

EXTENSIONS OF REMARKS

A PAINLESS WAY TO RAISE
OVER \$100 BILLION IN FEDERAL
REVENUES

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, many of us in Congress are now scurrying about looking for at least \$18 billion in new revenue that will satisfy the requirements of the Senate and House budget resolutions. No option appears to be very palatable. We cringe at the thought of tampering with the income tax rates established just last year in the Tax Reform Act. We hesitate to commit ourselves to the imposition of larger excise taxes.

The startling fact about this whole search is that there is a very simple way of raising revenue staring us in the face. It will not raise all the revenue we need overnight, but if we begin now, we can raise enough revenue in the next few years to meet many of our budget needs. This alternative would not involve imposing new or increasing current taxes. The alternative is to close the tax gap of \$100 billion.

Several months ago I established a task force to study the tax gap problem and make recommendations to close the gap. The tax gap represents the difference between the amount of taxes owed to the Federal Government, and those actually collected. Chairing the task force were former IRS Commissioners Donald C. Alexander and Jerome Kurtz. They were joined by several distinguished public tax officials and tax experts. Last month I released the task force report, which concluded that just as any wise corporation should invest in an area promising the best return, so too should the Federal Government. Thus, it recommended closing the \$100 billion tax gap by investing more in the Internal Revenue Service.

If the administration and Congress followed the recommendations which were outlined in the "Dorgan Task Force Report on Narrowing the \$100 Billion Tax Gap," the Treasury would reap at least \$105 billion by fiscal year 1992. The task force recommendations would cost \$3.6 billion over 5 years, but would raise \$7 billion in fiscal year 1988, reaching \$35 billion in the fifth year, for a cumulative total of \$105 billion. This is no smoke and mirrors trick; this is real revenue.

While the large majority of American taxpayers comply with our tax laws, some do not. Just 81.5 percent of American taxpayers complied in 1986. The Internal Revenue Service estimated that taxpayers owed the Federal Government about \$556 billion in income taxes in 1986, but would voluntarily pay only \$453 billion. That means there is a tax gap of over \$100 billion. More alarming than this

figure is that by 1992 the IRS predicts that the tax gap will exceed \$200 billion.

Today, I and my colleagues Mr. PEASE, Ms. SLAUGHTER, Ms. KAPTUR, are introducing a sense of Congress resolution which will put the Congress on record in support of efforts to close the current \$100 billion tax gap by investing in the IRS.

There are two major areas for investment at the IRS. The first is taxpayer assistance. The taxpayer who views the IRS as efficient, helpful, and available will be more apt to comply with the law. But, in the last several years the taxpayers assistance division has suffered funding cuts which have impaired the ability of the IRS to carry out its mission. The task force concluded that the IRS needed to get closer to the communities it serves and upgrade the quality of its assistance.

The second area of investment would be in the enforcement division. Nothing undermines the tax system more than the perception that evading taxes goes undetected and unpunished. The task force recommended increasing the appropriate resources in order to find the freeloaders.

The costs of implementing these initiatives will be small in comparison to the benefits. For every dollar the Government spends, it will get up to \$20 in return. This plan represents one of the simplest and most promising ways of reducing the huge Federal deficit confronting our Nation and ensuring the strength of our voluntary tax compliance system.

I am requesting that you go on record in support of closing the \$100 billion tax gap. I am seeking your cosponsorship of a resolution that points the way to solving many of our budget woes and of ensuring the continued stability of our tax system.

The text of the resolution follows:

H. CON. RES. 138

Whereas the Internal Revenue Service estimates that the amount of taxes owed for 1986 will exceed the amount of taxes collected for such year by \$100,000,000,000;

Whereas this "tax gap" is growing at an alarming rate, and, according to Internal Revenue Service estimates, will increase to \$200,000,000,000, by 1992;

Whereas, from 1973 to 1986, the taxpayer compliance rate has dropped from 84 percent to just 81.5 percent;

Whereas the Internal Revenue Service estimates that for each 1 percentage point increase in the taxpayer compliance rate revenues to the Treasury will increase annually by approximately \$7,000,000,000, which amounts to a cumulative total of \$105,000,000,000 over a 5-year period;

Whereas, from 1976 to 1986, the audit rate has declined from 2.5 percent to just 1.1 percent;

Whereas the increasing perception that tax evasion goes undetected and unpunished undermines the voluntary tax system;

Whereas, from 1981 to 1986, the taxpayer service division of the Internal Revenue Service has suffered staffing and funding cuts;

Whereas the General Accounting Office has indicated that the response time and accuracy levels in certain areas of taxpayer assistance are below average;

Whereas taxpayers will be more likely to pay the full amount of taxes owed if they view the Internal Revenue Service as a service-oriented agency and anticipate quality service;

Whereas the implementation of the Tax Reform Act of 1986 will strain the already limited resources at the Internal Revenue Service, especially in the taxpayer service division;

Whereas the benefits of enhancing taxpayer service and enforcement resources far exceed the costs of such measures; and

Whereas the enhancement of such resources is a simple and promising way to reduce the huge Federal budget deficit confronting our Nation: Now, therefore, be it:

Resolved by the House of Representatives (the Senate concurring), That—

(1) the administration and the Congress should substantially increase appropriate resources for the taxpayer assistance and enforcement divisions of the Internal Revenue Service; and

(2) the Internal Revenue Service should implement most, if not all, of the following recommendations:

(A) Increase the prominence of taxpayer service efforts in order to better balance such efforts with enforcement efforts.

(B) Offer taxpayers more efficient and higher quality service by—

(i) providing more one-to-one tax preparation services and more walk-in offices during tax filing season;

(ii) expanding taxpayer education programs;

(iii) instituting a pilot program of taxmobiles and tax fairs with special concentration in rural areas;

(iv) improving telephone information assistance;

(v) expanding the number of hours during which telephone information assistance is available on weeknights and weekends during filing season;

(vi) improving computer capabilities;

(vii) providing more prompt mail response; and

(viii) reporting to the Congress annually on the level and quality of taxpayer services.

(C) Enhance enforcement efforts by—

(i) raising the audit rate from the current 1.1 percent to 2.5 percent;

(ii) restoring resources to criminal investigations and the collection of delinquent accounts;

(iii) enhancing efforts to crack down on foreign source income abuses and foreign tax havens; and

(iv) requesting the General Accounting Office to study arrangements between the Internal Revenue Service and the Justice Department for the prosecution of alleged violations of the tax laws.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor. Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

RECOGNIZING LT. COMDR.
MARIO RUNCO, JR.

HON. PATRICIA F. SAIKI

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mrs. SAIKI. Mr. Speaker, I take this opportunity to congratulate Lt. Comdr. Mario Runco, Jr., of Pearl Harbor on his selection as an astronaut. One of fifteen astronaut trainees appointed by the National Aeronautics and Space Administration, Commander Runco specializes in oceanography and meteorology in the Navy.

Commander Runco has been dedicated to the space program since he first heard about it in 1958. His fascination with the field finally has paid off, as he now prepares to join what he has called "the leading edge of science and technology."

Commander Runco hopes to use his appointment to investigate oceanography and meteorology from space-based platforms. Through his special skills he will enrich our national space program, and his research will be of value to Hawaii and the Pacific.

I am confident that Commander Runco will meet the high standards set by Col. Ellison Onizuka, Hawaii's first astronaut. To Commander Runco I extend my warmest aloha and best wishes for a successful new career.

INTRODUCTION OF H.R. 2668—
THE SECURITIES TRADING
REFORM ACT OF 1987

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. LENT. Mr. Speaker, today, I am joining my Republican colleagues on the Energy and Commerce Committee in introducing the Securities Trading Reform Act of 1987.

We need strong securities law reform now. The preeminence of our securities markets as the most honest and efficient in the world is at stake. The changes involved in takeovers and reorganizations are not merely winner-take-all games of chance. They are part of a new, high-stakes financial revolution that has long-term consequences for millions of Americans. They have a direct effect on how we revitalize our industries, how businesses obtain capital, and how fairly investors can participate in industrial growth. They involve jobs, economic prosperity, and our future in the world market.

Our bill is a strong response to these issues. Our intent in introducing it is move this important debate forward another step, so that the final product of our committee, the full House and the Congress is careful, strong legislation that does what it is supposed to do—protect the interests of shareholders and the investing public. We are acting today because we want to assure that the final product is bipartisan and that it does not disrupt either the ability of American business to raise capital smoothly and efficiently or the securities markets to respond to investor decisions.

Our bill requires timely and complete disclosure by purchasers of over 5 percent of a

company's stock—including a legally binding certification of the intent of the investment. We restrict defensive tactics like poison pills as well as greenmail and poison parachutes—unless the shareholders approve. We extend the current tender offer period to 30 business days. We allow the SEC to curtail restrictions on shareholder voting rights that are inconsistent with the neutrality required by the Williams Act.

We also require that purchases of over 20 percent of a company's stock must be by tender offer. We require one share/one vote for all new stocks listed on any exchange. We require secret proxy voting, and give significant shareholders equal access to the proxy machinery.

In the area of enforcement, we give the SEC the full authorization it has requested for the next 3 years, without restriction. We require the SEC to set and enforce standards for exchange and firm surveillance systems, and impose liability on those firms which fail to establish or maintain their systems to those standards.

Finally, we direct the SEC to establish a blue ribbon panel to explore enforcement and takeover financing issues.

Mr. Speaker, I am inserting in the RECORD at this point an outline of the major provisions of the Securities Trading Reform Act.

OUTLINE OF THE MAJOR PROVISIONS OF THE
SECURITIES TRADING REFORM ACT

TITLE I: TAKEOVERS AND TENDER OFFERS

Closes the "13(d)" Window. Requires that those who purchase 5 percent of the stock of a company disclose to the SEC by noon on the next business day.

Requires a separate public announcement of the tender offer to be issued by noon on the next business day following the acquisition.

Requires bidders to disclose whether they are using junk bonds or other types of financing.

Clarifies disclosure requirements to require explicit disclosure of intent of investment, and general description of expected community and employment plans.

Imposes new civil penalty of up to 1 percent of the value of the securities for each day of any violation of section 13(d).

Defines a "group" for section 13(d) reporting purposes. The current definition of a group is broadened, with SEC authority to further define by rulemaking.

Requires tender offers to be kept open for 30 business days.

