and his wife Joyce my very best wishes as well as the best wishes of this body and offer our hopes for a long, enjoyable, and productive retirement.●

THE CONTRAS ARE HARDLY FREEDOM FIGHTERS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, the March 25 issue of the New Yorker, in its "Talk of the Town" section, carried an excellent commentary on President Reagan's scandalous statement that the Nicaraguan Contras "are the moral equal of our Founding Fathers." All Americans should be shocked that our President would compare people who rape, pillage, torture, and murder with George Washington, Thomas Jefferson, and the other heroes of the American revolution. As the commentary points out, "History is real; analogies have weight; statements have consequences." The President's statement poisons not only the prospects for peace in Central America, but also our own national dialog and our very image of ourselves and of our heritage. I urge my colleagues to consider this commentary with great care.

[From the New Yorker]

THE TALK OF THE TOWN—NOTES AND COMMENT

Several commentators in recent years have been struck by the extraordinary convergence of talent, grace, genius, and wisdom in the current generation contesting for legitimacy in Poland. How is it possible, these observers wonder, for a single generation in a relatively small, relatively isolated country in the middle of Eastern Europe to have produced such a host of great-souled men and women—Leach Walesa, Adam Michnick, Jacek Kuron, Karol Modzelewski, Karol Wojtyla, Jerzy Pepieluszko, Anna Walentynowicz, Alina Pienkowska, Andrzej Wajda, Krzysztof Zanussi, Czeslaw Milosz, Andrzej Gwiazda, Zbigniew Bujak, and on and on? At something of a conceptual loss before this historical mystery, the commentators occasionally have recourse to analogy, and one that frequently recurs in their writings is to the remarkable generation that arose in the British colonies in North

America during the seventeen-sixties, seventies, and eighties. There historians have long been confronted with that wondrous fluke, the manna descending, the sudden, unexplainable upwelling of greatness—Benjamin Franklin, Thomas Jefferson, Samuel Adams, Thomas Paine, George Washington, John Adams, Alexander Hamilton, James Madison, and on and on, all acting at the same moment in the same place. It is a useful analogy, and an appropriate one: it does honor to both sides of the equation. On the Polish side, we Americans are afforded a sense of what history must have felt like as it was unfolding for our own Founding Fathers; of what it must have been like to wake up each morning faced with impossible odds and hopeless choices and yet somehow summon the resolve to act and the composure to act sagely; of what the declaration of independence must have felt like before it became the Declaration of Independence, when the spirit was building but had yet to find expression, when expression had yet to coalesce into inevitability. Through the analogy to our Founding Fathers, Poles, for their part, can draw a lesson concerning the future consequences of present acts—how a noble project honestly conceived and earnestly carried through becomes a source, a wellspring, refreshing and sustaining generation after generation to come. These corollaries suggest what is at stake in historical analogy, and the sense of care and responsibility with which we must exercise our propensity for it. Not only must the two sides of the equation be worthy of each other but we must be worthy of them.

A few weeks ago, President Reagan, as part of his current siege of Congress on behalf of his Administration's Central America policy, tried his hand at historical analogy. He declared that the Contras, the fighting forces currently attempting to undermine the Sandinista regime in Nicaragua, "are the moral equal of our Founding Fathers." The analogy is a strange one: our Founding Fathers accomplished a revolution, whereas the Contras are by definition contrarrevolucionarios—counterrevolutionaries. The revolution they so vigorously oppose is one that overthrew a tyrant, Anastasio Somoza, who made George III seem positively small-time. Of course, President Reagan claims that the Contras were initially supporters of that revolution who subsequently found themselves co-opted by their onetime Sandinista allies, but the historical record offers precious little to sustain that characterization. (The commander of the principal Contra force, the man who set about organizing it immediately after Somoza's downfall and still commands it, is Enrique Bermudez, who was Somoza's military attaché in Washington; one of the few Contra leaders who might truly fit Reagan's definition of a disenchanting onetime revolutionary, Edén Pastora, will have nothing to do with most of the other Contra military groups, precisely because so many of their leaders were former officers in Somoza's National Guard, and as a result of this hesitancy Pastora's group was being frozen out of most American covert funding even when Congress was allowing the practice.) And even if Reagan's version of a co-opted revolution were historically accurate the analogy that might be drawn would be to the French Revolution, or the Russian—certainly not the American.

The problem, however, isn't just that the Founding Father analogy is specious; it's also pernicious. Within days of the President's statement, two reports were issued

evaluating the behavior of Contra forces in the field. Americas Watch released a comparative study, "Violations of the Laws of War by Both Sides in Nicaragua, 1981-1985," that documented the behavior of both the Contra and the Sandinista forces. The report was careful and precise in tone; if anything, it was understated. Its authors concluded that whereas the Sandinista forces had committed "major abuses," particularly against the Miskito Indians on Nicaragua's Atlantic coast, during the first few years after the Revolution, "the evidence that we have gathered shows a sharp decline in violations of the laws of war by the Nicaraguan government following 1982." By contrast, Americas Watch reported, "The contra forces have systematically violated the applicable laws of war throughout the conflict. They have attacked civilians indiscriminately; they have tortured and mutilated prisoners; they have murdered those placed hors de combat by their wounds; they have taken hostages; and they have committed outrages against personal dignity."

In the past, State Department and White House spokesmen confronted with charges like these have dismissed them as being based on idiosyncratic cases, or else on hearsay. Partly in response to that type of defense, lawyers affiliated with the Washington Office on Latin America and the International Human Rights Law Group two weeks ago released the results of a series of studies undertaken during the past six months. To begin with, one lawyer went down to Nicaragua and compiled evidence relating to twenty-eight incidents of Contra violence aimed at civilians—"reliable evidence of a kind that would be legally sufficient in a court of law," his report specified. That is to say, he took sworn affidavits, based almost exclusively on eyewitness testimony, from over a hundred and forty persons; he challenged the witnesses with questions designed to confirm their personal knowledge of the events related ("Did you actually see that?" "What color were their uniforms?"). This testimony was transcribed; the transcripts were read back to the witnesses; and the witnesses signified their approval by signing them with their full names, their place of residence, and, in most cases, the names of their parents. Wherever possible, corroboration was sought. WOLA and the I.H.R.L.G. subsequently sent two other lawyers down to verify the accuracy of the affidavits. Following the report's release, several independent journalists in Nicaragua further confirmed the reliability of several of the accounts. The affidavits make for chilling reading.

Item: Noel Benavides Herradora, a coffee-picker, telling of his abduction by the Contras from a farm near the Honduran border, along with a married couple, prominent church leaders, in December, 1982: "Mr. Felipe Barreda and his wife were already there. He was bleeding heavily. He was being beaten and had blood all over him. [His wife] was also being beaten. They tied them. I was walking ahead, he was tied behind me, and she was tied further behind. He could hardly walk. He kept slipping and falling. And every time he fell they struck him and threatened to get rid of him right there so that he would stop being a burden. Then he would kneel and ask to be allowed to pray to Our Father. But they just beat him, kicked him, slapped him in the face, and cursed him." The Barredas were later tortured and killed.

Item: Doroteo Tinoco Valdivia, testifying about a large Contra attack in April, 1984,

on his farming cooperative, near Yali, Jinotega: "They had already destroyed all that was the cooperative: a coffee-drying machine, the two dormitories for the coffee cutters, the electricity generators, seven cows, the plant, the food warehouse. There was one boy about fifteen years old, who was retarded and suffered from epilepsy. We had left him in the bomb shelter. When we returned... we saw... that they had cut his throat, then they cut open his stomach and left his intestines hanging out on the ground like a string."

Item: Inocente Peralta, a lay pastor who went out looking for victims of another attack on a Jinotega cooperative: "We found one of them, Juan Perez, assassinated in the mountains. They had tied his hands behind his back. They hung him on a wire fence. They opened up his throat and took out his tongue. Another bayonet had gone in through his stomach and come out his back. Finally, they cut off his testicles. It was horrible to see."

Item: Orlando Wayland, a Miskito teacher who was kidnapped by the Contras in December, 1983, and force-marched into Honduras, where he was tortured along with eight others: "In the evening they tied me up in the water from seven p.m. until one a.m. The next day, at seven a.m., they began to make me collect garbage in the creek in my underwear, with the cold. I was in the creek for four hours... Then they threw me on the anthill. Tied up, they put me chest down on the anthill. The [red] ants bit my body. I squirmed to try to get them off my body, but there were too many. I was on the anthill ten minutes each day... They would beat me from head to heels... They would give me an injection to calm me a little. Then they would beat me again."

Item: Myrna Cunningham, a Miskito Indian doctor, describing what happened to her and to a nurse following their kidnapping by the Contras, in December, 1981: "During those hours we were raped for the first time. While they were raping us, they were chanting slogans like 'Christ yesterday, Christ today, Christ tomorrow...'. And although we would cry or shout, they would hit us, and put a knife or a gun to our head. This went on for almost two hours."

And so forth, for over a hundred and forty affidavits.

No one is claiming that every Contra soldier has behaved in this manner, but both of these recent reports have documented a pattern of activity—countenance for which, in the case of the assassination of civilians, was, in fact, spelled out in the belatedly disowned C.I.A. instruction manual.

And this brings us back to the President's analogy. Jefferson? Washington? Madison? How are the Contras the moral equal of our Founding Fathers? History is real; analogies have weight; statements have consequences. In days to come, when we find ourselves thinking of those men, the framers of our democracy, might we now find ourselves free-associating to images of torture and indiscriminate murder? It's as if the President had carelessly dumped toxic waste in the very wellspring of our nation's heritage. Already the poison is leaching into the stream, irretrievably contaminating the very waters that we need to drink every day. ●

THE PENTAGON AND
TECHNOLOGY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. COURTER. Mr. Speaker, below is an excellent editorial, the New York Times, April 5, on how the Pentagon sometimes does not pursue the most effective technology for the battlefield, and how to alleviate this pervasive problem. I bring it to my colleagues attention as we review this year's defense budget request:

THE PENTAGON'S MISUSE OF TECHNOLOGY

Bobbing about in the military budget now before Congress are many lemons, like the Sergeant York gun, which costs far too much and shoots far too poorly. Congress would do well to try correcting such specific blunders—and do much more to address a common flaw: the Pentagon's systematic misuse of technology.

The misuse is veiled by a paradox. The Pentagon crams its weapons with complex technology, yet its record of innovation is remarkably poor. Both tendencies flourish in the Army's effort to develop a robot reconnaissance plane. Israel has used such vehicles for years with striking success; the U.S. Army's version is still on the drawing board because its designers keep adding features.

Consider by contrast one of the Pentagon's best, and cheapest, weapons: the Sidewinder missile, with which Israel obliterated the Syrian Air Force and British pilots defeated more capable Argentine planes in the Falkland war. How could the same Pentagon bureaucracy design so effective a weapon? It didn't. The Sidewinder, as The Wall Street Journal has related, was developed covertly by a Navy engineer, Bill McLean, who perceived that the bureaucracy's proposed radar-guided missiles were too complex to work.

Why does the procurement bureaucracy work so poorly? Each service has its own. The Air Force's Systems Command employs 10,000 officers and 29,000 civilians. The Navy Material Command has 5,000 officers and 220,000 civilians. The Army's Materiel Development and Readiness Command is staffed by 11,000 Army personnel and 110,000 civilians. These agencies, vast as they are, produce astonishingly little. In the last 20 years the Army has produced a single tank, the M-1; the record of the Air Force Systems Command includes only three fighters, two bombers, a single air-to-air missile.

The procurement agencies don't even make anything: they merely set specifications for contractors. That's where the troubles begin. When a new plane gets designed the officers responsible for subsystems—electronics or engines or radar—each insist on applying the full scope of technical advances in their special field.

The outcome, as the defense analyst Edward Luttwak notes in his new book, "The Pentagon and the Art of War," is a "corruption of purpose" that makes each weapon very elaborate and very expensive. The final fruit of this system is the F-15 fighter, a plane with wonderful capabilities mostly unusable in combat, and so expensive that the Air Force last year could afford only 36.

There's a better way. Disband the procurement agencies and get the officers back to what they're trained for—war, not contracting. Let civilians acquire weapons, not by writing elaborate specifications but by setting up realistic tests of battlefield performance. And let them insure genuine competition among manufacturers' prototypes. That's how the Air Force's two most effective planes, the F-16 fighter and A-10 attack plane, were acquired, largely in defiance of the bureaucracy.

Then insist on honest, independent tests of weapons going into production, and insure integrity by barring the civilians from revolving-door employment with the contractors.

The ability to get new technology into battlefield weapons quickly ought to be a critical military advantage for the United States. Of all the Pentagon's excesses, Congress should find its stifling of effective technology the least forgivable. ●

PRESIDENT REAGAN TO
PRESENT VOLUNTEER ACTION
AWARD TO MORRIS PESIN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GUARINI. Mr. Speaker, on Monday, April 22, 1985, at a luncheon in the White House, an outstanding citizen of the 14th District, and indeed the entire State of New Jersey and our Nation, will receive an award from President Ronald Reagan.

Morris Pesin, of Jersey City, will receive his award for outstanding American volunteer achievement at a ceremony where only 15 individual groups and national organizations, plus 2 corporations, and 1 labor union, will be so honored.

Pesin is being honored because of his campaign since 1956 to clean up the Jersey City waterfront and to develop an area just a few hundred yards from the Statue of Liberty into a State park.

Before 1976 Jersey City's waterfront was in a decrepid condition full of debris, garbage, and rotted beams from broken down piers. It was a shameful scene to witness because it is the closest land in the entire world to America's most beloved shrines, the Statue of Liberty and Ellis Island.

In 1976, Morris Pesin began a tripart program, first a cleanup, second, to develop the area into a park for hundreds of thousands of individuals to enjoy each year, and most important, to make the Statue of Liberty and Ellis Island accessible to New Jersey, without taking a long and costly trip to Battery Park in New York City for the ferryboat to the monuments.

To dramatize the importance of his campaign and to show the proximity of New Jersey's shore to Liberty Island, Morris Pesin, in 1958, led a

canoe trip from Jersey City to the Statue of Liberty.

Mr. Pesin's long campaign to clean up the waterfront resulted in New Jersey's beautiful 800-acre Liberty State Park site, financed by State grants and contributions from the private sector.

Each year hundreds of thousands of individuals visit the park and feel the love and comfort and warmth of our fair lady in the harbor, standing 305 feet tall.

Determined to keep it a people's park Morris Pesin makes almost daily visits to the facility seeking to make a good thing better. Each year he encourages more than 80 different ethnic groups to have summer festivals at the park.

New Jersey area and music groups visit the facilities which also have been used for school graduation exercises.

In 1980, ferry service was initiated from Jersey City to Ellis Island, providing a convenient, low-cost, accessible facility with no cost parking, which is deeply appreciated by visitors from all over the country, especially the elderly and handicapped.

Because of his tremendous community leadership, energy, unflinching patriotism, and pride, Morris was appointed by President Reagan as one of the members of the Statue of Liberty-Ellis Island Centennial Commission, headed by Lee A. Iacocca.

Pesin was appointed by New Jersey Gov. Thomas H. Kean to the New Jersey Statue of Liberty Celebration Commission.

A former city councilman for Jersey City, Pesin now serves as a full time nonsalaried director of the Jersey City Cultural Arts Committee and the City Spirit Program.

Morris is an energetic and successful fundraiser for the Statue of Liberty and Ellis Island Restoration Program and has traveled to more than 45 cities and towns in New York and New Jersey, speaking and thanking the school children for their generosity.

Last week he represented the Statue of Liberty Restoration Committee at ceremonies held on Liberty Island, where Chad Colley, national commander of the Disabled American Veterans [DAV] presented William F. May, chairman of the Statue of Liberty-Ellis Island Centennial Commission, a check for \$1 million which will be used toward the renovations needed to make the national shrines barrier free for the elderly and handicapped.

This Presidential Volunteer Action Award has earned the plaudits of President Reagan, who has said, "I am particularly proud of Americans who donated their personal time to improving the quality of life in our community, our States, and our Nation."

In addition to Morris Pesin, the following will also be honored on April 22:

Sun City Prides—organization—Sun City, Phoenix, Arizona;

Rev. Hezekiah David Stewart—individual—College Station: Little Rock, AR;

Kelsey Caplinger—individual—Little Rock, AR;

The 1984 Olympic Volunteers—organization—Los Angeles, CA;

Parents Anonymous—organization—Torrance: Los Angeles, CA;

Delmarva Power & Light—corporation—Wilmington: (Philadelphia) DE;

Amanda the Panda Volunteers—organization—Fort Lauderdale, FL;

Allstate Insurance—corporation—Northbrook: Chicago, IL;

Les Cory—individual—North Dartmouth, New Bedford, MA;

Henrietta Aladjem—individual—Wartown, Boston, MA;

Missouri Speleological Society—organization—Eldon: Jefferson City, MO;

Vernon Falkenhain—individual—Rolla, MO;

Greensboro Symphony Guild—organization—Greensboro; Winston-Salem, NC;

Concerned Black Men—organization—Philadelphia, PA;

Texas Youth Commission, Dallas House—organization—Dallas, TX;

National Court Appointed Special Advocates—organization—Seattle, WA;

Nineteen Unions Cooperating in Disaster Coastline Project—union—Washington, DC.

Morris Pesin has the support and encouragement of many friends and his family, which is comprised of his wife, Ethel, his son, Samuel, and his daughter, Judy Pesin Borriello.

Morris Pesin indeed, has been very active since his retirement. He perfectly symbolizes Oscar Wilde's quotation on "Contentment":

Contentment lies not in the enjoyment of ease—a life of luxury—but comes only to him that labors and overcomes—to him that performs the task in hand and reaps the satisfaction of work well done.

His life work indeed is personification of the full thrust of voluntarism and patriotism. He constantly says, "America is a tune which must be sung together."

A world traveler and a visitor to every continent, Morris Pesin's philosophy of life is best echoed in the following sonnet by John Burros:

I AM CONTENT

The longer I live the more my mind dwells upon the beauty and wonder of the world. . . .

I have loved the feel of the grass under my feet, and the sound of the running streams by my side. The hum of the wind in the tree-tops has always been good music to me, and the face of the fields has often comforted me more than the faces of men.

I am in love with this world; by my constitution I have nestled lovingly in it. It has

been home. It has been my point of outlook into the universe. I have not bruised myself against it, nor tried to use it ignobly.

I have tilled its soil, I have gathered its harvests, I have waited upon its seasons, and always have I reaped what I have sown.

While I delved I did not lose sight of the sky overhead. While I gathered its bread and meat for my body, I did not neglect to gather its bread and meat for my soul.

I have climbed its mountains, roamed its forests, sailed its waters, crossed its deserts, felt the sting of its frosts, the oppression of its heats, the drench of its rains, the fury of its winds, and always have beauty and joy waited upon my goings and comings.

I am certain that all of my colleagues here in the House of Representatives wish to join me in a salute to Morris Pesin at noontime on April 22, when he will be at the White House receiving this prestigious and coveted Volunteer Action Award.●

HUNGER IN AMERICA

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FORD of Tennessee. Mr. Speaker, I would like to urge my colleagues to do everything within their power to eliminate hunger in America. Today I attended a news conference in the Capitol with a coalition of medical groups including Dr. Larry Brown and the Physician Task Force on Hunger. We agreed to work together by focusing public attention on hunger and enlisting support for H.R. 1856, the Comprehensive Nutrition Assistance Act of 1985.

Studies have shown that hunger in America is a national epidemic.

Hunger is not confined to one or two regions of the country, it is found in every city and State of our Nation. And in many cases the cause can be attributed to the failure of our Government to meet the needs of those less fortunate. Several studies have shown that as the Federal Government has reduced public assistance programs, the number of those who live in poverty increases. The victims of poverty, who in many cases, are children and the elderly, go hungry.

We know that the number of poor people in our country has increased by more than 6 million since President Reagan took office and there are more than 35 million citizens who live below the poverty line. I believe that Government has a responsibility to feed the hungry and if you share my belief, I am asking for your support of H.R. 1856, the Comprehensive Nutrition Act of 1985.

This legislation includes: (1) increased funding for school lunch and child nutrition programs; (2) expansion of Head Start and the child care food programs to serve Head Start children; (3) reauthorization of the

Commodity Supplemental Food Program for the Elderly; (4) Funds-for temporary emergency food assistance for migrants and native Americans and (5) increases in the food stamp program.

While we know that our Government spends millions of dollars on food stamps, that aid has not kept up with the need that has been created in an economy where businesses are closing down, unemployment remains too high and our budget deficit is reaching unmanageable proportions.

The private sector has tried to meet the need. Hundreds of soup kitchens have been started, churches are caring for more families who need food and shelter, and social service agencies are seeing more hungry people than they ever have before; but the private sector cannot fill the gaps left by inadequate Federal involvement.

We in Congress have a difficult challenge before us. We have to balance the budget, reduce the deficit, provide for a strong defense and we must also feed the hungry.

The best way to feed the hungry is to remove the causes of poverty. So we must pass legislation that creates jobs. We must pass legislation that will better support our citizens during periods of temporary unemployment. We must pass legislation that will assist Americans to secure adequate housing. We must help families to educate their children. And we must provide access to adequate health care and child nutrition programs for all those in need.

On the issue of hunger, we need strong leadership. As the richest agricultural Nation in the world, our citizens deserve more. Government has a responsibility to help those less fortunate, and in this land of plenty, we should never allow any of our citizens to go hungry.●

ENTERPRISE ZONES

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DREIER of California. Mr. Speaker, my home State of California has traditionally been on the cutting edge of new ideas and technologies. That's one of the reasons that our State economy continues to grow and prosper.

Last year, the California Legislature passed enterprise zone legislation. While we are not the first to come up with the idea, I am confident that our progressive, farsighted State government, working with the California business community, will make these zones among the most successful.

The April edition of Western City, a publication of the California League of Cities, carries an article by Assem-

blyman Pat Nolan, the coauthor of the California enterprise zone bill. His discussion of enterprise zones in general, and the California model in particular, are required reading for this Congress.

After years of debate, we've been unable to pass enterprise zone legislation. Meanwhile, many States and municipalities have gone ahead and set up highly successful zones. California, for instance, is the 23d State to do so. I ask that Assemblyman Nolan's article be included in the RECORD, and recommend it to my colleagues.

ENTERPRISE ZONES: A TOOL FOR ECONOMIC RECOVERY

(By Pat Nolan)

Almost every major city in the United States, and for that matter the world, suffers from some form of urban decay. Often this decay seems to be an unstoppable cancer consuming scores of city blocks and impacting millions of people's lives. For years community leaders have been grappling with ways to address the serious problems of urban blight. The solutions from government were diverse: model cities, redevelopment agencies, and community development block grants, to name a few, all of which have proven to be more costly than planned and often unsuccessful in reversing urban decay.

Despite the billions of dollars spent on these programs, the 1970's and 80's saw our inner cities decline even faster than before. But the increase in needs came when the fiscal resources of our government were depleted. This forced liberals and conservatives alike to seek a solution that would rebuild our inner cities without further draining the public treasury. One idea that emerged resulted in the Enterprise Zone concept.

BURDENS REDUCED

An Enterprise Zone, stated simply, is a geographic area where government, taxes and regulatory burdens are reduced to stimulate development and encourage private investment. Recognizing direct government intervention has not been successful in ameliorating economically depressed areas, this program will lessen the role of government and unleash free enterprise in our cities.

Within these zones everything should be done to maximize economic freedom. Many of the problems experienced by depressed neighborhoods have been the results of bureaucratic red tape and other obstacles caused by government-sponsored programs that were created to revive these areas. The Enterprise Zone concept provides a novel solution: Taxation will be reduced and regulations cut to create a business climate that would encourage innovation, risk-taking and job creation.

Enterprise Zones are a relatively new idea in the world of city planning. Developed in Britain by a Conservative Member of Parliament and a Socialist professor of urban studies in 1979, the zone concept quickly crossed the Atlantic and was brought to the attention of Ronald Reagan and Jimmy Carter. Presidential candidates at the time, they both supported the zone concept, and, upon the election of Ronald Reagan, Congress began considering the establishment of a Federal Enterprise Zone Act. Congress has, to date, failed to do so, but individual states have been quicker to act.

On March 20, 1984, Governor Deukmejian signed into law the California Enterprise

Zone Act, and California became the 23rd state in the nation to pass Enterprise Zone legislation.

LOCALLY TAILORED

The California Enterprise Zone program works as follows: The local governing body (City Council and/or County Board of Supervisors) designates by resolution an economically depressed area within its jurisdiction as a potential Enterprise Zone. The local governing body then determines the major reasons business development has been stifled within these zones. After making this determination, the government outlines the actions to be taken to mitigate the negative impact of these constraints on business growth. The result is an incentive package tailor-made to fit the needs of the local community and constructed to promote development of new and existing business. Since each potential zone's problems are different, cities' incentive packages are expected to vary accordingly.

Because the number of zones in California is limited to 10, local communities will be competing with each other. In designating Enterprise Zones, the California Department of Commerce shall select from the applicant pool the proposed Enterprise Zones which best fulfill the following criteria:

(1) Proposes the most effective and comprehensive regulatory, tax and program incentives to attract private sector investment to the proposed zone.

(2) Shows the most innovative approach in establishing incentives.

(3) (a) Meets the guidelines for the Federal Urban Development Action grant program, or (b) the area within the proposed zone has experienced plant closure within the past two years affecting more than 100 workers, or (c) the city or county has submitted material to the California Department of Commerce which shows the proposed geographic area meets the criteria of economic distress similar to those used in determining eligibility under the Urban Development Action Grant Program.

(4) Development of a draft Environmental Impact Report (EIR) to be completed at the time of final application and a final EIR to be completed prior to designation. Only those zones being seriously considered will be required to incur the full cost of an EIR.

(5) Fulfillment of all further requirements as established and presented in the official Enterprise Zone regulations of the California Department of Commerce.

Upon the designation of these 10 Enterprise Zones, existing and newly established businesses that have located in the zone areas will be able to qualify for state incentives. These incentives include:

State Tax Incentives: employer tax credits for wages paid to specified disadvantaged employees; investment income exclusion; net operating loss carryovers; employee wage credits.

Program Benefits for Employers: subsidized leasing involving government-owned properties; small business loan preferences; energy loan preferences; industrial development bonds; state contract preferences; training preferences offered by the California State Department of Education.

The major goal of these state incentives is to encourage local residents to develop and expand community-based businesses. In the past traditional redevelopment projects worked to improve the local community, but in the process, displaced the residents and businesses of the area to make room for more affluent people and new businesses. The Enterprise Zone Act, however, works to

foster participation from within the zone community. This is accomplished by establishing Neighborhood Enterprise Association Corporations (NEAC). With their mandate for broad-based community involvement and their ability to lease surplus public lands, the Neighborhood Enterprise Association Corporations can focus attention on the quality of life of the local environment and encourage indigenous economic and social growth.

Growth is in many ways unpredictable. One doesn't know from just where it will come, in what industries or from what people. The best government can do is make sure it isn't getting in the way of the local community's creative abilities.

The key question that must be asked is how likely is the program to work? The answer to this lies in the source of economic growth in America.

The most widely cited research in this area comes from David L. Birch, Director of the Massachusetts Institute of Technology Program on Neighborhood and Regional Change. Using the Dun and Bradstreet data base, Dr. Birch found as many as 7 out of 10 new jobs come from businesses that have 20 or fewer employees and have been operating for less than five years. The remaining job growth comes from the lower end of the business size scale as employment in the Fortune 500 has declined substantially in the last decade.

The critics of the Enterprise Zone concept appear to be right about one thing. Enterprise Zones are not likely to work as plant relocation tools. Companies seeking new locations do not make their decisions on the basis of the incentives offered in the zone legislation. That's why it's so important for a city to keep in mind that with Enterprise Zones it must encourage entrepreneurship and remove impediments to the expansion of small- and medium-sized businesses. A recent study on state Enterprise Zones done by the Washington-based Sabre Foundation found that business relocation had played a trivial role in the success of zones. Start-ups and the expansion of existing businesses were the real source of growth. Virtually all of these were small- and mid-size companies.

A good example of an active Enterprise Zone is the one located in Norwalk, Connecticut, which has become something of a showcase. Norwalk has focused primarily on improving the business environment in the zone. A freeze was placed on property taxes, and the city streamlined regulations and the regulatory process for all businesses in the zone. The reforms were so popular they were extended to the rest of the city as well. The city then focused federal and state money on the zone and has organized block watches and neighborhood beautification drives.

The results of these changes show that Enterprise Zones can do to a once depressed area. In less than two years, the Norwalk Enterprise Zone project saw the start of 67 commercial/office/retail related projects, 11 industrial projects, 19 residential projects and one mixed-use project for a total of 98 projects and more than \$24 million in new investments. This resulted in the creation of 415 jobs and the retention of a host of existing businesses (and jobs) that had planned to leave before the Norwalk Enterprise Zone was established. Most of the new jobs came from small businesses, employing an average of three or four people.

The Enterprise Zone concept is truly a novel method for addressing the needs of a complex city. The concept is working well in

states throughout the country. One must realize that Enterprise Zones are not a panacea for all urban problems. For instance, they do not directly address infrastructure problems. They are, however, a powerful tool which can be used to revitalize depressed areas. If combined with the existing resources of a city, Enterprise Zones can provide a healthy business climate for areas that have suffered from little or no business investment. That is indeed good news for our inner city population.●

STATEMENT OF THE INTER-AMERICAN DIALOGUE ON THE NICARAGUAN SITUATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BARNES. Mr. Speaker, on April 4 the Inter-American Dialogue issued a statement on the situation in Nicaragua that I believe can help guide us as we consider President Reagan's request for \$14 million for the Contras.

The Inter-American Dialogue is a private, nonpartisan group of prominent leaders from Latin America and the Caribbean, the United States, and Canada. It is cochaired by Ambassador Sol M. Linowitz of the United States and His Excellency Galo Plaza, former President of Ecuador.

I would like to ask my colleagues to pay special attention to the final recommendation of this distinguished group, which reads as follows:

Finally, it is imperative that the governments of Nicaragua and the United States pledge themselves not only to the principle but to the practice of non-intervention. The government of the United States should clearly renounce plans—overt or covert, direct or indirect—to renew support for the military and paramilitary activities of the Nicaraguan insurgents. The Nicaraguan government should clearly renounce all support for the military and paramilitary activities of the insurgents in El Salvador and elsewhere. There will be no peace in Central America so long as the hemispheric norm of non-intervention is flouted by any country.

I urge my colleagues to read the entire statement, which makes it clear why we must reject the President's proposal for renewed assistance for overthrowing the Nicaraguan Government.

CURRENT UNITED STATES-LATIN AMERICAN RELATIONS

The crisis of economic growth, debt, and trade remains the most important problem in Latin America today. Recent progress toward restructuring the external debt of several major countries is significant, but it should not obscure the fact that the region's fundamental economic problems are unresolved; indeed, they may be worsening.

The next session of the Inter-American Dialogue will consider proposals to deal with regional economic problems. It will examine the proper role of international financial institutions, of foreign investment, and of national policies—both of the Latin American countries and of the industrial

countries, including the United States. The Dialogue will also take up other major issues, including narcotics, immigration and refugees, and arms control. We will continue our strong focus on how to strengthen democracy and help assure the protection of human rights throughout the Hemisphere.

We are compelled today to address the most urgent issue in the Americas: the dangerous tension between Nicaragua and the United States that threatens the region's security more than any situation in 20 years.

Only a few months ago, the diplomatic initiative of the four Contadora nations to fashion a settlement in Central America seemed promising. We welcomed the start of direct U.S.-Nicaraguan talks at Manzanillo, Nicaragua's positive response to the second Contadora draft treaties, and the Nicaraguan commitment to hold national elections in 1984.

Our hopes have dimmed in recent months. The Contadora process has run into serious obstacles. Nicaragua's regime and leading opposition parties could not agree on procedures to make the 1984 elections broadly representative. The United States has suspended the talks at Manzanillo and has stepped up pressures against Nicaragua. Recent public statements suggest that the U.S. government may be seeking capitulation by the Sandinistas. The possibility of a much more intense war in Nicaragua, involving the United States indirectly—and perhaps even directly—is real.

Even if such a war is avoided, the Nicaraguan crisis may poison U.S.-Latin American relations and undermine efforts to resolve other serious hemispheric problems. It has already weakened the Organization of American States and the Inter-American Development Bank, and prompted a challenge to the authority of the World Court. It has polarized the domestic politics of Costa Rica and Honduras. It has distracted attention, especially in the United States, from the fundamental Latin American economic crisis. Most important, in human terms, the fighting in Nicaragua has killed and wounded thousands, displaced tens of thousands from their homes, and set back the country's economy by a decade or more.

It is imperative that the leaders of the United States, Nicaragua, the other Central American countries, Cuba, and the Contadora nations work to forge peaceful solutions to the struggles in Central America.

Last Sunday's election in El Salvador shows the popular support for President Jose Napoleon Duarte's dramatic initiative to open a dialogue with the insurgent left at La Palma. Now President Duarte, strengthened by these elections, should move vigorously toward negotiation. In this effort, he requires the strong support of the United States and the other nations of the Hemisphere. These negotiations must be more than a tactic, for they are the only path to lasting peace in El Salvador.

With regard to Nicaragua, we believe that every effort must be made to achieve peace before a wider war becomes inevitable.

1. We call upon the governments of Nicaragua and the United States to resume their bilateral discussions.

2. We ask the government of Nicaragua to open the way toward national reconciliation by pursuing a dialogue with all significant parties who seek an end to the civil war and by providing the conditions necessary to hold free and fair elections under international supervision.

3. We ask the government of the United States to recognize, as did the Kissinger

Commission, that an indigenous revolution in this Hemisphere can be compatible with U.S. national security and with hemispheric security, and to refrain from interfering in the internal affairs of Nicaragua. The United States and the other countries of the Hemisphere share a concern to prevent the expansion of a Soviet or Cuban military presence in the Americas.

4. We call upon the Contadora nations, meeting again next week, to persist in the difficult task of negotiation, and to recommit their best efforts toward designing inspection and verification provisions that can be monitored and enforced, taking into proper account the concerns of all parties. We call upon the governments of the United States and Nicaragua to commit themselves, in deed and not just in word, to active support for the Contadora process of mediation and for a negotiated regional settlement.

5. Finally, it is imperative that the governments of Nicaragua and the United States pledge themselves not only to the principle but to the practice of non-intervention. The government of the United States should clearly renounce plans—overt or covert, direct or indirect—to renew support for the military and paramilitary activities of the Nicaraguan insurgents. The Nicaraguan government should clearly renounce all support for the military and paramilitary activities of the insurgents in El Salvador and elsewhere. There will be no peace in Central America so long as the hemispheric norm of non-intervention is flouted by any country.●

NICARAGUA AND THE LOSERS OF THE WORLD

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. IRELAND. Mr. Speaker, five members of the House Permanent Select Committee on Intelligence recently visited Honduras, Costa Rica, and Nicaragua. The delegation had an opportunity to consult a broad and balanced cross section of the various political and social elements in these countries. The delegation's discussions focused on the impending congressional debate on President Reagan's peace proposal and the long term goals and policies of the United States toward that region.

On April 14 the delegation met in Managua with Nicaraguan Foreign Minister Miguel D'Escoto to exchange views on the differences between the United States and Nicaragua and on goals in Central America. Foreign Minister D'Escoto explained that this country was conducting a fragile experiment and that the U.S. policy toward Nicaragua is impeding the Sandinista National Liberation Front and Sandinista dreams for Nicaragua. Mr. D'Escoto went on to state that the Sandinista dream for "democracy in Nicaragua" was turning into "the impossible dream" due to U.S. intransigence. In response to Foreign Minister D'Escoto's statement, Congressman HENRY HYDE asked if the Foreign Min-

ister would permit him to share his thoughts with the Foreign Minister regarding U.S. intention toward Nicaragua. I think Congressman HYDE's statement is an accurate and eloquent reflection of the feelings and sentiments of the majority of Congress with regard to Nicaragua, and for that reason I wish to share with my colleagues the statement Congressman HYDE made to the Foreign Minister of Nicaragua just 5 days ago.

Congressman HYDE stated:

Foreign Minister D'Escoto, let me share with you one of my feelings. To respond to your statement on "the impossible dream," how you view little tiny Nicaragua as a David facing the huge Yankee Goliath, that you are struggling for your independence which is a very noble thing, and you don't want to be told what to do no matter how big anybody is and I can understand that. We had that in our history when Great Britain was the mother country and we were those thirteen struggling colonies.

But, I compare you to Cuba—your model really. I've been to Cuba and I think that's one of the great tragedies of our era, a beautiful country, beautiful warm people, a country that has for 26 years been in crushing poverty because the leader has this messianic view, which you share and your junta share of revolution without frontiers. Now Mr. Castro has 22,000 troops in Africa while his own people have to ration food, clothing and housing and live in a depressed, less than third world condition. The Cuban people could be living in a much better condition, with trade with the United States, tourism, and much friendlier relations. Instead they are oppressed and repressed and depressed because of this Marxist-Leninist dream that Castro has to spread revolution. Now you people tragically are going the same way, geared for conflict instead of development.

Now we had a Commission headed by a distinguished man named Kissinger, that had Robert Strauss on it, Henry Cisneros—a balanced Commission to look at this whole area. Now forget the past, let's look at today. This whole area needs development, it needs investment, it needs people to put money in with the hope they'll get their money back, that it will be protected and that development will occur. We see that hope in all the other countries, but Nicaragua has the dream of Mr. Castro, that you have to be revolutionary, that you have to gear your country up for war, for conflict.

Surely you should know this, because I, with Mr. Cheney, voted to give you \$75 million and would give you three times that much to get democracy started down here. But instead what you want is your revolution. After defeating Somoza your revolution wasn't over. That was only the first phase. Now you had to go on expanding with more revolutionary fervor to your neighbors. We read, we know what will satisfy you. You're not trying to develop Nicaragua, you are messianic evangelists for Marxism-Leninism and that's the problem. It's the problem with Cuba and they are your model. You've got 8,000 Cubans here, you won't take our Peace Corps, but you'll have 8,000 Cubans and Bulgarians and North Koreans—they are the losers of the world. They can't feed themselves. Why is it that the model of socialism is your model? Why emulate Albania? It's just nonsense! We want to help you, we want to be friends with you, we want peace, we don't want our

kids or your kids killed. We want peace! But, how do you have peace with a neighbor that wants to export philosophy that extinguishes freedom? Don't tell me that you're a little democracy. You're not a democracy, you have no freedom of press, you have no freedom of political association. It is sad that you are choosing a path that can only mean more suffering and privation for the country you profess to love.

I truly believe that Mr. HYDE's statement is an accurate reflection of the goals and aspirations of the United States toward all of Central America.

Upon leaving Nicaragua the delegation stated that, "the United States must continue to assist the countries and the region in reaching a just, lasting, and verifiable peace," and that "this peace must produce political and economic progress will full recognition of human rights and freedoms."

The President's program will do just that. The President asked that both sides lay down their arms and accept church mediated talks on internationally supervised elections and on an end to repression of church, press and individual rights. These are goals we all should agree upon, and these are goals we all should support. With anything less, we must resolve ourselves to accepting more Communist aggression and new Marxist states on our southern border. ●

TECHNICAL CORRECTIONS TO THE RETIREMENT EQUITY ACT OF 1984

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. ROSTENKOWSKI. Mr. Speaker, the text of the legislation making technical corrections to the Retirement Equity Act of 1984, which I introduced today, together with my colleagues, Mr. DUNCAN, Mr. CLAY, and Mrs. ROUKEMA, follows:

H.R. 2110

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

SECTION 1. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. TECHNICAL CORRECTIONS TO THE RETIREMENT EQUITY ACT OF 1984.

(a) AMENDMENTS RELATED TO SECTIONS 102 AND 202 OF THE ACT.—

(1) TREATMENT OF CLASS-YEAR PLANS.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (4) of section 411(d) (relating to class-year plans) is amended to read as follows:

“(4) CLASS-YEAR PLANS.—

“(A) IN GENERAL.—The requirements of subsection (a)(2) shall be treated as satisfied in the case of a class-year plan if such plan

provides that 100 percent of each employee's right to or derived from the contributions of the employer on the employee's behalf with respect to any plan year are nonforfeitable not later than when such participant was performing services for the employer as of the close of each of 5 plan years (whether or not consecutive) after the plan year for which the contributions were made.

“(B) 5-YEAR BREAK IN SERVICE.—For purposes of subparagraph (A) if—

“(i) any contributions are made on behalf of a participant with respect to any plan year, and

“(ii) before such participant meets the requirements of subparagraph (A) such participant was not performing services for the employer as of the close of each of any 5 consecutive plan years after such plan year, then the plan may provide that the participant forfeits any right to or derived from the contributions made with respect to such plan year.

“(C) CLASS-YEAR PLAN.—For purposes of this section, the term ‘class-year plan’ means a profit-sharing, stock bonus, or money purchase plan which provides for the separate nonforfeitable of employees' rights to or derived from the contributions for each plan year.”

(B) AMENDMENT OF ERISA.—Paragraph (3) of section 203(c) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

“(3)(A) The requirements of subsection (a)(2) shall be treated as satisfied in the case of a class-year plan if such plan provides that 100 percent of each employee's right to or derived from the contributions of the employer on the employee's behalf with respect to any plan year are nonforfeitable not later than when such participant was performing services for the employer as of the close of each of 5 plan years (whether or not consecutive) after the plan year for which the contributions were made.

“(B) For purposes of subparagraph (A) if—

“(i) any contributions are made on behalf of a participant with respect to any plan year, and

“(ii) before such participant meets the requirements of subparagraph (A), such participant was not performing services for the employer as of the close of each of any 5 consecutive plan years after such plan year, then the plan may provide that the participant forfeits any right to or derived from the contributions made with respect to such plan year.

“(C) For purposes of this part, the term ‘class-year plan’ means a profit-sharing, stock bonus, or money purchase plan which provides for the separate nonforfeitable of employees' rights to or derived from the contributions for each plan year.”

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to contributions made for plan years beginning after the date of the enactment of this Act; except that, in the case of a plan described in section 302(b) of the Retirement Equity Act of 1984, such amendments shall not apply to any plan year to which the amendments made by such Act do not apply by reason of such section 302(b).

(2) COORDINATION WITH LUMP SUM TREATMENT.—Subsection (e) of section 402 (relating to tax on lump sum distributions) is amended by adding at the end thereof the following new paragraph:

"(6) TREATMENT OF POTENTIAL FUTURE VESTING.—

"(A) IN GENERAL.—For purposes of determining whether any distribution which becomes payable to the recipient on account of the employee's separation for service is a lump sum distribution, the balance to the credit of the employee shall be determined without regard to any increase in vesting which may occur if the employee is re-employed by the employer.

"(B) RECAPTURE IN CERTAIN CASES.—If—

"(i) an amount is treated as a lump sum distribution by reason of subparagraph (A),

"(ii) the employee makes an election under paragraph (4)(B) with respect to such distribution;

"(iii) the employee is subsequently re-employed by the employer; and

"(iv) as a result of services performed after being so re-employed, there is an increase in the employee's vesting for benefits accrued before the separation referred to in subparagraph (A),

under regulations prescribed by the Secretary, the tax imposed by this chapter for the taxable year (in which the increase in vesting first occurs) shall be increased by the reduction in tax which resulted from the election referred to in clause (ii) (and such election shall not be taken into account for purposes of determining whether the employee may make another election under paragraph (4)(B)).

"(C) VESTING.—For purposes of this paragraph the term 'vesting' means the portion of the accrued benefits derived from employer contributions to which the participant has a nonforfeitable right."

(3) TREATMENT OF WITHDRAWAL OF MANDATORY CONTRIBUTIONS.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Clause (ii) of section 411(a)(3)(D) (relating to withdrawal of mandatory contributions) is amended by striking out "any one-year break in service" and inserting in lieu thereof "a period of 5 consecutive 1-year breaks in service."

(B) AMENDMENT OF ERISA.—Clause (ii) of section 203(a)(3)(D) of the Employee Retirement Income Security Act of 1974 is amended by striking out "any 1-year break in service" and inserting in lieu thereof "a period of 5 consecutive 1-year breaks in service."

(4) PARTICIPATION REQUIREMENTS UNDER SIMPLIFIED EMPLOYEE PENSIONS.—Subparagraph (A) of section 408(k)(2) (relating to participation requirements) is amended by striking out "age 25" and inserting in lieu thereof "age 21".

(b) AMENDMENTS RELATED TO SECTIONS 103 AND 203 OF THE ACT.—

(1) CLARIFICATION OF QUALIFIED PRERETIREMENT SURVIVOR ANNUITY IN CASE OF TERMINATED VESTED PARTICIPANT.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (1) of section 417(c) (defining qualified preretirement survivor annuity) is amended by adding at the end thereof the following new sentence: "In the case of an individual who separated from service before the date of such individual's death, subparagraph (A)(ii)(I) shall not apply."

(B) AMENDMENT OF ERISA.—Paragraph (1) of section 205(e) of the Employee Retirement Income Security Act of 1974 (defining qualified preretirement survivor annuity) is amended by adding at the end thereof the following new sentence: "In the case of an individual who separated from service before the date of such individual's death, subparagraph (A)(ii)(I) shall not apply."

(2) CLARIFICATION OF TRANSFEREE PLAN RULES.—**(A) AMENDMENTS OF INTERNAL REVENUE CODE.—**

(i) Subclause (III) of section 401(a)(11)(B)(iii) (relating to plans to which requirements of joint and survivor annuity and preretirement survivor annuity apply) is amended by striking out "indirect transferee" and inserting in lieu thereof "indirect transferee (in a transfer after December 31, 1984)".

(ii) Subparagraph (B) of section 401(a)(11) is amended by adding at the end thereof the following new sentence: "Clause (iii)(III) shall apply only with respect to the transferred assets if the plan separately accounts for assets and any income therefrom."

(B) AMENDMENTS OF ERISA.—

(i) Clause (iii) of section 205(b)(1)(C) of the Employee Retirement Income Security Act of 1974 is amended by striking out "a transferee" and inserting in lieu thereof "a direct or indirect transferee (in a transfer after December 31, 1984)".

(ii) Paragraph (1) of section 205(b) of such Act is amended by adding at the end thereof the following new sentence: "Clause (iii) of subparagraph (C) shall apply only with respect to the transferred assets if the plan separately accounts for assets and any income therefrom."

(3) CLARIFICATION OF COORDINATION BETWEEN QUALIFIED JOINT AND SURVIVOR ANNUITY AND QUALIFIED PRERETIREMENT SURVIVOR ANNUITY.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Clause (i) of section 401(a)(11)(A) is amended by striking out "who retires under the plan" and inserting in lieu thereof "who does not die before the annuity starting date".

(B) AMENDMENT OF ERISA.—Paragraph (1) of section 205(a) of the Employee Retirement Income Security Act of 1974 is amended by striking out "who retires under the plan" and inserting in lieu thereof "who does not die before the annuity starting date".

(4) REQUIREMENT OF SPOUSAL CONSENT FOR USING PLAN ASSETS AS SECURITY FOR LOANS.—**(A) AMENDMENTS OF INTERNAL REVENUE CODE.—**

(i) Paragraph (1) of section 417(a) is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) the plan provides that no portion of any participant's accrued benefit may be used as security for any loan unless the spouse of the participant (if any) consents in writing to such use."

(ii) Subsection (f) of section 417 is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) DISTRIBUTIONS BY REASON OF SECURITY INTERESTS.—If the use of any participant's accrued benefit as security for a loan meets the requirements of subsection (a)(1)(C), nothing in this section shall prevent any distribution required by reason of a failure to comply with the terms of such loan."

(B) AMENDMENT OF ERISA.—

(i) Paragraph (1) of section 205(c) of the Employee Retirement Income Security Act of 1974 is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(C) the plan provides that no portion of any participant's accrued benefit may be used as security for any loan unless the spouse of the participant (if any) consents in writing to such use."

"(ii) Section 205 of such Act is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) If the use of any participant's accrued benefit as security for a loan meets the requirements of subsection (c)(1)(C), nothing in this section shall prevent any distribution required by reason of a failure to comply with the terms of such loan."

"(C) EFFECTIVE DATES.—

"(i) The amendments made by this paragraph shall apply with respect to loans made after April 18, 1985.

"(ii) In the case of any loan which was made on or before April 18, 1985, and which is secured by a portion of the participant's accrued benefit, nothing in the amendments made by sections 103 and 203 of the Retirement Equity Act of 1984 shall prevent any distribution required by reason of a failure to comply with the terms of such loan.

"(iii) For purposes of this subparagraph, any loan which is revised, extended, renewed or renegotiated after April 18, 1985, shall be treated as made after April 18, 1985.

(5) CLARIFICATION OF NOTICE REQUIREMENT FOR INDIVIDUALS HIRED AFTER AGE 35.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Paragraph (B) of section 417(a)(3) (relating to plan to provide written explanations) is amended by striking out "in which the participant attains age 35" and inserting in lieu thereof "in which the participant attains age 35, or, if later, within a reasonable period after the participant is hired."

(B) AMENDMENT OF ERISA.—Subparagraph (B) of section 205(c)(3) of the Employee Retirement Income Security Act of 1974 is amended by striking out "in which the participant attains age 35" and inserting in lieu thereof "in which the participant attains age 35, or, if later, within a reasonable period after the participant is hired."

(6) SPOUSAL CONSENT FOR CHANGES IN DESIGNATIONS.—

(A) AMENDMENT OF INTERNAL REVENUE CODE.—Subparagraph (A) of section 417(a)(2) (relating to requirement that spouse consent to election) is amended to read as follows:

"(A)(i) the spouse of the participant consents in writing to such election, (ii) such election designates a beneficiary which may not be changed without spousal consent (or the consent of the spouse permits designations of beneficiaries by the participant without any requirement of further consent by the spouse), and (iii) the spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public, or"

(B) AMENDMENT OF ERISA.—Subparagraph (A) of section 205(c)(2) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"(A)(i) the spouse of the participant consents in writing to such election, (ii) such election designates a beneficiary which may not be changed without spousal consent (or the consent of the spouse permits designations of beneficiaries by the participants without any requirement of further consent by the spouse), and (iii) the spouse's consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public, or"

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to elec-

tions made after the date of the enactment of this Act.

(7) CLERICAL AMENDMENTS.—

(A) Paragraph (1) of section 417(a) is amended by striking out "section 401(a)(ii)" and inserting in lieu thereof "section 401(a)(11)".

(B) Paragraph (1) of section 417(c) is amended by striking out "survivor annuity or the life of" in the matter preceding subparagraph (A) and inserting in lieu thereof "survivor annuity for the life of".

(C) Subparagraph (B) of section 415(b)(2) is amended by striking out "as defined in section 401(a)(11)(G)(iii)" and inserting in lieu thereof "as defined in section 417".

(c) AMENDMENTS RELATED TO SECTIONS 104 AND 204 OF THE ACT.—

(1) TREATMENT OF QUALIFIED DOMESTIC RELATIONS ORDERS FOR INDIVIDUALS OTHER THAN SPOUSE OR FORMER SPOUSE.—Paragraph (9) of section 402(a) (relating to alternate payee under qualified domestic relations ordered treated as distributee) is amended by striking out "the alternate payee shall be treated" and inserting in lieu thereof "any alternate payee who is the spouse or former spouse of the participant shall be treated".

(2) PROCEDURES FOR PERIOD DURING WHICH DETERMINATION BEING MADE.—

(A) AMENDMENTS OF THE INTERNAL REVENUE CODE.—

(i) Subparagraph (B) of section 414(p)(7) (relating to payment to alternate payee if ordered determined to be qualified domestic relations) is amended—

(I) by striking out "18 months" and inserting in lieu thereof "the 18-month period described in subparagraph (E)", and

(II) by striking out "plus any interest" and inserting in lieu thereof "including any interest".

(ii) Subparagraph (C) of section 414(p)(7) is amended—

(I) by striking out "18 months" and inserting in lieu thereof "the 18-month period described in subparagraph (E)", and

(II) by striking out "plus any interest" and inserting in lieu thereof "including any interest".

(iii) Subparagraph (D) of section 414(p)(7) is amended by striking out "the 18-month period" and inserting in lieu thereof "the 18-month period described in subparagraph (E)".

(iv) Paragraph (7) of section 414(p) is amended by adding at the end thereof the following new subparagraph:

"(E) DETERMINATION OF 18-MONTH PERIOD.—For purposes of this paragraph, the 18-month period described in this subparagraph is the 18-month period beginning with the date on which the first payment would be required to be made under the domestic relations order."

(B) AMENDMENTS OF ERISA.—

(i) Clause (ii) of section 206(d)(3)(H) of the Employee Retirement Income Security Act of 1974 is amended—

(I) by striking out "18 months" and inserting in lieu thereof "the 18-month period described in clause (v)", and

(II) by striking out "plus any interest" and inserting in lieu thereof "including any interest".

(ii) Clause (iii) of section 206(d)(3)(H) of such Act is amended—

(I) by striking out "18 months" and inserting in lieu thereof "the 18-month period described in clause (v)", and

(II) by striking out "plus any interest" and inserting in lieu thereof "including any interest".

(iii) Clause (iv) of section 206(d)(3)(H) of such Act is amended by striking out "the 18-

month period" and inserting in lieu thereof "the 18-month period described in clause (v)".

(iv) Subparagraph (H) of section 206(d)(3) of such Act is amended by adding at the end thereof of the following new clause:

(v) For purposes of this subparagraph, the 18-month period described in the clause is the 18-month period beginning with the date on which the first payment would be required to be made under the domestic relations order."

(3) COORDINATION WITH QUALIFIED PLAN REQUIREMENTS.—Section 401 is amended by redesignating the subsection relating to cross references as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) COORDINATION WITH QUALIFIED DOMESTIC RELATIONS ORDERS.—The Secretary shall prescribe such regulations as may be necessary to coordinate the requirements of sections 401(a)(13)(B) and 414(p) (and the regulations issued by the Secretary of Labor thereunder) with the other provisions of this chapter."

(4) CLERICAL AMENDMENTS.—

(A) AMENDMENTS OF INTERNAL REVENUE CODE.—

(i) Subparagraph (F) of section 402(a)(6) is amended by striking out "paragraph (5)(A)" and inserting in lieu thereof "paragraph (5)".

(ii) Clause (i) of section 414(p)(1)(B) is amended by striking out "to a spouse," and inserting in lieu thereof "to a spouse, former spouse,".

(iii) Clause (i) of section 414(p)(6)(A) is amended by striking out "any other alternate payee" and inserting in lieu thereof "each alternate payee".

(iv) Subparagraph (B) of section 414(p)(5) is amended by striking out "the surviving spouse" and inserting in lieu thereof "the surviving former spouse".

(v) Subsection (p) of section 414 is amended by striking out the last sentence of paragraph (5), by redesignating paragraph (9) as paragraph (10), and by inserting after paragraph (8) the following new paragraph:

"(9) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—

"(A) IN GENERAL.—With respect to the requirements of subsection (a) or (k) of section 401 which prohibit payment of benefits before termination of employment, a plan shall not be treated as failing to meet such requirements solely by reason of payments to an alternate payee pursuant to a qualified domestic relations order.

"(B) WAIVER APPLIES ONLY IF PRESENT VALUE OF PAYMENTS DOES NOT EXCEED \$3,500.—Subparagraph (A) shall not apply with respect to payments to an alternate payee pursuant to a qualified domestic relations order if the present value of the payments to such payee pursuant to such order exceed \$3,500.

"(C) PRESENT VALUE.—For purposes of subparagraph (B), the present value shall be determined—

"(i) as of the date of the first payment to the alternate payee pursuant to such order, and

"(ii) by using an interest rate not greater than the interest rate which would be used (as of the date of such first payment) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination."

(B) AMENDMENTS OF ERISA.—

(i) Clause (ii) of section 206(d)(3)(F) of the Employee Retirement Income Security Act

of 1974 is amended by striking out "the former spouse" and inserting in lieu thereof "the surviving former spouse".

(ii) Subclause (I) of section 206(d)(3)(G)(i) of such Act is amended by striking out "any other alternate payee" and inserting in lieu thereof "each alternate payee".

(d) AMENDMENTS RELATED TO SECTION 207 OF THE ACT.—

(1) Paragraph (1) of section 402(f) (relating to written explanation to recipients of distribution eligible for rollover treatment) is amended by striking out "qualified rollover distribution" and inserting in lieu thereof "eligible rollover distribution".

(2) Paragraph (2) of section 402(f) is amended to read as follows:

"(2) DEFINITIONS.—for purposes of this subsection—

"(A) ELIGIBLE ROLLOVER DISTRIBUTION.—The term 'eligible rollover distribution' means any distribution any portion of which may be excluded from gross income under subsection (a)(5) of this section or subsection (a)(4) of section 403 if transferred to an eligible retirement plan in accordance with the requirements of such subsection.

"(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' has the meaning given such term by subsection (a)(5)(E)(iv)."

(e) AMENDMENT RELATED TO SECTION 301 OF THE ACT.—Paragraph (1) of section 204(g) of the Employee Retirement Income Security Act of 1974 is amended by striking out "section 302(c)(8)" and inserting in lieu thereof "section 302(c)(8) or 4281".

(f) AMENDMENTS RELATED TO SECTION 303 OF THE ACT.—

(1) Subsection (c) of section 303 of the Retirement Equity Act of 1984 (relating to transitional rule for requirement of joint and survivor annuity and preretirement survivor annuity) is amended by adding at the end thereof the following new paragraph:

"(4) ELIMINATION OF DOUBLE DEATH BENEFITS.—

"(A) IN GENERAL.—In the case of a participant described in paragraph (2), the amount of any death benefit (other than a qualified joint and survivor annuity or a qualified preretirement survivor annuity) payable to any beneficiary shall be reduced by the amount payable to the surviving spouse of such participant by reason of paragraph (2).

"(B) SPOUSE MAY WAIVE PROVISIONS OF PARAGRAPH (2).—In the case of any participant described in paragraph (2), the surviving spouse of such participant may waive the provisions of paragraph (2). Such waiver shall be made on or before the close of the first plan year to which the amendments made by this Act apply. Such a waiver shall not be treated as a transfer of property for purposes of chapter 12 of the Internal Revenue Code of 1954 and shall not be treated as an assignment or alienation for purposes of section 401(a)(13) of the Internal Revenue Code of 1954 or section 206(d) of the Employee Retirement Income Security Act of 1974."

(2) Subparagraph (A) of section 303(e)(2) of the Retirement Equity Act of 1984 (relating to treatment of certain participants who perform services on or after January 1, 1976) is amended by striking out "in the first plan year" and inserting in lieu thereof "in any plan year".

SEC. 3. EFFECTIVE DATE.

Except as otherwise provided in section 2 of this Act, any amendment made by section 2 of this Act shall take effect as if included in the provision of the Retirement

Equity Act of 1984 to which such amendment relates.●

COMPARABLE WORTH

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SHUMWAY. Mr. Speaker, I am distressed over the shortsightedness of comparable worth advocates who have sought to foist their opinions of the wage gap on the American public by insisting upon a study—based on comparable worth—of sex discrimination in the Federal work force. These proponents' well intentioned but faulty arguments strain the meaning of equality, and they mistakenly seek to make changes in the earnings gap numbers without treating the underlying causes of wage disparity. Enactment of comparable worth might well eliminate the wage gap, but it would just as certainly eliminate the mechanism which provides the only just and fair evaluation of worth: the free market system.

The foundation of the comparable worth theory is built upon two faulty presumptions: (1) the only explanation of the wage gap is sex discrimination, and (2) each job has a measurable economic worth which can be logically and objectively determined. With regard to the first misunderstanding, it is a fact that, according to the Bureau of Labor Statistics, women have earned only between 61 and 67 percent as much as men during the past 5 years. Nearly half of all women workers are clustered into 20 of the Bureau's 440 occupations. But unmentioned by proponents of comparable worth is the fact that, despite modern changes allowing greater opportunities for women to participate in the workforce, the habits and tendencies of women as a group with respect to employment are significantly different from men.

For example, women still obtain fewer advanced degrees than men and tend to acquire them in fields with less earnings potential; women work an average of 35.7 hours a week, compared to 44 for men; they are 11 times more likely to leave the work force before retirement than men; and they are more willing to trade off higher pay for other perceived benefits, that is, greater flexibility for entry and exit from the work force, and sedentary indoor work. Interestingly, the wage gap is virtually eliminated when wages of males and females with equivalent education, seniority, hours on the job, and other factors unrelated to discrimination are compared, a fact that may be attributed to a combination of the free market system and the laws which prohibit women from being paid different salaries than men simply be-

EXTENSIONS OF REMARKS

cause of their sex. Thus, sex discrimination may be considered one factor of wage disparity, but it is by no means the only factor.

Additionally, there is no inherent economic worth to a job. Worth is an elusive concept which constantly changes because of competition, consumer preferences, individual merit or experience, new technology, or other market forces. Simply put, different jobs, such as electronic engineers and nurses, truckdrivers and secretaries, are not equal; they may or may not be of equal worth to the public, but such decisions cannot be made by either individuals or the Government because of their inherent subjectiveness. Comparable worth advocates would have us believe that the only solution to wage disparity is to establish a Government-controlled regulatory agency which would determine the worth of jobs, but in actuality the mechanism for making such decisions is already in place. The free market system, if left unhampered, has been and will continue to be the most reliable, fair, and objective means of determining the worth of all jobs.

It is indeed tragic to realize that even today—over 20 years since enactment of equal pay legislation—there continue to be instances in which women—and also blacks, Hispanics, the handicapped, and the elderly—are discriminated against. However, these proven instances of discrimination should not lead us to assume that our present laws have failed; certainly, we should avoid any temptation to change statistics which reflect disparity without treating their underlying causes. Unfortunately, this is the approach which is being pursued of advocates of comparable worth.

Thus, rather than demanding enactment of comparable worth legislation, which would only change the numbers of the wage gap, I urge my colleagues to join with me to instead ensure equal opportunity for women by promoting equal pay for equal work, remedying proven instances of wage discrimination, ensuring that existing rights under existing law are understood, and continuing to remove artificial barriers which keep women out of certain professions.●

THE HEMISPHERE'S BEST HOPE IS IN CONTADORA, NOT CONTRAS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DELLUMS. Mr. Speaker, as we direct our attention to the administration's request for funding of the "Reaganistas" or "Contras," it is important to take a hard look at the ramifications of such an act.

It is time that Congress finally realize that militarism and adventurism cannot resolve the issues that give rise to war. This is not a naive idealistic assertion, but a calculated view of fitting solutions to problems. Funding mercenaries to destabilize or overthrow the Sandinista Government will not bring a peace to Central America, it will continue the war in Central America.

The domestic and international consequences of a continued policy of violence are enormous. Moreover, the administration in its all-consuming zeal to counter what it considers a monolithic Communist threat, offers a policy which, ironically, comes to increasingly resemble the behavior of the Soviet Union.

In the opinion section of the Sunday, March 10 edition of the Los Angeles Times, the noted author, Carlos Fuentes, details the counterproductive nature of this course of action. I commend it to my colleagues. The op-ed piece follows:

THE HEMISPHERE'S BEST HOPE IS IN CONTADORA, NOT CONTRA
(By Carlos Fuentes)

The option in Central America is diplomacy or war. The four Contadora nations—Colombia, Mexico, Panama and Venezuela—have worked patiently to create legal instruments and to maintain a forum for discussion. Their option, supported by the majority of the Latin American nations and by Spain, Portugal and the European Economic Community, is the option for political solutions and diplomatic imagination.

The United States does not seem to have a clear option. It would like to unseat the Sandinistas in Managua, but it's unsure whether this should be done by erosion or by intervention. It arms and directs bands of mercenary *contras* against the Nicaraguan government from bases in Honduras, but accuses Nicaragua of menacing its neighbors. It has practiced state terrorism through CIA-written booklets, mined harbors in Nicaragua, promoted the murder of citizens and the destruction of crops and schools, but will not face the consequences of its actions in the World Court at The Hague—the same court the United States accepts readily when the issue is Iranian terrorism. It refuses the court's jurisdiction, saying that the Security Council and Contadora are the appropriate forums to hear Nicaragua's case. But, simultaneously, it will not admit that same case in the Security Council and it boycotts the effectiveness of Contadora.

Moreover, the United States has violated its own Neutrality Acts and the House-passed Boland Amendment of 1983 (which cut off all secret U.S. military aid to the anti-Sandinistas) by arming the *contras* and directing their actions to the overthrow of a foreign government. The United States does not achieve its ends: It admits that *contras* cannot topple the Sandinistas but it declares it will not invade. It therefore espouses frustration as a policy, and frustration is then disguised by dangerous rhetoric.

President Ronald Reagan calls the *contras* "freedom fighters." This provokes fits of laughter in Latin America. A "freedom fighter" is one who fights for the independence of his country against the dependence induced on it by the major regional power.

The Afghans and the Poles who struggle against Soviet domination of their countries are freedom fighters. But if Alexander Dubcek had triumphed in Czechoslovakia in 1968 and Moscow had then sent mercenary *contras* to overthrow the "Prague Spring," would these be called "freedom fighters?" No, they would be stooges of Moscow, just as the *contras* are stooges of Washington.

The military command of the *contras* is headed by Col. Enrique Adolfo Bermudez, who entered Gen. Anastasio Somoza's National Guard in 1952 and served the ousted dictator without a squeak for 25 years. His chief deputies include several other Somoza lieutenants.

Washington's problem with the Sandinistas is historic: This is the first Nicaraguan government that acts independently of the United States. Reagan may ignore the history of Nicaragua; the Nicaraguans can't afford to: Perhaps no other nation in this hemisphere—not Mexico, not Cuba—has been so consistently abused by the United States, from the usurpation of the country by the American adventurer William Walker in 1855 to the overthrow of President Jose Santos Zelaya by the Taft Administration in 1909, to the occupation by the Marines from 1913 to 1933, to the signing of the Bryan-Chamorro Treaty in 1916 that turned Nicaragua into an American protectorate, to the murder of Cesar Augusto Sandino and the installation of the Somoza dynasty, a dictatorship nurtured and protected by Washington for more than 40 years.

Even Secretary of State George P. Shultz, who knows better, has had to put on his war bonnet. He says that this hemisphere will not tolerate an extension of the Brezhnev Doctrine that, in the aftermath of the invasion of Czechoslovakia in 1968, declared that any country that once enters the Soviet sphere, never leaves it.

Yet, in effect, what the Reagan Administration has been practicing is what George W. Ball, the former under secretary of state and U.N. representative, calls "the reverse Brezhnev Doctrine": A country in the United States sphere of influence can never leave it. The behavior of the United States thus comes to resemble the behavior of the Soviet Union more and more: The superpower is alone unto itself.

But the United States is *not* the Soviet Union: It is a highly developed and democratic society and it cannot behave like the Soviets without finally paying a high price in domestic, if not in international, terms.

The latest escalation against Nicaragua has cost the United States many friends abroad. But it will also lose many supporters inside the United States: The hot-plate rhetoric of Reagan promises more than it can deliver, creates expectations followed by frustrations and derails domestic programs that the people of the United States are truly concerned about. Is there no other way to act? In Latin America, we believe there is.

The Contadora nations have given the United States the political option it does not have; their initiative for peace and cooperation in Central America is the product of two years of serious negotiations between all five Central American countries. Their agreement offers the nations in the region, including the United States, all the security guarantees they wish for. But Washington, which prides itself in knowing when every toilet is flushed in Managua, did not calculate that the Sandinista government would offer to sign the Contadora pact. When it did, then Contadora became worthless.

After concessions made by Nicaragua to the Contadora nations, the Contadora process seems to have revived. But it is currently a lame process, with the Reagan Administration paying lip service but working to sabotage it with the hypocrisy of an international Uriah Heep.

Yet it is an illusion to believe that the disappearance of space for political dialogue will solve any problems in Central America.

The *contras* cannot overthrow the Nicaraguan government. That can only be achieved through direct intervention by U.S. armed forces, and that would plunge the United States into a ferocious civil war that would then certainly overflow into Honduras, Costa Rica, even Guatemala.

And throughout Latin America, an invasion of Nicaragua could be the detonator the explosive continent is awaiting. Yet another gringo invasion would be an intolerable humiliation, a moral and political trigger to ignite issues of inflation, unemployment, debt, fragile democracies and disillusioned middle classes. Latin America is waiting for a reason to blow up. It has many negative reasons for doing so. Reagan could give it the positive reason: self defense against the United States on a scale, and with consequences, that no one in Washington seems capable of imagining.

Latin America is ready to find its unity under the banner of nationalist affirmation against the United States. The Contadora process would then become a continental process, an affirmation of our will to be ourselves, negotiate by ourselves and find Latin American solutions to Latin American problems. It would end by effectively excluding the United States from many Latin American positions, opening Latin America up to greater Japanese, Western European and Soviet Bloc relationships, in effect furthering policies for a multipolar world and weakening both the United States and the Soviet Union.

The events of the past few weeks could become the Sarajevo of a Central American war or they could signal the urgency of stopping an irrational snowballing of belligerent acts. This is the last chance to negotiate seriously, through Contadora, which has always been the best chance for the United States.

The Contadora nations are not Marxist-Leninist states, nor are they manipulated by the Soviet Union. They are proved friends of the United States. Their initiative is the product of the political will of Presidents Miguel de la Madrid of Mexico, Nicolas Ardito Barletta of Panama, Belisario Betancur of Columbia and Jaime Lusinchi of Venezuela. President Reagan can still prove his good will by meeting urgently with all four of them and reviving diplomacy before war, irreparably, takes over.

There are no perfect bargains in diplomacy. But the costliest thing the Reagan Administration can do in Central America is to wage war. Its best bargain is to give something up—its Central American raj—and gain the friendship, nonalignment, economic partnership and political respect of five nearby nations.

The rest of the content has now understood that as it moves towards greater independence and self-determination, it will probably have to face mercenaries disguised as "freedom fighters," "our brothers" and the mortal equivalents of Simon Bolivar. Ronald Reagan has done the United States the greatest disservice in Latin America by reminding everyone where the danger comes from. We will not cry "uncle."●

PRESIDENTIAL VISIT TO BITBURG WRONG

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. WYDEN. Mr. Speaker, I rise today to introduce a resolution urging President Reagan to cancel his planned trip to the Bitburg military cemetery—and avoid anguish such a trip would cause thousands of American veterans, their families, and Jews everywhere.

For the highest ranking official in the United States to lay a wreath at a cemetery where SS officers and other high-level Nazi personnel are buried is unthinkable.

We are not talking here about a simple difference of opinion that we can not cancel with a handshake, an exchange of pleasantries, and a few diplomatic niceties.

We are talking about a military regime that heaped upon humanity some of the worst atrocities of all time. A regime that herded men, women and children into gas chambers without a second thought—and used other human beings for experiments that are beyond unthinkable. A regime that issued death warrants for no greater cause than that an individual embraced a different religion, a different way of life or a different philosophy. A regime that inflicted wounds that no amount of time will—or should—heal.

I heard just moments ago of a World War II veteran who has returned his hard-earned medals to the President to protest Mr. Reagan's decision to visit the Bitburg cemetery. I'm certain that many Americans share his sentiments—and believe that this visit diminishes the sacrifice of those courageous Americans whose lives were taken from them. It also makes light of those who left their youth on the battlefields of Germany and Eastern Europe in the fight to preserve freedom of religion, freedom of speech, and freedom of thought.

As William Safire wrote in the New York Times today, the events of the past few weeks are guaranteed to revivify the nightmares of Nazi terror. I cannot believe that the President wants these horrifying memories reignited, and I urge him to act now to ensure they are not.

My resolution is a simple one. It expresses the sense of the House that, given the atrocities committed by the Nazis in World War II and the inappropriateness of the President of the United States memorializing the participants in these acts, the President should cancel his planned visit to the military cemetery at Bitburg.

I urge my colleagues to join me in sending this message to the President, and I urge him to act upon it immediately.

Following is the full text of the resolution:

H. Res. 135

Whereas the Nazi party, and in particular members of the SS, committed atrocities against humanity during World War II;

Whereas it would be inappropriate for the President of the United States to memorialize the participants in such atrocities; and

Whereas the military cemetery at Bitburg, Federal Republic of Germany, contains the graves of Nazi and SS soldiers for World War II who fought against and took the lives of thousands of American and Allied troops; Now, therefore, be it.