Directs the SEC to ban "poison pills", "lock-ups", and "tin parachutes" unless approved by shareholders, and to ban any corporate action in a takeover or tender offer which attempts to manipulate proxy voting or other requirements of state law, if such an action is not in the public interest or for the protection of investors, or upsets the balance between shareholders and bidders, as defined by SEC regulations.

Requires a "Plain English" summary of the tender offer in the disclosure statement.

Prohibits "street sweeps". Bidders cannot buy control through brokers and arbitrageurs for 30 days after the end of a tender offer.

Prohibits "golden parachutes" unless approved by shareholders.

Prohibits "creeping tenders". Purchases of over 20 percent of a company's stock must be by tender offer, except purchases of up

to 2 percent annually, and block trades in the normal course of business.

Curtails "greenmail". Requires disgorging of the difference between the greenmail price and the average price of the stock for the 15 days before or after the greenmail is paid, if that price is lower, unless the greenmail payment is offered to all shareholders or approved by the shareholders.

Requires "one-share/one-vote" for all stocks traded on national exchanges or on the NASDAQ National Market System computer network. Existing securities would be grandfathered.

Allows the "primary marketplace" in a security to halt all trading in securities for one day subject to SEC review. Primary marketplace and SEC would have explicit authority to halt trading in order to assure that an orderly market is preserved in stocks, especially in takeover and program trading situations.

Requires secret proxy voting of all shares. Beneficial owners could assign their proxy authorizations on a confidential basis.

Allows any owner or owners of 5% or \$5,000,000 of a company's stock equal access to the proxy statement to describe or express a position on any matter presented for decision by shareholders.

Clarifies SEC's general rulemaking authority to regulate tender offers.

Prohibits companies from providing "misleading" responses to questions about mergers and tender offers, and gives the SEC rulemaking authority to define "misleading" so as not to disrupt confidential, ongoing merger negotiations.

TITLE II: NEW SEC ENFORCEMENT POWERS

Increases SEC authorization to \$153.9 million for FY 88, \$169 million for FY 89, and \$181 million for FY 90.

Provides new subpoena authority to allow SEC to cooperate in enforcing foreign subpoenas if foreign nation cooperate in SEC attempts to gain access to international financial records in enforcement cases.

Requires SEC to establish rules for firm and SRO surveillance systems, and for firm ethical and compliance standards, to provide for SEC approval of individual firm and SRO systems and standards, to require SRO enforcement and monitoring of those systems and standards, and to provide for firm and SRO liability if violations take place and systems and standards have not been in place or operating as required.

Requires SROs to establish intermarket surveillance systems in accordance with SEC regulations.

TITLE III: BLUE RIBBON COMMISSION ON
ENFORCEMENT ISSUES

Requires the SEC to establish a panel of experts to study and investigate the adequacy of Federal securities laws with respect to insider trading, market surveillance, State and Federal coordination of enforcement, and activities of unregulated brokers and dealers. The panel would also evaluate whether current resources and remedies were adequate, and other pertinent matters. Report would be due within one year of enactment.

SHIMODA MEMORANDUM

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. RICHARDSON. Mr. Speaker, recently I presented these 10 papers at two conferences dealing with trade and arms control. I am submitting them for review by my colleagues:

From: Bill Richardson, Member, U.S. House of Representatives Donald Stillman, Director of Governmental and International Affairs, United Automobile, Aerospace & Agricultural Implement Workers of America.

Re: Views on Reducing Trade Imbalances.

A strong U.S.-Japan relationship is extremely important to both our nations and the world. The extreme difficulties confronting that relationship center around the current trade friction.

Both nations have a stake in moving to reduce that friction as a precondition to a further strengthening of bi-lateral ties.

There can be no solution to growing U.S.-Japan tensions without a reduction in the trade imbalance between our countries. The massive surplus enjoyed by Japan must be reduced—it is the fundamental cause of current friction. So far, that surplus continues to grow, rather than decline. So, too, will the sentiment for strong U.S. action on trade grow.

The bilateral trade deficit of the U.S. with Japan skyrocketed from \$12 billion in 1980 to nearly \$60 billion in 1986. In only one sector—automotive products—Japan had a surplus of nearly \$30 billion with the U.S.

Despite reasonably favorable economic conditions in Japan, U.S. exports to Japan since 1980 have stagnated. Yet during this same time, Japan's exports to the U.S. tripled, even with slower growth in the U.S. economy.

This massive \$60 billion surplus enjoyed by Japan comes in the broader environment in which the U.S. has been running an overall trade deficit of \$170 billion.

The U.S. manufacturing sector has suffered particularly, with it going from a surplus in 1980 of \$12 billion to a deficit in manufactured goods of \$145 billion last year.

The U.S. has also seen its high technology trade surplus go from \$27 billion to a deficit of \$3 billion. Imports of computer and business equipment into U.S. have jumped 451 percent in 6 years. In agricultural products, the U.S. ran a surplus of \$23 billion in 1980—that has plummeted and now we're experiencing deficits in key farm products.

Because the Japanese trade surplus is the single largest bilateral surplus for the U.S., its continued growth has fueled strong political sentiment for an effective trade bill in the U.S. Congress.

The U.S. Commerce Department estimates that for each \$1 billion in the U.S. trade deficit, America loses 25,000 jobs. Thus, some 1.5 million workers have suffered joblessness because of the bilateral deficit and some 3-4 million workers have suffered economic dislocation due to the overall U.S. trade deficit.

There is a greater awareness today of the unfair trade practices of other nations, including Japan. The non-tariff barriers that exist worldwide often result in Japanese goods targeted to go to the U.S. because other countries—developed and develop-

ing—have barriers to protect their own industrial bases and workers.

In 1980, with an overall U.S. trade deficit at \$36 billion, the American people were told: work harder, take wage cuts and reduce labor costs; and shift to a high technology/service base.

What has happened in the six years since? U.S. productivity in manufacturing has gone up 23 percent—output per hour since 1981 has risen 46 percent faster than the post-war average of 2.6 percent and more than twice the rate recorded between 1973 and 1981.

Wage growth has slowed by 65 percent; Direct labor now account for only 15 percent of total manufacturing costs, compared with 53 percent for materials and 32 percent for overhead.

Less of our GNP is in basic industry and more output is coming from high tech/services.

Taking the auto industry, for example, the U.S. has taken major steps to improve competitiveness. Auto productivity has been rising at about 6 percent a year—a massive increase by any standard.

Chrysler, for example, has reduced the work hours that go into building a car by 43 percent. The gap in the cost of building a vehicle in Japan versus the U.S. has gone from \$2,500 to about \$650. Quality of the products in auto has improved measurably—indeed, U.S. automakers now are offering 7-year/70,000 mile warranties so far unmatched by Japanese producers. And major gains have occurred in labor-management relations as the UAW and the companies seek to improve further their competitiveness.

While major gains have been made on the competitiveness side, the auto surplus of Japan continues to grow even with voluntary restraint limits of 2.3 million units per fiscal year in place. The U.S. has welcomed and encouraged direct investment by the Japanese auto companies, which last year assembled about 500,000 units in the U.S.

Unfortunately, there has been an extremely low level of U.S. content in those so-called "transplant" vehicles—30 percent in many cases has come from the U.S. and 70 percent from abroad. Those content levels are far too low and have resulted in part in the Japanese surplus in auto parts rising to \$7 billion last year. In addition, there is no evidence that units assembled in the U.S. replaced fully built-up units imported from Japan—indeed, they were in addition to those Japanese imports.

With the bilateral auto deficit at \$30 billion with Japan and the overall deficit at \$60 billion, what has been the response of the U.S. Administration?

Earlier, the Reagan Administration denied there was a problem. They said the strong dollar was a sign of economic strength. They said the squeeze on U.S. exports to the Third World wasn't a problem. They ignored industry after industry as decline accelerated and our industrial base eroded—action occurred seldom and then at the prodding of the Congress.

Now, we've seen the dollar fall for two years and, to date, there is no evidence of the dollar value of the U.S. trade deficit with Japan falling. Administration calls for expansion by Japan and West Germany have not resulted in any major response in terms of concrete outcome. Indeed, the weakness of this approach is the assumption that this would result in major increases in demand for U.S. products, when in fact other countries certainly will be aggressively seeking whatever openings that do occur.

The other strategy of the Administration has been a focus on endless rounds of product-by-product negotiations with Japan. One day the U.S. in focusing on the problem of citrus—the next day negotiations shift to fighting barriers on imported chocolate or the day after on baseball bats.

Most of their negotiations are valid, but the end result of them seems to be handshakes and agreements that do little to alter the actual trade imbalance. After eight or nine "trade liberalization" announcements or new "market opening initiatives" since 1980, we see only a stagnant level of U.S. exports to Japan and a tripling of Japanese exports to the U.S.

Much of the blame for the worsening of the U.S.-Japan trade imbalance belongs not with Japan, but with the lack of a clear, coherent trade policy by the U.S. Government.

Japan is doing extremely well at seeking to advance economically—even under the terrific strain of "endaka." Japan is pursuing the course it sees as most advantageous for its workers, farmers and industries. And it has even tried to be responsive to what it perceives to be U.S. trade and other policy priorities.

The central problem is that the Reagan Administration has failed to articulate and pursue a trade policy that would do for the American public what Japan has done for its people.

What the U.S. must put into effect is an "outcome" oriented trade policy. It must be a policy based not on a hodge-podge of sectoral negotiations and item-by-item bickering that so far has only increased tensions between our two nations.

Henry Kissinger and Democrats were often at odds but Kissinger has an excellent proposal in an article warning of the danger of protectionism in U.S.-Japan trade. Kissinger wrote:

"Once the genie of protectionism is out of the bottle, every special interest group will insist on its special claims . . . The current item-by-item approach has the dual disadvantage of producing tension without providing a remedy.

"It would be far preferable to tackle the issue frontally, to seek to alter the Japanese consensus rather than to tilt against its manifestations. Instead of the current protracted war over details, negotiations, with Japan should set the goal of reducing the American trade deficit to an agreed level within a specified number of years. This should not be done by haggling over an endless shopping list of individual items, but by specifying the overall total which Japan will not exceed. It would then be up to Japan to stay within this figure by its own internal processes. It could decide whether to reduce exports or to increase imports or both. If the agreed adverse balance was exceeded, the United States would impose penalties until it is achieved.

"Such an approach would oblige Japan to put its consensus system into service of an agreed objective, instead of using it as a roadblock in individual negotiations."