Resolved by the House of Representatives, That it is the sense of the House that the President should not visit the military cemetery at Bitburg, Federal Republic of Germany, during his upcoming trip to Germany.●

ARMENIA, HISTORY AND GUILT

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FRANK. Mr. Speaker, I am proud to be a cosponsor of House Joint Resolution 192, commemorating "Man's Inhumanity to Man," introduced by my colleague, Mr. COELHO of California. The Boston Globe today published an editorial which very lucidly explains the rationale behind this resolution. I urge my colleagues to read this article, and to cosponsor this resolution if they have not already done so.

The editorial follows:

[From the Boston Globe, Apr. 18, 1985]

ARMENIA, HISTORY AND GUILT

President Reagan shocked many Americans with his explanation of why he thought he should not visit Dachau during his trip to Germany in May. The President said the German people have "a guilt feeling that's been imposed upon them, and I just think it's unnecessary." He intimated that Americans are wrong to expect German guilt for the Holocaust; that the Germans themselves feel no guilt; or that there was never anything for anyone to be guilty of.

The President displayed a similar confusion about history and morality earlier this month, before the visit of Turkey's prime minister. The White House released the text of a statement Reagan made to a Turkish interviewer in which he dissociated his Administration from a unanimous congressional resolution commemorating April 24th, the 70th anniversary of the Armenian genocide, as a National Day of Remembrance of Man's Inhumanity to Man.

The Turkish slaughter of 1,500,000 Armenians from 1915 to 1918 was a ghastly crime against humanity, the great precedent for 20th-century genocide. "Who still talks nowadays of the extermination of the Armenians?" was the rhetorical question Hitler posed to his top commanders on Aug. 22, 1939, as they prepared for the invasion of Poland.

This week, in response to public dismay, Reagan changed his mind and decided to make a symbolic visit to a concentration camp site. Generosity requires that Americans assume their President merely became confused and misspoke when he made his strange remarks about the imposition of guilt.

In his remarks to the Turkish interviewer, Reagan said: "I sympathize with all those who suffered during the tragic events of 1915. I also profoundly regret that Turks and Armenians have so far not been able to resolve their differences." This was a way of saying he would not contradict Turkey's official denial that the Armenian genocide even took place. He then said that he opposed the congressional resolution because it "might inadvertently encourage or reward terrorist attacks on Turks and Turkish-Americans" and because it "could harm relations with an important ally."

The world can only deplore the insane acts of a few Armenian terrorists. They harm the just cause of the Armenian people. Nevertheless, Reagan violates logic when he pretends that the existence of Armenian terrorists constitutes a reason for rejecting the resolution.

Testifying against the resolution in February, Defense Secretary Caspar Weinberger asserted that "such resolutions are counterproductive in that they serve to encourage Armenian terrorists." Like the President, Weinberger revealed his true motive when he said, "This resolution would embarrass the United States and strain relations with this critical ally (Turkey)."

For reasons of State, Weinberger and Reagan have distorted history and offended the victims of genocide. The American people owe an apology to Armenians for the callousness of American officials.●

RESTORE FUNDING TO THE CONTRAS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RITTER. Mr. Speaker, I would like to call attention to an excellent article written by Georgie Anne Geyer dealing with the issue of restoring funding to the Contras. As we debate this important issue in the Congress, I believe her words and ideas merit special attention.

I include the text of her article here:

RESTORE FUNDING TO THE CONTRAS

(By Georgie Anne Geyer)

WASHINGTON.—Should the United States continue to support the "contras" fighting the Marxist Sandinista government of Nicaragua? The answer is "yes," for many reasons.

First of all, the \$14 million sum that President Reagan is asking from a recalcitrant Congress is a paltry one. Its significance to the 20,000 contra fighters is substantial, but its significance elsewhere is crucial: It says that the United States is not going to make a pattern of backing groups spasmodically and then leaving them self-righteously in the lurch.

But there is another element here. Just who was it anyway who gave the initial approval for the funding of the contras four years ago? Well, it was the very same Con-

gress—and if its members really believed that those Nicaraguans were going out to fight and die to interdict arms to El Salvador, as the administration liked guilefully to say, well, then we ought to consider whether people that naive can run a country like ours.

No, it ill behooves Congress—now that, because the situation is not 100 percent pure, it finds itself uncomfortable with what it did four years ago—in effect to double-cross the men it put out there to fight and die. Once that decision was made, there should have been no room for endless second-guessing.

Second, it is simply no longer true—as many of a liberal bent are claiming—that today's "contras" are ruled by the wholly discredited and hated former Somocista National Guard. Ex-members of the national guard represent a minority of the fighting contras.

Moreover, from all the reports I get from Nicaragua from various sources, discontent with the Sandinistas is growing by leaps and bounds. Approximately 500 men join the contras every week.

Moreover, the pressure of the contras is working. There is no question that their pressure has caused what bending we begin to see in the Sandinistas, whether the very limited elections of last fall or the remaining religious freedom.

Very well, but what about the Sandinistas? We know they are not really behind the "totalitarian" curtain that the president loves to describe. They are a new kind of leftist, but basically quite traditional, Latin socialist caudillo; men within the Latin style who just don't want to give up power but who operate under the accoutrements of modern socialist rhetoric.

Why does President Reagan then compare the contras to the American founding fathers? That's a good question, too. It would be so much better to describe them accurately, because these wild exaggerations only turn off many honorable people who think that if the president is wrong on this, he is wrong on everything.

But, as reformist Salvadoran President Jose Napoleon Duarte, the splendid Christian Democrat, has said: Without the contras, his own rapidly developing attempts at democratic reform (or, perhaps better said, democratic revolution) in El Salvador would be threatened by the Sandinistas' intervention with and arming of Salvadoran marxist guerrillas. This is of the greatest significance—this, and the ideological and subversive threat the Sandinistas openly hold to democracies such as Costa Rica and Honduras.●

WE MUST ACT WHEN WE SEE THE START OF EVIL

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SOLARZ. Mr. Speaker, today in the rotunda of the Capitol, we observed the national civic commemoration of the 40th anniversary of the liberation of the death camps by the U.S. Army, and the remembrance of those who died in the Holocaust.

One of the speakers at that most moving event was the senior Senator

from Rhode Island, the Honorable CLAIBORNE PELL, with whom I have been privileged to serve as a member of the National Holocaust Memorial Council.

It was particularly fitting that Senator PELL was asked to address this commemoration of the victims of the Nazi Holocaust, since his family was among the handful of Americans who publicly and persistently spoke up in opposition to the persecution and destruction of the Jews of Europe.

Herbert Pell, the Senator's father, served as the U.S. delegate to the International War Crimes Commission, where he played a prominent role in the effort to bring to justice those responsible for the death of 6 million Jews, and other atrocities of the Nazi regime.

Senator PELL has continued his family's proud tradition of advocacy and support for human rights and democracy. He is a significant and persistent advocate of the rights of the oppressed and a champion of human rights. His distinguished career in the Senate has advanced the understanding and appreciation of human rights as a keystone of American foreign policy.

Mr. Speaker, I ask that the moving comments of Senator PELL be reprinted in today's CONGRESSIONAL RECORD.

Why are we memorializing the most massive and darkest example of man's inhumanity to man? Why?

The reason is to seek to prevent such inhumanity occurring again—and to be alert to the need to snuff out those same dreadful instincts that turned human beings like you and me into beasts.

Let us remember, too, Dante's words so oft quoted by our murdered colleague, Bob Kennedy, "He who sees, stands by and does nothing, as evil is performed, is just as guilty as he who performs it."

Here we must remember how we stood by as millions of Jews and Gentiles and gypsies were murdered.

Examples?

We returned the passenger vessel *St. Louis*, with its load of 900 Jews back to Bremen and the concentration camps of Europe.

We declined to change our immigration laws on a jot.

Even then, we declined to take in most of those unfortunate human beings who were clamoring at our consulates for visas. In fact in 1944, only 9 percent of our visa allotment was even used.

And, as reads our War Department telegram presently exhibited at Vad Yashem, we even refused to bomb the rail line between Kosice and Presov over which the Nazi victims were transported to Auschwitz.

We did all too little 40 years ago. What can we do now?

One thing we in the Senate can do is to ratify the Genocide Convention—and this I look forward to our soon doing in as unhampered a form as possible. And here I have a personal interest, too, as its ratification would have given much satisfaction to my father, Herbert Pell, who was the American Representative to the United Nations War Crimes Commission and who played such a role in having genocide considered a war

crime by our government just 40 years ago this spring.

More important, let us remember that the seeds of evil are always present, but their growth can be halted by ceremonies of remembrance like this and by other activities, actions and advice of the Holocaust Commission—and by all of us not standing by when we see the start of evil.●

H.R. 1082 ESTABLISHES EXISTING CONGRESSIONAL MONITORING OF INTELLIGENCE FUNDING AS PERMANENT LAW

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. STUMP. Mr. Speaker, to conduct intelligence activities effectively, the executive branch needs flexibility in funding such activities. To exercise wisely the power to grant or withhold scarce taxpayer dollars for intelligence activities, the Congress needs complete, timely, and accurate information on the use of funds for such activities.

For the past 4 years, the Congress and the President have agreed on a statutory provision, renewed annually, which accommodates both the executive's need for flexibility in conducting intelligence activities and the legislature's need for information in monitoring use of Government funds for intelligence activities. The agreed-upon provision has appeared in statute each year since 1981, with a few changes dictated by experience, as section 103 of the annual Intelligence Authorization Act.

The provision has proved to be workable, and the time has come to make it permanent law. Section 102 of H.R. 1082, the Omnibus Intelligence and Security Improvements Act, amends the National Security Act of 1947 to place in permanent law the provision which the Congress has renewed annually as section 103 of the Intelligence Authorization Act. Section 102 of H.R. 1082 provides:

"Sec. 102. (a) Title V of the National Security Act of 1947 is amended by adding at the end thereof the following:

"CONGRESSIONAL NOTIFICATION OF EXPENDITURES IN EXCESS OF PROGRAM AUTHORIZATIONS

"Sec. 502. During any fiscal year, funds may not be made available for any intelligence or intelligence-related activity unless such funds have been specifically authorized for such activity, or, in the case of funds appropriated for a different activity, unless the Director of Central Intelligence or the Secretary of Defense has notified the appropriate committees of Congress of the intent to make such funds available for such activity, except that, in no case may reprogramming or transfer authority be used by the Director of Central Intelligence or the Secretary of Defense unless for higher priority intelligence or intelligence-related activities based on unforeseen requirements,

than those for which funds were originally authorized, and in no case where the intelligence or intelligence-related activity for which funds were requested has been denied by Congress."

"(b) The table of contents of the National Security Act of 1947 is amended by adding after the entry for section 501 the following: "Sec. 502. Congressional notification of expenditures in excess of program authorizations."

Section 102 of H.R. 1082, like its annually enacted predecessor provisions, requires, as a precondition to making funds available for an intelligence activity, either specific advance congressional authorization by statute to make the funds available for the activity or prior notification to the intelligence committees of Congress of the intent to make the funds available for the activity. The requirement for either specific authorization or prior notification ensures that Congress has the information it needs to exercise wisely its power of the purse. The provision also accommodates the executive branch's need for flexibility in intelligence funding so that it can take advantage of unforeseen, fleeting opportunities to collect important intelligence or favorably influence events.

This standard provision for specific authorization or prior notification was designed and continues to function as a policy-neutral provision. The provision does not authorize or prohibit any specific kinds of intelligence activities. The provision simply ensures that Congress has the information it needs to exercise its fiscal powers and to verify that its fiscal decisions are followed. Placing the provisions in permanent law rather than the annually enacted Intelligence Authorization Act would ensure that the Congress receives the funding information it needs in all circumstances, even during the funding hiatus that may occur at the beginning of a fiscal year when the previous year's Intelligence Authorization Act authorization/notification provision has expired.

Enactment of section 102 of H.R. 1082 will assist in establishing a permanent, stable, and effective working relationship between the executive and legislative branches in the funding of intelligence activities.●

REAGAN'S AWKWARD CONTRADICTION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DELLUMS. Mr. Speaker, in the contradictory foreign policies of the Reagan administration toward the nations of Nicaragua and South Africa, there exists an embarrassing situation which is nothing short of sheer hypocrisy.

Mr. Dan Gray, a constituent of mine from Oakland, has called my attention to an excellent column by Ms. Brenda Payton which appeared in the Oakland Tribune recently. I agree with Mr. Gray that it is worth sharing with my colleagues.

REAGAN'S AWKWARD CONTRADICTION

(By Brenda Payton)

The only thing wrong with Ronald Reagan's foreign policy is that he's got the wrong country with the right policy. Maybe someone slipped the Nicaragua position papers in the South Africa folder, and vice versa.

Because if he applied his hard line on Nicaragua to South Africa, and extended the quiet diplomacy afforded South Africa to Nicaragua, his policy would make sense.

Accepting the Reagan administration rhetoric that the Nicaraguan government is retreating from its promise of democratic freedoms (which I don't), wouldn't the support and guidance of the U.S. government be more effective than attempts to overthrow the Sandinista government? Attempts that only create an at-war mentality that tightens rather than loosens restrictions.

Conversely, how can "constructive engagement" be effective in moving the South African government, which gets a perverse pleasure from thumbing its nose at the basic universal standards of human decency? Just last week police fired on a crowd of unarmed demonstrators, killing 18, and then arrested 13 black activists, charging them with treason—a crime punishable by death.

Those questions are only logical, however, if the stated interests of the Reagan administration—to support change to benefit the majorities in both countries—are the real interests.

Rather, we have a declaration of war against a country struggling to harvest its coffee crop, and the coddling of a government where unarmed demonstrators are routinely killed and dissidents are arrested, tortured and imprisoned.

It makes for some awkward contradictions.

On one hand, in Reagan's most recent and strongest blast at Nicaragua, he says his goal is to remove the Sandinista government in the sense it is "a Communist, totalitarian state, and it is not a government chosen by the people . . ."

The extent of the people's support of the Sandinistas is a matter of debate. The Reagan administration conveniently dismisses the November elections, but the Sandinistas won 67 percent of the vote and opposition parties won almost one-third of the National Assembly.

The Sandinistas' popularity may be a point of discussion, but there is no debate in South Africa. The uncontested fact there is that 73 percent of the citizens—the black majority—does not have the right to vote. While the Reagan administration called the Nicaragua elections a "Soviet-style sham," the sham of the recent South African elections, which for the first time included Indians and "Coloreds" but still excluded black citizens, was heralded as progress.

In Reagan's words, the Sandinistas don't have a "decent leg to stand on." What could be more indecent than the disenfranchisement, by race, of nearly three-quarters of a population?

But South Africa, according to Reagan's rhetoric, is a sovereign state whose policies can only be changed by influence, not dic-

tate. Is Nicaragua any less sovereign? Or is that a consideration only given to friendly governments?

The Reagan administration says it opposes economic sanctions against South Africa, including the withdrawal of U.S. investments, because they would only worsen the situation for the country's black population. According to that argument, U.S. companies should remain in South Africa as a force for change. Have they accomplished significant change to date? And only about 36 percent of the employees of U.S. companies are black. If U.S. companies withdrew in protest of apartheid, the white rather than the black population would suffer most, making apartheid more costly to those whom it currently benefits.

On the other hand, Reagan does not share the same concern about worsening the conditions for the Nicaraguan people, a people, he says we have a historic duty to liberate. The U.S. economic sanctions against Nicaragua, support of the contras and the resulting military conflict have greatly undermined the Nicaraguan economy. Earlier this month the government was forced to devalue the currency as a result.

Or maybe Nicaraguans hurt less than black South Africans.

In Reagan's speech, the contras fighting the Sandinistas are freedom fighters, but the black South African activists who are imprisoned and tortured are truly unsung heroes. The recent arrest of 13 activists was only regretful to the Reagan administration, which remains silent about the murder of 18 unarmed demonstrators.

Last week Secretary of State George Shultz said, "We have a moral duty to help people trying to bring about the freedom of their country." Is that a fact? Or only a convenience? ●

COAL SLURRY PIPELINES PROMOTE COMPETITION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. UDALL. Mr. Speaker, the House is now considering the sale of Conrail to the Norfolk Southern Railroad. This merger would be the most recent in a trend that has created a small number of very profitable rail giants. The five largest railroads, the Burlington Northern, CSX, Santa Fe/Southern Pacific, the Union Pacific, and the Norfolk Southern, are all products of recent mergers or have recently acquired major new transportation subsidiaries.

One important issue inadequately addressed in the wake of these mergers and acquisitions is the effect of the reduced number of railroads on consumers, particularly those who use coal-generated electricity. Recently, Dr. Mark Cooper, of the Consumer Federation of America, estimated that high rail rates for coal haulage add \$1.3 billion to consumer's electric bills.

If railroad deregulation is to be effective, the market must provide regulation through competition. Coal slurry pipelines provide the most effi-

cient, environmentally sound, and cost-effective competition for rail coal haulage. Unfortunately, the major railroads have uniformly refused to grant rights-of-way to this only true competitor and have opposed legislation that would create the power of eminent domain for coal pipelines. To better allow competition to regulate the railroad industry, our support for major mergers and acquisitions should be conditioned on the enactment of such legislation.

I am submitting for the record an article from the Thursday, April 11, Washington Post which details the mammoth size of the railroad industry. I hope that an increase in competition for the railroads, such as coal slurry pipelines could provide, will ease the pressure on consumers caused by recent mergers.

[From the Washington Post, Apr. 11, 1985]
NORFOLK-SOUTHERN RIDING FAST TRACK:
CONRAIL PURCHASE IS PART OF NATIONAL SCHEME

(By Nell Henderson)

There may be many opponents to the proposed link-up of Norfolk Southern and Conrail, but all sides agree that Norfolk Southern is one of the strongest and most successful in the industry.

If approved by Congress, Norfolk Southern's purchase of the government-owned Consolidated Rail Corp. will create the country's largest railroad company, a giant with combined revenues of almost \$7 billion and more than 30,000 miles of track serving 25 states, Washington, D.C. and Canada.

The merger would leave the country with five major railroads, two of which would dominate the territory east of the Mississippi—Norfolk Southern and CSX Corp. CSX is currently larger than Norfolk Southern but the Conrail merger would tip the scales in the other direction.

Norfolk Southern's Chairman and Chief Executive Robert O. Claytor says the merger would strengthen both Conrail and Norfolk Southern by putting them in a better position to compete with trucking, which he sees as the major competition to railroads.

The acquisition also would be another step in Norfolk Southern's planned evolution into a national transportation company, capable of moving freight over rail, highways and water, or moving information over fiber optic cables.

Transportation Secretary Elizabeth Dole has recommended that Congress approve Norfolk Southern's proposal to pay \$1.2 billion for the Government's 85 percent share of Conrail. The Norfolk-based company would pay another \$375 million for the 15 percent owned by Conrail's employees.

The proposal has divided the railroad industry, shippers and labor. Opponents fear the combination will hurt competition, leading to higher shipping rates and higher prices for commodities such as coal, grain, chemicals, auto parts and paper products. Supporters believe the merger will create a more efficient system that can lower transportation rates and ease pressure on commodity prices.

Concerned parties also disagree over the alternatives to a merger. Some opponents to the sale believe Conrail could stand alone as a private company. Others believe Norfolk

Southern offers the most secure future for Conrail, which was created in 1976 out of the remains of several collapsed Northeastern railroads and which today suffers a declining traffic base.

Opponents include CSX, the Grand Trunk Western Railroad Co., Conrail management, the Pennsylvania Coal Mining Association, A.T. Massey Coal Co. Inc. and the Brotherhood of Railway & Airline Clerks, which represents 8,000 of Conrail's 25,000 employees.

Supporters of Norfolk Southern's bid include independent railroads such as the Pittsburgh & Lake Erie Railroad and Guilford Transportation Industries, which both have agreed to buy lines and trackage rights divested by the merged company. Others include Ford Motor Co., General Motors Corp., B.F. Goodrich Co. and the South Carolina State Port Authority. The United Transportation Union, representing 8,900 Conrail employees, opposes a public offering and has said it would continue discussions with Norfolk Southern.

Norfolk Southern is itself the product of 1982 merger between the Norfolk and Western Railway and the Southern Railway. Through combining operations, cutting costs, aggressive marketing and focusing on high traffic density, the Norfolk-based company has produced the best balance sheet in the business, said Graeme Anne Lidgerwood, an analyst with Kidder, Peabody & Co.

With earnings of \$482 million on revenue of \$3.52 billion in 1984, and more than \$1 billion in cash, Norfolk Southern is more profitable than its rival CSX.

Based in Richmond and competing over similar territory, CSX has 9,000 more route miles and reported 1984 revenues of \$7.9 billion—more than double Norfolk Southern's revenues. Yet CSX made a smaller profit, \$465 million.

Lidgerwood attributes this partly to Norfolk Southern's efforts to generate large amounts of traffic over existing lines, in contrast to CSX's practice of adding lines with low traffic density. Additionally, Norfolk Southern works hard to attract new business to locate along its lines, markets its services aggressively and "is superbly managed," she said.

More important from the Department of Transportation's point of view is Norfolk Southern's cash flow. Sitting on more than \$1 billion in cash, the company would have little trouble buying Conrail, making capital improvements and supporting it through a recession, analysts say.

Transportation Secretary Dole has made it clear that she wants to sell Conrail to a company strong enough to see it through bad times, so the government won't have to rescue it again. "The Norfolk Southern is a very fine railroad corporation, with excellent management, the highest standards for maintenance in the industry, a very profitable company," Dole said after accepting the company's bid.

She also called Norfolk's bid "a bird in the hand" compared to the uncertain success of spinning off an independent Conrail through a public offering.

The United States Railway Association staff said last week that Conrail could survive future economic downturns on its own, even if it pays full industry wages and state taxes. Conrail's employees currently earn 12 percent less than the industry norm and the railroad is currently exempt from state taxes.

Norfolk Southern does not agree. Its projections show Conrail will last through the

next four years, but will be in a "negative cash position" by the early 1990s, Claytor said. "I suspect that if we don't get it now, [Conrail] will be available in another 10 years at a much reduced price," Claytor said. "We would rather pay more now."

Norfolk Southern could use Conrail now because it fits into its strategy of becoming a national transportation company. Claytor said the future growth of railroads depends on the ability to recapture the business taken by trucking.

Conrail would give Norfolk Southern the long hauls necessary to make a profit on piggyback transport, moving goods loaded on trucks which themselves are carried on railway flat-cars.

Without Conrail, Norfolk Southern can put a piggyback truck on a flat-car in Atlanta and carry it to the end of the line at the Potomac Yard here. From there, the truck may drive to Philadelphia or New York or Baltimore because Conrail could not make money on such a short haul, Claytor said. With Conrail, a truck could be carried profitably from Atlanta to New York on the rail line, he said.

"We want to get this traffic off the 14th Street Bridge and onto the railroad," Claytor said. "This means more business for Conrail, and in the long run will make Conrail more profitable . . . while making piggy-back more profitable for Norfolk Southern."

Norfolk Southern has also agreed to acquire North American Van Lines, the nation's fifth largest trucking company, for \$315 million, and expects to receive government approval May 1.

The company's investments include a 17.6 percent share of Piedmont Aviation and 3 percent of the Santa Fe Southern Pacific Corp. It also has a letter of intent with Santa Fe to build an 8,000-mile fiber optics network linking 53 cities coast to coast.

Norfolk Southern plans to get into the barge business, but is concentrating now on the van lines and Conrail, Claytor said.

Last year CSX acquired the nation's largest barge company, American Commercial Barge Lines Co.

Claytor said Norfolk Southern believes a variety of transportation modes are needed to compete with trucks, particularly in the important markets of the Northeast.

Currently, both Norfolk Southern and CSX are shut out of the Northeast because Conrail holds a virtual monopoly over rail freight in New York, New Jersey and Pennsylvania.

CSX would not like to see its rival gain that monopoly. CSX Chairman and Chief Executive Hays T. Watkins told a Senate committee the proposed merger "violates every principle of good transportation policy and destroys the competitive framework which is key to the future health of our railroad system."

Mathematically, if Norfolk Southern and Conrail were combined, their profits would be bigger but their revenues would still be smaller than CSX. According to Norfolk Southern, CSX is 43 percent larger in terms of car loadings, while a merged Norfolk Southern-Conrail would be less than 20 percent larger than CSX. ●

A BILL TO REAUTHORIZE AND AMEND THE COASTAL ZONE MANAGEMENT ACT OF 1972

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SHUMWAY. Mr. Speaker, today I am introducing a bill to reauthorize and amend the Coastal Zone Management Act [CZMA]. This law was enacted in 1972 as a means of inducing coastal States to develop and implement coastal management programs designed to promote the development of, and protection for, the States' various coastal zones. In doing so, the CZMA would help accomplish needed national, State, and local objectives.

To a large degree, this program has achieved a great deal of its original intent. Twenty-eight of the 35 coastal States and territories under U.S. jurisdiction have developed and implemented federally-approved coastal zone management programs. The Oceanography Subcommittee of the House Merchant Marine and Fisheries Committee has had 2 days of hearings in this Congress on the overall effectiveness of the program and its need for reauthorization, and much evidence was brought forward which, in my mind, indicates that the "inducement-phase" of Federal involvement within coastal management has, in fact, been accomplished; it is, therefore, time to seriously phase-down the Federal financial role in coastal zone management.

Historically, the Federal Government has provided 80 percent of the funding for the development, implementation, and operation of coastal zone management programs for coastal States. However, to maintain this 80-percent Federal share now that the national program is largely in place and operating smoothly, would not be reflective of the largely local or regional nature of the program's benefits. While I believe there is a remaining need for the Federal Government to play some role in coastal zone management over the next 5 years, clearly this need is decreasing as the coastal State programs continue to operate, improve in their coastal management abilities, and continue to become even more regional in nature.

The legislation I am introducing today reflects this need for a Federal phase-down in coastal management financing by reducing the Federal share from 80 percent to 20 percent over 4 years. As well, it reduces the reauthorization levels to reflect this phase-down over the same 4-year period. This gradual reduction will allow coastal States the time needed to plan for the reduction so that they can

make other funding arrangements for their coastal management programs. These Federal funding authorizations and percentages would also ensure that the overall program continues on at its present-day level.

Additionally, this legislation addresses one of the more controversial questions which has arisen through implementation of, and judicial challenge to, the Coastal Zone Management Act. Last year, the Supreme Court upheld the Federal Government in the case of California versus Watt, saying that oil and gas leasing did not fall under the consistency provision included in section 307(c)(1) of the act.

This decision has stirred much controversy among coastal States who feel their authority to ensure that Federal activities are conducted in a manner which is consistent to the "maximum extent practicable" with their coastal management programs has been undermined. In an effort to settle the question of how the Supreme Court decision affects other federally conducted or supported activities, my bill sets up a consultative process between Federal agencies and coastal States to discuss any concerns that coastal States may have regarding whether a proposed Federal activity is consistent "to the maximum extent practicable" with their federally-approved coastal management program. Moreover, coastal States then have an opportunity to make recommendations with regard to the proposed Federal activity, and recommendations must be accepted by the Federal agency unless the Federal agency determines that the Federal activity is already "consistent to the maximum extent practicable" with the coastal management program, or that acceptance of their recommendation would not be in the national interest.

If the recommendation is not accepted by the Federal agency, that agency is required to advise the coastal State, in writing, why they did not accept the recommendation. This consultative process is intended to help coastal States have substantive input into Federal activities in instances where proposed Federal activities affect their coastal zones. At the same time, however, it is consistent with section 308(3)(B)(III)(1) of the act which says that nothing in the CZMA shall be construed "to diminish either Federal or State jurisdiction." In other words, although the Federal agency and coastal States should work together in all "practicable" instances of mutual concern, Federal agencies, nevertheless, must be given final authority in decisionmaking regarding Federal activities on Federal lands.

In summary, Mr. Speaker, this bill reauthorizes a program which the Federal Government has set up for the States so that they may help themselves, and in so doing help pro-

mote the national interest. In light of the fact that the Federal Government has, in initiating this network of coastal programs, borne the substantive burden of financing these State programs, this legislation also phases-down that Federal role so that coastal States can correspondingly and appropriately pick up their fair share of program costs. It is important, however, to note that it does so in an orderly, gradual, process so that States can assume this large funding role over a period of time. ●

H.R. 2099

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RIDGE. Mr. Speaker, yesterday I introduced H.R. 2099, the Automatic Teller Machine Competitive Equity Act of 1985. This legislation is designed to restore the principles embodied in the McFadden Act as applied to ATM systems. It is offered in an attempt to reestablish the applicability of the McFadden Act, which governs the branching of national banks, to automatic teller machines and other electronic devices at which banking functions are being performed.

The McFadden Act, enacted in 1927, sought to establish competitive equality between State and national banks by allowing national banks to branch to the same extent as State banks. A balance was struck between concerns over preventing the concentration of banking resources and the need to ensure the competitiveness of national banks. For the purposes of the National Bank Act, the McFadden Act defines a branch as a place of business "at which deposits are received, or checks paid, or money lent." (12 U.S.C. Sec. 36(f).) The question of whether a particular facility is a branch of a national bank under the McFadden Act is answered solely by the application of this functional test.

Once a particular facility has been determined to be a branch, location is determined by State law under section 36(c) of the act. That section both precludes interstate branching and establishes competitive equality by allowing national banks to "establish and operate" branches at locations "authorized to State banks by the statute law of the State in question . . . subject to the restrictions as to location imposed by the law of the State on State banks." These provisions have been consistently held to require that the Comptroller must follow State law in approving branches of national banks, including limitations as to banking functions which may be performed at branches. For example, under the McFadden Act, an armored car service

has been held to be a branch under the functional definition of the act, making it illegal under Florida law which prohibited banks from having more than one place of business.

The question of whether an ATM, then called a customer bank communication terminal or CBCT, was a branch first arose about a decade ago. In 1976, the U.S. Court of Appeals for the District of Columbia Circuit held that CBCT's are branches within the meaning of the McFadden Act if "deposits are received, checks paid or money lent" at such machines and that the McFadden Act was intended to include virtually all off-premises banking operations. Therein, the court recognized that the reservation of the control of branching to the State was done in order to allow States to safeguard against large concentrations of power. The critical holding in that case was that, "Under the Federal statutory scheme CBCT's are 'branches' within section 36(f)'s Federal definition; therefore, for Federal purposes the State law applicable to CBCT's is a part of the 'branch' banking law of the State, which is incorporated into the National Bank Act by section 36(c)."

However, the U.S. Court of Appeals for the Second Circuit was recently called upon to apply the principles embodied in the McFadden Act to shared ATM networks. That court held that " . . . a national bank's usage of a shared ATM which it does not own or rent, does not constitute the establishment and operation of a branch under sections 36 (c) and (f) of the McFadden Act."

By giving deference to the arbitrary distinction between ATM's "owned or rented" by national banks and those simply "used" by national banks for banking transactions, the court ignored both the prohibition on interstate branching and the deference to State law which are fundamental to the McFadden Act. In so doing, the court upheld a regulation of the Comptroller of the Currency and ignored the earlier court decision that State law applicable to electronic banking devices "is a part of the 'branch' banking law of the State," made applicable to national banks by the McFadden Act. Although the court gave great deference to the interpretive regulation of the Comptroller, it noted that "Should Congress find itself in disagreement with the Comptroller's regulation, which we accept as a legitimate interpretation of the governing statutes, legislative solution is available."

A legislative solution is indeed available. I feel strongly that we must act to restore the principles of the McFadden Act in regard to ATMs. My reasons are as follows:

One, State control of structure as a safeguard against undue concentration of economic power is an important element of our banking system. The dual banking system is unique among world banking systems in that it ensures a great number of institutions of diverse sizes and types. The system also guarantees access to capital in all geographic areas and in all sectors of the economy.

Two, there is a strong public interest in a system of bank supervision which balances the short-term enhancement of competition and the long-term avoidance of anticompetitive tendencies in national credit markets. Maintaining this balance is especially critical in the ATM area since establishment of systems is expensive and susceptible to domination by large institutions, whether as system operators, as franchise operators, or as preferred users on shared systems.

Three, a situation of competitive inequality has been created, in which national banks, through shared ATM's, may offer full banking services on a nationwide basis without regard for the pertinent State laws, including restrictions on the interstate taking of deposits. Rather than restoring competitive equality, as it seems to have intended, the circuit court merely shifted the competitive advantage to national banks. Competitive equality is best maintained by saving the shared ATM systems, but making all of the players subject to the same rules.

Four, the issues involved in the decision are certain to be litigated further, both on appeal to the Supreme Court and on a remanded issue of whether corporations which nominally own an ATM are conducting an illegal banking business on behalf of bank participants in the system. No matter what the final outcome of litigation, the public will be a net loser either short term or long term. No one would allege that the complete dismemberment of our current, extensive share ATM systems is in the public interest, although this could be the result if it is decided that shared ATM's are branches for all purposes. On the other hand, if the recent circuit court decision is left intact, an entire body of State law is preempted and the congressional concern over concentration of economic resources, which underlies the decentralization of control over structure, will be undercut. Only Congress can restrike the balance between these valid, yet competing, public interests. The reinterpretation and reapplication of existing policies established by Congress is a role most properly reserved to Congress.

Five, States, unable to control national bank participation in shared systems, will be forced to limit corporate participation through State statutes designed to prevent deposit-

taking as an agent for a bank. States can of course, regulate commerce firms from engaging in a banking business. The valid State interest in controlling the mixing of banking and commerce parallels that of the Federal Government. In fact, the circuit court in the Marine case remanded for resolution by a State court the issue of whether the supermarket which owned the ATM in question was illegally conducting a banking business for resolution by a State court under State law. Unless Congress acts at this juncture, it is conceivable that States, unable to control banking activities through the McFadden Act, will seek to prohibit corporations that are not banks from taking deposits or performing other banking functions through ATM's on their own behalf or as an agent for a bank or bank holding company.

It is for all the above reasons that I introduced H.R. 2099 which would reestablish the principles embodied in the McFadden Act, yet do so in such a way as to permit existing ATM networks to continue to operate. I feel that it is important for Congress, not the courts, to strike the new balance and apply the public interest tests to emerging technologies such as ATM's. Briefly, the bill:

One, amends the McFadden Act to allow for national banks to branch on an interstate basis when the exporting State expressly authorizes out-of-State banks to establish interstate branches within its borders;

Two, restores the principle that State ATM laws are part of the branch banking laws of a State, made applicable to national banks by the McFadden Act;

Three, provides that shared ATM networks do not count toward capitalization of a bank; and

Four, provides a waiver procedure for the OCC to bypass the branch approval process for shared ATM networks.

H.R. 2099 is, in essence, a compromise measure, splitting the difference between competing constituencies and competing public interests. I would appreciate the support of each and every member of the House interested in expanding services for the banking consumer.

H.R. 2099

A bill to restore competitive equity between national and State banks regarding shared automatic teller machine networks

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

SECTION 1. SHORT TITLE

This Act may be cited as the "Automatic Teller Machine Competitive Equity Act of 1985".

SEC. 2. INTERSTATE BRANCHING.

The first sentence of section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)) is amended—

(1) by striking out "and" before "(2)"; and

(2) by inserting before the period at the end thereof the following: "; and (3) within any other State if—

"(A) the statute laws of the State in which the association is located expressly authorize State banks to establish such branches; and

"(B) the statute laws of the State in which the association is seeking to establish such interstate branches expressly authorizes State banks located in the State in which the association is located to establish such interstate branches, subject to restrictions regarding location of branches that such State may impose on such out-of-State banks. In determining whether or to what extent to permit the establishment or operation of a branch by a bank the principal place of business of which is in another State, a State may allow such branching—

"(i) without restriction; or

"(ii) on the basis of—

"(I) the location of the States involved;

"(II) laws providing for reciprocal treatment of banks located in its State; or

"(III) other similar conditions or restrictions".

SEC. 3. STATE BRANCHING LAWS.

Section 5155(c) of the Revised Statutes (12 U.S.C. 36(c)) is amended by adding at the end thereof the following new sentences: "For purposes of this section, State laws applicable to automated teller machines, customer bank communication terminals, point-of-sale terminals, and cash dispensing machines are a part of the branch banking laws of the State and are applicable to national banking associations. In any case in which a State does not have a State law described in the preceding sentence, regulations, rulings, and interpretations which are issued by a State banking regulatory authority in such State and which are applicable to automated teller machines, customer bank communication terminals, point-of-sale terminals, and cash dispensing machines shall be deemed to be a part of the branch banking laws of the State and are applicable to national banking associations."

SEC. 4. AGGREGATE CAPITAL REQUIREMENTS.

Section 5155(d) of the Revised Statutes (12 U.S.C. 36(d)) is amended by adding at the end thereof the following new sentence: "For purposes of determining the aggregate capital required by this subsection, automated teller machines, customer bank communication terminals, point-of-sale terminals, and cash dispensing machines shall not be considered branches of a national banking association if they are not owned or rented by the national banking association."

SEC. 5. BRANCH APPROVAL.

Section 5155(e) of the Revised Statutes (12 U.S.C. 36(e)) is amended by adding at the end thereof the following new sentence: "The Comptroller of the Currency may, by regulation, waive the approval requirement of this subsection with regard to automated teller machines, customer bank communication terminals, point-of-sale terminals, and cash dispensing machines which are not owned or rented by a national banking association."

SECTION-BY-SECTION ANALYSIS

Section 1

Section 1 contains the short title of the bill, the "Automatic Teller Machine Competitive Equity Act of 1985."

Section 2

Section 2 would remove the absolute prohibition on interstate branching by national banks and give them parity with state banks in this regard. Under this provision, both interstate placement of ATM or brick and mortar branches and participation in interstate ATM networks would be permitted for national banks if state banks were allowed to do so under pertinent state laws.

Under Section 2 you have an exporting state, "the state in which the association is located", and a receiving or importing state, "the state in which the association is seeking to establish such interstate branches". Two things must happen before interstate branching may occur:

(1) the exporting state must expressly authorize its banks to establish interstate branches, and

(2) the receiving state must expressly authorize out-of-state banks to establish interstate branches within its borders.

The receiving or importing state may reject interstate branching, it may permit such branching without restriction or it may make its statutory permission conditional.

Section 2 is a necessary part of the bill, since the absolute prohibition on interstate branching of national banks, as applied to ATMs under the relevant case law, would otherwise preclude their participation in interstate ATM networks. While the subject matter of the section is somewhat broader than mere ATM branches, it does nothing more than extend to national banks parity with state bank branching under state law. The practical effect is minimal, since only Massachusetts, Utah and Kentucky currently permit reciprocal interstate branching.

Section 3

Section 3 clarifies the status of ATM branches under the McFadden Act. It provides for the application of state laws to ATMs which perform banking functions irrespective of who owns them. By looking primarily to the functional definition of a branch (1) it ensures that the form of the agreements for system sharing will not be elevated to a position of greater importance than the substance of what is being done, (2) it prevents circumvention of the federal restriction on branch banking and (3) it re-establishes the applicability of the body of state laws regarding electronic banking.

The Supreme Court enunciated the principle that state law applicable to electronic banking devices is a part of the branch banking laws of the state, which is incorporated into the National Bank Act by the McFadden Act. That principle was undercut by a recent U.S. Court of Appeals decision which held that "... a national bank's usage of a shared ATM which it does not own or rent, does not constitute the establishment and operation of a branch under Section 36(c) and (f) of the McFadden Act." By giving deference to the arbitrary distinction between ATMs "owned or rented" by national banks and those simply "used" by national banks for banking transactions, the Court ignored both the prohibition on interstate branching and the deference to state law which are fundamental to the McFadden Act. Unless this misapplication of federal law is rectified, full banking services may be offered by anyone, acting as an agent for a bank, on a nationwide basis without regard for the pertinent federal and state laws.

Section 3 reestablishes the principle enunciated by the Supreme Court and prevents its circumvention by the elevation of form

over substance. It restores as the primary consideration the banking transactions which are being performed rather than the technical ownership of terminals. And, it does so in a way which permits existing interstate ATM networks to continue to operate.

Section 4

Section 4 would provide for the exclusion of ATMs not owned or rented by a bank from the determination of aggregate capital for that bank.

Section 5

Section 5 would give the OCC the authority to waive the branch approval process for ATMs which are not owned or rented by a bank.

SUMMARY OF *IBANYS v. MARINE MIDLAND*—U.S. COURT OF APPEALS FOR THE SECOND CIRCUIT, DECIDED FEBRUARY 27, 1985

Facts: Customers of Marine Midland Bank, N.A. (Marine) were using an automated teller machine owned by Wegmans Food Markets (Wegmans) to make deposits and cash withdrawals, to obtain cash advances against credit cards, transfer funds between accounts, pay bills and obtain account balance information. Under their agreement, Wegmans services the ATM and Marine operates the "switch" (central computer processing facilities) as a part of the HarMoney shared ATM network. Marine is assessed fees on a transaction basis. The agreement between Marine and Wegmans was entered into in reliance on a regulation of the Comptroller which provided that an ATM was a branch only if it was "owned or rented" by a national bank.

Decision below: U.S. District Court for the Western District of New York enjoined Marine Midland Bank from using an ATM owned and operated by Wegmans Food Markets. 583 F Supp. 1042 (1984). The district court held that Marine's use of the ATM constituted unauthorized branch banking under the McFadden Act.

Main issue: Whether the shared ATM in the Wegmans store is a branch established and operated by Marine.

Held: "... a national bank's usage of a shared ATM which it does not own or rent, does not constitute the establishment and operation of a branch under Sections 36(c) and (f) of the McFadden Act." Subissue: Whether Wegmans is conducting a banking business without the requisite state authorization.

Held: "... the application of New York Banking Law to Wegmans' provision and maintenance of an ATM should be left to the courts of the state. Accordingly, the judgment below for Wegmans on the pending claim is vacated, and the district court is instructed to dismiss that claim without prejudice."

Rationale: The question of whether a particular facility is a branch established and operated by a national bank under the McFadden Act is a question of federal law.

The Court sought to construe the meaning of the phrase "establish and operate" a "branch" under the McFadden Act. Since the Congress in 1927 could not have foreseen current developments in banking practices, a rigid application of the language of 1927 would lead to "anomalous results." Therefore the Court looked to legislative intent and "the views of the executive agency charged with the Act's enforcement."

The Court found that the governing principle behind the McFadden Act was competitive equality between state and national

banks. On balance, the Court found that if shared ATM usage were deemed the "establishment" of a "branch" for purposes of federal law, national banks would be prohibited from interstate participation in shared networks which, in turn, would "limit the ability of national banks to compete in the use of major technological developments in this industry, contrary to Congressional purpose." (NOTE: The court seems to treat the prohibition on interstate branching as something to be overcome rather than as an integral part of the McFadden Act, evidencing Congressional intent contrary to the outcome of this case.)

Turning to the determinations of the OCC, the Court noted that the view of the administrative agency charged with enforcement is ordinarily entitled to "considerable respect." This is especially true where regulated parties have acted in reliance on the agency's ruling and would be harmed by a reversal, as in this case. The Court found that the OCC interpretation appears to serve the purposes of the McFadden Act. (NOTE: Again, this finding appears correct only if you ignore evidence of Congressional intent to prohibit interstate banking.) Therefore, deference was accorded to the OCC determination that an ATM that is not "owned or rented" by a national bank is not a branch under the McFadden Act.

The Court did make note of the arbitrariness of the OCC distinction. It stated, "Whether an ATM is 'owned' or 'rented' or simply 'used' by a bank may be more a matter of how agreements are structured than a reliable determinant of whether or not the ATM constitutes a 'branch'. However, the Court found that the Comptroller's definition of 'branch' in its 1982 regulation 'is a reasonable construction of the McFadden Act.'"

The Court then spoke to the need for Congressional action:

"... Given the technological promise of interstate electronic banking and the substantial steps already taken toward achieving it, if the momentum already developed should be stopped, it should be done by Congress, and not by this court, particularly when the barrier we are asked to impose would be based upon definitions framed over 50 years ago."

"Should Congress find itself in disagreement with the Comptroller's Regulation, which we accept as a legitimate interpretation of the governing statute, a legislative solution is available."●

STAR WARS IS NOT A LAUGHING MATTER

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. KASTENMEIER. Mr. Speaker, I wish to call to the attention of my colleagues and editorial comment from Harrison Brown, editor-in-chief of the Bulletin of the Atomic Scientists on the President's star wars program. Mr. Brown's comments appeared in the Bulletin's May 1985 issue.

Mr. Brown fears, as do many, that the President's star wars proposal will result in the Soviets launching an energetic effort to develop offsetting sys-

tems to overpower or evade the deployment of a defensive system which holds out the possibility of blunting an incoming missile attack. With such an inevitable Soviet reaction, we will find ourselves in a situation similar to that which existed with the deployment of a destabilizing and costly ABM system in the late 1960's and 1970's.

STAR WARS ONCE FUNNY, NOW FRIGHTENING
(By Harrison Brown)

More than two years have passed since President Reagan introduced his Strategic Defense Initiative, popularly known as "Star Wars," which was conceived as a massive research and development effort to achieve an extremely effective defense against strategic missiles. Indeed, he visualized the development of a system so perfect that guided missiles with nuclear warheads either could no longer be exploded or would explode well above the earth's atmosphere, where they would do no harm. Once this marvelous situation was achieved, nuclear weapons would be obsolete and our fears of nuclear annihilation would end.

When I realized that the president was deadly serious about this project, I laughed, and I am quite certain that my laughter blended with that of thousands of other scientists and engineers. The goal was probably not attainable, but even if it were, both the time scale and the cost would be enormous. Furthermore, every new defense breeds a new offense, which in turn makes the design of a perfect defensive system virtually impossible. We would soon find ourselves in the middle of a new kind of arms race, the dimensions of which could be unprecedented.

When we couple such thoughts with the fact that no competent technical person really knows what this ultimate defensive system might look like, how much it might cost, how much research and development might be required, or how much time might be needed, the president's proposal increasingly appeared to be a hallucination. It seemed to many of us that few persons in government would take the dream seriously. Congressional funding on a substantial scale seemed dubious.

Now it seems quite possible, however, that those of us who laughed when the Star Wars concept was first suggested should be crying. This is not because there has been any major technological breakthrough or any major change in concept. Rather, the Star Wars idea is rapidly becoming extremely popular, particularly among people who do not understand the scientific and technological realities of the situation. With increasing frequency we hear statements of approval of the concept from government officials, both in this country and abroad. We read approving articles and editorials in newspapers.

Clearly the concept has aroused in most of us the deep-seated desire to return to the good old days when nuclear weapons did not exist. Since nuclear weapons are unlikely to be eliminated by negotiation in the foreseeable future, increasing numbers of people are looking to Star Wars defense systems as a means of returning to a world which, although it existed once, can never exist again. As we have done so often in the past, we are dreaming of things that cannot be, and the transition to the real world is painful.

At the moment little exists in the Star Wars program except some limited research

and development activities costing \$1.3 billion this year, and scheduled to rise to \$3.7 billion in fiscal 1986. But I suspect that what we are seeing is the tip of the iceberg. The scientific-military-industrial community has sniffed the air, has smelled the billions of dollars which are potentially available, and has started to plan programs and write project proposals. The Pentagon has announced a major speed-up of tests of aiming and tracking devices for defensive weapons such as lasers. The experiments will involve at least two shuttle flights per year.

How could official Washington or the general public possibly object to the rapid escalation of a program which has the major objective of eliminating nuclear weapons from the earth? Of course it would be terribly expensive, but wouldn't a nuclear-free world be worth it?

At present many national and world leaders hesitate to express their approval of the deployment of a full-fledged Star Wars system once the final blueprints are in hand. But virtually all agree that a vigorous research program is essential if we are to learn what is possible. Unfortunately, however, this area of endeavor vastly transcends the laboratory and the pilot plant. Research would eventually require experiments on a huge scale, not far removed from full-scale deployment of the system.

In the meantime, how might we expect the Soviet Union to react? Already it has expressed considerable unhappiness that we are seriously considering embarking upon a full-scale Star Wars program. Soviet scientists have probably told the Kremlin pretty much what our scientists have told the White House about the chances for success. One thing the Soviet Union does not need now is another massive, expensive, complicated research and development program. Under the circumstances it seems highly unlikely that the Soviet Union would initiate such a program on its own. But if the United States plunges into it at full speed, the Soviet Union will have no choice, no matter how crazy the entire scheme might appear. If the Soviet leaders behave rationally, I suspect that they will do everything possible to dissuade us from embarking upon a massive Star Wars program.

What a difference a year makes! One year ago who would have thought that an idea which makes no technological sense would be so warmly received by both officialdom and the general public? In this sense it is somewhat reminiscent of the concept of perpetual motion, which has always had its fans in the nontechnological world. But unlike perpetual motion, the Star Wars concept carries with it unprecedented dangers. This frightens me. ●

THE SANDINISTA BETRAYAL

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FIELDS. Mr. Speaker, soon this body will be asked to vote upon the question of assistance for the freedom fighters in Nicaragua. Much will be said for and against the question. However, the single most important point is represented by this observation by William McGurn and the factual points which follow.

"The revolution is always betrayed in the end."

THE SANDINISTA BETRAYAL

Today, the Sandinistas rule Nicaragua with an iron fist. Listed below are the promises they made in 1979 and how those promises were broken and ignored.

DEMOCRACY

Last year, under pressure from Western nations, the Sandinistas held a mock election—the only election ever held. Nicaragua's Comandante Bayardo Arce virtually admitted in May 1984 that the upcoming election was a sham.

Speaking in what he thought was a private, off-the-record meeting with one of the Marxist-Leninist parties "competing" with the Sandinistas he called the upcoming elections a "nuisance" that should be used "to demonstrate that . . . the Nicaraguan people are for Marxism-Leninism."

During the election, Nicaraguan voters were intimidated by local bands of Sandinista thugs who told them how to vote. Despite that, one out of every three voters dared to cast a ballot against the Sandinistas.

POLITICAL PLURALISM

The Sandinistas promised to allow political parties and let them operate freely. But they imposed a single political party—the Sandinista Front of National Liberation (FSLN).

They abolished all independent political organizations that appeared to pose any threat to them. And political dissidents were—and continue to be—intimidated, forced into submission, exiled, jailed or killed.

LIBERTY, JUSTICE

The Sandinistas promised liberty and justice to the Nicaraguans. They delivered—A police state modeled after Cuba and the Soviet Union;

A judiciary filled with Sandinista revolutionaries who have been "rewarded" for their service;

All kinds of special tribunals under direct control of the junta;

"Neighborhood committees"—modeled by the Sandinistas' own admission after Cuba's infamous committees—to spy on neighbors and serve as "the eyes and ears of the revolution"; and

Bands of peasants in local communities, armed by the Sandinistas and unleashed from time to time to intimidate dissenting voices into submission. Commander Daniel Ortega calls them "divine mobs."

HUMAN RIGHTS

The Sandinistas promised full observance of human rights. But they have racked up the worst human rights record of any Latin American country, including Cuba.

Immediately after the revolution, the Sandinistas began wholesale massacres of political criminals, the forcible relocation of thousands of Miskito Indians, expulsion of Jews from the country and countless other atrocities.

When the Nicaraguan Human Rights Commission began denouncing some of the violations, the Sandinistas immediately padlocked the human rights office, confiscated its documents, unleashed mobs against its former employees and dragged some of them off to jail.

LABOR UNIONS

The Sandinistas promised free labor organizations. Instead, they are constructing a

socialist state based upon a single, Sandinista "labor union."

They have not yet abolished all independent unions, but they have worked to render them powerless. Strikes have been outlawed. Union leaders cannot hold meetings, collect dues, organize without government interference or ask for more pay (despite high Nicaraguan inflation).

FREEDOM OF SPEECH, PRESS

The Sandinistas promised freedom of speech and press. But they have effectively silenced all dissenting voices.

Today, they own all Nicaraguan TV stations, eight of ten radio stations, and two of three newspapers. The few independent news media labor under strict, permanent censorship.

In the last three years, the Sandinistas have prevented publication of the independent *La Prensa* at least 40 times. The editor, Pedro Joaquin Chamorro, found the censorship so tight he left the country in December 1984.

FREEDOM OF RELIGION

The Sandinistas promised freedom of religion. Instead, they expelled foreign missionaries and—to compete with the Catholic church—set up a "popular church" subservient to the government.

On his 1984 visit to Nicaragua, Pope John Paul II was heckled and jeered at by Sandinista zealots during an open-air mass.

"Divine mobs," organized by the Sandinistas, harass Catholic priests who do not openly preach Marxist doctrine. They have also seized at least 20 Protestant churches in the Nicaraguan capital of Managua and destroyed church property to end supposed criticism of government policies.

Harassment of Jews is so great that virtually all have fled the country. In 1979, in an early signal of their anti-semitism, the Sandinistas fire-bombed the only synagogue in Managua. Jewish synagogues have since been confiscated by the government.

NON-ALIGNMENT

The Sandinistas promised a nonaligned foreign policy. But they have delivered Nicaragua into Soviet and Cuban hands.

The red banners bearing a hammer and sickle at their victory celebration in July 1979 spoke louder than words. Hatred of the United States is written into the Sandinista national anthem—"We fight against the Yankees, enemies of mankind"—and their national seal shows a Sandinista beheading a U.S. Marine. ●

AISHEL AVRAHAM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SOLARZ. Mr. Speaker, I would like to call your attention to Aishel Avraham, a nursing home in the Williamsburg section of Brooklyn. A model example of care for the elderly in this country, Aishel Avraham shows us that it is possible to meet the needs of the aged in a humane and caring way. In a society that looks mostly to the young and to the new, the aged are often tragically ignored and pushed to the side. At Aishel Avraham, though, this tragedy has not occurred as the staff there instills in the

residents a sense of dignity and respect they so richly deserve.

The large number of volunteers who consistently contribute their time to Aishel Avraham testifies to both its excellence and its uniqueness; 350 members of the Brooklyn community regularly help the residents in a variety of ways. From high school students to rabbis, the volunteers feed those patients who cannot serve themselves, write letters for those whose eye and hand coordination have failed them, assist in baking projects, or, simply, listen to the concerns of the residents.

Andor Weiss, the executive director of Aishel Avraham, is committed to serving the needs of the patients in the fullest way. It is my hope that the dedication demonstrated by him and all those at Aishel Avraham will inspire others so that the elderly in this country receive the finest care. As Franklin Delano Roosevelt once said:

The test of our society is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

The spirit of Roosevelt's words is certainly alive at Aishel Avraham.

A recent article in the *New York Times* recognized the fine work at Aishel Avraham and I commend it to the attention of my colleagues:

A NURSING HOME GETS READY FOR PURIM

(By Ari L. Goldman)

Like the warmer weather and the chirping birds, the smell of hamantaschen baking in the oven has always meant the coming of spring for Sophie Segal. For 60 years, Mrs. Segal kneaded the dough and fashioned the three-corner pastries eaten on the Jewish festival of Purim, which comes with the changing season.

About a year ago, because of failing health and the death of her daughter, Mrs. Segal had to move from her Lower East Side apartment to a nursing home in the Williamsburg section of Brooklyn. But she did not stop baking hamantaschen.

There were mounds of dough, rolling pins and pots of prune butter along a table at the Aishel Avraham nursing home this week. A thin layer of white flour seemed to cover everything, including Mrs. Segal and a dozen other residents who were busy at work.

"Aren't they beautiful?" Mrs. Segal said as she held up a pan of meticulously arranged triangles of prune-filled dough ready for the oven. "It's Purim."

CONTINUITY WITH THE FUTURE

Purim, a one-day holiday that begins at sundown tonight, celebrates the foiling of a plot to destroy the Jews in ancient Persia.

Purim is celebrated on the 14th day of Adar, the sixth month of the lunar Jewish calendar. As with all Jewish holidays, the date of Purim varies in the Gregorian calendar, which is based on movements of the sun.

At Aishel Avraham, the holiday is a link to a more recent past and provides continuity with the future.

"What we try to do here is show that life didn't stop," said Andor Weiss, executive director of the nursing home.

Aishel Avraham is in a modern five-story building at the corner of Heyward Street

and Bedford Avenue. But the synagogue on the first floor is much like the Hasidic study halls of prewar Europe. Frail men with long white beards are bent over large volumes of the Talmud. A red velvet curtain hangs over the ark that holds the Torah scroll.

AN EARLY RISER

David Tichobolsky, a man in his 70's who needs a wheelchair to get around, is always the first in synagogue each morning.

"The Almighty, blessed be He, said: 'Since the destruction of the holy temple, I dwell at the door of every synagogue. Who will be the first to come to greet me?' Mr. Tichobolsky said.

Mr. Tichobolsky answers the question by being at the synagogue each day at 5 A.M., more than two hours before morning prayers begin.

Getting up in the early hours is nothing new for him. For 30 years, he was the gabbal, or sexton, of a synagogue in Queens. "I trained my successor and then I moved here," Mr. Tichobolsky said with a smile. "Here, we can keep all the traditions."

The Williamsburg section, still a Hasidic and ultra-Orthodox stronghold despite declines in the area's Jewish population, has adopted the Aishel Avraham nursing home as its own.

350 VOLUNTEERS HELP OUT

More than 350 volunteers from the community help out on a regular basis. There are as many volunteers, in fact, as the total of residents—200—and staff members—150.

Dozens of volunteers, from high school girls to elderly rabbis, arrive before each meal to spoon-feed those patients who cannot serve themselves. Others read or write letters for those whose eyes or hand coordination have failed them. There are also those who come to give a class, assist in a baking project or simply listen.

"Sometimes," Mr. Weiss said, "the greatest mitzvah is in the listening." ●

A SUPPLY-SIDE APPROACH TO NUCLEAR WASTE REPOSITORIES

HON. JOE SKEEN

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SKEEN. Mr. Speaker, the Nuclear Waste Policy Act of 1982 [NWP] was signed into law on January 7, 1983. Its purpose was to provide for the development of repositories for the disposal of high-level radioactive waste and spent nuclear fuel, to establish a program of research, development, and demonstration regarding the disposal of high-level radioactive waste and spent nuclear fuel, and for other purposes. Its goal is to have the first repository operational by 1998.

Today, it is no secret that many believe this goal cannot possibly be met. While I supported the NWP, the law is exceedingly complex and there are still many impediments to implementing the program. In addition, the process itself will cost tens of billions of dollars and, even if it does succeed, will take many years to accomplish. Recently, a research paper was brought to my attention which pro-

poses a method for getting there in 7 years while saving billions of dollars. The paper is a summary of a more extensive research effort by Mr. Larry Harmon of the Industrial College of the Armed Forces. I commend Mr. Harmon's paper to all of my colleagues:

A SUPPLY-SIDE APPROACH TO NUCLEAR WASTE REPOSITORIES
BACKGROUND

The debate over radioactive waste disposal continues in spite of recent legislation establishing a program to develop a deep geologic repository for high-level waste from civilian nuclear power plants. Over 12 percent of the electricity generated in the United States is produced in nuclear power plants. However, these plants have produced over 9,000 metric tons of spent fuel (high-level waste). By the year 2000, this figure will be about 50,000 metric tons. The problem of disposing of this waste is thought by many to be the Achilles heel of nuclear power. It is currently a major rallying point for those who oppose nuclear power.

Although extreme public concern and anxiety exist about radioactive waste disposal there is broad technical consensus that the task can be accomplished safely. In 1957 the National Academy of Sciences recommended that these wastes be disposed of in deep geologic rock formations with salt being a particularly good formation. Extensive research, environmental analysis, and other studies support the concept of geologic disposal. The Nuclear Regulatory Commission (NRC) has ruled that geologic disposal of radioactive waste is indeed feasible and achievable.

The Department of Energy (DOE) is now constructing a limited use repository (Waste Isolation Pilot Plant—WIPP) in a deep salt formation in southeast New Mexico. Beginning in 1988 DOE plans to actually dispose of certain wastes from nuclear weapons production.

Congress agreed that waste disposal was a serious problem and in 1982 passed the Nuclear Waste Policy Act. The Act provides a framework for the Department of Energy to construct a repository for the disposal of high-level waste from civilian nuclear power plants by 1988. Specifically, the Act provides:

Schedules, decision points, and other considerations for siting, licensing, and constructing repositories.

Arrangements for State, Indian Tribes, public, and special interest group participation in the total process.

Mechanisms for funding the program by establishing a fee on nuclear generated electricity, and

Federal agency responsibilities.

Although the Nuclear Waste Policy Act provides a detailed road map for establishing a repository, many believe that the Federal Government is not likely to succeed in doing so. Even if it does succeed, it will do so at great cost and certainly long after the 1998 date required by the Act. The approach, however, is an old and tired one of throwing money and a new bureaucracy at a tough problem. The cost will be tens of billions of dollars which must be paid by the users of nuclear generated electricity.

There are serious impediments which can slow down or even stop repository construction. The complexity of the Act itself will surely create significant problems. Any nuclear issue is an institutional and political nightmare—radioactive waste disposal is no

exception. The NWPA has something for everybody. Politicians, environmentalists, antinuclear groups, and the public will all have their day in court. Perhaps the most serious problem is the media role in shaping negative public sentiment. In view of the high-cost, significant schedule risk, and built-in insurmountable problems, this paper proposes an alternative approach. A supply-side or entrepreneurial approach in the private (non-Federal) sector could work more efficiently, cost less, and result in an operational repository in 7 years.

REPOSITORY COST CONSIDERATIONS

The Department of Energy estimates that by the year 2002 it will spend about \$6.5 billion on development and evaluation—no construction. Depending on the rock medium selected, construction costs could exceed \$2 billion. Operating costs are estimated at \$150 million a year. There is no provision in these figures for schedule slips or interim storage if a repository is not open by 1998. By DOE's own admission, these estimates are preliminary. Neither the Government nor the nuclear industry has a demonstrated ability to control cost.

Given the magnitude and uncertainty of these estimates, the extreme unlikelihood of meeting schedules, and the inability of Government agencies to control cost growth, utilities and ratepayers should be looking for better solutions. The cost and schedule for building the Waste Isolation Pilot Plant (in bedded salt) stand in sharp contrast to NWPA program direction. In this project located in southwest New Mexico, the Department of Energy has demonstrated a very high degree of cost and schedule discipline. WIPP is significantly below cost and ahead of schedule. Current WIPP costs estimates are identified in DOE's 1986 Congressional Budget Request:

	Million
Construction Cost.....	\$459
R&D, Evaluation, etc.....	234
Total	693

Yearly operating costs are estimated at \$22 million in 1983 dollars. Admittedly, WIPP is an unlicensed facility and is not designed for high-level waste disposal. But, it is safe and there has been intensive technical review by the State of New Mexico, the National Academy of Sciences, and others.

DOE has established the Nuclear Waste Fund required by Section 302 of the NWPA. The Act requires that the producers (and therefore the users) of nuclear power pay for the cost of waste disposal. The initial fee of 1 mill per kilowatt-hour (kWh) for all nuclear-generated electricity was set by the Act. This fee is subject to annual review and revision as program funding requirements become better defined. In addition, a one-time charge was assessed for all spent fuel in storage at nuclear power plants. The kilowatt-hour fee is currently generating about \$30 million a month. The spent fuel charge revenue will be about \$2 billion. Timing of the one-time payment will be negotiated with the utilities. Seventy utilities, reactor operators, and fuel vendors have now signed waste disposal contracts with DOE and have started paying into the Nuclear Waste Fund.

The kWh fee is a masterpiece of funding strategy. A charge of one tenth of 1 cent for a kWh of electric power produced by a nuclear powerplant is a minuscule charge. It is hardly felt by the ratepayer. Yet, it can, by slight manipulation, produce hundreds of millions of dollars in revenue, and still hardly be felt. It is a small charge on an in-

credibly large number of units. This increase in revenue could be used to develop incentives for a State and locality to cooperatively host a repository.

DOE's Electric Power Monthly reports price and consumption of electricity in 40 selected U.S. cities. To illustrate the impact of slight changes in the waste disposal fee, a comparison is made in Table 1.

TABLE I.—THE EFFECT OF WASTE DISPOSAL FEE ON THE PRICE OF ELECTRICITY

City	Price of electricity (Cents per kilowatt hour)	Waste disposal fee as percent of price of electricity		
		1 mill	2 mills	3 mills
Seattle (low)	2.03	4.93	9.85	14.78
Baltimore (median)	8.09	1.24	2.47	3.71
New York (high)	17.32	.58	1.15	1.73

The low rate in Seattle (Bonneville Power) is shown only for reference since most nuclear power is distributed in areas where rates cluster around the median. As shown above, even if the waste disposal fee were tripled (3 mills per kWh), it would be only about 4% of the cost of power for most users.

DOE's Energy Information Administration has projected the future growth and use of nuclear power. This data (Table II) is the basis for projecting yearly waste disposal fees which could be available:

TABLE II.—FUNDS AVAILABLE FROM WASTE DISPOSAL FEES

Year	Nuclear power (terawatt hours)	Disposal fees (millions)		
		1 mill	2 mills	3 mills
1983 (actual)	294	\$294	\$588	\$882
1985	385	385	770	1,155
1990	581	581	1,162	1,743
1995	643	643	1,286	1,929

The point to be made in all this discussion is that an efficient repository developer has virtually unlimited resources available. These resources can be translated into staggering economic benefits to the State and locality willing to accept a radioactive waste repository.

A SUPPLY SIDE ALTERNATIVE

The purpose of proposing a supply-side approach to constructing the Nation's first commercial repository is simply to suggest that a free market approach could accomplish what brute force and politics may not. "Supply-side" is an attempt to capitalize on the current popularity of the term and reflect the private enterprise preference of the Reagan Administration.

The supply-side economists say that the way to economic growth is to cut taxes and Government spending—let the market work freely. Lower taxes should result in savings and investment, thereby improving output and productivity. With the proper incentives, the free market is better able (than the Government) to provide more supplies at lower prices. Output the productivity will go up with a decrease in inflation.

An important point to be made in this paper is that there can be significant free market (supply-side) benefits to be accrued by a State¹ and the specific locality where a

¹ It should be remembered that the NWPA gives Indian tribes the same right, as States in siting a

repository is constructed. A cooperative (nonadversarial) approach by Federal, State, and local Governments along with the nuclear power industry can solve this waste disposal problem much more efficiently. Such a cooperative effort is possible only by a creative approach and focusing on the supply-side incentives. It is widely perceived that NWPA is the Long-Term Employment Act (like WPA) for environmentalists, waste managers, and lawyers. It is time to short circuit the bureaucratic system.

INCENTIVES

The primary incentive to hosting a repository is MONEY. If a deep geological repository were constructed for disposing of old automobile batteries, it would be a new industry welcomed with open arms. The nuclear nature of the repository, however, creates a new set of public perceptions which are not in tune with scientific reality. In fact, a facility for disposing of old car batteries might even be more hazardous than a nuclear waste repository in the long term. Money (jobs, commerce, etc.) creates the ability to move perceptions and attitudes more into line with reality.

NWPA allows DOE (absent a legislative veto) to collect whatever is required to cover the cost of disposal, and utilities must pay it. The current fee is one mill per kWh. Why not two mills? Why not three mills? From a free enterprise point of view, the money now being collected is being inefficiently spent on fighting the tidal wave of opposition and addressing every technical question imaginable. To make matters worse, there are now three tidal waves—Texas, Nevada, and Washington. Many would argue that a fourth tidal wave is the network of environmental and antinuclear interests dedicated to destroying nuclear power.

Wouldn't it be more efficient to optimize the incentives and work the problem cooperatively with a single state? Why not make an honest, fair, open, and negotiated deal? The packaging of that deal would provide the supply-side incentives to building a repository in a cooperative and efficient environment. A State could impose a highly profitable user fee which should not be looked on with cynicism. A high fee, say 3 mills, is simply a realistic charge for taking a hazardous and politically unpopular commodity for disposal. Those who accept it should indeed receive special consideration.

A second incentive is an assured significant expansion of the State and local economic infrastructure. As with any new industrial facility, local demand is created for supplies, services, and skilled labor. Permanent jobs created by a repository will have a multiplier effect in creating new demand. The potential for spinoff business and increased municipal support systems is enormous.

Perhaps an even more important incentive, would be a State's enhanced ability to demand concessions, special considerations, and further development of its economic infrastructure. These concessions and considerations should not be limited to the State-Federal deal. They should include the nuclear industry as well. In fact, the nuclear industry is in an excellent position to be truly creative and innovative without Government interference. Architect-engineers, constructors, plant operators, and equip-

nuclear waste repository. An Indian tribe could locate a repository within its tribal boundaries and reap the same benefits as any State.

ment vendors could make their own deal with a repository host. Their participation with the host State in developing new commerce and industry may be an even more credible incentive than the State-Federal deal. Again, the responsibilities are only limited by the vision and imagination of those negotiating the deal.

Significant new ancillary facilities and industries would be created by a working repository. New shipping casks, rail cars, and trailers are needed. The host could demand that they be locally manufactured. In fact, the host could demand that most goods and services be locally purchased or manufactured.

Additional facilities may be needed for spent fuel packaging or disassembly and repackaging. These facilities should certainly be located near a repository. With increased State and local acceptance of nuclear technology, development of other nuclear-related industries could follow. Demand is then created for more skilled labor and the technical schools and university programs to train them. One suggestion has been for the Government to establish a "world class" R&D center for radioactive waste management in the host State.

Along with statewide acceptance of nuclear technology could come a fuel reprocessing plant and possibly nuclear power plants. These are multibillion dollar projects. Communities could also demand that Government nuclear R&D facilities be part of the incentive package.

A final recommendation is that DOE should consider offering the state with the first repository locality a major nonnuclear project. One example is the proposed Superconducting Super Collider (SSC). SSC is a 200 trillion electron-volt colliding beam accelerator recommended by DOE's Independent High Energy Physics Advisory Panel. The project is estimated to cost \$3-5 billion and take nearly 10 years to complete.

The SSC will be 50 times more powerful than existing machines. The accelerator ring is expected to be 100 miles in circumference. Many areas of the country with good repository sites also have land ideally suited for the construction of SSC. Hosting the SSC would make a State the world center of high energy-physics research. The economic and technical spinoff possibilities defy the imagination.

The SSC is an excellent example of how States and localities vie for new nonnuclear industry. February 15, 1985, headlines in the Los Angeles times stated "California Gears up to Vie for \$3-Billion Atom smashers Site." The state has provided \$500,000 for the University of California to finance the process.⁹ This is one project that is "OK-in-my back yard"—not so with waste repositories. Why not link the two?

An argument could even be made for using fees collected by the repository State to fund or partially fund SSC. After all, SSC is a research tool for nuclear physics. A State, by partially funding SSC from user fees, would be a partner in its development. Right now there is no certainty of full funding of the SSC by the Federal Government. With a private sector participant, the project is significantly more viable.

A SUPPLY-SIDE PROPOSAL

As a theoretical construct, a plausible repository program is proposed. This proposal is suggested by recent DOE experience on the WIPP project and a belief that a free-market approach will be significantly more efficient. As a point of departure, a supply-

side program is envisioned which would have the following features:

A 1-year effort to develop the strategy, quantify and promote the incentives, solicit proposals, and get a state to accept.

Two years for site characterization and development.

Four years to construct a repository.

Cost twice as much as WIPP (or \$1,386 billion).

Cost \$44 million per year to operate (twice as much as WIPP).

Save tens of Billions of Dollars in the process.

The host state and locality would be free to negotiate the deal including the degree of Federal participation (NRC, DOE, etc.). However, NRC participation could be beneficial to the State in terms of independent safety assurance. DOE has much experience in designing, constructing, and operating nuclear facilities which could be helpful to a State. The U.S. Army Corps of Engineers could manage construction as they did for WIPP. A State could also establish consulting or business enterprises to accomplish their objectives entirely in the private sector.

The Congress, DOE, and the nuclear industry should apply some new conceptual thinking to the problem. NWPA is the old solution of throwing money and a new bureaucracy at a tough problem. We are a nation of innovators and entrepreneurs—it is time to put our Yankee ingenuity to work.

A state willing to be bold enough to exploit the situation would only have to say "Stop the music (NWPA)—we are ready to do the job quickly and efficiently—here is our proposal."