Although lacking some specific detail, such an approach is very close to that passed last year by the U.S. House of Representatives. A similar provision will be offered later this month in the House by Rep. Gephardt. As Majority Leader Tom Foley has indicated, the Gephardt proposal will be adopted in the House. Many believe that concept will be included in the final version of the congressional trade bill.

The Gephardt approach would seek to eliminate unfair trading practices of trading partners running extremely large surpluses with the U.S.

Action would occur only when a country exports 75 percent more to the U.S. than it imports and only if that country has a pattern of unfair trading practices.

A period of negotiation would then be entered into aimed at achieving the removal of those unfair trade barriers.

Ultimately, the provision would mandate a 10 percent annual reduction in the country's surplus with the U.S.—through opening of markets or a reduction of exports to the U.S. or a combination. Most of the countries that would be affected have trade surpluses with the U.S. that have been growing by more than that 10 percent figure.

A 10 percent reduction in Japan's case would mean Japan would still run a surplus with the U.S. of \$54 billion—still a sizable trade advantage.

The goal of the approach is a "result-oriented" and quantifiable move away from a continually increasing Japanese trade surplus that is jeopardizing the bilateral relationship. The expectation is that the punitive quota/tariff actions contained in the provision would not have to be employed—that presented with this reality, Japan would move to adjust its surplus.

(Several other high surplus countries, such as Taiwan and South Korea, would also fall under the provision, because of their unfair trade practices and excessive surpluses. The President also could waive the provision on applying sanctions if they would damage the interests of the U.S. or unduly penalize a country carrying a heavy debt burden.)

In conclusion, there can be no strengthening of the U.S.-Japan relationship—which is so crucial to both countries—without a reduction in the bilateral trade deficit. A \$60 billion imbalance cannot be sustained.

The time has come for the U.S. to adopt a clear, cohesive trade policy that establishes what levels of surpluses it will accept as it also seeks to push removal of trade barriers and unfair practices.

TALKING POINTS—ARMS CONTROL

The Aftermath of Reykjavik: The proposals which President Reagan and General Secretary Gorbachev discussed at the Reykjavik meeting caught many observers in the United States unprepared. There was much confusion as to what the two men had proposed and discussed in relation to reductions in strategic offensive systems. The two sides returned to a "zero-option" for Europe in intermediate nuclear forces (INF), where agreement seemed most likely. Finally, there was the future of SDI and the future course of research, testing and development.

The prevailing U.S. assessment of Reykjavik was that its prospects toppled over the Soviet insistence on a comprehensive arms control agreement that included U.S. agreement to restrict development, testing and deployment of SDI. Although some American observers wanted the President to show more flexibility on this issue, a majority appear to have supported the President's decision not to accept the Soviet linkage of SDI to an arms control agreement in other arenas.

The reasons for Gorbachev's linkage of SDI seem to transcend Soviet concerns about the system and fears that it might give the U.S. a first-strike capability. In retrospect, Gorbachev's strategy seems to have worked to his advantage. Although it was

Gorbachev who made the link, the President, in the view of critics, missed an opportunity for an agreement by not agreeing to the traditional interpretation of the ABM Treaty, which prohibits the development testing and deployment of space-based defenses. Adhering to this interpretation which had been U.S. policy for 13 years prior to a reinterpretation prohibiting only deployment in 1985 might well have produced a Vladivostok-type agreement at Reykjavik.

Some political polls in Europe after the Reykjavik meeting showed that those surveyed in Britain and West Germany believed that Gorbachev was more interested in an arms control agreement than President Reagan. Gorbachev's efforts to appeal to European public opinion are of concern to the Congress. His speech at the end of February, which removed the link between SDI and INF agreement, appears to have been another adroitly presented effort to play on European concerns as well as to explore the terms for an agreement.

INF Negotiations: At present the prospects for an arms control agreement are highest in this area; although, they appear to have dimmed some in recent weeks. There are two stumbling blocks:

Short-range systems: The "zero-option" proposal placed the spotlight on the imbalance in short-range systems (300-600 miles) favoring the Warsaw pact. There is agreement in the West that this issue must be addressed. The problem is how strongly one links the issue of short-range systems to an INF agreement. Should the U.S. seek a comprehensive agreement on all systems, or should it defer settlement of the short-range question until a second set of negotiations? Should a freeze enabling a U.S. build-up at short-range systems (possibly reconfigured Pershing IIs) be pursued or should major reductions in SRINF be sought together with an INF agreement? The questions to be answered are whether one loses the chance of an INF settlement over the short-range issue and what would be the effect of this on public opinion and the arms control process.

Verification: At Reykjavik, the Soviets agreed in general terms to a U.S. proposal for an effective verification package including an exchange of data before and after reductions, on-site observation of weapons, and effective monitoring arrangements after the systems are destroyed. The specific details on how these would be implemented remained open. Since Gorbachev's INF speech, questions have been raised about the security problems caused by verification teams operating in the Soviet Union, the U.S. and Western Europe. The U.S. realizes it would have to consult with its allies in shaping a verification procedure acceptable to their own security concerns.

Europe and INF: It has not been easy for U.S. observers to determine exactly how Western Europe views the "zero-option." On an official level, the Administration states the allies support the U.S. plan, as the allies did in the INF negotiations in late 1981 and 1982. However, on unofficial levels we hear a variety of signals from Europe. Will the "zero-option" decouple Western Europe from the United States and its strategic systems? Will such an agreement leave in its wake a conventional imbalance that significantly favors the Warsaw Pact? Will the removal of INF systems compromise the strategy of "flexible response" which has been a part of NATO policy since 1967? Will the United States conclude that its ground

forces in Europe are more vulnerable against a Warsaw Pact and therefore choose to remove them?

These concerns have been raised frequently in press reports and informal discussions. Informed American observers, like Les Aspin, Sam Nunn, and Henry Kissinger, have expressed reservations about "zero-option" because of concerns about its impact on NATO strategy and defensive capabilities. Aspin and Kissinger support leaving some INF systems in place, and there is discussion of a five-year phased withdrawal of INF systems.

It is crucial that the U.S. understand what its allies actually want in the INF negotiations. In short, is there genuine support for INF, or does Europe believe it has been saddled with a bad proposal which it believes it must support out of alliance loyalty? Immediately after Reykjavik European officials complained of inadequate consultations by the U.S.; here is a case where consultations could have answered some of these questions.

Strategic Systems: The prospects for an agreement by 1988 on strategic systems are more distant. Underneath the breathtaking reductions which were discussed at Reykjavik rest major areas of disagreement. In the aftermath the Reykjavik meeting there was much confusion as to what was discussed. The U.S. claimed it had sought to eliminate all strategic ballistic missiles, while the Soviets insisted there had been an agreement to eliminate all nuclear weapons. The U.S. proposal has held to the elimination of strategic ballistic missiles. Either proposal would create serious problems for strategic deterrence, and conventional/defense efforts, and the political support in Europe for nuclear and conventional defense spending. The speed, failure to consult with the JCS as well as the European allies, and the perception that the U.S. was drawn into a negotiating process that was not carefully considered has caused great concerns.

Within the strategic arms talks there are a number of unresolved issues which will be difficult to clarify:

Sub-limits on categories of strategic nuclear delivery vehicles and strategic nuclear warheads;

Missile Throwweight;

Verification procedures; and

Linkage of strategic reductions to either a 5 or 10 year period for non-withdrawal from the Anti-Ballistic Missile Treaty.

An additional concern is the view of the European allies. Would the elimination of all U.S. strategic systems be accepted in Europe? We have heard concerns that some Europeans fear this would break the strategic link with the United States and leave Western Europe vulnerable to the Warsaw Pact. As does the U.S. proposal on INF, the formula posed at Reykjavik presents basic challenges to present Western security policy. Future consultations between the United States and its allies will be essential.

SDI and the ABM Treaty: The Reykjavik meeting examined a formula which would link strategic reductions to a non-withdrawal period from the ABM Treaty. The Soviets proposed a ten year period. The negotiations broke down over two issues. First, U.S. acceptance of the proposal hinged upon a broad interpretation of the treaty, while the Soviets wanted no development, testing, or deployment of SDI. Second large differences remained on what would happen after the 10-year extension of the treaty. The U.S. wanted to abrogate the treaty and to

deploy an SDI defense; the Soviets proposed that the ABM Treaty remain in force.

The events at Reykjavik and subsequent U.S. debate over the interpretation of the ABM Treaty show the great distance that exists between the two sides on SDI. Supporters of the ABM Treaty see it as the last major arms control with the Soviets which still stands, and they argue it has worked to reinforce the limits on offensive nuclear missiles set by the SALT I (1972) and SALT II (1979) agreements. Its opponents argue that the Soviets have violated the treaty in both ground based defensive systems as well as their ongoing work on space-based systems, and that the Treaty acts as an impediment to the development of an effective U.S. defensive system.

It is well known that since October 1985 the administration has explored a "broad" interpretation of the ABM Treaty. This interpretation would permit extensive development and testing of antimissile systems based on new technologies other than those existing at the time that the treaty was negotiated. This reading of the treaty would, in the view of its proponents, allow the Strategic Defense Initiative to move from research to testing and development unhindered by arms control limits, and would only prevent actual deployment of an SDI defense.

Earlier this year the administration indicated it was going to make an early decision on the issue of the treaty's interpretation. However, the signals from the Congress appear to have slowed the Administration's intentions. The speeches of Senator Nunn on the treaty issue endorsing the traditional interpretation of the ABM Treaty to be historically and legally accurate were a clear statement that Nunn, a key Democrat spokesman on defense, would not accept such Administration action. Nunn's message contained obvious implications for the level of SDI funding if the Administration carried forth with its reinterpretation of the ABM Treaty. Also, the Administration must ask what the consequences of an ABM reinterpretation would be on the arms control process. For example, would the Soviets tighten their position on SDI and re-establish the link with INF which Gorbachev has removed.

This latter concern raises a factor which the U.S. must fully consider in its arms control policy. Gorbachev has shown substantial ability to exploit public opinion and to seek to gain the initiative in arms control. The United States must not rush to the table to sign an agreement, but it should not let the Soviets control the initiative either. Prospects for an arms control agreement by 1988 may not be high, but it is still possible to continue the process along positive lines between now and the next election.

SOKOL U.S.A. SLET

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. KOLTER. Mr. Speaker, I rise today to honor a very significant event to be held in the District of Columbia from June 24 to 27, known as the Sokol U.S.A. Slet.