Safe permanent disposal of nuclear waste is technically achievable. The evidence is overwhelming. There are, however, significant institutional and political impediments to achieving timely results, and the cost of overcoming these impediments to nuclear power users is enormous. It may even be impossible to achieve success in time to avoid serious impacts on the nuclear power industry.

A supply-side approach could short circuit the massive forces moving against the NWPA-designed program. The potential economic benefits to a State and locality hosting a repository stagger the imagination. It also staggers the imagination to think that a man set foot on the moon in a program spanning less than a decade. Yet, a spent fuel rod cannot be buried in a 200-million year old salt or granite formation, in 20 years, right on this planet.

The problem is left to the creative thinker to design a program to accomplish the objective and ensure that the economic benefits are most advantageous to all concerned. An imaginative undertaking could get an alternative to NWPA going within a year. A cooperative relationship among the parties with a genuine sense of urgency is not beyond the realm of possibility. A program to open repository doors in 7 short years should delight the utilities, forever silence the antinuclear forces, and solve a problem of pressing national urgency. Solutions to tough problems are available "outside the box" if we are only bold and creative enough to look for them. ●

HUMANITARIAN AID?

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. OWENS. Mr. Speaker, The Reagan administration's request for \$14 million in "humanitarian aid" for the Nicaraguan Contra rebels is vague and misleading. It appears to leave room for negotiation and resolution of the political differences between the Sandinistas and the Contra forces, but the language is so unclear that allows the administration to decide that the money can be spent on Contra arms and ammunition. Approval of the money which the administration has requested means a continuation of our military intervention in a sovereign state's domestic politics.

In Nicaragua's 1984 general election, 75 percent of the eligible voters actually voted, while the United States 51.4 percent eligible Americans voted in our Presidential election. Of those that voted in Nicaragua, Daniel Ortega captured 63 percent of the votes, compared with 59 percent for Ronald Reagan in the United States. To put it in another way, Daniel Ortega won the support of 47.25 percent of the eligible voters in Nicaragua. The popular support which the Sandinista government has demands our recognition even if we do not necessarily agree with all of the policies.

The presumption that the United States should be able to determine the political and social destiny of Nicaragua suggests a philosophical debate which mankind had been struggling with for the past 2,500 years. In The Peloponnesian Wars, the Greek historian Thucydides tells of an encounter between the defenseless people of the island of Melos and the mighty Greeks of Athens. The Athenians offer the Melians an ultimatum, they can either swear loyalty to Athens or they will be killed. The Melians argue that they, like the citizens of Athens, should be allowed the democratic right of choosing their own political allies and their own political future without coercion. The Athenian generals refused to grant political choice to the Melians. They contended that their superior military strength gave them control over the fate of other nations. The Melians insisted on the right to choose their own destinies, and they sacrificed their lives.

Like the people of Melos thousands of years ago, the Nicaraguan people are being faced with a difficult challenge. They react to the increasing pressure of the United States to topple their elected government by diverting resources from much needed economic development to defense. The CIA's mining of their harbor, the continuing American military exercises in the

region, and this administration's strong support of the Contra rebels has made this necessary. The Nicaraguans fear an invasion by the United States and that fear is grounded on our actions over the last 4 years.

The United States has clear military superiority over Nicaragua. Nicaragua can bow to that superiority or vow to make its use as difficult and costly as possible. Nicaragua has made the second choice—a choice which is generally accepted as self-defense by our neighbors to the south and our European allies.

The United States has long taken the moral high ground in defense of fledgling nations. The Nicaraguan situation presents us with the opportunity to support the democratic elements there as the country moves away from the years of the Somosa dictatorship, a dictatorship which was supported by the United States.

The first step that must be taken is the ending of aid to the Contras and the cessation of military activity on Nicaragua's northern border and coastal areas. Health, education, and agricultural support personnel will help to revitalize the area and resettle those who have fled or been moved from the combat zone while ensuring that the United States will not be a party to combat activity there. Last, but not least, there must be a regional agreement on amnesty and resettlement for those currently serving with the Contras. This issue can be resolved as part of the Contradora process.

I will not support funding for the Contras. I urge my colleagues to consider the possibilities for peace and democracy in Nicaragua and to vote against military aid to the Contras. It does not matter what euphemism is in vogue to camouflage that aid. It remains the exercise of power and military might over a small neighbor.●

SALUTE TO CADETS OF CIVIL AIR PATROL

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RAHALL. Mr. Speaker, recently, I had the honor of addressing a luncheon of the cadets of the Civil Air Patrol, of which I am commander of the Congressional Squadron. I would like to congratulate them on their hard work and dedication on behalf of the Civil Air Patrol and bring to the attention of my colleagues their efforts. I would like at this point to enter into the RECORD remarks which I made on that occasion to honor these fine young Americans:

REMARKS OF HON. NICK J. RAHALL II

I would like to take this opportunity to welcome you to Capitol Hill. I understand

that the Bronx had the outstanding cadet drill team a few years ago, congratulations on winning again.

I hope that you are enjoying your trip to Washington and the sights of our nation's Capitol.

As the Commander of Congressional Squadron, I understand the commitment you have made to CAP, and the time and effort that you have put into the cadet program. The cadet program is designed to inspire our country's youth to become leaders and dynamic American citizens through an interest in flying. You are the future leaders of your communities and state. CAP is important not only to you, but to this country. Last year, CAP search and rescue sorties saved 182 lives. In the last five years alone, CAP has logged over 83,000 hours in the air—mostly in our own aircraft, responding to over 6,184 emergency missions. There is no other organization that can do the job that CAP does, day after day. You are part of the program, that tradition, and you are what this organization is really all about.

You take part in a number of programmed and special activities. From these you develop the knowledge, skills, and attitudes needed to understand that total impact of air and space operations on society. You learn discipline by studying leadership and by learning military drill and courtesies. You become and remain physically fit through a special physical training program. As you progress through the ranks and awards, you learn responsibility. CAP cadets usually excel in life because they have the drive and ambition to not ask how difficult the mission is, but to jump in and make whatever it is a success.

As CAP cadets, you are very important to the Air Force. There is an "esprit de corps" within CAP, that brings us together. The contributions you are making to general aviation by your participation in Civil Air Patrol is valuable. You are important, and here in the heart of our nation's Capital, I want to challenge you to work hard and be whatever you want to be. President John F. Kennedy once said, "Don't ask what your country can do for you, ask what you can do for your country." You have already begun to answer that challenge.

The motto of Civil Air Patrol is "Semper Vigilans." May you be—"Always Vigilant"—forever.

Thank you.●

OFFSHORE DRILLING ALONG THE NORTHERN CALIFORNIA COAST MUST BE PROHIBITED

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LANTOS. Mr. Speaker, while James Watt may be gone, his evil policies linger on. The latest proposed regulations on offshore drilling from the Department of Interior will continue the environmentally disastrous policies that were introduced during his unfortunate tenure as Secretary of the Interior.

Today in hearings before the Interior Subcommittee of the House Appropriations Committee, I urged the continuation of the moratorium on off-

shore drilling along the northern California coast. In view of the proposed Interior program, we have no alternative if we are to save these magnificent and unique coastal areas from irreversible damage.

STATEMENT OF CONGRESSMAN TOM LANTOS ON OUTER CONTINENTAL SHELF LEASING AND OFFSHORE DRILLING BEFORE THE INTERIOR SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE

Mr. Chairman, I am delighted to have this opportunity to testify before you on an issue of critical importance to the people of California—and of particular interest to the people of San Mateo County whom I represent.

The development of leasing proposals for offshore drilling has reached a crucial juncture. This committee has recognized the importance of this matter during the past four years, and I wish to express thanks to you personally, Mr. Chairman, for your interest and your concern.

I must once again seek your help. We have now been presented with new draft regulations from the Department of Interior issued by Secretary Hodel. I had hoped that our new Secretary of the Interior would show greater understanding for the concerns of California. Unfortunately, the recently released proposals are a severe disappointment. Again this Administration has displayed a remarkable lack of sensitivity in its offshore leasing program. The new leadership at Interior is not departing from the policies pursued by former Secretary James Watt, under whose leadership we were subjected to massive acceleration of leasing—in clear violation of Congressional intent.

Secretary Hodel's claim that this draft program "reflects Interior's desire to resolve environmental and other conflicts early in the leasing process through consultation with the states and other affected parties" is not accurate. Despite the frequently expressed concern of the California Congressional delegation, House members from California were never consulted about these proposals in a meaningful way, and we are confronted now by a program which fails to meet our basic requirements. The Interior Department program does make provision to exclude environmentally sensitive areas, but there is no assurance that these areas will actually be excluded. In fact, areas formerly placed off limits by this very committee are once again included in the leasing proposals, and these tracts could be available for lease as early as 1987 or 1989.

I cannot accept Secretary Hodel's claim that the rate of development of our offshore resources has been effectively slowed. Although the proposals apparently cut the number of lease sales from one sale every two years to one sale every three years, the regulations provide flexibility for the Secretary to accelerate sales in areas of "higher value and/or higher interest." There is little doubt that Secretary Watt's intentions have been preserved.

Area-wide lease sales—a policy first introduced by Secretary Watt—mean that vast tracts of the Outer Continental Shelf are up for sale with little or no regard for their resource potential. This policy was designed to open up as many off-shore areas as possible. Consequently, there is not adequate opportunity for proper assessment of the environmental and economic impacts of leasing specific tracts. Many coastal states, including California, have called for an end to this system, and a return to the "tract nomina-

tion" process previously followed. Congress has already recognized the inadequacies of area-wide leasing through its enactment of the moratoria.

It is very clear, Mr. Chairman, that we have no alternative but to call for extension of the Congressionally-imposed moratoria on certain environmentally sensitive areas, including the Northern California Coast.

The incomparable Northern California coastline is unique, both in its spectacular geography as well as its environmental interest. If Secretary Hodel has any doubt, let me repeat the offer which I and a number of my colleagues have already made: We welcome the opportunity to show him—and any member of this committee—the superb California coastline to demonstrate how it would be affected by offshore drilling.

The magnificent San Mateo County coast, which is near tracts available for lease, would be particularly susceptible to damage from oil spillage. The rocky inner tidal zone and the estuaries make it virtually impossible for oil to escape once washed towards the coast. In addition, the coast waters provide habitat for many sensitive marine species for whom any oil leakage would be disastrous. It is critical that leasing not be permitted in this region.

Offshore drilling would also prove disastrous to California's \$16 billion tourist and fishing industries. Not only would the visual pollution of offshore oil platforms be a major deterrent to visitors, but there would be extensive onshore dislocation. Even during the exploratory stage, permanent service bases would have to be established, which would include expanded docks, warehouses, open storage areas, facilities for servicing derrick barges and tugs, and helipads. These developments would transform and degrade the Northern California coastline.

In addition to the evident environmental hazards of the Interior Department's leasing program, as a professional economist, I find the area-wide leasing program to be economically unsound. Lease sales under this program have invariably yielded smaller average bids per tract because oil and gas companies do not have to compete for a limited number of tracts with defined resource potential. Frequently, they are leased to single bidders at bargain basement prices. The program is designed for the benefit of big oil companies, with little or no regard for the public interest.

Mr. Chairman, there is no economic justification for launching headlong into this massive offshore program. Domestic energy demand is slackening, and even the oil industry has only qualified enthusiasm for the extensive Interior Department program. Of the 265 million acres offered since the area-wide leasing process first went into effect, industry has only leased 13 million acres. In the case of the North Atlantic lease sale held last year, not a single industry bid was filed for any of the tracts offered. The lack of interest forced the Department of the Interior to cancel or postpone indefinitely five area-wide sales.

In short, Mr. Chairman, the proposed leasing program does not have adequate environmental guarantees. In Northern California, the program is threatening an area of unparalleled natural beauty. Furthermore, the Interior Department proposal is highly questionable in economic terms. We must not permit these regulations irreversibly to affect these unique coastal areas.

I urge you to extend the Outer Continental Shelf leasing moratoria. ●

IS AMERICAN COAL BEING UNDERMINED?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GAYDOS. Mr. Speaker, over the years, I have watched one domestic industry after another fall prey to foreign competition in the world of international trade. They have been squeezed out of traditional markets, at home and abroad, by the aggressive, and sometimes unscrupulous, tactics of foreign producers.

As a result, trade deficits, unheard of in our country just 15 short years ago, have become commonplace. Last year, as you know, we sustained a record wash of red ink totaling \$123 billion and already some experts predict this highwater mark will be surpassed in 1985.

As yet, the domestic coal industry has not been a contributor to these deficits but some of the telltale signs that marked the decline of other industries are becoming visible in the coalfields. The threat to this industry's competitiveness can be traced to several factors, some of them beyond the control of the industry itself.

The overvalued dollar, for example, poses a threat to every segment of American industry trying to sell overseas. It makes U.S. products more expensive, including coal. A recent study suggests the inflated dollar is responsible for as much as 45 percent of the Nation's trade deficit.

At the same time, the trade tactics of certain nations work to their advantage in selling their goods here. If a foreign coal producer is subsidized, directly or indirectly by his government, his coal can be sold cheaper in the United States than the domestic variety.

Neither are foreign producers subject to the same rigid standards of safety and environmental controls with which our coal producers must contend. That translates into additional cost benefits enjoyed by the foreign producer.

It is because of these, and other factors, that the U.S. coal industry finds itself being challenged both at home and abroad.

Internationally, it sees competition coming from Australia, Canada, Poland, South Africa, Colombia, and China in the export market. Domestically, our coal industry's markets are being eyed by Poland, South Africa, Colombia, and Canada. A private study reported that more than 90 utility powerplants along our Atlantic and gulf coasts have the potential to import coal.

And records show our coal exports have fallen dramatically since posting

a record high shipment of 113 million tons in 1981. In the years from 1982 through 1984, exports totaled 106, 77, and 80 million tons respectively. This year, it is estimated coal exports will slip even further—to 73 million tons.

Meanwhile, back at the domestic mine, foreign coal producers reportedly are beginning to cast covetous eyes at the lucrative American market. It is true imported coal poses no real threat to domestic producers at this time. Shipments here, I understand, amount to something like 1.3 million tons per year.

But, Mr. Speaker, I remember all too well the complacent attitude past Congresses and past administrations took regarding the importation of steel and automobiles. They, too, were just a dribble at the start but they soon grew to a torrent and knocked those two industrial giants into a tailspin from which they have not yet—and may never—fully recover.

Foreign steel has made a habit of grabbing 26 percent of the domestic market and foreign autos already dominate the small car market here. The recent decision by the administration to let Japan decide whether to increase her car exports here does not bode well for the domestic auto industry, particularly if the price of gasoline begins to climb upwards.

And the domestic coal industry has not yet recovered from the economic recession. Unemployment in the coalfields still ranks at 16.5 percent, far above the national rate.

That grim picture is reflected in my 20th Congressional District of Pennsylvania, which includes two counties: Allegheny and Westmoreland. During the period from 1980 to 1984 (1984 figures being only preliminary), production in bituminous deep and strip mines in Allegheny County fell from 3,249,214 tons to 1,072,651. Employment echoed the slump, dropping from 1,689 miners in 1980 to just 369 in 1984.

The same situation held true in Westmoreland County mines. Production there plummeted from 1,814,028 tons in 1980 to just 545,664 tons in 1984 while employment slid from 814 to 170.

Mr. Speaker, the decline of American leadership in auto, steel, and other industries can be traced, I believe, to the unwillingness of past Congresses and past administrations to face the reality that we have been in a trade war. We have not only allowed foreign competitors to target certain industries for economic invasion—we have actually encouraged them. We have gone so far as to let the foreign competitor write the rules in our trade dealings with them.

That is history. But unless this Congress and this administration—or their immediate successors—learn from the

mistakes of the past, history may well repeat itself, this time in coal.●

NICARAGUA—ANOTHER VIEW

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. KASTENMEIER. Mr. Speaker, as we approach debate on the President's proposal to release \$14 million in military aid to the Nicaraguan Contra forces, I would like to call to the attention of my colleagues a report issued by two constituents and friends, Arthur and Susan Lloyd of Madison, WI, on their recent journey to Nicaragua. Their observations on what is happening in Nicaragua differs considerably from the pronouncements issued by the administration.

The report by Art and Sue Lloyd which appeared in the April 12, 1985, edition of the Madison, WI, Capital Times, follows:

PERSONAL VISIT TO NICARAGUA BRINGS EYE-OPENING

(By Arthur and Susan Lloyd)

With a small group from the Episcopal Diocese of Milwaukee, we recently visited Nicaragua for the consecration of the first native Nicaraguan bishop of the Episcopal Church. What we found and what we read from a variety of sources bears little resemblance to what we hear from Washington.

Nicaragua is described as "a brutal, totalitarian, communist regime," as another Cuba under the control of the Soviet Union. What we found was an impoverished country, suffering terribly from the continued war against the counter-revolutionaries, but with some notable achievements and, given the wartime conditions, relatively free.

U.S. citizens need no visa to enter the country and, with the exception of war zones, can travel freely. Among the variety of people with whom we talked were both supporters and opponents of their government and its policies.

Yet despite criticisms, the majority of Nicaraguans seem clearly to support and appreciate the many programs in education, health, land reform and political participation that they enjoy in a Nicaragua free from the hated Somoza dictatorship.

Washington describes the Sandinistas as brutal and the Contras as "freedom fighters." Although there have been abuses, freely admitted, in relation to the Miskito Indians, and we heard of abuses in relation to military conscription, we see a double standard being applied to Nicaragua.

On the one hand, Nicaragua should be compared both to the previous Somoza dictatorship, a truly brutal regime, and also to other Central American countries, such as El Salvador; Nicaragua's human rights situation compares very favorably with the latter, as reported by independent human rights organizations such as Americas Watch. Further, Americans should also remember that wartime conditions breed abuses; our government interned thousands of U.S. citizens of Japanese ancestry during World War II, confiscating property as well.

Described as "freedom fighters," the contra behave like the brutal National Guard of Somoza, of which many are

former members. We were told and read of many accounts of the incredible damage done by the contras, including the kidnapping and murder of religious leaders, health workers and teachers, women and children.

While we were in Managua, the newspapers reported on more than 100 contras who, in response to a government amnesty, turned themselves in. A Canadian journalist whom we met had the opportunity with other journalists to interview these men in Esteli, all of whom shared the same general story: They were campesinos who had been kidnapped, taken to Honduras, trained and then forced to fight against their own people. Many young Miskito men have been similarly victimized, threatened with death if they did not join the contras.

All the evidence we see indicates that the Sandinistas are still committed to the three fundamental principles of their revolution: a mixed economy, a pluralistic political system, and non-alignment. We found many examples of private enterprise, including coffee farms, most of which are in private hands. One farm we saw is owned by a U.S. citizen.

In the Nicaraguan elections of this past November, seven political parties ran candidates for president and vice president as well as for the National Assembly. Although not required by law to vote, 75 percent of the registered voters cast ballots and the Sandinistas received 63 percent of the vote. (The electoral system, modeled after Western European systems, provides for all parties to be represented in the National assembly, unlike our system in which it is very difficult for third-party candidates to be elected.)

As to non-alignment, Nicaragua has sought aid from the U.S., Latin America, Western Europe and the Soviet bloc. Although we trade with Nicaragua, the U.S. currently provides no aid and has blocked aid from international banks. Because of this, aid from the Eastern bloc has increased from 15 to 30 percent.

U.S. policy has the effect of driving Nicaragua towards greater dependence on the Eastern bloc—the very thing we say we deplore. We met no Nicaraguans who want that.

It is clear to us that the great majority of Nicaraguans participated in what they call "the insurrection" against Somoza, benefit from the health and educational programs for the poor, and support the revolution as their own. As people who have had our own revolution, we should respect their right to a government of their own making and choosing.

We urge all readers to contact congressional representatives and voice absolute opposition to any aid to the contras. It is appalling that our tax dollars should support the killing and terrorization of innocent Nicaraguans.

Readers should also urge our representatives to support the Contadora Peace process—a process that would, with U.S. support, guarantee mutual acceptance of each other's integrity by the Central American nations, the removal of all foreign military personnel, and negotiations to reduce military forces in the region.

The road to peace in Central America requires political support for broad-based democratic governments and processes and economic assistance, not more war.●

TRIBUTE TO MR. AND MRS.
JOHN H. FOREHAND

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. ORTIZ. Mr. Speaker, on Sunday afternoon, April 21, a very loving couple will celebrate their 50th wedding anniversary at 121 Catalina Circle in Portland, TX.

Mr. and Mrs. John H. Forehand will be honored at this reception. Although Portland is located across the Corpus Christi Bay from my district, I have become well acquainted with this couple through my friendship with their son, John Forehand III. I would like to take this opportunity to congratulate the Forehands on their first 50 years together, and offer my best wishes for their future.

Their long life together is truly an inspiration to the people of our Nation. They were married on April 21, 1935 in Rockport, TX and have been blessed with three children. In addition to their son John, they have two daughters; Myrna Loyce Koubeck of Rockport, TX and Mary Pearl Havelka of Portland, TX. Their children have in turn blessed Mr. and Mrs. Forehand with nine grandchildren and six great-grandchildren.

I extend my congratulations to Mr. and Mrs. John H. Forehand on this special occasion. May their dedication and togetherness last another 50 years. I wish them the best of health and good fortune in the future.●

H.R. 201

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SILJANDER. Mr. Speaker, I would like to call my colleagues' attention to a bill I introduced on January 3, 1985, the Agriculture Export Trade Equity Act of 1985 (H.R. 201). It is my hope that the concepts contained in this bill can be incorporated into the export title of the farm bill.

The current farm crisis has caused the United States to reexamine its policy toward our Nation's farms. We have two choices: We can either reduce the supply of farm goods by allowing the collapse of thousands of farmers and creating disincentives for production, or we can expand the market for our agricultural products, keeping most farmers in business while reducing the domestic supply and raising commodity prices. One way to expand our markets is through increased exports.

American farmers, however, are facing an uphill battle in their at-

tempt to sell their products abroad. European export subsidies and the strong dollar are drying up many foreign markets. This is not only hurting the balance of trade, but it is also costing thousands of American workers their jobs. Agricultural goods account for 20 percent of American exports each year. Yet American traders face a number of significant trade barriers on the world market and often lose out when bidding against foreign competitors.

Every U.S. sale lost to foreign subsidies hurts the American economy. As the OMB and the CBO has stated, every \$1 billion lost in exports puts 25,000 Americans out of work. If this is true, then the current \$15 billion trade balance deficit means a loss of 350,000 jobs. The European Community has been a particularly sharp thorn in the side of American exporters. Through the use of aggressive export promotion and subsidies, it deprives the United States of up to 5 billion dollars' worth of exports each year.

I participated in the annual meeting of the European Parliament in January 1984 and asked members of the Common Market to drop their trade barriers against U.S. exports. Upon my return to Washington, I introduced the Agriculture Export Trade Equity Act (H.R. 201), designed to promote American agricultural exports. If approved by Congress, this bill will: Enable American farmers to compete with nations which subsidize their farmers, save thousands of jobs, help nations experiencing food shortages to feed their hungry, and reduce Federal spending by cutting the cost of storing agricultural commodities.

The Agriculture Export Trade Equity Act of 1985 specifically instructs the Secretary of Agriculture to: Target only those commodities and products that have been adversely affected by foreign export subsidies, for example: wheat, feed, grains, upland cotton, rice, milk, and their products, and any other agricultural commodities or products acquired by the Commodity Credit Corporation [CCC]; authorized an export Payment-In-Kind [PIK] Program that would allow American producers to match the deals offered by their foreign competition; provide for the shipment of 100,000 tons of dairy products in fiscal years 1985 and 1986; encourage the use of processed and protein-fortified agricultural, value-added products in Public Law 480; and use barter as a means of reducing the agricultural surplus.

BENEFIT TO THE U.S. ECONOMY—THE BAKER'S DOZEN

The bill includes an Export Payment-In-Kind [EPIK] Program that would allow American producers to match the deals offered by their competitors by offering buyers a sort of "baker's dozen." The EPIK Program

would use CCC surplus to offset foreign subsidies.

For example, if a competitor was selling wheat below the world market price, the CCC would add quantities of its inventories to each American sale, so that even though the foreign unit price was lower, the bonus provided by the CCC would make the net U.S. price the same.

The proposed EPIK Program calls on the Secretary of Agriculture to: Consider all potential foreign buyers, but give priority to those who have traditionally purchased U.S. commodities, ensure that the program does not hurt those American commodities already being sold abroad, and prevent buyers from reselling their commodities to other countries.

BENEFIT TO THE TAXPAYER

H.R. 201 contains no additional cost to the taxpayer. In fact, this bill would actually save money by decreasing the surplus, thus reducing storage costs. Surplus crops are collected by the Government to serve as a backup in the event of a national shortage. But there has been no national food shortage and as a result the size of the surplus continues to grow. The CCC currently stores the excess at considerable cost to the taxpayer, coming up with a bill of \$382 million in 1983.

The bill also requires the Secretary of Agriculture to export no less than 100,000 metric tons of dairy products during each of the next 2 fiscal years. Because dairy goods are the most perishable and expensive commodities to store, the savings would be substantial.

BENEFIT TO NATIONS EXPERIENCING FOOD SHORTAGES

While the United States spends billions of dollars storing its surplus, millions of people in underdeveloped nations are starving. And the American people have been looking for a way to get their excess to those in need.

H.R. 201 would help by requiring the President to consider both the short-term needs of Third World nations and the long-term needs of the American farmer. The nutritional value of food shipped to developing nations will be carefully considered, and the use of processed and protein-fortified foods will be encouraged. An increase in the use of such value-added products would not only increase nutritional benefits to the Third World, but also provide even more jobs for Americans.

BARTER PROVISION

In 1950, the United States began to barter with other nations. This time-honored swapping of goods was successful for 23 years until it was abandoned in the early 1970's because of the strength of the foreign export market. Since then barter has been used sparingly, with the latest example being an exchange of American

dairy goods for Jamaican bauxite in 1982. Although barter currently accounts for between \$200 and \$800 billion worldwide or 10 to 40 percent of the world trade, the United States has been content to let other nations reap the benefits.

H.R. 201 would tap into this huge market by encouraging the Secretary of Agriculture to make greater use of the barter system. A barter program would reduce the CCC surplus, allow the United States to cut the trade deficit and at the same time obtain certain strategic materials not readily available in this country. H.R. 201 would encourage the United States to trade wheat for cobalt, grain for tin or corn for manganese. These critical materials could then be placed in reserve to be used in the event of a worldwide shortage.

Under a cash system, nations selling strategic materials to the United States often use the proceeds to buy agricultural goods from America's competitors. This could not happen under barter. American dollars would be kept in American hands.

CONCLUSION

H.R. 201 will help American farmers overcome the substantial trade barriers they face in overseas markets through the Export Payment-In-Kind Program. American tax dollars will be saved by reducing storage costs, and a major step will be taken to end world hunger.

The Agricultural Export Trade Equity Act will strengthen the domestic economy by increasing U.S. agricultural sales and preserving the family farm. I ask my colleagues to consider the incorporation of these concepts into the farm bill. ●

PRESIDENT REAGAN'S UPCOMING TRIP

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FORD of Tennessee. Mr. Speaker, I would like to commend President Reagan for his recent decision to include a visit to a concentration camp on his upcoming trip to West Germany. However, I am not sure that he or his advance team fully understands why so many Americans are upset over this issue. I truly believe that those individuals within the President's advance team must be made totally aware of their insensitivity in this matter.

One of the major reasons for this visit to Germany at the present time was to commemorate the 40th anniversary of the ending of World War II. I find it incomprehensible that such an occasion could have been marked without a visit to a concentration camp.

What took place at Dachau, Auschwitz, and similar camps was not simply a crime perpetrated against the Jewish people, but a crime taken against all humanity. To visit Germany on this occasion without such a visit is to ignore the millions of human lives that were lost there. The Holocaust was all too real; to simply pass it off as a 40-year-old aberration means that we, as a civilized society, are bound to repeat the mistakes of the past.

Compounding this error, the President was, and still is scheduled to visit the German cemetery at Bitburg, where approximately 30 members of Hitler's brutal S.S. are buried among the other German war dead. I am aware that most of Germany's war cemeteries have S.S. members scattered among its dead. Yet again, it is difficult to believe that the White House could not come up with an alternate means of commemorating the many years of strong ties with West Germany. Lest we forget, it was the S.S. who killed American POW's with their hands tied. It was also the S.S. who were responsible for the operation of the concentration camps. Adding insult to injury, the White House has decided not to honor the memory of Americans who perished in the liberation of Germany.

Mr. Speaker, the trade of a concentration camp for a cemetery does not make up for the blunders of the President's advance team. Although I applaud the President for this first chance in schedule, more needs to be done. The President of the United States should take time out to honor American war dead. In the future, the White House advance team must be aware of more than just the public relations value of an upcoming trip. Mr. Speaker, I would certainly hope that the White House doesn't think that much ado is being made about nothing. We, as a Nation, owe it to the memory of every man, woman, and child that perished during the war years that the horrors of what took place in Germany, Poland, and other sections of Europe never again be forgotten. ●

A BAN ON PRODUCTION OF NEW LETHAL BINARY CHEMICAL WEAPONS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. PORTER. Mr. Speaker, I am including in the RECORD a joint statement by myself and Chairman DANTE B. FASCELL, a Democrat from Florida, proposing a ban on production of new lethal binary chemical weapons.

We are announcing a bipartisan effort to stop the funding of new

binary chemical weapons. Thirty three Democrats and 15 Republicans are joining us in introducing today a bill to prohibit the production of these new lethal chemical weapons.

This bill will make a cut in the proposed military spending for fiscal year 1986 of almost \$200 million and, over the next 5 years, stopping binary weapons production will subtract \$2.3 billion from our mushrooming national debt of nearly \$2 trillion. We do not want to plunge our country further into debt. When a weapons program is not needed to enhance our country's national security, such as the binary weapons program, it is our responsibility to speak out and act to preclude its development.

For 3 straight years the House of Representatives has voted to oppose resumption of nerve gas weapon production by our country. The House has voted against new binary weapon production for sound foreign policy, arms control, defense, and cost reasons. Binary weapons are costly. Technically and operationally they are unproven and questionable. They cannot be based in Europe. And, let's face it, they are repugnant to our friends and allies, as well as to many of us. They also pose severe proliferation risks. Last year the vote was 247 to 179 with 53 Republicans joining the Democratic majority in opposing nerve gas production. This year the case against resuming production is as clear and as persuasive as in the past. The foreign policy, defense, and cost arguments are as compelling as before:

Cost: The administration wants to spend \$174 million on binary weapons and related military construction this year and \$2.3 billion over the next 5 years. The binary weapons program request has almost doubled this year—presumably to compensate for the production funds we cut from last year's budget. Some estimates which include calculations of likely cost overruns place the 5-year figure at between \$6 and \$12 billion.

Stockpile: Our current stockpile of chemical nerve agent artillery shells is adequate and it is a credible deterrent. Secretary of Defense Caspar Weinberger told the Congress:

For procurement of new artillery shells, the need is not one of redressing a clear lack of military capability. The U.S. possesses a stockpile of chemical nerve agent artillery shells * * * (whose) quantity is in the range of sufficiency and actually is higher than the planned acquisition quantity of the binary projectile.

Bigeye bomb and binary artillery shells: Doubts remain about these weapons and problems continue to plague their development. Congress has not been shown convincing evidence that the Bigeye bomb and the binary artillery shell offer substantial technical and operational advantages over existing weapons. On the con-

trary, there may be serious disadvantages to these weapons which place our troops and pilots at greater risk. In saying no to the production of new binary chemical weapons, funding of research and development would continue as it has continued for almost 20 years.

Pre-positioning in Europe: NATO governments have not agreed to accept these new binary nerve gas weapons to be pre-positioned on their soil. This fact reduces the potential credibility of these weapons as both a deterrent and as a real retaliatory capability for our troops in Europe. Congress should not even consider funding production of these weapons until there are agreements by NATO governments to accept them.

Negotiations: There are no bilateral negotiations with the Soviet Union on chemical weapons. President Reagan ended those negotiations in 1981. Those negotiations must be reopened. The multilateral negotiations in Geneva on chemical weapons are working to resolve over 100 differences which exist between the United States and Soviet initiatives presented there. International pressure is definitely on the Soviet Union. Ending our 16-year moratorium and producing new chemical weapons will take that pressure off the Soviets, cause NATO alliance problems, raise questions about U.S. credibility and sincerity in negotiations, and increase the danger of chemical weapons proliferation.

Proliferation: U.S. production of new deadly chemical weapons now after a 16-year moratorium would undermine a variety of constraints which have inhibited the proliferation and use of chemical weapons. There are technical features of the new binary weapons which indicate that production of these weapons is likely to increase the tremendous risks of chemical weapons proliferation. Binary weapons are unwittingly more conducive to proliferation and terrorist use than existing types of chemical weapons.

Good defense is a good deterrent: We want our troops protected against chemical attack and we have provided adequate funds to improve our defensive chemical warfare program and protect our troops. A significant defensive chemical capability is ultimately the best deterrent against chemical use because of the limited military utility of chemical weapons. The emphasis should be on improving our defenses not on developing a new offensive chemical capability.

For these reasons and others we are introducing this bill to prohibit the production of lethal chemical weapons. There has been much talk about cutting military spending. Talk won't cut that spending but this bipartisan action will. We can cut hundreds of millions of dollars now and billions of dollars in the out years while main-

taining a strong defense and an enlightened foreign policy.●

CARING FOR OUR CHILDREN

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. McKERNAN. Mr. Speaker, today the gentleman from New York, my colleague on the SCOCYF, Representative FISH, and I are introducing legislation to provide States with an incentive to establish, monitor, and enforce child care standards necessary to protect the safety and well-being of our Nation's children.

The September 1984 Select Committee on Children, Youth, and Families report, "Families and Child Care: Improving the Options," noted that families placing their children in out-of-home care were "unanimous in their desire to find safe, Nurturing and developmentally appropriate care for their children. The necessary rapid expansion of child care opportunities and their diversity means that we must do everything possible to assure the adequacy of child care settings, the report said. The report essentially highlighted the lack of national and comprehensive child care standards. Currently, child care providers may be either licensed by the individual State or totally unlicensed; certain States require child care providers to be registered, while others allow them to operate undocumented.

While some States are already addressing the issue of child care standards, with so many of our children in out-of-home care, and given the mounting reports of abuse in child care, I am deeply concerned that steps be taken to ensure the safety and well-being of our young children in child care.

Today, more than half of America's children have both parents in the work force. Another one in five grows up in a one-parent family. The number of children in these one-parent families is expected to increase by an astounding 48 percent over the next decade. Clearly, we must respond to this changing trend in our society, while allowing individual States to develop their own plans and address their own needs.

The legislation which Representative FISH and I are introducing today is an attempt to address this need for national child care standards. Our bill would require States receiving funds under title XX of the Social Security Act, and using any of these funds for child care, to establish, monitor, and enforce child care standards under broad guidelines spelled out in the bill.

Under our legislation, States would, according to their particular needs,

specify health, safety, and nutritional requirements for children, protect against abuse and neglect, require parental involvement, offer training and technical assistance, mandate criminal conviction checks of providers, require facility inspections and allow sanctions for noncompliance with standards, and provide information and referral services.

Caring for our children is a great responsibility, and we must do everything we can to ensure their protection, their health, and the adequacy of child care settings. I urge my colleagues to join Representative FISH and me in supporting this measure.●

WYOMING VALLEY BOXERS HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. KANJORSKI. Mr. Speaker, it is my pleasure to bring to your attention an event of considerable importance to sports fans in the Wyoming Valley. The Wyoming Valley Boxing Hall of Fame will hold a banquet on April 19 to honor three men who have made enormous contributions to boxing. All three will be inducted into the Hall of Fame, so I would like to give a little background on the achievements of each.

Neil Miller distinguished himself as a Diamond Belt champion in 1939, then began a successful professional career that spanned more than 15 years. As a boxer, he fought and defeated many of the ring's top-ranked lightweight, welterweight, and middleweight fighters. Miller is now 76 years old, and lives in Wilkes-Barre.

Bill Speary passed away in 1967 at the age of 49, but he left behind a legacy of greatness in the ring. Speary held 15 titles as an amateur, winning national and international championships in two weight categories. From 1937 through 1939, he won three AAU championships as a flyweight and a bantamweight. As a professional, he fought four world champions while they still held their crowns. Speary is widely regarded as Luzerne County's finest boxer ever.

Jim McCarthy passed away this spring at the age of 74. McCarthy was the dean of area sportscasters, having devoted 55 years of his life to sports broadcasting. He was tireless in his work on behalf of area boxing, for which he worked as a ring announcer and promoter. He truly loved this sport, and his loss will be felt by all of us.

Mr. Speaker, I will be attending the banquet this week at which these three men will be honored. I know I speak for all sports enthusiasts in the

region in offering my congratulations to the Wyoming Valley Boxing Hall of Fame for their work in honoring these great athletes. ●

OHIO'S URANIUM ENRICHMENT EFFORTS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. McEWEN. Mr. Speaker, I am today inserting for the benefit of the Members of the House of Representatives, my testimony before the House Appropriations Subcommittee on Energy and Water Development on funding for the Portsmouth Gas Centrifuge Enrichment Plant. I do so in the hope that Members will join me in supporting the Department of Energy's full request for the continued operation of this vitally important project.

The statement follows:

STATEMENT OF CONGRESSMAN BOB McEWEN BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT, APRIL 3, 1985

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to appear before you today to discuss the Department of Energy's fiscal year 1986 budget request for the Uranium Enrichment Program. In particular, I would like to address my remarks to the funding requests for further development of the advanced gas centrifuge technology (AGC) and continued construction and operation of the Portsmouth Gas Centrifuge Enrichment Plant [GCEP].

Mr. Chairman, the strategic and economic importance of our Nation's Uranium Enrichment Program cannot be over-emphasized. The U.S. share of the uranium enrichment market is less than a third of what it was just ten years ago. This reflects not only the ongoing technological efforts of the European consortium, but our own hesitation and indecision in the past as well. We should learn from history.

I urge this subcommittee and this Congress to avoid the kinds of whimsical policy changes that marked this program during most of the 1970's. These actions aided and abetted the formation of a uranium enrichment capability in Europe, which is not a direct threat to tens and thousands of U.S. jobs.

If actions are not taken to reverse present trends, the prognosis for the U.S. uranium enrichment industry is guarded. The question before us today and in this Congress is: How can the United States recapture our prior market dominance?

I believe the answer is clear: An improved technology which is responsive to the market and a firm commitment by the Congress and the administration to go forward with needed research and development. The fiscal year 1986 budget request for uranium enrichment proposed by the Department of Energy reflects that commitment. It will permit work on improved technologies to move ahead while maintaining the considerable advantage of our new gas centrifuge plant.

Let me take this opportunity to emphasize how successful the GCEP operation has been. It is an innovative technology which has proven to be far more efficient than the gaseous diffusion process or even our wildest expectations. Although it is still in the process of being completed, the project is on schedule and under budget; the centrifuge machines are being manufactured by U.S. industry and thousands of U.S. firms have committed their financial and human resources to the success of GCEP.

The Department of Energy has already expended vast resources to develop the GCEP technology. I believe that we cannot afford to write off the investments thus far expended on this program—the livelihood of thousands of employees depends on this vital project. If our objective is to minimize U.S. enrichment costs over the remainder of the century in order to become more competitive in the world market, we cannot afford to discard the progress already made and the excellent potential that an improved uranium enrichment technology offers.

Let me take a minute to say something about the men and women who live and work in southern Ohio. The commitment, dedication and support of America's enrichment program by the workers in the seven-county area is unsurpassed. They take pride in the work they do and are not afraid to stand up and let it be known that they back this effort. Over the past quarter century, southern Ohio has been the demonstrated leader in our Nation's enriched fuels effort. The Ohio workers are dedicated, efficient and responsible. Our communities are supportive. And our State and local leaders are cooperative. I believe all this counts for something and should be considered in any of our decisions.

Mr. Chairman, I strongly support this subcommittee's and the Department of Energy's commitment to reestablish the U.S. reliability of enriched uranium at a cost that world markets can support, which will be borne by the users and not by taxpayers. The indiscretions of the past have placed the entire uranium enrichment program at risk. I have every confidence that with the continued leadership and personal involvement of this subcommittee, the mistakes of the past will not be repeated.

Finally, words cannot sufficiently communicate the appreciation I have for the members of this subcommittee who have taken such a personal interest in the success of this program and therefore have assisted not only our Nation's efforts toward energy independence but the workers of one of our Nation's most economically depressed areas. It is clear that whichever technology our Nation pursues in the years ahead, this subcommittee and the department of energy would obviously be prudent to continue to have America's most dedicated, resourceful, and efficient workers involved in the advanced uranium enrichment endeavor.

Thank you. ●

ILLICIT DRUG TRAFFICKING

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SHAW. Mr. Speaker, illicit drug trafficking from countries throughout our world into south Florida remains a

critical threat to our youth and the very moral fiber of our country.

Increased law enforcement efforts through help from Customs, the Coast Guard, and the military have helped. Unfortunately, we are still fighting an up-hill battle.

Our U.S. Coast Guard and the U.S. attorney's office prosecutors have been further frustrated in fighting the drug traffic by recent Federal court decisions allowing defendants to go free on technical defenses.

One such defense tactic successfully used by foreign traffickers argues that the United States does not have jurisdiction in international waters to arrest or seize foreign drug ships despite the fact that our Coast Guard has received authority from the flag country for such arrests.

My bill would close that loophole by more clearly defining what kind of authority or arrangement we must have from a foreign country to obtain jurisdiction over drug traffickers in international waters.

We must no longer allow technical impediments as this to obstruct our U.S. attorney's efforts to convict these criminals after we've made proper arrests and seizures and are prepared to carry the burden of prosecution.

The congressional intent of the law I am amending was to allow our country to interdict criminals on the high seas. We must not allow these laws to be diluted, now, when we most need them. ●

SOIL CONSERVATION ACT OF 1985

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. JONES of Tennessee. Mr. Speaker, today I am introducing the Soil Conservation Act of 1985, which is very similar to a bill passed overwhelmingly by the House last year but was opposed by the administration and the Senate and died in conference committee.

While this bill is being introduced independently, I plan to ask the Subcommittee on Conservation, Credit, and Rural Development to include the text of this bill in the 1985 farm bill which is being developed in the House Agriculture Committee.

This bill has two primary elements, both of which address land which is highly erodible in nature. First, the so-called sodbuster part of the bill would discourage the breakout or sodbusting of highly erodible land if that land has not been in crop production within the last 10 years. The bill would deny farm program benefits such as price supports and loans to the farmer on his entire planting of the commodity planted on such highly erodible land.

Second, the conservation reserve is designed to assist in the transition of the same type of highly erodible land which is now in crop production into less-intensive uses such as timber, hay, or grass production. Long-term contracts between the Secretary of Agriculture and owners or operators of highly erodible cropland would provide rental payments, technical assistance, and cost sharing to establish conservation practices to owner or operators as an incentive to put such highly erodible land in more conserving uses.

I believe strongly that this is a much needed piece of legislation and encourage each of you to support it.●

GRADUATED TAX RATES FOR SMALL BUSINESSES

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. CAMPBELL. Mr. Speaker, I am pleased to join with Mr. RANGEL, my distinguished colleague from New York, in introducing this resolution expressing the sense of the Congress that the corporate income tax rates should remain graduated.

As proposed last November by then Secretary Regan in the Treasury Department's tax reform plan as well as in certain recent tax reform proposals the current graduated corporate tax rates for small businesses would be repealed. Repeal of these provisions of our Tax Code would cause substantial increases in the effective tax rates and thereby reduce essential capital available for continued operation and growth for many small businesses.

One recent report which makes a strong case for our position on this issue has been recently prepared by Arthur Andersen & Co. The report, which was requested by the National Association of Wholesale-Distributors [NAW], provided an analysis of the impact of the Treasury proposal on smaller wholesaler-distributors based on actual tax returns. Arthur Andersen analyzed some 50 sets of income tax returns which were forwarded directly to them by members of NAW. The firms targeted were those whose sales volume suggested a pre-tax earnings level such that the graduated rate structure presently in place meaningfully impacted their effective tax rate.

It should be noted that the overwhelming majority of wholesaler-distributor corporations have less than \$5 million in annual net receipts. A typical \$5 million wholesaler-distributor has before-tax-profits of 3 percent, or \$150,000. The effective tax rate on this amount of earnings is about 33 percent under current law. Firms with pre-tax earnings less than \$150,000

currently have effective tax rates lower than 33 percent.

The Arthur Andersen analysis had two principal conclusions:

First, the Treasury Department's tax reform provisions propose a very negligible change (less than 1 percent) in the respondents' taxable income . . . that is to say the proposed changes, with the exception of the rate proposal, have a neutral impact on taxable income, when taken together.

Second, the proposed flat 33 percent rate dramatically increases the tax obligation, and thus the effective tax rate of the firms in the sample. Indeed, the effective tax rate of the firms in the sample would rise by an astonishing 60 percent, i.e., from 21 percent under current law, to 33 percent under the Treasury proposal.

This analysis underscores the fundamental importance of retaining a graduated approach as you move to reduce the maximum corporate rate. It makes a strong and compelling case for continuation of a graduated rate for smaller concerns.

I urge my colleagues to support us on this issue which is so important to our Nation's small business community.●

MARIA FANTANAROSA TO BE HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. KANJORSKI. Mr. Speaker, I would like to bring to your attention the achievements of a local woman who has already earned the recognition of her friends and neighbors as an outstanding athlete. Maria Fantanarosa is to be recognized by her State history-breaking basketball feats.

Ms. Fantanarosa scored 3,608 points, breaking the record held by professional basketball great, Tom McMillin. McMillin currently plays for the Washington Bullets of the National Basketball Association.

On April 28, Kulpmoni residents, local organizations, fraternal groups, and auxiliaries will meet to honor Maria for her achievement. Thomas Cherneski will serve as chairman of the testimonial committee, and George Murin, chairman of the West End Fire Company directors, will co-chair the event.

Other individuals involved include Joseph Warner, superintendent of Mount Carmel Area Schools, Mary Lou Edmonson, Carmen Avellino, and Albert Pupo. Peter Krehel, Kulpmont president judge of Northumberland County will serve as master of ceremonies for the event.

Mr. Speaker, I am proud of the achievements of Maria Fantanarosa, and I am pleased to call her to your attention.●

SUMMARY OF 1984 TAX RETURN DATA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DOWNEY of New York. Mr. Speaker, as in the past, I am providing a summary of my 1984 tax return. And may I say again that while I strongly believe in the strictest standard of privacy for private taxpayer filing data, I feel that Federal elected officials, as trustees of the public's interest, should be open about their financial situations. For this reason I am making the following data available as part of the public record.

Salary—U.S. House of Representatives	\$72,367
Interest income	56
State and local income tax refunds	496
Rental loss	-1,089
Business income—honorariums (net of expenses)	21,700
Total income	93,530

Less:	
Nonreimbursed employee business expenses	-3,275
Payments to IRA	-2,250
Payments to Keogh retirement plan	-2,832
Adjusted gross income	85,173

Itemized deductions:	
Taxes	8,604
Interest expense	1,930
Contributions	380
Miscellaneous deductions	1,802
Total itemized deductions	12,716

Less:	
Zero bracket amount	-3,400
Excess itemized deductions	9,316

Tax table income	75,857
Less: Personal exemptions	-4,000
1984 taxable income	71,857
Federal income tax	20,135
New York State income tax	6,821
California income tax	61
Illinois income tax	13
New Jersey income tax	37
	●

IN RELIEF OF THE JUNIOR ACHIEVEMENT OF SACRAMENTO, INC.

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MATSUI. Mr. Speaker, the Junior Achievement has long been recognized as an outstanding organization dedicated toward the education of our youth. Teenagers, through the firsthand experience of operating their own business, gain practical knowledge

in such areas as business basics, economic management and applied management. Such training provides our youth with important skills to assist them in embarking on future careers.

The Junior Achievement of Sacramento, Inc., was established to provide teenagers with practical experience in how American business operates. The program, funded through charitable donations and supervised by adult volunteers from the business community, has greatly enriched the educational experience of our youth. Indeed, the Sacramento program has been recognized for its outstanding achievements and contributions to my community.

As a nonprofit, volunteer organization, the Junior Achievement of Sacramento, Inc., qualifies as an organization exempt from taxation. The Junior Achievement of Sacramento, Inc., established and maintained this status with the Internal Revenue Service since its inception. Unfortunately, due to an inadvertent error by a volunteer to the organization, the exempt status of this nonprofit organization has been jeopardized.

Today, Mr. Speaker, I rise to introduce legislation on behalf of this commendable organization seeking resolution of this matter. This bill provides that services performed after June 30, 1977, and before January 1, 1984, in the employ of Junior Achievement of Sacramento, Inc., shall not be treated as employment for the purposes of charter 21 of the Internal Revenue Code of 1951 and title II of the Social Security Act. Furthermore, services shall not be treated as performed after June 30, 1977, to the extent that remuneration for such services is paid after such date. I believe that Junior Achievement of Sacramento, Inc., deserves this extraordinary relief granted by this legislation based upon the following factual information.

The secretary to the volunteer treasurer of this organization inadvertently filed a form 941 for the quarters ending December 31, 1975, March 31, 1976, and June 30, 1976, and erroneously withheld and remitted FICA taxes with those returns. Upon discovery of these filings, the organization immediately filed form 941C requesting a refund of the taxes paid. The request for the refund was denied in January of 1977. After that denial, the organization continued to correspond with the Internal Revenue Service regarding the matter, and, upon the advise of their attorney, filed form 941 and paid FICA taxes for two quarters in 1977 under protest. The Service then refunded the taxes paid for the quarter ended December 31, 1975. The organization immediately wrote to the Service stating that apparently their claim for a refund had been reconsidered and granted. Accordingly, the organization filed form 941 and 941C for the quarter ended December 31, 1977,

and applied for and received a refund of the taxes paid in the earlier quarters of 1977.

Consequently, the Junior Achievement had every reason to believe that the Service had recognized the organization's exempt status and that the refund for the quarters ended March 31, 1976, and June 30, 1976, would soon be forthcoming. In addition, the FICA taxes originally withheld from the employee in 1976 and 1977 were refunded to the employee. Subsequent to that time, the organization did not withhold any FICA taxes from its employees and filed its quarterly payroll tax returns as an exempt organization. Unfortunately, however, the Service has continued to demand repayment of these taxes.

It is apparent from the chronology of events that upon the discovery of the error in filing taxes, the organization made every attempt to clarify the situation and make amends with the Service. Indeed, the refund of the taxes paid for the quarter ending December 31, 1975, and the quarters in 1977, would indicate that the Service recognized the error and granted the organization's request for a refund due to their exempt status. Furthermore, the organization has continued to file its quarterly payroll tax returns as an exempt organization and has not withheld any FICA taxes from its employees since 1977; yet the Service refuses to recognize the previous error and still demands repayment.

To persist in collecting these taxes is not only unjustifiable but inequitable. To allow a nonprofit organization such as the Junior Achievement to suffer this burden is inexcusable. In addition, it would seriously impair the organization's ability to continue within the community. Therefore, I urge my colleagues to support this legislation and I respectfully request that the committee grant the immediate consideration of this urgent matter in order that this inequity may be resolved in the near future.●

**HONORING LOYAL EMPLOYEES
OF THE NORWALK-LA MIRADA
UNIFIED SCHOOL DISTRICT**

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. TORRES. Mr. Speaker, I want to call to the attention of my colleagues the outstanding work of several employees of the Norwalk-La Mirada Unified School District.

On May 23, 1985, the Norwalk-La Mirada Unified School District will be honoring employees for 30 and 35 years of service to the students of the school district. These people will be honored for their outstanding commit-

ment and dedication to education. These people are to be commended for their contribution to the needs of the students in their district. I am honored to rise on the floor of the U.S. House of Representatives today and recognize them along with their peers, their school district, and their community.

I believe very strongly about the education and the welfare of our young. It takes very special people to educate and see to the needs of students. I am proud that these fine people have chosen to serve in my community for 30 and 35 years. These employees deserve our recognition and gratitude in reaffirming our Nation's commitment to education.

These people being recognized today work for one of the finest school districts in the State of California. The Norwalk-La Mirada Unified School District is an outstanding example of a district working hard and reaching a high level of excellence in education.

Mr. Speaker, I ask my colleagues in the House to join me in giving our best wishes and thanks to the following people for adding so much to education.

Les Billinger, La Mirada High School, principal; Shirley J. Carlisle, Moffitt Elementary School, teacher; Evan H. McKinney, John Glenn High School, teacher; Gloria G. Ampollilla, Glazier Elementary School, teacher; Charles R. Austin, Waite Elementary School, assistance principal; Dominic D. DiCiolla, purchasing department, assistant director; Shirley J. Foerster, Foster Road Elementary School, teacher; Thomas K. Hada, Moffitt Elementary School, teacher; William A. Hall, grounds department, foreman; Betty M. Hatton, Edmondson Elementary School, teacher; Eldon D. Hunter, transportation department, director; George A. Keplinger, Gardenhill Elementary School, principal; Claude J. Oyler, transportation department, bus driver; Sybil G. Shaw, La Pluma Elementary School, teacher; Ronald J. Ternquist, Norwalk High School, counselor; Gilbert Ulibarri, Norwalk High School, assistant principal; Benny G. Vanderwall, warehouse, manager; Margaret M. Winters, substitute teacher.●

A SHAMEFUL VISIT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MANTON. Mr. Speaker, President Reagan recently announced that he plans to visit a German military cemetery during his upcoming trip to West Germany. The cemetery which is located at Bitburg, contains the graves

of Nazi soldiers and members of Hitler's SS squad.

The White House claims the President's action would serve as an opportunity to demonstrate 40 years of peace in Europe. While this peace is justly celebrated, we must never forget the reasons World War II was fought or the horrors of the Nazi regime.

West Germany is a strong and important ally of our Nation. We must work to make certain that alliance grows stronger in the future. That is the key reason the President is making this trip.

However, to place a wreath at a Nazi cemetery does nothing to further the cause of our alliance. Instead, that act ignores the atrocities committed by the Nazi regime against the victims of the Holocaust, American soldiers and all those who fought to preserve freedom.

Mr. Speaker, more than 400,000 Americans were killed in World War II and more than 6 million Jews were murdered by one of the most evil regimes mankind has known. Although the President has made a belated decision to attend a memorial service at a Nazi concentration camp, his decision to remember the Holocaust is no justification for honoring war criminals, particularly since the President does not plan to visit an American military cemetery during his visit.

Mr. Speaker, the President made a series of decisions which deeply offend the Jewish people, American war veterans and every person who understands the horrors committed by the Nazis. I call upon the President not to lay a wreath at the Bitburg Cemetery. We do not commemorate peace or build upon our alliance by honoring those who were responsible for crimes against humanity.●

TRIBUTE TO SARAH FABER

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mrs. ROUKEMA. Mr. Speaker, today we pay tribute to Sarah Faber, a young woman whose ability, determination, and willpower provides inspiration to her generation and ours.

Sarah is a senior student-athlete at Midland Park High School in Bergen County, NJ. Although she has participated with distinction in the varsity soccer, track and field, and softball programs, her star quality has been displayed most impressively on the basketball court. During the last three seasons, Sarah has scored over 1,100 points, making her just the second person in Midland Park High's girls' basketball program to top 1,000 points for a career.

What distinguishes her accomplishments from those of so many other

student-athletes across New Jersey? Simply put, Sarah has excelled while competing, not only against other athletes, but against a significant handicap. Sarah Faber is deaf.

Today, Sarah is preparing for another challenging athletic event. Her excellence has earned her a position on the U.S. team to the 15th World Games for the Deaf, to be held this summer in Los Angeles. Fifty-two young women entered competition for the 12 slots on the team. Sarah, at 17 years of age, was the youngest candidate named to the team.

In one sense, this event will present the most significant athletic challenge Sarah has ever faced. In all, 2,500 athletes will participate in the world games. She will be competing with athletes from 41 nations with their accompanying ranges of talents, styles of play, and levels of experience. There is no doubt. Sarah's skills and discipline will be put to the test.

Just as certainly, though, Sarah's upcoming experience in Los Angeles is a tribute to her depth of character, her devotion to excellence, and to her persistence in overcoming great odds. She refused to allow her handicap to prevent her full and active participation in the world around her.

In these ways, Sarah Faber has earned our respect and our admiration. As she prepares for her competition at the 15th World Games for the Deaf, she also has the best wishes of the State of New Jersey and the gratitude of the Nation she will represent so well.●

ACID RAIN

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. BOLAND. Mr. Speaker, this week is "Acid Rain Awareness Week" in the State of Massachusetts. The Governor's office, in conjunction with several environmental groups have organized activities throughout the State which highlight the effects acid rain has on our environment.

For the people of New England, developing a program to deal with the problem of acid rain is the highest environmental priority. Survey after survey has indicated that New England are concerned about the effects of acid rain on their lakes and streams; their farmland and forests, and that they want something done about it. About 20 percent of New England's acid rain problem is home grown, the remaining 80 percent, chiefly airborne emissions of sulfur dioxide and nitrogen oxide, is involuntarily imported. Given those statistics, New Englanders have every right to complain about the lack of progress on the Federal

level in the creation of a control program.

The Reagan administration's proposal on acid rain begins and ends with research. It is premised on a belief that there is not enough information about the causes of acid rain to warrant a program to control its sources. The studies that I have read conclude that acid rain is taking its toll on our environment. Acid rain is leaching vital nutrients out of forest soils while releasing toxic metals from the ground. Buildings and monuments are being eroded, and public health may be endangered. I agree that studies should continue, and that our actions should be based on studies, but I also believe that we know enough now to begin an abatement program.

Members of the New England delegation have wrestled with the problem of devising a legislative response to acid rain for many years. We recognize that to deal with acid rain, you must reduce the emission of nitrogen oxide and sulfur dioxide which are its source. Emissions reduction efforts are costly and we can not reasonably expect those costs to be wholly borne by the regions in which the biggest polluters are located. The bill that we have introduced this year, H.R. 1030, requires a reduction of 12 million tons of sulfur dioxide emissions and 4 million tons of nitrogen oxide emissions, making it the most stringent acid rain clean up bill to be put before Congress. More than half those reductions would be produced by requiring the 50 highest emitting power plants to install scrubbers. However, the bill provides for a cost-sharing program designed to help defray the substantial cost of emission reduction through a modest fee on generated electricity. This approach has as its chief advantage the fact that it encourages a national program of acid rain control; all regions would in some way benefit and the costs would be manageable for each.

The risks associated with further delay in developing an acid rain control program are simply unacceptable. I would like to commend Governor Dukakis, and the sponsors of the Massachusetts "Acid Rain Awareness Week" for continuing to call attention to this major environmental problem. Let me take this opportunity to reassure the citizens of Massachusetts that their delegation in the House will remain committed to working with those from other regions of the country to narrow the differences which have so far hindered the development of an emissions reduction program, and to work for the passage of the New England acid rain bill.●

MINIMUM STANDARDS FOR PARENTAL AND DISABILITY LEAVE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DELLUMS. Mr. Speaker, current Federal law requires that pregnancy-related disability be treated no differently than any other short-term disability. There is, however, no Federal statute requiring employers to provide leave for workers who are temporarily disabled. My distinguished colleague from Colorado, Representative SCHROEDER, has introduced a bill, H.R. 2020, which would guarantee job security to workers who must leave their employment due to temporary disability or who choose to leave for a period of time after the birth or adoption of a child. I wholeheartedly support this proposal.

The absence of a Federal law requiring employers to provide leave to these employees is reflective of an outdated view of the work force. The numbers of women in the work force has grown considerably and continues to grow. A great number of these women will become pregnant during the time they are in the work force. Most of them will return to their jobs soon after their children are born. Many of these working women are the primary or sole wage earners in their homes. The lack of job security these women feel has forced many to choose between their jobs and their families. Requiring employers to grant leave to workers with new born or newly adopted children, in the same manner, that they would be required to provide temporary disability leave, would eliminate the need to make this choice.

While some employers do allow a woman some sort of maternity leave, fewer have such a provision for fathers of new born or newly adopted children. The proposed measure is sex-neutral, based on two assumptions: that, first men have the same rights and responsibilities as parents and therefore should have the same opportunity to spend time with their children, while at the same time, second pregnancy should be treated no differently than any other temporary disability. By allowing only women parental leave, we deny men an important opportunity as parents. A situation is also created in which women may be discriminated against. Until 1978, pregnancy was treated as a "unique" condition, not subject to usual disability leave policies. Pregnant workers were not protected by same standards as another worker on leave. We are striving for equality with this bill.

EXTENSIONS OF REMARKS

I urge my colleagues to support this measure. By guaranteeing job security to those who must leave a job temporarily or who choose to leave for a period of time to care for a child, we will allow people, both women and men, to be both effective parents and effective workers and we will eliminate the built-in discrimination that comes from labeling pregnancy a "unique" condition.●

PARTNERS OR PATSIES?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GAYDOS. Mr. Speaker, I sometimes wonder at the logic used by our Government in its dealings in international trade.

For example, a few months ago the administration brushed aside the use of mandated quotas on imported steel from Japan, and other nations, opting instead for voluntary restraints imposed by the foreign producers.

And, last month the administration backed off the question of controlling the shipment of Japanese cars to the United States for sale. Its decision on this issue, so critical to domestic auto makers, was to let Japan decide how many cars to ship us.

The upshot of these negotiations has been Japan will reduce her steel shipments from 6.9 percent to 5.8 percent but will increase her auto shipment from 1.8 million units to 2.3 million units. I suspect some of the reduced steel shipments will find their way here in the form of Hondas, Datsuns, Toyotas or what have you.

And, Japan, who enjoys a \$40 billion trade surplus with us and who stands to reap another \$5 billion in additional car sales here, still is dragging its heels on opening up its markets to U.S. goods.

Apparently, Mr. Speaker, we still have not learned the difference between being a partner in a trade deal and the patsy of one.●

TRIBUTE TO PAUL J. FRANZ, JR.

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RITTER. Mr. Speaker, it is a great honor for me to call attention to a constituent and friend, Paul J. Franz, Jr., on the occasion of his being presented with the "L-in-Life Award" by the Lehigh Club of New York.

Paul was named vice president for development at Lehigh University in 1962. Prior to that, he had been assistant to the president, in charge of development, since 1949. He joined the

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administrative staff as assistant to the director of admission following graduation from the university in 1944 with a B.S. degree in business administration. He was appointed assistant to the treasurer in 1948, and earned his M.A. from Lehigh in 1955.

As vice president, Paul directs public and community relations, publications, and fundraising and long-range development for the university. Annual fund campaigns under his administration have been nationally cited for excellence by the United States Steel Foundation and the American Alumni Council. In 1970, he was cited by Murts & Lundy, Inc., for distinguished service to Lehigh, community service and other philanthropic endeavors, and writing and teaching in development.

He directed the Centennial Campaign which topped its \$22 million goal for Lehigh's educational program several years ago, and he is currently directing the \$75 million New Century Fund, which to date has raised \$105 million. Under his leadership, Lehigh, over the past 35 years, has received approximately \$200 million including approximately \$100 million in the past decade.

In 1957, Paul received the Alfred Noble Robinson Award. This award is given annually to a member of the Lehigh staff "not over 35 years of age voted as giving outstanding performance in the service of the university."

And in 1976, he was chosen for the Hillman Award, one of the highest honors the university can bestow on a Lehigh faculty or staff member. The award is given to the person "who has done the most toward advancing the interests of the university."

Lehigh conferred the honorary doctor of laws degree on him at its Founder's Day ceremony in 1980.

Paul has served as national director of development programs for the American Alumni Council [AAC]. He also served on the board of directors of the AAC and as chairman of its educational fundraising committee. He has written articles that have appeared in the American Alumni Council News, Yearbook, and Alma Mater, and he was a contributor to "How-to of Educational Fund Raising" and the "Handbook of College and University Administration."

He has served on conference faculties for both the AAC and American College Public Relations Association, which have now merged into a single organization, the Council for Advancement and Support of Education [CASE].

A member of Delta Tau Delta national social fraternity, Franz is a member of several honorary societies, including Phi Beta Kappa, Pi Delta Epsilon, Phi Alpha Theta, and Delta Gamma Sigma.

Paul and his wife, Jean, reside on Church Street in Bethlehem. They have two children, Holly and Peter, and four grandchildren.

In 1972 he served as general chairman of the United Way for the Greater Bethlehem area. Currently, he is a member of the board of trustees of St. Luke's Hospital and is on the board of directors at Blue Cross of the Lehigh Valley. He also is a board member of the Lehigh Valley Conservancy and a past director of the Cornell University Laboratory of Ornithology.●

INTRODUCTION OF TITLE XX
AMENDMENT

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FISH. Mr. Speaker, we have been hearing and reading about the horrors of child abuse. We agree that it is a national concern. Much of it occurs in the day care setting which is supposed to provide a comforting and enjoyable environment for children while their parents are working and unable to attend to their needs. Day care facilities have now become an integral part of the environmental and educational world of millions of young American children. With the vast number of children being provided day care, it is important that their safety and well-being be assured. This should be the responsibility of the several States but today this responsibility is unevenly carried out. States vary widely in their child care requirements, the kinds of child care they regulate, and in the procedures and structures of their enforcement systems.

Today I am introducing legislation to amend title XX of the Social Security Act. As a condition of financial assistance under title XX, States, through a designated authority, must adopt and provide for monitoring and enforcement of standards for child care. The purpose of this bill is to ensure that Federal funds subsidize only those child care facilities which are governed by standards, monitored for compliance with standards, and for which sanctions are available and imposed for violations of standards.

This bill would not require States to satisfy Federal standards, but would give States the flexibility to design their own standards to meet their needs. However, the Federal Government would be assured that standards have been adopted in particular areas—as outlined in the legislation—and that their compliance would be monitored and enforced. A State must adopt and enforce standards as a condition of its eligibility for any payments under this title to assist in the

provision of child care services in the fiscal year in which such services are provided.

Mr. Speaker, this legislation is an attempt to effectively address the prevention of child abuse in a day care facility.●

TAKING THE DRAMA OUT OF
HUMAN RIGHTS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FEIGHAN. Mr. Speaker, last month two prominent American playwrights, Arthur Miller and Harold Pinter, spent 5 days in Turkey talking with writers, former prisoners, and politicians about the state of human rights in that country. Their conclusion, made public at a press conference that was banned in the Turkish press, was that "gross violations of the human spirit through physical torture is a present fact in Turkey."

These authors, both vice presidents of the PEN Club which promotes human rights for other artists, cited evidence of torture in Turkey that has been documented by other human rights groups such as Amnesty International. Their comments were censored in the press because they came so close to the recent visit of Prime Minister Ozal to Washington. Their concerns, however, were echoed by many Members of Congress when Mr. Ozal met with us last week.

I encourage my colleagues to read the press reports of Messrs. Pinter and Miller's trip to Turkey, and ask that the story which appeared in the Washington Post of March 24 be included in the RECORD at this point.

[From the Washington Post, Mar. 24, 1985]
TURKEY CENSORS BLAST ON RIGHTS BY 2 AUTHORS—MILLER, PINTER SAY TORTURE A FACT IN TURKEY

(By Mustafa Gursel)

ISTANBUL, March 23—Playwrights Arthur Miller and Harold Pinter were censored from the pages of the Turkish press today after having given a press conference here in which they were strongly critical of the human rights record of this NATO ally.

The two vice presidents of the International PEN Club, a worldwide organization that promotes the human rights of artists and writers, came to Turkey last Sunday on a fact-finding mission. During their five-day stay, they spoke with more than 100 Turkish intellectuals, with former prison inmates, politicians and diplomats. As the playwrights put it, "the International PEN is concerned with the dignity of its members throughout the world."

At a press conference wrapping up their visit here Friday, Miller said, "It is almost impossible to discuss certain questions in the press here," as if to foreshadow the ban on their press conference that was handed

down by the local martial law government several hours later. The two authors left Turkey before learning of the censorship.

Pinter, a Briton, said that they both were convinced that there is systematic torture in Turkey. He said, "From the information we have received since we have been in Turkey, which we regard as authentic, we believe that gross violations of the human spirit through physical torture is a present fact in Turkey. Our conclusion is that torture, despite the protestations and denials, is in fact widespread and systematic in military prisons and police stations in Turkey." He concluded by stating that he and Miller "naturally find this a deplorable state of affairs."

Miller said, "Only the pure at heart need no lawyers," quoting the judge in his play "The Crucible." He drew a parallel between 17th century witch hunts in Salem, Mass., and present-day Turkey.

Miller explained, "At a certain time in history the court permitted what was called 'spectral evidence,' which meant that it was not necessary . . . to prove that an accused person had committed an action. It was only necessary to prove that he had thought of it." Miller said that in Turkey "today people are brought into prisons on the basis of what they are alleged to be thinking."

Pinter, sitting on a platform where years ago his play "The Dumbwaiter" had been staged, praised the Turkish people for their dignity.

He said, "I would like to observe that both Mr. Miller and myself were deeply moved and impressed by the intelligence, the grace and the dignity of so many of the people we have met in Turkey, those who have suffered so much and continue to do so."

Although general elections were held in 1983 in Turkey and there is a democratically elected civilian government, many of the cases that were instigated by the military when it came to power on Sept. 12, 1980, continue to be prosecuted, and people remain in jail because of their beliefs and ideas.

TURKEY CENSORS AUTHORS' CHARGES ON
TORTURE

After the military president, Gen. Kenan Evren, came to power following a period of political violence and general instability, tight restrictions were instituted over the press, universities and trade unions. Intellectuals, who periodically have been politically influenced through Turkey's turbulent history, were tried for criticizing human rights abuses and calling for an amnesty for political prisoners. Such criticism is a crime under the current constitution of Turkey.

The martial law command was able to ban the comments made at the press conference from appearing in the Turkish press because there is still martial law in a number of Turkish cities, including Istanbul.

The liberal government of Prime Minister Turgut Ozal has been very careful in its relationship with the military, and he has been taking his time in lifting martial law entirely.

However, the government was embarrassed by the remarks of Miller and Pinter, especially since they were made a few days before the visit of Ozal to Washington to meet with President Reagan. The issue of human rights in Turkey has been on the agenda of the European Parliament and in European capitals since the 1980 coup.

The authors said they will prepare a report based on their talks here during the next few days and will submit it to the International PEN Club and Amnesty Inter-

national. Pinter said the organization intends to present the report to the British Foreign Office and to the State Department.

U.S. Ambassador Robert Strausz-Hupe also was upset by the authors' comments. At an official reception in Ankara, Strausz-Hupe raised his voice at one point and told Pinter, "Sir, don't forget that you are a guest in my house." The argument started when Miller said, "There is either democracy or none of it." ●

A TRIBUTE TO FATHER
EDWARD M. FLANNERY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LIPINSKI. Mr. Speaker, it is with great pride that I rise today to call attention to Father Edward M. Flannery who will be celebrating the 50th anniversary of his priesthood on April 27, 1985.

Father Flannery has had a long and distinguished career. He was ordained on April 27, 1935, at St. Mary of the Lake Seminary in Mundelin, IL. His first Mass was celebrated at St. Clement's Church which he attended as a child. In August 1942, Father Flannery entered the military service as a chaplain in the U.S. Army. While stationed in the Philippines during World War II, he was wounded and awarded the Purple Heart. Father Flannery retired from the Army with the rank of major.

In 1949, Father Flannery was asked to serve as national chaplain for the Military Order of the Purple Heart, a position he still holds. He is also past national chaplain of the Disabled American Veterans.

One of Father Flannery's greatest challenges came in 1959, when he was chosen to start a new parish on the southwest side of Chicago. He named the parish St. Rene, after a North American martyr. Under his leadership and guidance, St. Rene became a very active parish in the community. Father Flannery retired from St. Rene in 1979. He now lives in Hinsdale, IL, and is very active and popular as a visiting priest in the neighboring parishes.