The Sokol is a fraternal organization founded by Miroslav Tyrns in Czechoslovakia in 1862 and brought to the United States by immigrants. It has since become a national organi-

zation known as the Slovak Gymnastic Union of the United States of America.

On this 125th anniversary of the organization, members from the United States, Canada, and Europe will meet in the District of Columbia for a gymnastics competition, followed by a slet, which is a gymnastics festival, at the District of Columbia Armory on Saturday, June 27.

This very meaningful event will attract 1,200 participants and will include mass calisthenic exercises to music, Czechoslovakian folk dancing and olympic style gymnastics.

Other Sokols participating will include the Yugoslavia Sokol of the Free World, the American Sokol, the D.A. Sokol of New York, and the Czechoslovakia Sokol Abroad.

I also wish to honor Dr. Stephen Banjak, a constituent of my Fourth Congressional District, who will direct the Sokol U.S.A. Slet. Dr. Banjak is assistant professor of physical education at Slippery Rock University in Butler County, PA. He is a graduate of the University of Iowa and the University of Pittsburgh and has been a gymnastics coach for 16 years.

Dr. Banjak's immigrant grandparents supported the Sokol throughout their lives and his father, at age 74, still teaches in a Sokol gymnasium in Farrell, in western Pennsylvania.

I am proud to inform my colleagues of an event of this magnitude and of an organization that has done so much to enrich our country's heritage. I commend Dr. Stephen Banjak and his family, as well as all of the other Czechoslovakians who continue to support this wonderful tradition.

A LITTLE HELP FROM FRIENDS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SMITH of Florida. Mr. Speaker, I would like to recognize Driftwood Middle School's innovative peer counseling and tutoring program which has recently gained national attention.

Cable News Network was first in opening the Nation's eyes to Driftwood's innovative ideas in counseling. Fortunately, if Florida citizens from Dade and Broward County missed the CNN segment, they will have another opportunity to learn about the Driftwood counseling program. On June 14, 1987, students from Driftwood Middle School will appear on Charles Kuralt's Sunday Morning show to share the success of Driftwood's unique peer counseling and tutoring program.

Driftwood is setting a perfect example for other schools to follow. The catalyst was ideal—if peers can be influenced to take drugs and drink alcohol, couldn't they be influenced to improve their grades and self-esteem? That is precisely what seventh and eighth graders of Driftwood are helping troubled sixth graders to do.

By counseling, helping with homework and discussing problems, the seventh and eighth graders of Driftwood have helped their fellow sixth grade peers improve their grades, self-esteem, and attitude. The program consists of 30 sixth graders who are matched with an older peer. The success rate is testament to

the emotional and educational support peers can lend to other peers.

Everyone knows that the road gets a little bumpy when you're growing up. It's nice to know you can get a little help from your friends. I would like to congratulate Driftwood Middle School in setting an example for our Nation's schools to follow.

VETERANS' HOUSING REHABILITATION AND PROGRAM IMPROVEMENT ACT OF 1987

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Ms. KAPTUR. Mr. Speaker, during the past several months, the Subcommittee on Housing and Memorial Affairs has held extensive hearings on the VA Home Loan Guaranty Program. We have heard from veterans organizations, mortgage bankers, homebuilders, realtors, and many other individuals who have experience with the program or the housing industry in general.

The bill I am introducing today represents a composite of the views of all of the interested parties who presented testimony before the subcommittee.

In essence, it reaffirms the fact that the VA Home Loan Guaranty Program is a veterans' benefit.

It approaches the program not only from the perspective of helping veterans finance the purchase of homes with favorable interest and loan terms; but also after a veteran is in that home, of helping him/her keep it.

Toward this end, my bill requires more intensive efforts toward servicing delinquent loans. Foreclosures continue at a high level. Although the VA's experience is comparable to FHA and conventional lenders, the VA paid 29,438 claims in calendar year 1985 and 34,750 in calendar year 1986. This is an increase of 18.1 percent. The VA does have servicing procedures. However, the large influx of VA home loan guaranty applications last year coupled with reduced staffing levels resulted in a serious deterioration of quality and timeliness in delivery of services to this program. It is my belief that increased servicing on loans would result in fewer foreclosures and my bill attempts to address this matter. In addition, it provides for the furnishing of procedures alternative to foreclosure and establishes a mortgage foreclosure relief program by making loans up to a maximum of \$8,400 to veterans facing foreclosure through no fault of their own.

Mr. Speaker, we hear time and time again how veterans who have had their loans assumed when selling their homes often are liable to the Government for the debt of the new occupant if the house goes into foreclosure. We also hear about certain frauds being perpetuated against veterans such as equity skimming because of the easy assumability feature of the VA guaranteed home loan. Although we still plan to keep the assumability feature in place, the bill will require new underwriting on assumed loans. This will assure safer loans resulting in fewer foreclosures,

and will release the veteran from future liability.

Mr. Speaker, another new initiative will be to remove the loan guaranty ceiling and provide a uniform guaranty of 30 percent for single-family, condominiums, and manufactured housing loans. This will help veterans in their efforts to purchase homes in higher cost areas such as Washington but will also establish a uniform policy on veterans' debts which accrue when foreclosure occurs. The formula today is set up in such a way that veterans with a \$60,000 loan can end up with as great a debt as veterans with a \$100,000 loan. My provision takes care of this inequity.

Mr. Speaker, when the inevitable happens and foreclosure occurs, the VA must make a decision to either acquire the property in an effort to reduce its losses or to simply pay off the claim and leave the property with the lender. In fiscal year 1986, the VA acquired 85 percent of all foreclosed properties. Although some properties sell easily and quickly, the VA has experienced some problems with properties staying in the inventory for long periods of time. Obviously, vacant properties start deteriorating and my bill has proposals to move some of these properties more expeditiously.

As an example, my bill would authorize additional amounts to prospective purchasers as may be necessary for rehabilitation purposes. It would also authorize up to 25 percent discounts on properties to organizations who agree to use veterans through the Job Training Act to rehabilitate same and would give priority to veterans in the purchase of these rehabilitated homes. Lastly, it encourages organizations and political subdivisions to acquire difficult-to-sell foreclosed properties to assist homeless veterans and authorizes the Administrator to discount properties for that purpose.

The subcommittee has also heard from mortgage bankers in certain areas of the country such as Houston who have been particularly hard-hit by high foreclosures. They have recommended certain modifications to the VA property acquisition policy and my bill would stop the accrual of interest for calculations purposes in cases where delays are caused by the VA or the lender exercises forbearance at the request of the VA. Since lenders have said they would forfeit the right to be reimbursed for such interest if the VA acquires the property, this modification seems reasonable.

In addition to the benefits aspect of the program, the bill addresses certain management problems which were brought to the attention of the subcommittee during our hearings. One of these is the prohibition of loan portfolio sales unless at 100 percent of par or above. Because of the high foreclosure rate over the last several years, the VA has sometimes sold parts of their loan portfolio at a loss for quick revenue purposes. In the fiscal year 1988 budget, the Administration proposed yet another revision to its loan policy sales procedures. This would have required the VA to sell all of its loans without repurchase agreements. Earlier this year, VA officials indicated that this change in policy would result in an average loss of 30 percent of the face value of these loans. In the latest trial sale, the VA

received offers as low as 55 cents on the dollar and in one instance the offer was 15 cents on the dollar. Mr. Speaker, although the VA did not accept these offers, this type of fire sale mentality imposed by OMB is appalling. It is time for the Congress to step in. The VA must be allowed to take full advantage of existing secondary credit markets and to maximize the proceeds of loan sales.

Mr. Speaker, since there are no uniform certification procedures for appraisers, my bill outlines qualifications for VA fee-basis appraisers. It also authorizes appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Since 75 percent of all VA guaranteed loans are underwritten by automatic lenders, this seems to be a reasonable step. It will expedite new loans and free up personnel to more fully service delinquent loans.

Mr. Speaker, we are all familiar with the Administration's attempts to increase the 1 percent user fee charged to veterans when they purchase a home through the VA Home Loan Guaranteed Program. This 1-percent fee is scheduled to expire September 30, 1987. Frankly, I don't like the 1-percent fee and one of the provisions of the bill would suspend the fee at such time as the revolving fund balance is sufficient to pay claims for 1 year. In the meantime, I will extend the 1-percent fee for 2 years as it does bear a responsible relationship to the administrative costs of servicing the program but plan to look at other alternatives in the future.

Mr. Speaker, there are several other provisions contained in my bill which would allow for easier refinancing and other modifications. Again, I wish to emphasize that this is a pro-veterans bill and I look forward to additional input on this legislation at the subcommittee's June 23 hearing.

"YEADON, HOME OF THE FOUNDER OF FLAG DAY"

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. WELDON. Mr. Speaker, I rise today to share with my colleagues an excellent article from the Yeadon Borough Newsletter. I do so because many of us may not know that the driving force behind the original celebration of Flag Day was William T. Kerr of Yeadon, PA. This coming Sunday, June 14, 1987, we will celebrate this great day. I would like to take this early opportunity to remember the man who made this day possible.

Mr. Speaker, I join with the people of Yeadon in taking special pride in this remarkable achievement, and commend to my colleagues the following article:

"YEADON, HOME OF THE FOUNDER OF FLAG
DAY"

Is it possible to wave the flag too much? I believe that we are not waving our flag enough. Every flag should be flying on every rooftop and from every home and building. The flag is a symbol of our national unity. It is the spirit of our undying devotion to our country. It stands for the best

this is in us . . . for loyalty, character, and faith in democracy.

The national observance of Flag Day each June 14 is due to the untiring efforts of William T. Kerr. For more than a half-century, Kerr campaigned for the establishment of Flag Day, appealing to every United States President from William McKinley to Harry Truman, leading rallies and continually promoting the idea of a special day honoring "Old Glory." He visited the White House annually to discuss the importance of Flag Day with the President. In 1937, June 14 was declared a legal holiday in Pennsylvania. Thus, the state where the first American flag was adopted, became the first state to officially recognize its anniversary.