I join with the residents of the Fifth Congressional District in paying tribute to Father Flannery on the occasion of his 50th anniversary and thank him for his outstanding community work in our behalf. ●

A TRIBUTE TO DANNY THOMAS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RAHALL. Mr. Speaker, yesterday, I had the pleasure to attend a

ceremony at the White House which made me especially proud to be an American. I was present when President Reagan presented on behalf of the U.S. Congress a gold medal to Danny Thomas for his humanitarian efforts and outstanding work as an American.

The medal was authorized by this Congress in legislation I introduced which was passed by the House and Senate and signed by the President in November 1983. I am especially proud to be associated with this institution which has seen fit to join with so many other distinguished institutions in recognizing Danny for the work he has done with St. Jude Children's Research Hospital in Memphis, TN.

When Danny Thomas was a struggling young comedian, he prayed to St. Jude, the patron saint of the hopeless, vowing to erect a shrine in the saint's honor should he become a success in show business. When Danny became a household name through such shows as "Make Room For Daddy," he never forgot his vow to St. Jude. He began a one-man campaign to raise funds for a hospital which he decided would be the only fitting shrine to his patron saint.

St. Jude's Hospital opened its doors in 1962, providing care for children stricken with diseases such as cancer and leukemia. This institution has achieved a remarkable 53 percent cure rate for those children afflicted with leukemia. St. Jude's is completely non-sectarian, interracial, and completely free of charge. Even the cost of travel and motel accommodations for out of town patients and their families is covered by the hospital.

And the care and love given at St. Jude's is second to none. This reflects the character and dedication of its benefactor, Danny Thomas.

I would like to insert into the RECORD an article which appeared in this morning's Washington Post by Donnie Radcliffe which elaborates on how his friends feel about the man honored by this country yesterday.

[From the Washington Post, Apr. 17, 1985]

THOMAS GETS THE GOLD

(By Donnie Radcliffe)

Marlo Thomas said St. Jude had been in their lives so long that she and the other Thomas kids thought he was their uncle.

"Somebody said to me today, 'Do you pray to St. Jude, too?' I said no, I just tell Daddy and he does it. He has a direct line," the television star told an audience saluting comedian Danny Thomas last night.

The tribute climaxed a day in which President Reagan bestowed a Congressional Gold Medal on the 71-year-old entertainer for his "humanitarian efforts" in founding St. Jude Children's Research Hospital in Memphis, Tenn., 23 years ago.

"I was going to hug him," said Danny Thomas, "then I decided just to touch his face."

St. Jude, named for the patron saint of the hopeless, is one of 20 cancer centers receiving federal funds for research. Thomas

said he didn't have to put in a plug for the hospital when he was with Reagan and Vice President Bush yesterday.

"They know what we're doing. They never cut us back. We get what we want," Thomas said of the \$9 million that St. Jude receives in competitive grants. This year the research center's budget is expected to be more than \$50 million.

Dr. Joseph Simone, St. Jude's director, told the dinner crowd of 300 at Knights of Columbus Hall in Arlington that when the hospital opened in 1962 no more than 1 percent of the children suffering from leukemia ever survived. Today, 50 percent of them live.

"The most exciting research area is that we're closing in on what the genetic reason is that cancer becomes cancer," Simone said before dinner.

Washington attorney Richard Shadyac came up with the idea of a congressional medal for Thomas. George Washington received the first such medal. Rep. Nick J. Rahall II (D-W.Va.) introduced legislation two years ago that made Thomas the 116th recipient.

The wheels of government grinding as they do, the White House notified Shadyac and others about 10 days ago that the presentation ceremony would be on the president's April 16 schedule. The combined efforts of something called ALSAC took over. By last night the ALSACers who stand for Aiding Leukemia Stricken American Children joined forces with the ALSACers who stand for American Lebanese Syrian Associated Charities.

In practice, if not in fact, they are one and the same. And they beamed paternally when their hero of the day stood before them to take their accolades.

"I knew when the president put [the medal] around my neck that he was putting it around the necks of every one," Thomas said. ●

ST. ANNE'S CATHOLIC COMMUNITY CHURCH IN WARREN, MI

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. HERTEL of Michigan. Mr. Speaker, this month marks the 40th anniversary of St. Anne's Catholic Community Church in Warren, MI, and therefore, I would like to take a few minutes to give special recognition to this distinctive parish. St. Anne's is a parish defined by its dedicated clergy, teachers, and administrators as well as caring and hard-working parishioners. Over the years, this distinguished congregation has worked endlessly to develop and institute many religious based activities, such as a Sunday preschool and religious education courses for public school students. In addition, it sponsors some 42 community activities, including senior citizen and adult education programs.

Four decades of building and expansion make St. Anne's what it is today—one of the largest and most prestigious parishes in Macomb County.

At its first Mass, celebrated on Easter Sunday, 1945, St. Anne's and its 20 members were a parish just beginning to develop. Mass was celebrated in the Warren Public High School gym.

The following year, St. Anne's purchased its first actual church building, the Warren Village Barn. The parish celebrated its first Mass in its new surroundings on Easter Sunday, 1946.

In 1953, construction began on a new church. This building served as temporary church, auditorium, and gymnasium until 1964 when St. Anne's Church as we know it today was built.

In the early days, St. Anne's parish comprised an area of 20 square miles stretching from 12 to 16 Mile Roads and from Dequindre to Schoenherr. Parishioners traveled many miles over this sparsely populated area to worship at St. Anne's. Due to the rapid and enormous growth of the cities of Warren and Sterling Heights, several new Catholic parishes have recently been founded in this same area. St. Anne's, however, still remains a large and active community.

In the 40-year history, three pastors have guided St. Anne's parish. The founding pastor, Rev. Frank Walsh, served from 1945-70. From its very beginning he was responsible for St. Anne's incredible progress in the community. Rev. Fabian Slominski accepted pastoral responsibilities in 1970 and energetically led this parish until 1983. Rev. Stanley Wyczawski became pastor in 1983 and continues to inspire and assist members in St. Anne's community today.

To the 1,000 schoolchildren, the 3,000 families, and the many friends of St. Anne's, I want to extend my very special praise and congratulations from the U.S. Congress on this happy occasion.●

TESTIMONY OF EDUCATION DEPARTMENT AIDE CRITICIZED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SKELTON. Mr. Speaker, yesterday, Eileen Marie Gardner, an Education Department Special Assistant of this administration, testified before a congressional committee that Federal aid for the handicapped has been misguided and falsely based and that we should consider how much the handicapped can profit from education. Once again the true nature of this administration's opaque policies has come to the surface. We have seen them turn their backs on farmers, small businessmen, the elderly poor, students, veterans, and now handicapped children. Their display of cold-heartedness is elitist and, frankly, shameful.

America is the land of opportunity and this demonstration of opportunity and the right to an education for a selected group of our society cannot and will not be tolerated by this Congress as we represent all Americans in this great body of Government.●

MARLOW BOYER

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. LOWRY of Washington. Mr. Speaker, I was saddened to read in today's Post about the death of Marlow Boyer on April 13. He was only 25, and he had been fighting against cancer. Although Marlow was very young, his work and life touched many people including myself.

A few years ago, Marlow Boyer was the official photographer for a group of people from Seattle who went to the Soviet Union. They visited Leningrad, Moscow, and Tashkent, which is Seattle's sister city. On the streets of Tashkent they handed out copies of a letter of greeting, a call for peace, from the people of Seattle. Marlow took his photographic record of the trip and turned it into an audiovisual show called People to People, City to City. It is a moving appeal to people everywhere to understand each other and to learn to live together. A couple of years ago, along with our former colleague Joel Pritchard, I arranged to have it shown in the Capitol. I found it to be very sincere and touching. It has been shown on many other occasions, and I know that it has affected many other people in the same way.

I extend my deepest sympathies to Marlow's family and friends at this time. I want them to know that he succeeded in communicating an important and beautiful message to a lot of people, many of whom never knew him personally. That is something for his family and friends to be proud of.●

COMBINED JEWISH PHILANTHROPIES CELEBRATES 90TH YEAR OF PHILANTHROPY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FRANK. Mr. Speaker, on April 25, 1985, the Combined Jewish Philanthropies [CJP] of Greater Boston will proudly commemorate its 90th anniversary of service to the public. CJP is a pioneer in charitable social service in the Nation and is often looked to as a model of the useful and productive role that charitable agencies in this country can play.

Founded in 1895, CJP has had a long and active role in the building of support services in Boston, nationally, and overseas. The 30,000 Boston area people who participate in CJP activities contribute to a wide range of high quality programs and services that help people of all ages and backgrounds.

CJP assists in the funding of Jewish Family and Children's Services, the Jewish Community Housing for the Elderly, and the Bureau of Jewish Education, to name but a few of their worthwhile projects. These and other extensive philanthropic initiatives, as well as the many complementary programs that CJP has initiated in an effort to further social, cultural, and religious interest within the community, have demonstrated an invaluable and continuing commitment to improving the quality of life.

I wish to call to the attention of the Members the remarkable work of the Combined Jewish Philanthropies for the past 90 years and wish them continue success in the future.●

THE 21ST ANNIVERSARY OF SCORE [SERVICE CORPS OF RETIRED EXECUTIVES]

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FEIGHAN. Mr. Speaker, 1985 marks the 21st anniversary of the Service Corps of Retired Executives [SCORE], a volunteer organization of retired businessmen and women who freely give of their time and experience to counsel beginning and enterprising businesses. This year, more than 12,000 SCORE volunteers belong to over 400 chapters in every State, plus the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Their efforts have contributed to more than 1,200,000 small businesses since SCORE's inception in 1964.

SCORE first began free management counseling in Boston during the early 1960's. The idea soon spread to other areas, and the Small Business Administration took steps to utilize SCORE as a small business management assistance resource.

In 1969, the Active Corps of Executives [ACE] was established by SBA to supplement SCORE counseling by utilizing the talents of volunteers not yet retired from their business careers. In 1982, ACE was merged with SCORE into a single organization, with ACE members accounting for about one-fourth of SCORE's membership.

Mr. Speaker, SCORE members are dedicated to their program of offering free counseling to small businesses throughout America. SCORE members often donate 20 or more hours

per week to guiding a business through the intricacies of basic accounting principles, or teaching basic management rules, and effective personnel policies. SCORE's greatest effect on clients is one-on-one counseling, which is ordinarily the most costly form of management assistance. It is not unusual for a SCORE volunteer to spend 40 hours a week on a specific case, guiding the small business around such pitfalls as inventory obsolescence, top-heavy personnel costs, failure to take into account tax consequences, and the selection of an unprofitable location for a business.

SCORE counselors also conduct pre-business workshops and seminars, helping small businesses to understand the problems of ownership and management. These workshops provide a wealth of experience in sales, advertising, financial control and purchasing, teaching a beginning or struggling businessperson the basics of effective management.

The Small Business Administration, which sponsors the SCORE program, affirms the country's debt to these men and women who selflessly contribute their time, their wisdom, and their experience to this very important organization.

It is most appropriate, Mr. Speaker, that we commend the many volunteers who make the SCORE program work so well as they mark the 21st anniversary of SCORE's dedication to the Nation's small businesses.●

A TRIBUTE TO JACK HOLCOMB

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. YATRON. Mr. Speaker, I rise today to ask my colleagues to join me in paying tribute to Mr. Jack Holcomb, a very special citizen of Reading, PA. On May 1, 1985, the many friends and admirers of Jack Holcomb will gather together to help celebrate the 52d year of his birth and the 29th year of the presence of his appealing voice on radio station WEEU. From his start in October 1956, as disc jockey and sportscaster, through the days of the "Birdwatching Society," "Bird Talk," and "Rangers on Record," to his current very popular and lively "Feedback" program, Jack has been one of Berks County's most popular radio personalities.

Jack Kirkland Holcomb was born on May 1, 1943. After graduating from Canton Central High School in New York in June 1951, he attended Ithaca College. While studying speech and drama, Jack worked as a photographer's assistant and for Sykes Dairy. After graduating from college in June 1956, he accepted a job with WEEU in

Reading, PA. His first assignment for the station was disc jockeying and sportscasting. An avid and life-long birdwatcher, Jack began a syndicated program called the Birdwatching Society in August 1965. A mechanical bird named "Hokie" joined Jack on the air in "Bird Talk" and helped make the show another success. After celebrating the music of Shortie Long during evenings of "Rangers on Record," Jack began the talk show "Feedback." Now, from 10 a.m. to 2 p.m. each weekday, Jack hosts lively discussions with his many listeners on every topic and timely public issue. Jack has brought his love of nature, his deep respect for creatures great and small, his love of life and infinite curiosity about all its aspects, and his concern for good health, fitness, and human kindness to the airwaves of Berks and surrounding counties and into the hearts and minds of his many appreciative listeners.

I am proud of my friendship with Jack and I know that when all of his friends gather to surprise him for his birthday on May 1, 1985, they will have done so out of their fondness and respect for a man whose voice and noble spirit have spoken to them in countless ways for nearly three decades. I commend Jack and wish him a wonderful birthday and many happy returns.●

PRESIDENT REAGAN'S TRIP TO GERMANY

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. WOLPE. Mr. Speaker, I can hardly convey the full measure of my shock and incredulity at the lack of sensitivity reflected in President Reagan's planning for his upcoming trip to Germany.

I was personally troubled by his decision not to include a trip to a concentration camp on his itinerary. This seems the very least that should be done to honor the memory of the millions who lost their lives in the horror of the Holocaust. That Mr. Reagan sought to justify this decision on the grounds that, "Very few alive (in Germany) remember even the war * * *" was not only inaccurate, but was utterly offensive.

Then, compounding the insult, the President announced his decision to participate in a wreath-laying ceremony at a German military cemetery which contains the graves of members of the very Nazi SS troops that were directly responsible for thousands of American deaths and participated directly in the slaughter of millions of Jews.

I know that voices have been raised throughout this country and in Israel

protesting President Reagan's plan to visit the Bitburg cemetery. I hope the President will listen to these voices and will reverse the decision he has made. That is the least that he can do.●

WHO RUNS THE CONTRAS?

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. KOSTMAYER. Mr. Speaker, one of the key questions concerning our policy toward Nicaragua is: Who runs the Contras? President Reagan has described the Contras as freedom fighters and as our brothers. I assume that before the President said this he looked very carefully at who these people are. Yesterday at a hearing of the Subcommittee on Western Hemisphere Affairs, the administration's top Latin America expert was asked to share this information with the Congress and the American people. To our amazement and despite the fact that he had been told that subcommittee would request this information, the Assistant Secretary of State for Inter-American Affairs was either unwilling or unable to provide this information. The questions asked were simple: How many officers of the Somoza National Guard or security forces now serve with the largest Contra group, the FDN? How many members of the FDN general staff were officers of the Somoza government? How many of the commanders of the FDN's regional task forces were officers of Somoza?

It is not unreasonable for the Congress to know the answers to these questions. This is particularly the case as information from a variety of sources indicates that virtually the entire FDN military leadership consists of former members of the Somoza security forces. The subcommittee is trying to determine the accuracy of information provided by the Government of Nicaragua and from recent press reports. If the information we have is in error, we ought to be told. If the information is correct, we have the right to know who the Contras are.

For the benefit of my colleagues, I am submitting information and articles assembled by the subcommittee on the Contra leadership. If the administration has different information, we invite it to come forward with it.

GENERAL STAFF OF THE NICARAGUAN DEMOCRATIC FORCE (FDN)

LARGEST CONTRA FORCE

Captain Hugo Villagra Gutierrez; Lieutenant Antonio Edgard Flores; Major Emilio Echaverrria Mejia, Captain Juan Alcibiades Espinal Cuadra; Captain Mario Ramon Morales; Lieutenant Armando Lopez Ibarguen;

Lieutenant Jose Francisco Ruiz Castellanos; and Lieutenant Walter Calderon Lopez.

Capt. Hugo Villagra Gutierrez: He is the Commander of the Basic Infantry Training School (EEBI) of the FDN in Honduras. His nom de guerre is Visaje Gongora. He entered Somoza's National Guard in 1964 with the rank of 2nd Lieutenant. He received military intelligence training and other courses in four stages in the U.S. He also took courses in counter-insurgency in Fort Gulick, Panama Canal Zone. He was promoted to captain in 1979 and received the merit medal award from the EEBI.

Lt. Edgard Flores: He is the Chief of Intelligence of the FDN. His nom de guerre is Abel. He entered the National Guard in 1964 as a 2nd Lieutenant. He took the counter-insurgency course at Fort Gulick. He was the Commander of the Northern Zone for the National Guard during the last days of the Somoza dictatorship. He obtained asylum in the Colombian Embassy on July 18, 1979.

Maj. Emilio Echaverria Mejia: He has been the Chief of Operations of the FDN since 1982. Before that he was FDN Chief of Staff. His nom de guerre is Fierro. He entered the National Guard in 1961. He took counter-insurgency courses in the Canal and a special commando course in Argentina. In 1975 he was leader of patrol squads in Granada, Guasaule, Leon, Chinandega, Esteli and Matagalpa. He was promoted to Major in 1977 and in 1979 he became a special assistant to Anastasio Somoza.

Capt. Juan Alcibiades Espinal Cuadra: He is Chief of Logistics of the FDN. His nom de guerre is Rudo. He entered the National Guard in 1960. He took basic courses of infantry, counter-insurgency, military police, and advanced courses in commando training and infantry during a period of 10 years at Fort Gulick. He was promoted to 1st Lieutenant in 1972 and to Captain in 1976. He was the Commander of Camoapa and in 1981 he joined the contras in the Gulf of Fonseca.

Capt. Mario Ramon Morales: He is the Chief of Personnel of the FDN. He entered the National Guard in 1952 and became a Captain in 1978. He took a course in military investigation units in 1965. He also received special training in the U.S. in parachuting, artillery and infantry. His other courses included special training in counter-insurgency. He was wounded during fighting in Penas Blancas on the southern front and turned over to the Costa Rican authorities after the Triumph of the Revolution.

Lt. Armando Lopez Ibarquien: He has commanded several attacks inside Nicaragua, including different targets in Leon and Chinandega. He also has charge of harassing with mortars and small arms fire frontier posts in Cinco Pinos from inside Honduras. He is one of those responsible for the attack on San Francisco del Norte in July 1982 where 14 peasants were killed. In January 1983 he was transported by helicopter to the Zone of Bocay in Jinotega Norte. His noms de guerre are: El Viejo, Policia, and 26. He entered the National Guard in 1957. He became a Lieutenant and took courses in aviation mechanics and logistics management at Fort Gulick. In 1967 he was assigned to the combat battalion "General Somoza" in the North. He was directly responsible for the assassination of peasants in Suskawas and El Cerro Ulimes in 1976.

Lt. Jose Francisco Ruiz Castellanos: Since the latter part of 1982 he has been the Chief of Task Force operations of the FDN. He entered Nicaragua on January 25, 1983

in the vicinity of Jinotega and was responsible for the attack on San Jose de las Mulass where 17 boys of the Sandista Youth Movement were killed. He graduated from the Nicaraguan Military Academy in 1975 as a 2nd Lieutenant and was assigned to the EEBI. He took a basic infantry course in Panama. He was promoted to 1st Lieutenant in 1979 and was the second in command of an operations base and commander of a company in a zone bordering Nueva Segovia.

Lt. Walter Calderon Lopez: He has been a member of the General Staff since 1982. He commands a task force of 250 contras. He entered Nicaragua on January 25, 1983 in the Rio Coco Zone, Jinotega, with the mission of facilitating the entrance of 300 other contras into Zelaya Norte by constructing a landing field in La Ceiba and by diversionary attacks throughout the Zone. He graduated from the Military Academy in 1975 and became a member of the National Guard in July of that year as a 2nd Lieutenant. He took three courses in Panama: Officer Training, Combat Patrol and Officer Discipline. From 1976 to 1977 he was in charge of patrols in the mountains. He undertook special missions in the south in 1978 and in 1979 was promoted to 1st Lieutenant and assigned to the "General Somoza" Combat Battalion. His nom de guerre is Todo.

The other members of the General Staff are: Justiano Rafael Perez Salas, former EEBI staff member. Steadman Fagoth, former Somoza State Security Agent. Ricardo Lau, former National Guard member. Francisco Rivera, former National Guard member.

[From the New York Times, Mar. 24, 1985]
OFFICERS OF THE OLD NATIONAL GUARD REMAIN A FACTOR IN THE REBEL FORCES: SOME CONTRA LEADERS ARE THEIR OWN WORST ENEMIES

(By James LeMoyné)

TEGUCIGALPA, HONDURAS.—Less than a year after the Sandinistas seized power in Nicaragua in 1979, 60 exiled officers of the defeated National Guard met in Guatemala. With little hope of success, some of them recall, they vowed to drive out the Sandinistas.

Today, more than 12,000 guerrillas are involved in the battle. Most of them march under the banner of the Nicaraguan Democratic Force, which has received most of the \$80 million reportedly provided to insurgents by the Central Intelligence Agency. While their foot soldiers are mainly peasants angered by Sandinista policies, almost all the top commanders are former National Guard officers. Their influence and unclear political aims have become issues in the Congressional debate on continuing aid. Last week, vigorously supporting the guerrillas' struggle, President Reagan asserted that Congress must decide whether the United States would keep "trying to help people who had a Communist tyranny imposed on them by force, deception and fraud."

Originally trained by American Marines, the National Guard defended the ruling Somoza family for more than 40 years. By 1979 and the Sandinista-led revolution, many Nicaraguans identified the Guard with corruption and brutality. Now, as rebel leaders, some former guardsmen have proved capable. Others, however, have been accused of crimes including murder and stealing from the C.I.A. A rival guerrilla leader, Edén Pastora, refuses to join forces because, he says, the National Guardsmen could not win popular support at home.

Their supreme military commander, Col. Enrique Bermudez, was the Somoza Government's last military attaché in Washington where, a former associate says, he cemented ties with the C.I.A. At his base on the Honduran-Nicaraguan border, new recruits drill awkwardly in ill-fitting boots. Colonel Bermudez said in an interview that he was fighting the "Sandinocommunist system," to create a pluralistic democracy. But rebel fighters appear to receive little political instruction and say their only goal is to destroy the Sandinistas in a war that Colonel Bermudez depicts as part of the struggle between Moscow and Washington. Critics argue that the National Guard officers' experience in defending the Somozas casts doubt on their commitments now. These officers, Colonel Bermudez replies, make up only 1 percent of the rebel army and have been unfairly stigmatized. "I don't think you can judge all by the sins of the few," he said.

Their numbers may be small, but their influence appears to be great. Under Colonel Bermudez, the heads of logistics, intelligence, training, operations, special forces and most of the largest combat units are Guard veterans. Many company commanders are former National Guard enlisted men. And two influential rebel civilian officials, Enrique and Aristides Sanchez, were large landowners who backed the Somozas.

After a rebel command shakeup in 1983, several former Guard officers departed under a cloud. Honduran military officials say they suspect Col. Ricardo Lau, until recently the head of rebel counterintelligence, of involvement in the disappearance or killing of at least 18 Hondurans and 80 Salvadoran leftists since 1981. According to Edgar Chamorro Coronel, who was dismissed as a civilian director of the Nicaragua Democratic Force five months ago for publicly criticizing the rebels, other commanders threatened to kill Colonel Lau at a meeting in December 1983.

The C.I.A. station chief was called in to mediate, Mr. Chamorro said. Mr. Lau could not be reached for comment. The C.I.A. has declined to comment on reports of its operations in Central America. Mr. Bermudez said he had heard many charges against Mr. Lau, once a close aide, but had seen no evidence to support them. Last week, Col. Roberto Sativáñez, a former director of intelligence in El Salvador, said he had seen documents indicating that Colonel Lau had "received payment of \$120,000 for arranging" the assassination in 1980 of El Salvador's Archbishop, Oscar Arnulfo Romero. Colonel Santivanez was dismissed as Salvadoran consul in New Orleans; some members of Congress and other Americans raised about \$35,000 for his expenses.

The rebel chief of staff, Emilio Echaverry, retired last year. He was accused of stealing large amounts of C.I.A. money, according to Mr. Chamorro and Capt. Armando Lopez, head of logistics. C.I.A. agents seeking the missing money forced several rebels to take lie detector tests, Mr. Chamorro said. A former National Guard sergeant who became a top combat commander, using the nom de guerre "Suicide," was executed in 1983 along with two other Guard alumni. Mr. Bermudez said they had "mistreated civilians." Another rebel official said they had been accused of robbery, rape and murder.

Worried about the guardsmen's reputation, the C.I.A. appointed a new seven-member National Directorate in late 1982, primarily to meet journalists and Congressmen, according to Mr. Chamorro and an-

other senior rebel official. Colonel Bermudez and his aides continued to run the military, Mr. Chamorro added. "We used the Argentines, the C.I.A. and the Guard," he said. "How do you create a democratic army out of that?" Other rebel officials reply that National Guard officers have the same right to fight as any other Nicaraguan exile and that their military experience is needed. However, a Western official said that at first, the former officers relied unsuccessfully on conventional military tactics, which they had learned as cadets. Now, threatened with the loss of American assistance, the Guard officers face the challenge of waging guerrilla war, which requires broad popular support. On present evidence, it is not clear if they can make the transition.

[From the Washington Post, Dec. 17, 1984]

AID MAY DEPEND ON PAST TIES

(By Edward Cody)

In Spanish, the word *contra* is shorthand for "counterrevolutionary," and when the small band of escaping and self-exiled Nicaraguan soldiers and businessmen began their struggle to overthrow Nicaragua's ruling Sandinistas more than five years ago, that was what the Sandinistas called them.

Partisans of Nicaraguan dictator Anastasio Somoza, they had been opposed to the Sandinista National Liberation Front as soon as it launched a civil war in late 1978. After the leftist Sandinistas won in July 1979, ousted Somoza and established their new "revolutionary" government, it was only a matter of days before the "counterrevolutionaries" launched their first operations.

Enormous changes have taken place since that early band began attacking the Sandinistas and their Cuban advisers. Thousands of initially prorevolution Nicaraguans now are disenchanted with Sandinista rule and have become rebel recruits. With funds, guidance and sustained impetus from the Reagan administration, the anti-Sandinista rebels have become a guerrilla army to be reckoned with.

Yet as the shooting war has grown, it has been matched, battle for battle, by a propaganda war over whether these guerrillas are being led by the same old pro-Somoza *contras*—as the Sandinistas maintain—or are, as President Reagan has described them, a force of anti-Marxist "freedom fighters."

Both the rebel leaders and the vast majority of their foot soldiers are not pro-Somoza but are former "revolutionaries" themselves, the administration and rebel leaders have said. Continued rebel efforts to stop the Sandinistas from exporting their revolution and to pressure them to become more democratic, they have maintained, are vital not only to Nicaragua, but ultimately to American freedom itself.

It is on this distinction, along with a feeling among some congressmen that the United States should not be funding a "secret war" against a sovereign nation nor supporting a guerrilla army no matter what it is called, that the future of U.S. funding for the rebels partly depends.

During the past three years, since Reagan first authorized money and support for the guerrillas, the not-so-secret war against the Sandinistas has taken its toll on the organization charged with supervising it—the Central Intelligence Agency. A number of U.S. intelligence veterans of the anti-Sandinista operation say they believe that it has gone on too long, too publicly, too cheaply and with too little direction or results.

[From the Washington Post, December 1984]

SHADOW OF SOMOZA HAUNTS REBELS' IMAGE

But continuing difficulties in the war, for both the CIA and the rebels, according to U.S. intelligence and rebel sources, have been matched by problems in propaganda and what might be called for "organizational" war to define and lead the anti-Sandinista army.

With Congress reluctant to renew U.S. funding for the rebel cause, and with the administration trying to decide what to do if Congress refuses, the guerrillas in Nicaragua and their leaders in Honduras and the United States appear to have reached a crucial moment in their struggle.

Insurgent leaders insist that they can carry on the fight with funds from other sources, as they have since CIA financing dried up on congressional orders last June. But with the fortunes required to run a guerrilla war, particularly against improved Sandinista armaments, the outcome in Washington is likely to have a decisive effect on the thousands of Nicaraguans who have put their lives and livelihoods on the line against what they regard as the intolerable regime in Managua.

BIRTH OF AN ARMY

Although roving bands of former Somoza soldiers began their war against the Sandinistas soon after the dictator's ouster in 1979, the organization of the rebels into a real guerrilla army with real possibilities did not begin until the onset of U.S. funding in later 1981.

Since that time, although the structure of political leadership has shifted both here and in Honduras, the anti-Sandinista movement has retained a consistent military commander, Enrique Bermudez. With his ranks grown sharply in part because of \$80 million in U.S. funds during the past three years, the determined former officer of Somoza's National Guard in charge and the youths who have made roadside ambushes their way of life appear to have little reason to abandon their commitment on considerations defined in Washington.

According to rebel leaders and witnesses, most of the rebel combatants are young peasants and small landowners bothered by zealots dispatched by Sandinista rulers in Managua to reform the conservative backlands of coffee plantations and tobacco farms. Many also come from families that included soldiers in the National Guard, which they say constitutes a stain in the eyes of Sandinista authorities and many other Nicaraguans who consider the guard a symbol of Somoza's oppression.

Rebel officials say the combatants are led by about 10 regional commanders, each in charge of several "task forces, including one named after Jeane J. Kirkpatrick, U.S. ambassador to the United Nations. Except for a leader known in the movement only as "Tigrillo," who fought on the side of the Sandinistas before their victory in 1979, the most prominent commanders gained military experience as soldiers or officers in the National Guard, rebel sources say.

For some, this was supplemented by training in Argentina in 1981, before CIA advisers took a direct hand in running the rebellion, according to Edgar Chamorro, an insurgent leader expelled from the organization last month in a dispute with his colleagues.

The composition of rebel forces has been an important public relations point from the beginning. While they acknowledge the

rebels' peasant following in private, Sandinista officials speaking publicly in Managua depict the insurgency as an enterprise of National Guard and Somoza revanchists directed by CIA advisers carrying out orders from Reagan to topple the government.

To counter this, rebel leaders insist that only 2 percent of guerrilla ranks are filled by former National Guard troops and stress that they could not remain in the country without support from the people. In addition, they seek to conceal the key role played by former National Guard officers in the top military command operating in Honduras with cooperation from the Honduran military.

REBEL REORGANIZATION

It was partly this concern that prompted CIA advisers in late 1982 to organize a new overall leadership for the main insurgent group, the Nicaraguan Democratic Force, FDN by its Spanish initials, according to Chamorro and several other rebel activists who say they were interviewed as likely prospects by CIA agents here and in Washington. Chamorro, who trained to become a Jesuit priest, joined them as part of what he describes as a "repackaging" of the rebel movement for the U.S. Congress and public, eliminating leaders tied to Somoza from public view.

Until the reorganization announced in December 1982, the FDN leadership comprised Jose Francisco "Chicano" Cardenal, a Managua contractor, who had served in the Sandinista Council of State until he abandoned the revolution and settled in Miami;

Marromno Mendoiaga, a former union organizer also disenchanted with the revolution. Aristides Sanchez, a landowner connected to Somoza socially before 1979 and to Somoza followers who fled to Miami afterward, and seven former National Guard officers: Bermudes, Emilio Echavery, Edgard Hernandez, Ricardo Lau, Manuel Casceres, Francisco "El Gato" Rivera and Juan Gomez.

Bermudez, who was military attache in Washington under Somoza Hernandez, had served along with Sanchez on the governing junta of the 15th of September Legion. This small group of former military men, with Bermudez as their leader, launched early sabotage raids against the Sandinista government. It merged with other small groups, including political alliances in Miami, to form the FDN, with Cardenal as a visible leader and Bermudez remaining as operational leader working with Argentine advisers in Honduras.

The decision of Argentine and CIA advisers to work with Bermudez meant the death of other efforts to organize a large insurgent force. Pedro Ortega, a Spanish-born owner of a match factory under Somoza, dropped out after spending what he said was a million-dollar personal fortune to send guerrillas along Nicaragua's Caribbean coast. Edmundo Chamorro, another early leader who sought Argentine support, was passed over.

The focus of attention and money on Cardenal and Bermudez set a pattern that has continued and intensified as the insurgency has grown from 500 men based in Honduras in 1981 to what their leaders now maintain are more than 12,000, most of them in Nicaragua. While Cardenal dealt with governments, including the Reagan administration, Bermudez worked quietly and directly with foreign advisers and supplies to run the actual guerrilla war.

As military attache in Washington and commander of Somoza's contingent within the Organization of American States forces during the U.S.-led invasion of the Dominican Republic in 1965, Bermudez had the opportunity to make key acquaintances in the U.S. military and intelligence establishments. Echaverry, his main aide, had attended military courses in Argentina along with Gen. Gustavo Alvarez, then head of the Honduran military, who along with Argentine and U.S. officials made Honduras a haven for the insurgents.

Significantly, Bermudez was the only FDN leader to remain in the "repackaged" FDN national Directorate of December 1982. Although politically attractive as an anti-Somoza activist and former official under the Sandinistas, Cardenal was dropped at the insistence of Argentine advisers who were directing the insurgents in Honduras, according to FDN officials.

The dispute revolved around Cardenal's efforts to act as leader, with Argentine officers insisting on retaining control of the insurgency, Edgar Chamorro recalled. Col. Osvaldo Ribeiro, a commander of the Argentine advisers group, personally handed out funds to rebel leaders and went so far as to give Cardenal personal expense money in humiliatingly small weekly amounts, he added.

At that time, CIA advisers were playing a secondary role in Honduras and were rarely seen there before guerrilla ranks began to grow in 1983, Chamorro said. Ribeiro traveled occasionally to Washington and Miami, but U.S. officials were the main contacts in the United States, he declared.

With Bermudez and Chamorro on the new FDN leadership panel were Lucia Cardenal, widow of a slain and highly respected business leader; Marco Zeledon, a Managua business organizer who once served in the U.S. Army; Indalecio Rodriguez, a university rector who was among the original members of the Sandinista National Liberation Front, and Alfonso Callejas, a minister and vice president under Somoza. Adolfo Calero, a silver-haired businessman who once managed Nicaragua's Coca-Cola plant, joined the group later and emerged with the title of commander in chief as rebel forces grew through 1983.

NEW LEADERS OPPOSED SOMOZA

Except for Bermudez and Callejas, the new leaders all had been active in the struggle against Somoza. Calero was jailed by the National Guard for organizing business opposition to the government, and Zeledon played a key role in fomenting a crucial anti-Somoza national strike. Their pasts, along with similar anti-Somoza activities by Chamorro and Rodriguez, were underlined in appeals for U.S. and Nicaraguan public support.

Immediately under Bermudez on his military staff, however, were some of the same National Guard officers who had helped start the insurgency. They included Echaverry, still working closely with his classmate Alvarez; Lau, in charge of counterintelligence; Gomez, in charge of the rebel "air force"; Caceres, and Hernandez.

In addition, according to Chamorro, top officers included Justiciano Perez, who before 1979 was second in command under Somoza's son at the Base Infantry Training School, and Hugo Vagra, who was named "operations theater commander" but was dismissed in a command shake-up late last year. Sanchez, who is related to Calero by marriage became National Directorate Secretary and one of Calero's closest aides.

Bermudez, Lau and Perez particularly have been cited by followers of Eden Pastora as reasons for his refusal to join forces with the FDN—on the ground that it remains under control of National Guard officers, against whom Pastora fought during the Sandinista revolution.

After fighting last year in collaboration with Alfonso Robelo in the Costa Rican-based Revolutionary Democratic Alliance, ARDE, Pastora has gone his own way since the summer because of Robelo's decision to join with the main FDN. Without funds for ARDE military efforts, now commanded by Fernando "El Negro" Chamorro, Robelo has decided to concentrate on political activities, Calero reports. Pastora, also without financing since the CIA cutoff last summer, has gone his own way with several thousand mostly inactive guerrillas along the Nicaraguan-Costa Rican border.

In an effort to attract the politically popular Pastora last spring, Calero's FDN leadership announced that it had trimmed National Guard officers from the top command. Lau and Perez in particular were said to have left the rebel organization.

Other insurgent officials say, however, that Perez remains active as a military aide to Steadman Fagoth, leader of Miskito Indian forces allied with the FDN, and Lau also is still on hand in Honduras working as before to prevent Sandinista attacks or infiltrations.●

A TRIBUTE TO COL. ROBERT L. McLEAN

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GREEN. Mr. Speaker, as the Member of the House privileged to represent New York City's 15th District, I feel proud to be able to recognize the contributions of one of its residents, a man who epitomizes the concept of the citizen soldier, Col. Robert L. McLean.