The fulfillment of Kerr's boyhood dream came true when President Harry S. Truman personally telephoned and invited William T. Kerr to the White House to attend and participate in the signing of Public Law 203 of our 81st Congress. This historic event occurred on August 3, 1949 and read:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the 14th day of June of each year is hereby designated as "Flag Day" and the President of the United States is authorized and requested to issue annually a proclamation calling upon the officials of the government to display the flag of the United States on all government buildings on such day, and urging the people to observe the day as the anniversary of the adoption on June 14, 1777, by the Continental Congress of the Stars and Strips as the official flag of the United States of America."—Signed August 3, 1949, Harry S. Truman, President.

After the signing of the bill the President gave Mr. Kerr the pen he had used in signing it, and graciously invited him into the President's office where they had a leisurely visit.

During the Bicentennial Year, 1976, the Borough of Yeadon honored William T. Kerr by having gold and silver coins struck by the Franklin Mint. On one side is the likeness of Mr. Kerr, with a flag in the background and the words "Founder of Flag Day", William T. Kerr, Yeadon, Pa. On the other side is a scene depicting the founding fathers of our country as they adopted the stars and stripes as our nations' symbol.

UNITED STATES COULD TRIUMPH AT VENICE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. GARCIA. Mr. Speaker, the Venice summit is over, and although the lack of discernible results was expected, it is nonetheless disappointing. We still face exchange rate imbalances, projected slow global economic growth and the ever present LDC debt problem.

One of the people who foresaw the great opportunities for success at Venice was our colleague JOHN LAFALCE. In an article in the June 8 edition of the Journal of Commerce he succinctly delineates the areas in which the United States could have triumphed at Venice. I attach his article and recommend it to my colleagues.

UNITED STATES COULD TRIUMPH AT VENICE

(By John J. LaFalce)

The annual economic summit now under way in Venice provides a chance for the United States to take the leadership role that only we can play in the re-creation of a stable worldwide economic climate. The world debt crisis poses great problems today, but it also provides the United States with a great opportunity to make Venice a political triumph.

The international economy is suffering from major strains that put its future at risk. World commodity prices remain flat. Industrial countries refuse to stimulate their economies. Exchange rate instability among the industrial countries leads to a pessimistic expectation of economic growth in 1987—and perhaps for a year or two beyond. The risk of recession next year is real.

The Latin American debtor countries are in desperate economic shape, with inflation over 100% a year in Brazil, Mexico and Peru, and with hopes for economic recovery fading. The debt crisis has forced commercial creditors to accept some piecemeal restructuring of debt. But no permanent arrangements have been made on future financing, and the net drain of capital from Latin America last year was \$29 billion. This is not sustainable in the long run. The debtor countries in Sub-Saharan Africa are in even more desperate straits. Meanwhile, the failure to resolve the U.S. trade deficit means that there are limits to our ability to continue absorbing imports from the Third World.

Perhaps the debtors could have coped with the instabilities of the world economy if the Baker proposal has succeeded. It has not. The historic significance of Citicorp's decision to provide for up to \$3 billion in Third World credit losses is that it undermines the position of Treasury Secretary James A. Baker III that any restructuring of international debt must impose no costs or losses on the banks. It also indicates that commercial banks are reluctant to provide new loans to most debtor countries in the near future.

The administration response to these pressures has been weak because of its unwillingness to face the realities of U.S. budget policy and global debt management. With regard to the latter, the administration seems to be far more concerned with maintaining U.S. bank profits than with restoring growth in Latin America, the kind of growth that could reduce our own trade deficit and put the debt crisis behind us.

Given the likely stalemate over U.S. fiscal policy for the next year—large budget deficits will continue to limit improvements in our trade deficit—the key goals at Venice should be to avoid a slowdown in economic growth, to push for more open market access in the industrialized countries, and to prevent the debt crisis from further damaging debtor economies, with the inevitable repercussions on the U.S. and world economies.

The Japanese government's proposal to channel \$20 billion in new lending to the Third World can help to achieve these aims. The recycling of Japanese savings to Latin America would provide a stronger stimulus to the U.S. economy than would an equal increase in Japanese government spending. But at least one additional action is needed for increased Japanese lending to significantly benefit the world economy. It is important that the new loans represent a net increase in funds for investment in Latin

America, not simply a mechanism for additional repayments to the private banks. To ensure that the new credits actually increase the net flow of resources, the Japanese proposal should be combined with a mechanism for restructuring and reducing the existing debts.

We should consider the creation of an International Debt Management Facility that could acquire the banks' credits at a discount and pass along the savings to the debtor nations in the form of reduced interest rates, subject to appropriate adjustment policies by the debtor governments. Private banks voluntarily selling their loans to the facility would improve their balance sheets. This proposal, now part of both the House and Senate trade bills, is a natural complement to the Japanese initiative. It provides a way of avoiding the problem of new loans going simply to bail out old loans. Debtors would receive a double dose of relief, and our trade and economic growth would improve.

The administration should embrace the Japanese initiative as an opportunity to develop a new debt management strategy and encourage the World Bank to work with Japan on the disbursement of this added capital. The tools to meet the debt challenge are at hand. All that is lacking is the will to use them.

LEHIGH VALLEY WORKERS
MEAN IT WHEN THEY SAY
"BUILT LIKE A MACK TRUCK"

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. RITTER. Mr. Speaker, May 4, 1987 established a landmark labor agreement between Mack Trucks, Inc, Local 677, and the International United Auto Workers. The agreement represented a historic moment in Pennsylvania labor relations and creates a new partnership that has and will continue to have a tremendous economic and psychological impact in the Lehigh Valley and beyond.

We have many winners emerging in this struggle to reach common goals—the workers of the Lehigh Valley are winners, with some 5,000 jobs being saved—the UAW is a winner because they keep thousands of members—the State of Pennsylvania is a winner, with Mack Trucks committing millions of dollars in new investment in the Commonwealth—and Mack Trucks is a winner, because their leadership took risks to save jobs and continuity as they struggle to become more competitive.

I knew from the beginning this would be a complex problem and worked closely with Mack, UAW personnel and others to promote a settlement that kept Mack Trucks in the Lehigh Valley.

Mr. Speaker, I point with pride that eventually all sides came together for the common good. On May 4, 1987, in Allentown, PA, at Mack Trucks world headquarters, the Governor of Pennsylvania and his key staff, officials of Mack Trucks and the UAW, and local and regional officials and community leaders were present for the historic, formal announcement of the agreement. I was proud to be present for that memorable occasion, during which the president of Mack Trucks eloquently ad-

dressed the gathering. At this time, Mr. Speaker, I include the May 4 remarks of Mack president, Jack Curcio, in the RECORD.

J.B. CURCIO'S REMARKS FOR PRESS
CONFERENCE, MAY 4, 1987

Thank you, Mr. Harris. I can't tell you what a great pleasure it is to stand before you this morning and to recognize everybody who has contributed to what I believe is a very historic contract between Mack Trucks and the UAW. The key elements of this unprecedented agreement will provide significant job and income security to our Mack employees, while affording Mack the ability to compete more effectively in the heavy-duty market of both today and tomorrow.

We at Mack Trucks fully recognize that our survival requires us being more cost competitive in today's fiercely competitive global truck markets, and we are currently implementing our long-term strategic plan to do just that.

We have recognized the need to make investments in new plants and new technology; to improve our manufacturing efficiencies, to decrease our costs and also to maintain the uncompromising quality of our Mack products, which have had a worldwide reputation for excellence for over 87 years. Mack is firmly committed to demonstrating that manufacturers in Pennsylvania and in the United States can compete in today's global economy. But we also recognize that changes in the way we do business are imperative, if that competitive edge is to be achieved again. Changes in the way we manage our business and in the role of organized labor are essential for the survival of manufacturing in Pennsylvania and in the United States. We recognize our responsibility and are currently implementing an aggressive long-term strategic plan to ensure our growth and profitability well into the twenty-first century. Furthermore, we at Mack also applaud our employees for recognizing their responsibility to contribute to Mack's competitiveness in this heavy-duty truck market.

For many reasons, achieving the new contract between Mack and the UAW was a long and difficult process. But, because of the help and support of many people—far too many to even mention here this morning—but particularly a fellow coal-cracker, Gov. Bob Casey; Secretary of Labor and Industry Harris Wofford; our great mediator, Bill Usery; and also Gov. Schaefer of Maryland played a role, and Congressman Ritter, and my friend, State Representative Paul McHale; and so many of our business, community and political leaders here in the state of Pennsylvania. Because of all these efforts, we were successful.

But, as Bill Usery has said many times, and I agree with him so much, our job has certainly not ended. Reaching an agreement is only the start of the changes in the relationship between all Mack employees that must occur if we are to join in our efforts to help Mack face the challenges of the 1990's and beyond. We must take advantage of the 5½ years of this contract to establish a new era of relationships at Mack so that Mack can continue to become more competitive and the UAW can assure its members of both job and income security. We are committed to that effort, since the only true job security is our success in the marketplace.

I want to thank everyone who has personally contributed to this great success, but most importantly to those on both sides of this agreement, those who spent so many

months of sustained effort to successfully complete this task. I recognize and sincerely appreciate the personal sacrifices made by you and your families, and I thank you all for a job well done.

But now is the time to put this long, grueling task of negotiations behind us and begin to refocus our attention on the future of Mack Trucks, all of our futures. Throughout the '80's Mack has undergone many changes needed to reshape the Company to face the 1990's. Our new signed historic agreement with the UAW is just one more step in the plan which I believe will keep Mack "The Greatest Name in Trucks."

PRESIDENTIAL SELECTION PROCESS

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SWIFT. Mr. Speaker, the Subcommittee on Elections, which I chair, has held hearings several times over the last few years on the Presidential selection process.

We have wrestled with questions about whether the current system of Presidential primaries and caucuses is too long and expensive, or whether it serves a useful purpose by testing Presidential candidates in a variety of places over a period of time. We have asked whether a handful of small States have too much influence in the process, or whether they provide a needed opportunity for relatively unknown but well-qualified candidates to emerge. We have also pondered: if we were to determine that changes need to be made, exactly what should those changes be, and what constitutional authority would Congress have to make them?

Currently we have laid these questions aside, important though they are, in deference to the States that have embarked on one avenue of change by establishing their own systems of regional primaries and caucuses, especially in the South.

During and after the 1988 Presidential election, I expect that many of the same questions we have considered before will again be raised. Recently, for instance, the following item appeared in the New York Times. This is a point of view that should be examined in the ongoing debate on this topic, and I would like to bring it to the attention of my colleagues.

The article follows:

[From the New York Times, May 31, 1987]

THE IOWA CAUCUSES HAVE NO CLOTHES

(By Gilbert Cranberg)

DES MOINES.—"Get thee to Iowa," political soothsayers advised Democratic candidates in the aftermath of the funny thing that happened to Gary Hart on his way to the White House. I have a better suggestion: Stay away.

If enough Presidential candidates boycotted the Feb. 8 precinct caucuses, the event no longer would be invested with significance—significance it does not deserve.

Iowans are sensible, literate people. The system their politicians cooked up to give them a piece of the Presidential-nominating action is unworthy of them. It is dumb—so dumb that most Iowans do not participate.

The 1984 Democratic precinct caucuses attracted eight candidates. The contenders

criss-crossed the state for months, wearing out themselves, their workers and, apparently, their audience. The Iowa and national press covered the contest breathlessly. And on caucus night only 75,000—just 14 percent—of the state's 534,000 registered Democrats went to the precinct meeting places. The caucuses disfranchise Iowans who are out of town or who work nights or are handicapped or too frail to brave a nasty winter night.

A caucus is a neighborhood gathering. The 2,500 Democratic caucuses feature an arcane delegate-election procedure that requires wheeling and dealing, sometimes for hours. All in public. If you do not relish political wrangling with neighbors, or you cherish the secret ballot, the caucuses are not for you—as they are not for most Iowa Democrats.

Republican caucuses are more sedate, though no better attended. The big event is a straw vote on the candidates. That tally makes the next day's headlines. The most significant event, though, is the election of delegates to G.O.P. county conventions. Those elections shape Iowa's delegation to the national convention. The press hardly pays attention to caucus selection of these delegates because Republicans have not figured out a way to make it newsworthy by providing hard numbers.

Political activists dominate both party caucuses. The fuss over the caucuses is about the choices by small numbers of elites, charged up over causes ranging from the arms race to abortion to evangelical Christianity, in a state that, in any case, is atypical demographically and economically.

Campaigning for the caucuses is akin to finding needles in a haystack. The candidates who find the most needles—that is, the likely caucuses-goers—get anointed as front-runners and top challengers. Obscured by the hoopla is the insignificant fraction of voters who decide the outcomes. Mr. Hart was judged by the press to be Walter F. Mondale's chief rival in 1984 after luring a mere 9,000 or so followers to the caucuses.

So candidates roam rural Iowa looking for straw votes by offering photo opportunities with pigs. A former governor pedals across the state. The search for scarce caucus participants puts the candidates on a merry-go-round of picnics, coffees and living-room tete-a-tetes.

An estimated 2,000 members of the national press corps will report the doings, much to the delight of the state's tourism and economic-development promoters. Toss in expenditures for campaign offices, staff, ads, meals, auto rentals and hotels, and Iowa has a thriving election industry. Given the intrinsic worth of the caucuses, they are a classic case of the proverbial rube taking city slickers to the cleaners.

Yes, Iowa's caucuses give underfinanced unknowns a shot at the Presidency. The relatively low cost of a campaign is more than offset, though, by the toll in stamina and time taken by the ordeal. The Iowa parties may be among the chief victims when their best workers become too pooped to politick in the general election after 18 months of battling each other.

The youngster who blurted the truth, "Look ma, the Emperor has no clothes" brought people to their senses. Politicians who proclaimed the idiocy of the Iowa caucuses, refused to participate and demanded reform of the hodgepodge of offshoots would perform a similar service. The purpose of a nominating process is to demonstrate fitness for office: Opting out of the

madness by tossing a towel into the ring instead of a hat would do exactly that.

REPEAL THE VERRAZANO BRIDGE ONE-WAY TOLL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. WEISS. Mr. Speaker, on June 4, 1987, I testified in New York City at a public hearing regarding the disastrous Verrazano Bridge one-way toll experiment. I am calling this matter to the attention of my colleagues in order to remind them that in 1985, the U.S. Congress forced New York to change the way tolls are collected on the Verrazano Bridge. As my colleagues will also recall, this House subsequently voted to undo the damage but the repeal was lost in conference with the Senate.

My testimony explains the consequences of this unprecedented and unjustified Federal action.

TESTIMONY OF CONGRESSMAN TED WEISS BEFORE THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

THE ONE-WAY TOLL ON THE VERRAZANO-
NARROWS BRIDGE

I am pleased to have the opportunity to testify before you today. My views on the Verrazano one-way toll are no secret. I have been opposed to it since its inception and have been a leader in the fight to repeal it.

It is truly ironic that today, more than one year after the toll experiment began in March of 1986, we are assessing a draft Environmental Impact Statement (DEIS) on the one-way toll. EIS' are normally performed before and not after a proposed action. Had this logical and responsible sequence been followed, residents of lower Manhattan could have been spared fourteen months of needless suffering.

In fact, a study was released in 1984 by the TBTA, which predicted that a one-way toll on the Verrazano would cause serious traffic congestion in Brooklyn and Manhattan, safety problems, and an annual revenue loss of over \$7 million. Following this study, the New York State Legislature rejected a one-way toll proposal. Had the U.S. Congress heeded the will of the State Legislature, this entire fiasco could have been avoided.

The DEIS confirms what we have been saying for months, in short: the toll experiment is a failure. The toll change has caused a substantial loss of revenue, a significant increase in traffic problems, and a hazardous deterioration of air quality in lower Manhattan.

Consider the following facts from the DEIS:

In six out of the eight roadway sections cited for significant changes in peak hour vehicular travel time, the toll change has had a negative impact.

Travel time in lower Manhattan on weekday evenings has increased. (Westbound traffic on Canal Street and southbound traffic on Varick Street has increased by 6 minutes and 3 minutes respectively.)

The travel time savings achieved on the Staten Island Expressway eastbound is equal to the increase in travel time on the Brooklyn-Queens/Gowanus Expressways.

Simply put, traffic problems have been shifted—not solved.

In three out of the four locations affected by the toll change, traffic conditions have been impaired. Only one location has benefited—the Staten Island Expressway east of the Slosson Avenue Upgrade. In lower Manhattan, however, traffic conditions have been significantly impaired on approach routes to the Holland Tunnel. Moreover, the DEIS points out that the effects of increased congestion in an urban street system such as Lower Manhattan's are more severe than on an expressway because there are more opportunities for vehicle conflicts and incidents that further impair traffic. Again, the DEIS confirms that small gains in Staten Island are outweighed by serious damage in Lower Manhattan.

Although the toll-change has eliminated one air pollution "hot spot" near the Verrazano toll-plaza area, it has resulted in increased carbon monoxide levels and the creation of three new "hot spots" in lower Manhattan.

Finally, annual toll revenues have been reduced by an estimated \$8.2 million and net revenues are estimated to have been reduced by approximately \$7 million.

In detailing criteria for repeal of the one-way toll, Section 324 of the 1986 Transportation Appropriations Act contains only two provisions: a) that there has been a substantial loss of revenue and, b) that there has been a significant increase in traffic problems. The DEIS confirms that both have occurred.

Although technically, these two conditions are enough to require the immediate revocation of the one-way toll. I would like to offer two additional reasons why Governor Cuomo should petition U.S. Secretary of Transportation Elizabeth Dole to revoke immediately the one-way toll.

First, the Verrazano Bridge is a local bridge, built and maintained with local funds. The unprecedented Federal mandate, which created the one-way toll, impinges on the sovereignty and integrity of New York. It is a gross violation of the basic principles of Federalism.

Last year the Appropriations Subcommittee on Transportation recognized this grave violation and approved a compromise measure which would have returned the Bridge decision to local control. Shortly thereafter, the House of Representatives demonstrated its support for allowing local authorities to determine the fate of the Verrazano toll. By a vote of 253-168, the House struck down an Amendment which would have repealed the compromise language. The Amendment, offered by my colleague, Representative Guy Molinari, was not supported by a single Representative from New York City or New Jersey. Unfortunately, the compromise measure was lost in conference with the Senate.

Second, the December 31, 1987 Clean Air Act compliance deadline is looming in the very near future. New York City is among the approximately seventy areas which will fail to meet the December 31 deadline to attain ambient air quality for ozone and/or carbon monoxide. Congress has been asked to seek and support an extension of the deadline. If the deadline is not extended, New York will face stiff penalties, which include the denial of federal highway funds and bans on construction of new industrial facilities.

New York's EPA-approved State Implementation Plan (SIP) commits the State to eliminate all air pollution "hot spots" by

the December 31 deadline. Instead, as I have pointed out, the toll-change has created three new hot spots in Manhattan—placing New York State in further violation of its own SIP. I think it would be difficult for the New York City Congressional delegation to press for another Clean Air Act extension if steps are not taken to resolve the Verrazano situation.

Joined by a bipartisan coalition of Representatives from New York City and New Jersey, I have reintroduced legislation to repeal the one-way toll. Moreover, eight members of the New York City congressional delegation joined me in a letter to Governor Cuomo, urging him to act swiftly. It is my hope that approaching this issue at both the Federal and State levels will help to resolve the toll dilemma expeditiously.

I would like to digress at this point to express my opposition to any proposal to make trucks pay tolls in both directions, while continuing the one-way toll for cars. At first glance this sounds like a fair solution; after all, trucks rerouting to avoid the toll are the primary source of both increased traffic and lost revenues in New York City. However, the truth of the matter is, this proposal is very dangerous.

According to Sam Schwartz, First Deputy Commissioner of the New York City Department of Transportation, this proposal would be a disaster. The leading cause of accidents is differential vehicular speeds. If implemented, this plan would result in dramatic differences in vehicular speeds at the toll plaza. Trucks would be a virtual standstill waiting to pay the westbound toll, while cars would continue to pass by in adjacent lanes at speeds in the range of 45-50 miles per hour. Inevitably, a few cars would find themselves inadvertently stuck in the long truck queues and would attempt to move out into where traffic would be moving at the higher speed. The accident potential is staggering.

I am sympathetic to Staten Island's traffic and air pollution problems and would be pleased to support safe, effective remedial measures. However, shifting these problems to Manhattan, which is already beleaguered by traffic congestion and air pollution is not the appropriate solution.

The original six month experiment required by the statute ended in September of 1986. The time for talk has long passed, the information presented in the DEIS is clear and convincing. There can no longer be any doubt about the necessary course of action: for the well-being of thousands of residents of New York City, the one-way toll must be repealed.