Colonel McLean has served his City, State and country for over three decades, both in the military and as a civilian participant. In 1952 Robert McLean became a second lieutenant as a student in the ordnance school. From there he went on to the ordnance guided missile school, and finally became a test officer, systems test division, White Sands Missile Range. In 1955, as a first lieutenant, he was assistant project engineer for the Corporal, Dart, Lacrosse, and redstone missiles ordnance mission at White Sands Missile Range. In 1959, having left active duty, 1st Lieutenant McLean was promoted to captain and became research and development coordinator, office, chief of ordnance. By 1979 this dedicated man has become a colonel. He had held many important posts including being chief of staff, 77th Infantry Division, and project officer, Darcom Readiness Study. Since 1981, as a reservist, Colonel McLean has been commander of the 77th Infantry Division and deputy director,

material testing directorate, Aberdeen Proving Ground.

The numerous well-deserved decorations that have been awarded to this man include the Meritorious Service Medal, the Army Commendation Medal, and the National Defense Service Medal.

As if his military life did not keep him busy enough, Colonel McLean also found the time and the energy to achieve a B.S. in engineering from Princeton University and a M.B.A. from New York University. Since 1968 he has been a vice president of the New York firm of Tucker Anthony & R.L. Day, Inc.

Mr. Speaker, I know my colleagues in the House will want to join me in paying tribute to this impressive man. His achievements both in the military and in civilian life are outstanding, and his life could serve as an example to us all. I am proud to acknowledge this real life American hero.●

A.M. "BUD" D'ALESSANDRO HONORED

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. TORRICELLI. Mr. Speaker, I am honored to call to the attention of Congress, the recognition being extended to A.M. "Bud" D'Alessandro of Franklin Lakes, NJ, at a dinner on his behalf on April 26, 1985. The dinner is being held to celebrate two milestones in Mr. D'Alessandro's life: the promotion to executive vice president of Alexander & Alexander, Inc. and to chief executive officer of the Human Resource Management Group, as well as the occasion of his 55th birthday on April 28, 1985.

Bud D'Alessandro has had a remarkable career which has led to his present promotion. He has most recently served as senior vice president, eastern division manager, and a member of the board of directors of Alexander & Alexander, Inc. Prior to joining Alexander & Alexander, he was president of A.M. D'Alessandro & Co., Inc.

His experience in the compensation and benefits consulting field spans almost 30 years. He has been and is a member of various committees in the field including a Special Task Force for the Presidential Commission on Pension Policy.

His education includes a masters degree in business administration, law school, and completion of all course work toward a doctorate in industrial relations.

In addition to his fine business career, Mr. D'Alessandro has devoted his tireless efforts to numerous church, school, community, and politi-

cal activities. He is currently chairman of the board of trustees of Bergen Community College in New Jersey, a member of the advisory council of St. John's University in New York, and serves on the board of directors of a local bank.

A dedicated family man, Bud and his wife, Rosemarie, will be celebrating their 30th wedding anniversary on April 30, 1985. They have five children, Stephen, Paul, Gregory, Karen, and Michael. The entire family proudly shares in the honor being bestowed upon him.

Bud D'Alessandro has been described as a rare individual who, no matter how busy he is, always seems to have time to help friends and strangers alike. He has truly earned the tribute being paid to him.●

JAMES McBRAYER SELLERS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SKELTON. Mr. Speaker, on May 4 in my home town of Lexington, MO, at Wentworth Military Academy, there will be a 90th birthday celebration for Col. J.M. Sellers, and I take this opportunity to inform my colleagues of this truly outstanding Missourian and American.

James McBrayer Sellers was born June 20, 1895 on the campus of Wentworth in Lexington. After graduating high school from Wentworth in 1912, Colonel Sellers attended the University of Chicago, receiving his bachelor of arts degree—Phi Beta Kappa—in 1917.

Commissioned as a second lieutenant in the U.S. Marine Corps in 1917, he served as a company commander with the 6th Marines, American Expeditionary Force in France. Colonel Sellers valor decorations include the Distinguished Service Cross, Navy Cross, Silver Star, Purple Heart, and the French Croix-de-Guerre. After being released from active duty in 1921, Colonel Sellers remained in the USMC Reserve until he retired in 1945.

From 1922 until today he has occupied various academic and leadership positions at Wentworth: Commandant 1922-28, executive officer 1928-33, superintendent 1933-60, and president of the academy 1938 through the present. Throughout this entire time, he has guided and inspired thousands of graduates to successful military and civilian careers. Additionally, Colonel Sellers is continuing to teach a class in Latin each day.

Colonel Sellers married the former Rebekah Evans, of Independence, MO, in 1924. The couple has three children: Stephen W., James McBrayer Jr., and Fred Evans. Along with his many ac-

tivities associated with Wentworth, Colonel Sellers is also a past president of the Association of Military Colleges and Schools, past grand master of the Grand Masonic Lodge of Missouri, past grand commander of the Grand Commandery of Missouri, and an elder of the Presbyterian Church in Lexington.

Mr. Speaker and my colleagues, James McBrayer Sellers is a true American hero in every sense of the word. It is a privilege for me to take this time to honor these many achievements. It is with even greater pride, however, that I may call this great man my friend.●

**ALEXANDRIA'S OUTSTANDING
DISABILITY PROGRAM**

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. PARRIS. Mr. Speaker, I would like to call the attention of this Chamber to an honor that has been bestowed upon the city of Alexandria, which I am pleased to represent. Today, Presidential Press Secretary James Brady announced that Alexandria is one of 12 communities in the United States to receive a citation for outstanding programs benefitting the disabled.

The \$1,000 award was presented to the Alexandria Commission on Disabled Persons by Brady, chairman of the nationwide competition sponsored by the National Organization on Disability and by the Westinghouse Electric Corp.

The commission works with the private, nonprofit National Organization on Disability to improve the lives of the 35 million Americans with physical or mental disabilities.

Alexandria has been cited for its development of a specialized public transportation service for people who, because of their disabilities, cannot use regular buses.

In Alexandria, thanks to this innovative program funded mostly by the city's general fund, taxicabs and wheel-chair accessible vans now serve handicapped people. The fare paid by the disabled is \$1 a ride, with the balance being paid by the city. The city pays full taxi meter fare and \$15 per van ride, less the \$1.

Alexandria has contracted with a private taxi company, which has placed two special wheel-chair accessible vans into service.

During the 5 full months this program has been in existence, more than 1,100 disabled people have made use of the service, and ridership is increasing each month as more and more people are becoming aware of the program. When it started in November, only 15

riders used the service. In December, the ridership climbed to 124. In January it nearly doubled to 232 and in February 314 people used the service. Last month, the number climbed to 423.

This indeed is an example of a caring solution to a problem. I commend the city of Alexandria.●

**H.R. 691: CLEANING UP THE
CHICKEN COOP**

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. FRENZEL. Mr. Speaker, I am an original cosponsor of our colleague LYNN MARTIN's bill to bring Congress and the Federal judiciary under title VII of the 1964 Civil Rights Act, and I want to take a minute to explain why.

About one-fourth of our colleagues have voluntarily pledged not to discriminate in employment by signing the House Fair Employment Practices Agreement. I think that's a worthy thing to do, and I'm glad to be among their number. But how well does this pledge address the issue of fair employment practices in the House? Only those who choose to sign the agreement are bound by it. Only employees who work for someone who's signed that agreement can complain to the House Fair Employment Practices Committee. And all they have is a grievance procedure, no right to compensation if discrimination has occurred. Employees also have no legal rights under the House Rules which say staff should be hired and paid in a nondiscriminatory fashion.

Rules and voluntary agreements are not enough. There's a better system which Congress invented years ago: The law. Only an enforceable law provides a substantial bar to discrimination in the present and the future. Of course, Congress recognized this fact when it passed a series of laws prohibiting other employers from discriminating. But we excluded ourselves from those laws, and reserved the right to discriminate on Capitol Hill.

This injustice should be rectified now. I believe LYNN MARTIN's bill provides the best means to do so. It is a carefully designed proposal which accommodates the special situation of Congress as an employer. I recommend H.R. 691 in the strongest terms, and urge its support.●

STATEN ISLAND HONORS AMERICA BY RAISING MEMORIAL FLAG

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MOLINARI. Mr. Speaker, on Saturday, May 25, 1985, a huge American flag—30 feet in length and 20 feet in height—will be raised over the community of Staten Island, NY. This flag will be dedicated at a special ceremony at the Staten Island Mall on that day. This flag is the product of an effort by the community to demonstrate its patriotism and to honor the many Americans who came to this country from other lands and who dedicated their lives to the service of the United States.

The dream for the flag was born when several Staten Island veterans decided that they wanted to pay tribute to our country, our veterans, and to the many millions of people who came to our shores to make America great. Their idea was to raise a huge American flag in the center court of Staten Island Mall. It was their desire to fly the flag from this center location on Staten Island so that it would be seen by many thousands of Islanders every day.

After the initial idea was born, the Staten Island Memorial Flag Committee was formed to bring this dream to reality. With Rev. Victor Panzella, Jr., as the committee chairman, the committee set about raising the necessary funds for the project. The community has responded with generosity as witnessed by the donations that came in from civic organization, community groups, local merchants, and private citizens.

Mr. Chairman, on May 25, 1985, a dream of the Staten Island community will be realized with the raising of this very special flag. It is my privilege today to share the pride of my community with my colleagues in the House.●

PERSONAL EXPLANATION

HON. JOHN E. GROTEBERG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GROTEBERG. Mr. Speaker, I was not present and voting yesterday when the House considered H.R. 1210, the National Science Foundation authorization for fiscal years 1986 and 1987. Had I been present, I would have voted "aye" on the so-called Walker amendment, as amended, to freeze spending at fiscal year 1985 levels.●

EXTENSIONS OF REMARKS

GRADUATED CORPORATE TAX RATE SYSTEM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. RANGEL. Mr. Speaker, today, I am submitting a resolution expressing the sense of Congress that retention of the graduated corporate tax rate system is essential to the continued viability of the small business community and the Nation's economy.

Last November, then-Secretary of Treasury Regan released the Department's Report on Fundamental Tax Simplification and Reform. This report, which proposed a much needed broad-based income tax with lower marginal tax rates for individuals and corporations and which simplifies the Internal Revenue Code, as well as other proposals introduced this Congress, are comprehensive efforts which should be examined closely. Tax reform and simplification efforts are vitally needed because of the complexities and inequities presently inherent in the U.S. Tax Code.

However, while the Treasury proposal and several other pending bills would assist many businesses, these proposals would have a devastating effect on the Nation's smaller companies, because they call for the elimination of the graduated corporate tax rates.

For the Nation's small businesses, the elimination of the graduated corporate tax rates would dramatically increase their effective tax rates and reduce essential capital available for continued operation and growth. In general, small businesses with less than \$150,000 of taxable income would face substantial increases in tax liability with the elimination of the graduated corporate tax rates.

The following chart compares the changes in corporate tax liability under the Treasury Department proposal with current tax law.

CHANGES IN CORPORATE TAX LIABILITY UNDER THE TREASURY PROPOSAL ¹

Taxable income:	Tax under current law	Tax under Treasury proposal	Net tax increase (decrease)	Percentage change
\$10,000.....	\$1,500	\$3,300	\$1,800	120
\$25,000.....	3,750	8,250	4,500	120
\$40,000.....	6,450	13,200	6,750	105
\$50,000.....	8,250	16,500	8,250	100
\$65,000.....	12,750	21,450	8,700	68
\$75,000.....	15,750	24,750	9,000	57
\$100,000.....	25,750	33,000	7,250	28
\$125,000.....	37,250	41,250	4,000	11
\$150,000.....	48,750	49,500	750	2
\$200,000.....	71,750	66,000	(5,750)	(8)

¹This table assumes, for purposes of illustration, that a corporation's taxable income would not be increased or decreased by the Treasury proposal.

For a small firm with taxable income of \$50,000 or less, repealing the graduated corporated tax rates

would result in at least a 100-percent increase in taxes. Significant but less severe tax increases would result when a firm's taxable income ranges from \$50,000 to \$150,000.

For the reasons when I introduced the Tax Equity and Simplification Act, H.R. 1040, which is a modification of the Department of Treasury tax reform proposal, I included a progressive tax rate for small businesses. This rate will be equal to 15 percent for the first \$50,000 of taxable income, 25 percent of taxable income between \$50,000 and \$100,000, and 33 percent thereafter. The value of the reduced rates, designed to provide relief for small businesses, would be phased out between \$100,000 and \$200,000. This would leave small businesses in essentially the same situation that they currently enjoy.

Small businesses account for about 40 percent of the gross national product and two-thirds of all new employment. This entrepreneurial spirit needs to be encouraged, not stifled by Federal tax policies which run counter to the interests of the Nation's small business. If the graduated tax is repealed, thereby forcing many small businesses to pay higher taxes, it will have a serious detrimental effect, not only on the small business, but also on the economic growth of the nation as a whole.

Congressmen CARROLL CAMPBELL and PAREN MITCHELL have joined me as original cosponsors of this concurrent resolution. It is our understanding that the Senate will be introducing a similar resolution today.

I strongly urge all my colleagues to join us in this important effort to assist the Nation's small business.●

A TRIBUTE TO THE SOUTH JERSEY CHINESE COMMUNITY CENTER YOUTH COUNCIL

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SAXTON. Mr. Speaker, I would like to take this opportunity to recognize and honor the South Jersey Chinese Community Center Youth Council of Delran, NJ. The South Jersey Chinese Community Center Youth Council serves to help its members develop and strengthen leadership abilities, cultural and educational awareness, service to the community, and fellowship among the 32 members.

This outstanding organization was established on March 28, 1981, by Mr. and Mrs. Allen Chan, Mr. and Mrs. Edward Lim, and Mrs. Joyce Kuo. Each of these individuals has worked extremely hard to properly implement the goals of their organization.

Mr. Speaker, the South Jersey Chinese Community Center Youth Council has been active in the community since its inception in 1981. A notable example of this involvement is a history project, performed by the South Jersey Chinese Community Center Youth Council, which examined the lifestyles of the first Chinese residents of the Delran, NJ area. Mrs. Shirley Chan was awarded a \$500 grant from the State of New Jersey to initiate this project, and utilized the information they uncovered as a historical foundation for this organization.

I am honored to have the South Jersey Chinese Community Center Youth Council in my district, and am extremely pleased to acknowledge their contributions to the cultural growth of southern New Jersey.●

FIFTY YEARS OF SERVICE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Ms. OAKAR. Mr. Speaker, Sunday, April 21, 1985, marks the anniversary of 50 years of service to Greater Cleveland by Sister Mary Thecla Mathews, OSU, and nine other Ursuline Sisters of Cleveland, OH.

Seldom do these sisters receive the recognition they deserve for their special and unrelenting dedication to the education and development of the students and families they serve. We who have experienced first hand the devoted care and passion for excellence of Ursuline education know the great gift that they have given to our society since the earliest days of the frontier settlements on this continent.

On the occasion of her jubilee we honor Sister Mary Thecla for her 50 years of service in 11 elementary schools—among them, St. Charles, Christ the King, St. William, and St. Francis de Sales, where she is teaching at present—and two high schools, Beaumont Schools for Girls and Lake Catholic High School. I congratulate Sister Mary Thecla on this occasion, as well as her nine other Ursuline companions who collectively represent 500 years of dedication and service to the people of Greater Cleveland: Sr. Angela Merici, Sr. Marie O'Hearn, Sr. Ligouri, Sr. Anne Marie Kocab, Sr. Jane Frances, Sr. Frances Patrick, Sr. Mary Vincent, Sr. Mary Jude, and Sr. M. Scholastica.●

A TRIBUTE TO JOSEPH (SOCKS) HOLDEN

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. YATRON. Mr. Speaker, on May 4, 1985, the St. Clair Lions Club will be holding a testimonial awards dinner in honor of Joseph "Socks" Holden.

Joseph Holden, a former catcher for the Phillies, is presently a major league scout. Baseball and those who play it and work for it hold a special place in the hearts of many Americans. We owe a debt of gratitude to individuals like Joe Holden, who participate in the sport throughout their lives. We owe Joe Holden another debt of gratitude for his years of public service and commitment to his community. He was Schuylkill County commissioner and throughout his life has played a major part in his community. He is well known throughout the county, and well respected for his outstanding contributions. I would like to ask my colleagues to join me in saluting his life's work and in wishing him continued future success. I am indeed grateful that I had this opportunity to bring some of Joseph Holden's accomplishments to your attention.●

TRIBUTE TO PI KAPPA ALPHA FRATERNITY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. CONTE. Mr. Speaker, let me take this opportunity to recognize the hard work and dedication of a group of my constituents, the brothers of the Pi Kappa Alpha Fraternity, Theta Mu Chapter, located at the University of Massachusetts—Amherst. These dedicated young men will be sponsoring their sixth annual 24-hour dance marathon to benefit the Multiple Sclerosis Society on April 19 and 20, 1985.

Over the past 5 years, these young men have raised over \$60,000 through these marathons. Their continued efforts on behalf of those who are less fortunate are certainly commendable. Through their dedication many young adults might not have to suffer the disabling effects of this crippling disease.

Their continued enthusiasm and determination to fight this battle against multiple sclerosis, is truly an outstanding credit to their organization, and certainly is a benefit to those of us in Massachusetts who are committed to work for a cure to this disease.

As the first recipient of the "Congressman of the Year Award," from the National Multiple Sclerosis Socie-

ty, I know first hand the benefits derived from the time, energy, and hard work these young men devote themselves to year after year. Their donations are the life-blood of multiple sclerosis research and treatment throughout Massachusetts.

Multiple sclerosis is one of the major disabling diseases of young adults, and is extremely prevalent here in Massachusetts with an estimated 6,000 families living with the illness. The funds raised by the brothers of Pi Kappa Alpha and other organizations, finance efforts to find a cause and cure for multiple sclerosis through the national society's programs.

I congratulate and encourage the young men of Pi Kappa Alpha on their continued efforts on behalf of multiple sclerosis, and wish them the best of luck in attempting to reach their goal of \$20,000 with over 40 couples dancing in the marathon, for a truly deserving cause.●

A TRIBUTE TO THE SAFER FOUNDATION OF CHICAGO

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. ROSTENKOWSKI. Mr. Speaker, I wish to pay tribute to the Safer Foundation of Chicago, and to call to the attention of my colleagues the outstanding work this organization has done in serving nearly 50,000 offenders over the last 15 years.

The Safer Foundation, by providing comprehensive education and counseling to former offenders, offers them a "road back" to society. With offices in Illinois and Iowa, the Foundation serves approximately 6,000 men and women each year, offering job placement, literacy training, employment, and substance abuse counseling.

Last year, the foundation assisted over 2,400 in finding employment and several hundred in obtaining GED's or in returning to school. Nearly all of those served were young black men with incomes below the poverty level; over half had not graduated from high school and an overwhelming majority had been arrested more than twice. Without the practical assistance offered by the Safer Foundation, the social and economic obstacles facing these former offenders upon their release from prison would be all but insurmountable.

By developing a creative partnership between the public and private sectors, the foundation has developed effective methods of involving the community in the rehabilitation effort, while striving to make our city a safer place to live.

Today, April 18, marks 15 years that the Safer Foundation has served Illi-

April 18, 1985

nois, and it is with gratitude and pride that I commend Safer's outstanding work in our State.●

**THE NBS AUTHORIZATION BILL:
A CASE STUDY FOR FREEZING
R&D**

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mrs. LLOYD. Mr. Speaker, I was unable to be present and vote on the bill, H.R. 1617, because of health reasons. If I had been on the House floor, I would have given the following statement in opposition to the Walker amendment to reduce the National Bureau of Standards Authorization:

Mr. Chairman, the Science and Technology Committee position on this bill through the committee substitute is fiscally and programmatically responsible. The House has expressed its will to freeze R&D spending, as we have seen by the votes on both the NASA bill and the amendment offered by Mr. Fuqua to the NSF bill. If we accept the Walker amendment on the NBS bill, we will be telling the American people that there is no logic or sound basis to the House approach to cuts in domestic spending. The floor rationale for reducing the NASA and NSF bills was that the President's request was too high because it exceeded what were healthy appropriations levels for fiscal year 1985. At the same time, as in the case of NSF, the House agreed that the Science and Technology Committee program recommendations should provide policy direction to the Foundation at the lower budget level.

Now we are confronted with a very difficult situation in that the NBS bill is at the fiscal year 1985 level and \$4 million over the fiscal year 1986 request. Yet those who would appeal to a "fiscal lynch mob" mentality are now saying that fiscal year 1986 is the lower number so let's take that level. This isn't rational, it doesn't make for good R&D policy, and the Committee must oppose it if there is going to be any consistent direction from this body on spending across the R&D agencies. The House has saved \$475 million from the fiscal year 1986 request on the NASA and NSF bills but the relatively small amount involved here (\$5.2 million) masks a major policy issue. This body has stated its goal of "freeze" levels on these domestic programs and I hope there will be an exception for defense to at least accommodate inflation. I support the committee substitute on this NBS bill because it is behaving in the best sense of an authorizing committee, while the supporters of the Walker amendment would have us practice fiscal anarchy. I urge adoption of the S&T Committee substitute as evidence that the House is approaching the deficit with reason and good sense.●

EXTENSIONS OF REMARKS

**PUBLIC CHARITY TAX PENALTY
REFORM ACT OF 1985**

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SCHUMER. Mr. Speaker, today I am introducing a bill that will insure that volunteer trustees, directors, and officers of public charities shall not be penalized under the tax laws. Currently, section 6672 insures that a business pays all Federal income, FICA and FUTA taxes required to be withheld from its employees. For most businesses the IRS regulations make the chairman, president, treasurer, or other officers the persons responsible for any willful nonpayment of taxes.

The IRS, however, is applying the same penalties for nonprofit organizations. This is wrong since it means that officers of nonprofit organizations, such as hospitals, schools, and various community self-help organizations, are penalized for the nonpayment of taxes. The penalty is levied against these trustees despite the fact that they are serving the charity on a purely volunteer basis and frequently have no knowledge of the spending and management decisions of the charity's full time, paid, professional staff.

This bill exempts any person that serves as a trustee, director, or officer of a nonprofit organization on a volunteer and part-time basis without compensation from the penalties that are levied against business executives who are responsible for any willful nonpayment of taxes.

I urge my colleagues to support this bill as the only way to see that community minded individuals are not penalized for volunteering their time and energy to nonprofit organizations.●

BILL KIZER—MR. HEALTH—1985

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. DAUB. Mr. Speaker, annually, the Combined Health Agencies Drive—known as CHAD—of Omaha, NE, honors an individual of outstanding achievement as Health Citizen of the Year.

This year's recipient is William Kizer, founder of the Wellness Council of the Midlands which promotes health programs in businesses in the Omaha region.

Since its founding 4 years ago, the Wellness Council has expanded to 100 member companies with a total of 75,000 employees. Recently, Mr. Kizer has met with business leaders in sever-

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al cities to promote programs on health in the workplace.

In addition to his efforts with the Wellness Council, Mr. Kizer is chairman and chief executive officer of Central States of Omaha Co. He is also director of the Health Insurance Association of America and chairman of its health education subcommittee.

His unlimited enthusiasm and energies also extend to his positions as director of the Creighton-Nebraska University Health Foundation and as chairman of the Hospital and Health Affairs Committee of Creighton University, and as director of the American National Bank of Omaha. William Kizer is a gentleman who has earned the respect of our community for his expertise in the health field and for his selfless dedication to others. His selection as Health Citizen of the Year is a prestigious and well-earned recognition of his outstanding work.●

**COMMENDING CALIFORNIA UNI-
VERSITY OF PENNSYLVANIA'S
MON VALLEY RENAISSANCE
PROGRAM**

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. MURPHY. Mr. Speaker, I join with my western Pennsylvania congressional colleagues to recognize, endorse and support the initiatives of the Mon Valley Renaissance Program developed by California University of Pennsylvania.

As an integral part of my 22d Congressional District, California University of Pennsylvania has sought to accomplish economic revitalization by broadening the economic base of the Monongahela River Valley through diversification of businesses.

The Mon Valley Renaissance Program provides direct services to small businesses in the areas of procurement and entrepreneurial assistance, while receiving full cooperation from other county and governmental agencies. It is through these type of programs and cooperative efforts that we hope to restore economic vitality to the Monongahela Valley.

Traditionally, my congressional district has been almost exclusively dependent upon the coal and steel industries. I commend the work of the university in the area of economic redevelopment of the Monongahela Valley.●

READING CORPS OF THE SALVATION ARMY CELEBRATES 100 YEARS OF SERVICE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. YATRON. Mr. Speaker, on May 4, the Reading Corps of the Salvation Army will be celebrating 100 years of service to Reading and Berks County, PA. A communitywide celebration will take place on Sunday afternoon. It is indeed my privilege to bring this occasion to the attention of my colleagues and to ask them to join me in congratulating Maj. and Mrs. Robert A. Baker, commanding officers, and all the members of the Reading Corps on their centennial.

For 100 years the name Salvation Army in Reading and Berks County has been synonymous with hard work; spiritual and moral regeneration; and religious and charitable works. This outstanding organization has helped all those who have come in need. The devotion and strength exhibited by its soldiers stands as a model for all of us to emulate.

It is particularly significant that this year, its 100th year, that the Reading Corps of the Salvation Army announced an overall increase in services provided; 12,710 persons were served by their Christmas is Sharing Program in 1984, an increase of 3,410 over the number served in 1983. Toys and clothing were provided for 10,111 children, 3,076 more than in 1983; 769 baskets and food orders were distributed, up 134; and 1,705 people were provided garments and shoes, an increase of 668.

I am proud to take this moment to pay special tribute to this organization for their selfless devotion to God, to their community and for bestowing on the world immeasurable goodness. Their goal has always been to render service to others and to make this world a better place in which to live; and because of them it is.

It is indeed my pleasure to make these achievements known to the House of Representatives. ●

DAVID SMICK ON POPULISM AND TAX REFORM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. COURTER. Mr. Speaker, recently one of Washington's most astute political observers, David Smick, wrote an analysis for the New York Times on the politics of tax reform. I urge my colleagues to consider these important views and resist the

arguments against a growth-oriented tax reform that the special interest lobbyists are advancing.

The article follows:

POPULISM AND TAX REFORM

(By David M. Smick)

WASHINGTON.—Supply siders come in two varieties—the corporate or elitist sort, who see the present tax code as just fine, and the populists, who rightly see tax fairness, simplicity and lower rates as the central domestic issue of the 1980's.

As the debate over tax reform reheats, the elitists are warning that the bias of tax reform toward individuals and against corporations is anti-supply side and will produce less savings, less investment and an inevitable catastrophe after enactment. Corporate supply siders mistakenly believe that individuals merely consume while corporations alone create economic growth. For them, "capital" precedes "labor"—that is, capital is the driving force in the economy, with the rate of capital formation a near-perfect barometer of prosperity.

Corporate supply siders find little value in lower corporate or individual tax rates, particularly if they come at the expense of accelerated depreciation and the investment tax credit, loopholes that are designed to enrich the present capital structure.

Populist supply siders don't believe capital is unimportant. Their point is that without labor, capital would cease to exist. They believe individuals are essential in the process of economic expansion. Ultimately, in their view, individuals are the economy's producers, savers, investors and innovative risk-takers, as well as consumers. Populists aren't surprised that the Fortune 500 companies have created no net new jobs in the last 15 years. Nor that almost all new jobs are created by young, minuscule firms launched mostly with private savings.

For populists, economic growth begins with ideas that are commercialized in a dynamic process that the economist Joseph Schumpeter described as the "creative destruction of capital." This is growth from the bottom up, in which individuals strike out on their own with a good idea, turn it into a successful company and eventually topple established businesses. Thus, the Xerox process drove out the mimeograph, and so on. And this is precisely why populist supply siders support tax reform. Their concern, above all, is to lower individual rates of taxation (which apply to 85 percent of businesses), including the rate on capital gains, to encourage creative destruction.

Unlike corporate supply siders, populists would give up some corporate loopholes, as long as corporate rates were lowered to provide greater incentives to growth. In economists' terms, they distinguish between the "incidence" of taxation (the rate of taxation on future income) and its burden (the total taxes paid by corporations in the present). They would even join forces with neo-liberals, who also value the individual's contribution to economic growth.

Lest this seem all too abstract, consider the record for both types of taxation. Over the past five years, Britain, Ireland and Sweden, which have virtually eliminated corporate taxes while keeping individual rates high, have had miserable growth rates of less than 1 percent annually. Japan, with its high corporate rates and relatively low rates for most individuals, has enjoyed strong economic growth.

Before the summer is out, President Reagan will have to choose between popu-

list and elitist views of Federal taxation. Those corporate apologists who today assure one another that "tax reform isn't going anywhere" should not underestimate the President's instincts. I predict he will go populist, as he has in the past.

I recall a meeting in early 1980, when Mr. Reagan was setting strategies for his upcoming campaign. At one point, somebody expressed concern that John B. Connally, the former Governor of Texas, and another presidential candidate, was gaining support among corporate chief executive officers, with all the prestige and financial support that that entails. Mr. Reagan said that didn't bother him at all. "Let him have the Fortune 500," he said, "I want our campaign to stand for Main Street, not Wall Street. I want us to stand for the worker, the shopkeeper, the entrepreneur and the small-businessman."

In the end, Ronald Reagan's tax reform will present Congress with a political referendum on special interests. Who really should control tax policy? The Gucci-clad crowd in Washington or the Florsheim folks back home? This question will split the ranks of both parties, along lines less ideological than generational.

This is why the Treasury's tax plan, despite its considerable problems, was a political master stroke. If the plan had drawn immediate cheers from the United States Chamber of Congress, it would have been dead on arrival in Congress.

Instead, it captured the attention of younger Democrats who, because of Republican losses in the House in 1982, are vital to a successful coalition in favor of reform. Sure, the plan needs some changes—the capital-gains rate should be lowered and the depreciation schedule should be exchanged for some form of "expensing," a far simpler and fairer method of encouraging investment. But insiders at the Treasury Department are predicting that the bipartisan coalition—whose leaders will negotiate the final, compromise plan with the Treasury—could sweep the House with more than 300 votes.

My only fear is that the White House might play retail politics. Tax reform involves wholesale politics—mass communication, going over the heads of Congress to the grassroots. Single-shot, "retail" deal-making with the tax-writing committees would be suicidal, producing a compromise perhaps worse than the present system. Tax reform will prevail if average people know precisely the national cause at stake. To wit: unleash the Great Communicator.

Good economics is good politics, and vice-versa. All the Administration needs is to hang tough. The people will take care of the rest. ●

STEELHEAD DECOMMERCIALIZATION BILL

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. SWIFT. Mr. Speaker, I am today introducing the "Steelhead Trout Protection Act," which proposes that States be able to enforce bans against commercial steelhead fishing within their jurisdictions. This legislation is important because it would re-

store steelhead fish to the status of "game fish" rather than "commercial" for the first time in over 10 years. It would correct inequities that were created by the Federal court Boldt decision in 1974. It would implement the will of the people of the State of Washington, as expressed by a majority vote last November in favor of Initiative 456.

Steelhead trout has traditionally been considered a game fish. In 1974, however, the rug was pulled out from under the sports fishermen when the Federal Government initiated a lawsuit which resulted in a U.S. district court ruling that treaties entered into between the U.S. Government and various Indian tribes entitled those tribes to more than half of the steelhead trout harvest. The court ruling permitted tribal fishermen to use gillnets, a commercial fishing technique, and to sell steelhead commercially.

I have believed for a long time that this Federal court decision, which was in response to a federally initiated lawsuit, intend to guarantee Indians their treaty rights, resulted in other inequities to non-Indian fishermen. I object to the non-Indian fishermen of the Pacific Northwest being forced alone to shoulder the burden for a Federal treaty entered into in the name of all American citizens. Furthermore, I believe that by allowing tribal fishermen to use gillnets, the Federal court is damaging the future prospects for a healthy steelhead fishery. It is for these reasons that, in the 97th Congress, I cosponsored legislation that was similar to the bill I am introducing today.

Our legislative effort was not successful in the 97th Congress, and it has dim prospects in this Congress as well as supporters of Initiative 456 have acknowledged. However, because I believe that steelhead decriminalization would improve conservation efforts and be more equitable, I am reintroducing the bill today in response to the expressed will of the people of Washington State, who passed the initiative. Senator SLADE GORTON is introducing a companion measure today in the other body.

One reason that the 97th Congress did not act on the decriminalization issue was because of a concern that it would abrogate Indian treaties. I do not believe that the bill that was proposed then, nor the bill I am introducing today, results in such an abrogation. It specifically provides a means for the U.S. Claims Court to consider whether the legislation results in a taking of Indian treaty rights, and authorizes compensation if there is a taking, thereby preventing any treaty abrogation.

Mr. Speaker, I hope that all of my colleagues in this body will consider this legislation, which I believe could finally correct inequities created by a Federal court decision more than 10 years ago.●

OLDER HISPANICS MORE LIKELY TO BE POOR

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1985

● Mr. GARCIA. Mr. Speaker, I would like to bring to the attention of my colleagues a recent publication by the National Image Inc. Newsletter outlining the unfortunate plight of the Hispanic elderly in this country. It points out the poverty has had an especially adverse affect on the Hispanic community. According to the U.S. Bureau of Census, older Hispanics continue to be about twice as likely to be poor as older Anglos.

Poverty levels for aged Hispanics in 1983 stand out as the fourth highest since poverty statistics were first tabulated. Thirty-eight percent of Hispanics 65 or older either lived in poverty or so close to it that they really could not appreciate the difference. One hundred and forty-nine thousand of the Hispanic population 65 or older earned below \$4,775. An additional 16,000 were considered marginally poor, earning incomes no more than 25 percent above the poverty line.

It is only too obvious that this frightening trend is on an upswing. Statistics show that the number of poor and marginally poor older His-

panics in 1983 is 20,000 above the level in 1982, at which time 159,000 Hispanics were poor and 66,000 were considered marginally poor.

It is urgent that this great democratic Nation address itself to this tragedy by taking upon itself the task of improving the quality of life for all aged Americans. I urge my colleagues to support efforts to help alleviate the misery which is a day-to-day reality in the lives of so many.

OLDER HISPANICS TWICE AS LIKELY TO BE POOR AS AGED ANGLOS, CENSUS REPORTS

Older Hispanics continue to be about twice as likely to be poor as aged Anglos, the U.S. Bureau of the Census reports. In 1983, 23.1% of all Hispanics 65 years or older were poor, compared to 12.0% of older Anglos.

Poverty actually declined slightly for aged Hispanics, from 159,000 in 1982 to 149,000 in 1983. However, the 1983 poverty level is the fourth highest since poverty statistics were first tabulated for older Hispanics. An individual 65 or older was considered poor in 1983 if his or her annual income was below \$4,775. The poverty threshold for an elderly couple was \$6,023.

Additionally, another 96,000 aged Hispanics were considered marginally poor. Their incomes were barely above the poverty line, but not by more than 25%. In sum, last year 245,000 elderly Hispanics—about two of every five Hispanics 65 years or older (38.0%)—either lived in poverty or so close to it that they really could not appreciate the difference.

The number of poor and marginally poor older Hispanics is actually 20,000 above the level in 1982 (225,000). At that time 159,000 aged Hispanics were poor, and 66,000 were near poor.

Poverty rates for Hispanic males and females are essentially equally equal. According to the Census Bureau, 23.7% of all Hispanic females 65 or older were poor in 1983, compared to 22.3% of aged Hispanic males. Ordinarily, the poverty rate differential for other races and nationalities is significantly higher for females than males. For example, the poverty rate for Anglo females 65 or older is 14.7%, in contrast to 8.2% for aged Anglo males. The net effect is that deprivation is equally high for older Hispanic males and females.

"America is a great nation, but we still have a long way to go to improve the quality of life for aged Hispanics and other older Americans", said Carmela Lacayo, Executive Director of the National Association for the Hispanic Elderly.—ANPPM Legislative Bulletin, Oct. 1984.●