WE NEED AN ACID RAIN BILL THAT WILL PASS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. LENT. Mr. Speaker, today, Mr. Speaker, several of my colleagues on the Energy and Commerce Committee will be introducing legislation to control acid rain. I would like to take this opportunity to commend the sentiments they are expressing as well as their faithful efforts in this area. I support acid rain control legislation, but I will not be cosponsoring this particular proposal. I would like to take this opportunity to explain why.

Mr. Speaker, the legislation they are introducing is similar, if not identical, to legislation we introduced in the 99th Congress—H.R. 4567. Last year the proposal received broad support, but was still unable to attract enough votes to move forward in the House. Its prospects for passage this Congress on the committee have declined dramatically.

The undeniable truth is that with the new Congress has come changes to the Energy and Commerce Committee. Of the five members we lost on the committee, four of them supported H.R. 4567. Most observers believe that, with the changes in membership, H.R. 4567 has even less chance than it did last Congress, when it died in committee.

Furthermore, the current proposal fails to carry forward key amendments made last year during subcommittee markup of the bill. These amendments were needed to accommodate the concerns of members and move the bill out of subcommittee. Their omission now has added to my strong feeling that this is not a viable approach and it will not get us any closer to passing acid rain legislation in the House.

Mr. Speaker, I fear that introducing this proposal now will send the wrong message to the people of this country. By introducing the bill, people outside the beltway will be led to believe that we are doing something on acid rain. They will believe what I know not to be true—that this legislation is politically acceptable to a majority of members on the Energy and Commerce Committee.

Mr. Speaker, it is exactly the grassroots interest and effort we need in order to forge a bill that could be acceptable to the diverse membership of the committee. Instead of defusing this energy, I would like to increase it so that it will provide momentum for a bill that truly has a chance to pass.

INTRODUCTION OF JEMEZ PUEBLO INDIAN FIREFIGHTERS BILL

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. RICHARDSON. Mr. Speaker, I am very proud today to introduce a bill which provides access to our Federal courts for 14 Jemez Pueblo Indian firefighters and the legal representatives of four Jemez firefighters who were killed or injured during firefighting operations in Boise National Forest in Idaho on August 24, 1986. This bill to allow access to the courts is the only avenue affording these bereaved families a hope of obtaining adequate compensation for their loss.

The subjects of this bill are proud members of the Jemez Eagles, a group of Indians from the Jemez Pueblo in New Mexico, who agreed to fight forest fires on our national forest lands. They were sent to Idaho to fight a fire in Boise National Forest in August 1986. During the firefighting operation there was a tragic accident. The transport truck carrying the Jemez Eagles went off the road and careened down a steep mountainside. Four of the firefighters were killed and 14 others were

injured in the accident, some of them seriously. The driver of the truck was a member of the Idaho National Guard and the Jemez firefighters were merely passengers.

Unfortunately, due to the peculiar legal status of the Idaho National Guard driver and the Jemez Eagles, these brave men and women, and their families, do not have an adequate remedy for their loss. Under Federal law, the driver is considered a Federal employee, which precludes any legal liability on his part or the State of Idaho. A Federal court recently held that the driver cannot even be prosecuted for a violation of the State motor vehicle law. But claims against the United States are also barred because the Secretary of Labor has determined that the firefighters were covered by the Federal Employees Compensation Act [FECA]. Coverage under FECA precludes a claim under the Federal Tort Claims Act, which is the normal remedy for a person seeking redress against the United States for a personal injury.

The FECA provides Federal employees with compensation for injuries suffered in the workplace. The amount of compensation, however, depends on the employee's earnings, and, in the case of death, on proof of economic dependency of certain relatives. This system is totally inappropriate and inadequate for these firefighters who worked infrequently and for low wages. For example, the mother of one of the deceased firefighters could expect to receive only approximately \$4,300 in a lump sum payment for the loss of her son.

A wrongful death tort claim on behalf of the estate of this same firefighter could be worth in excess of \$250,000. This is because tort law takes into account the monetary value of the life of the deceased, in this case factoring in the deceased firefighter's relative youth, long work life expectancy, and earning ability. Tort law also allows recovery for the value of lost household services to the family of the deceased. This is especially important in this case because each Pueblo Indian male is expected to contribute substantial services both to his immediate family and to his parents, grandparents, siblings and entire extended family.

Mr. Speaker, I am sure you can imagine the frustration of the families of the four deceased firefighters with a system of justice which denies them any meaningful or adequate recompense for the wrongful deaths of their loved ones. It is a cruel irony that the Federal scheme that deems both the Jemez Eagles and the National Guardsmen Federal employees precludes an effective avenue of relief. This was not the intent of these Federal statutes. A primary reason for designating National Guardsmen as Federal employees was to allow Federal tort recovery by innocent victims of the Guardsmen's negligence. The anomalous result in this case penalizes the very people who would otherwise have been helped by the provisions of the statutes. These cracks in the judicial system threaten to engulf these bereaved families. Legislation is the only avenue of reasonable relief.

Mr. Speaker, the bill I am introducing today simply allows the injured firefighters and the legal representatives to bring a claim under the Federal Tort Claims Act. It does not make any monetary award to the firefighters or their

survivors. Under this bill they can present their case to the court and let it decide if the United States was at fault for their injuries.

The Jemez Eagles bravely went to help their Nation by fighting fires on national forest land. They were aware of the dangers attendant in that work and were willing to accept that risk. But they did not sign up with the notion they were assuming the risk of negligence in their transport to the site of their work. The terrible accident was not a normal or foreseeable consequence of their work, nor one that these young Indians had any possibility of avoiding.

Mr. Speaker, these firefighters and their families ask only that they be able to present their case in our Federal courts. They will never again enjoy the company of their loved ones who have been lost. They will never again be truly whole. They deserve the chance to seek that compensation available under our judicial system. I urge my colleagues in the House to pass this legislation and give these Jemez Eagles and their survivors that chance. Let them have their day in court.

H.R. —

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

SECTION 1. TORT CLAIM.

(a) AUTHORITY TO COMMENCE ACTION.—Notwithstanding section 8116(c) of title 5, United States Code, each individual listed in subsection (b), or the legal representative of the estate of such individual, may commence an action under chapter 171 of title 28, United States Code, upon a claim against the United States for injuries or death sustained by such individual in a truck accident as a result of the alleged negligence of members of the Idaho National Guard and employees of the United States during firefighting operations in the Boise National Forest, Idaho, in August 1986.

(b) DESCRIPTION OF INDIVIDUALS.—The individuals referred to in subsection (a), members of firefighting crew number 4 of the Jemez Eagles of Jemez Pueblo, New Mexico, are the following:

- (1) Hilario R. Armijo.
- (2) Timothy W. Armijo.
- (3) Allen M. Baca.
- (4) Vincent A. Chavez.
- (5) David G. Chinana.
- (6) Victor Chinana.
- (7) Ivan T. Gachupin.
- (8) Michael J. Gachupin.
- (9) Frank Madalena, Jr.
- (10) Dennis P. Magdalena.
- (11) Anthony M. Pecos.
- (12) Lawrence A. Seonia.
- (13) Jose R. Toledo.
- (14) Roberta P. Toledo.
- (15) Nathaniel G. Tosa.
- (16) Allen L. Toya, Jr.
- (17) Andrew V. Waquie.
- (18) Benjamin P. Waquie.

SEC. 2. PRESENTATION OF CLAIM TO FEDERAL AGENCY.

Section 2401(b), and subsections (a) and (b) of section 2675, of title 28 of the United States Code shall not apply with respect to an action authorized by section 1(a).

SEC. 3. REDUCTION OF AWARD OF SETTLEMENT.

Any judgment awarded with respect to an individual listed in section 1(b) in an action authorized by section 1(a) shall be reduced by the amount of any compensation paid under subchapter I of chapter 81 of title 5,

United States Code, to, or on behalf of, such individual.

STEVE ZAVACKY JR.

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. KOLTER. Mr. Speaker, today I rise to honor a constituent of the Fourth Congressional District of Pennsylvania who will be honored June 17, 1987, by the community of Butler, in appreciation of years of volunteer work.

Mr. Steve Zavacky, Jr., a retired electrician of 41 years service at Armco Steel Co., has received numerous awards. He has been a member of the Butler County Safety Council for 36 years, serving as president and, for 33 years as parade marshal. In 1987 he received the Hanna-Miller Award in Safety.

Mr. Zavacky is a life member of American Legion Post 778, holding offices of second and first vice commander, treasurer, and historian. He received the Legionnaire of the Year Award in 1981.

He is a life member of the Veterans of Foreign Wars, having served 4 years in the Army Engineers in China, Burma, and India. He is a member of the Penn Township Volunteer Fire Co., the Highfield Community Center, and received the Penn Township Board of Supervisors Award for designing and building the Penn Township Veterans Monument in 1987. In 1983, Mr. Zavacky was presented the North Deanery Award by the Metropolitan Archdiocese of Munhall.

Mr. Zavacky, despite numerous awards has never stopped giving to his community. His dedicated service has been invaluable to Butler County and I am proud to honor this distinguished, respected man by informing my colleagues of his untiring efforts.

ANTI-CASTRO EDITORIAL

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SMITH of Florida. Mr. Speaker, I would like to draw the Nation's attention to an editorial in the Tuesday, June 9, 1987, issue of the Miami Herald. For some, the article sheds light on the international issue of Castro adventurism. For others, the editorial reveals, for the first time, the evils of the Castro regime. For all Americans, the editorial should vividly point out Castro's blatant disregard for human rights and world peace.

FLEEING CUBA

Cuba's Foreign adventurism is greater than previously thought. From London, the military periodical Jane's Defence Weekly says that Cuban troops have been seen in Afghanistan, in a camp at Kandahar near the airport of Kabul, the capital.

Further, an article by Pamela Falk in the current Foreign Affairs magazine enumerates the Cuban troops in various African countries. In Angola, for example, Ms. Falk

says that Cuba has instructors who supervise the MPLA Army, along with 25,000 to 30,000 troops and 5,000 to 10,000 civilian advisers. In Ethiopia, 11,000 Cuban troops guard the Horn of Africa. Cuba also has 2,500 troops in Mozambique, 3,000 troops and advisers in Congo, and 3,500 troops in Libya and Algeria.

In addition, Cuba has 200 troops in Zambia, 250 in Uganda, 240 in Equatorial Guinea, and 500 in Sao Tome e Principe. Not included in this head count are the Cubans who provide support to the Polisario rebels fighting for Western Sahara's independence from Morocco. Nor does it include 50 civilian advisers in Benin, 150 in Sierra Leone, and 125 in Guinea-Bissau.

Cuba has between 50,000 to 60,000 men in Africa. Even taking into account that the Soviet Union provides Cuba its military hardware free of charge, the Castro government's expenditures in 17 African countries represent 11 percent of Cuba's annual budget, according to Ms. Falk. This does not take into consideration the Cubans in Nicaragua and in other parts of the world.

Add to this the million-plus Cubans who have fled the island to the United States, Spain, and Latin America. Count the recent defection of Brig. Gen. Rafael del Pino and his family. Include the 13 men who landed in a small boat in the Florida Keys last week. Consider that Mr. Castro said in a May interview with the French newspaper L'Humanité that he would not mind if another 100,000 Cubans left.

The numbers speak for themselves: Mr. Castro is happiest when Cubans are not in Cuba. Wouldn't it be happier for all if he were the one to leave?

THE 120TH ANNIVERSARY OF THE TOLEDO MAENNERCHOR

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Ms. KAPTUR. Mr. Speaker, on June 20-21, my district's German-American community will be celebrating the 120th anniversary of the Toledo Maennerchor. During this time, the Teutonia Maennerchor of Toledo will host the 30th District Saengerfest of Ohio. This is the first time this century that Toledo has hosted a songfest.

This unique songfest will attract more than 800 singers of German-American descent from Ohio and Pennsylvania. It is expected that our community will play host to more than 1,000 guests from Ohio, Indiana, Michigan, Pennsylvania, and Ontario, Canada, on this weekend.

The important contributions of German Americans to the Nation and the greater Toledo area have been numerous and diverse; in the arts and sciences, community development, athletics, religion, government service, and education. Their commitment to their communities and neighborhoods is inspiring.

I am looking forward to celebrating the 120th anniversary of the Toledo Maennerchor with my good friends in Toledo's German-American community. I know my colleagues in the U.S. House of Representatives join me in congratulating the Toledo Maennerchor and

EXTENSIONS OF REMARKS

wish them every success during the upcoming celebration.

ANOTHER SUCCESSFUL OPERATION BY THE U.S. MARSHALS SERVICE

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. WELDON. Mr. Speaker, I rise today to congratulate the U.S. Marshals Service on yet another successful fugitive operation. Under the direction of Stanley E. Morris, a U.S. Marshals Task Force recently completed a 9-week narcotic fugitive manhunt. This operation resulted in some 210 arrests, to include: long-time drug traffickers fleeing bonds in excess of \$1,000,000, fugitives evading arrest, and those continuing their drug activity while at large.

Project WANT [Warrant Apprehension Narcotics Team], combined teams of U.S. Marshals in cooperation with Drug Enforcement Administration agents for this outlaw roundup.

The first step for the WANT teams was to assign a high priority to fugitives considered to be of significant danger to the public. Having targeted these high priority fugitives, a new computer system, developed by U.S. Marshal personnel, was used to sort the mass of information in each case file into a set of investigative leads. These leads eventually led to 166 narcotics fugitives and 44 others whose criminal activity was identified during the manhunt.

Attorney General Edwin Meese III pointed to several reasons why the U.S. Marshals have been so successful in their attempts to put these criminals back behind bars. The U.S. Marshals Service has proven to be an innovative agency, adapting to a changing breed of criminal. In many cases these fugitives have substantial resources from their drug trafficking profits, as well as from legitimate businesses funded by illegitimate proceeds.

Since the appointment of the first 13 marshals in 1789, the U.S. Marshals Service has taken on a diverse range of responsibilities. As always the marshals have professionally and aggressively attacked the problem at hand to preserve the integrity of the Constitution of the United States.

I would like to congratulate the U.S. Marshals Service on behalf of this 100th Congress and wish for them the best of luck in future operations.

NEW YORK WINES OUTSHINE CALIFORNIA AND FRANCE

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. HOUGHTON. Mr. Speaker, those of us who have spent a lifetime in the wine and grape areas of New York State have known all along what the New York Times reported yesterday.

The good news is that New York State wines are beginning to outshine California and French wines!

According to Howard Goldberg of the Times, "A wine making revolution is under way. The bad old days are fading."

"It's about time the public began to realize that serious young wine makers—and serious wine—are taking over." And of course that means the Empire State.

I urge my colleagues to sample our fine product from the vineyards of New York State and to read the entire New York Times review printed here.

[From the New York Times, June 10, 1987]
WINE TALK—SORRY, FRANCE, TOO BAD, CALIFORNIA. SOME NEW YORK WINES OUTSHINE EVEN YOURS

(By Howard G. Goldberg)

To put my cards on the table, I champion New York wines. This is not chauvinism. It is clear-eyed realism. Anyone who keeps an eye on the Finger Lakes, Long Island, the Hudson Valley and the Lake Erie district sees a wine-making revolution under way.

The bad old days are fading. Yes, labrusca grapes, which stereotyped New York State as America's sweet-wine capital, are still around. Nearly 31,000 acres of them—Concord, Catawba, Niagara, Delaware—flourish upstate. But most now go into juice and wine coolers.

By the way, don't knock labrusca wines for tasting like jam and soda pop. They have a big, dedicated following. I thrive on a brand that turns the taste buds to neon: Widmer's nonvintage Lake Niagara (\$2.92).

But labrusca is not where this state's leading-edge vintners are pointed. Their ambitions lie in classic vinifera—in chardonnay, riesling, cabernet sauvignon, merlot and pinot noir. It's about time the public began to realize that serious young wine makers—and serious wine—are taking over.

One index of the future is the growth of vinifera plantings statewide. In 1980, it was 324 acres, and in 1985, according to the latest Federal and state data, it was 1,600. That is an increase of nearly 394 percent. It is true that 1,600 acres amount to a kitchen garden in the Napa Valley of California, but the significance lies in the trend, not in the absolute number.

Yes, too many flawed and failed New York wines turn up in stores—but growth and development of anything is uneven. The bottom line is this: The 1980's have stacked up more and more layers of evidence of winery finesse.

Why would the talented Jim Gifford, the wine maker at Domaine Mumm, the Seagram-owned sparkling-wine house, throw over his high-profile job in Napa lotus land to return to the Finger Lakes, where he once made excellent wine for the now-defunct Gold Seal Vineyards?

For one thing, he is becoming president of Glenora Wine Cellars, which recently merged with Finger Lakes Wine cellars, a fine boutique winery. In 10 years, Glenora has emerged as one of New York's standout producers.

More important for the consumer, he sees a future in the reborn Finger Lakes district, where capital investment, technology and state-of-the-art wine making and grape growing are converging.

Grape growing and wine making—"wine growing," as Europeans wisely name the continuum—is a risky, mostly thankless business. If nature isn't against you, the

economy is; if the economy is with you, your own New York State neighbors are apathetic. It's hard to take.

"We're fighting reverse discrimination: if it's local it can't be good," said James Trezise, president of the New York Wine and Grape Foundation, based in the Finger Lakes. He should know. His 19-month-old organization, created and partly financed by the state, promotes the state's wines.

His constituents are the men and women who work their hearts out and empty their bank accounts in an uphill battle against consumer indifference, if not hostility, and who deserve attention, respect, even admiration.

Now and then, amid the pearly day-in and day-out sampling of ethereal—and, to put it politely, not so ethereal—wines from France, from California, from Italy, I get angry. I wonder why so many New Yorkers, plunk down so many dollars for European and Pacific Coast wines that are real dogs but reflexively refuse to pay the same amount, or a bit more, for a truly satisfying Hudson Valley or Lake Erie white.

Last week, Food and Wines from France, a trade organization, put on, at the behest of Loire Valley producers, a splashy tasting of wines from that region. The setting was terrific: the Water Club at 30th Street and the East River. There were muscadets, Vouvrays, sparkling wines and plenty of roses d'Anjou, mostly '85's. For two hours, I hiked from table to table, glass in hand, looking for something to drink, with less than rousing success.

Sure, there were a few attractive wines. Very few. Far too many were thin, acidic or flabby—not worth the time of day. What on earth, I asked myself, are the French (and their importers and distributors) trying to foist on us? Why spend so much money to hire an expensive hall and then pour this vapid stuff for retailer and restaurateurs?

Would anybody in this town think it made sense to ignore the Mets and root for, say, a Marseilles soccer team? Of course not.

You can bet your bottom dollar—and given today's exchange rates, that's what it will come to—that wine buffs might well take out second mortgages to finance trips to Burgundy this summer. Not a bad idea, if you can afford it.

But do they ever put in a couple of hours driving up the Hudson to Mark Miller's handsome Benmarl Wine Company in Marlboro, N.Y., to stand transfixed at the boundless beauty of the hills and valleys rolling into the distance? The curving sweep of his vines, the ripeness of his wines, make the outing worthwhile. You come home happy.

Pleasure, after all, is what wine is about, first and foremost. Legitimately, oceans of ink are spilled—and endless palaver wears down eardrums—trying to analyze, define, describe and explain that pleasure.

Surround that Tower of Babel with a barbed-wire mystique—with the intricacies of wine as an investment, with wine as a symbol of social mobility (snobbery)—and you're off course.

In the social-mobility scale, New York wine is nowhere—fortunately. In the taste-good scale, it is everywhere—fortunately. That was plainly evident at a tasting last week sponsored by the Wine and Grape Foundation at the International Wine Center, a Manhattan wine school. The theme was "Summer Wines From New York."

In my private Loire vs New York contest, New York won hands down. Ironically, one measure of that victory lay in flavorsome

wines made from French-American varieties—seyval blanc, vidal blanc, ravat.

Sorry, Monsieur Henri Wines Ltd., I'll pass up your watery Carter muscadet (\$4.69), which deserves immortality in the warehouse. I'll wash down my homard—pardon me, lobster—with the Bridgehampton Winery's '86 Première Cuveé Blanc, and off-dry medley of riesling and gewürztraminer (\$7.99).

Sorry, Seagram Classics Wine Company, your boring '85 Barton & Guestier Vouvray (\$6.02) is cloying and disjointed. I'll have a nosh with the '86 ravat from Walker Valley Vineyards, a Hudson Valley boutique winery (\$5.99). The fruit jumps out of the glass. A description by the owner and wine maker, Gary Dross—a man with a Midas liquid-gold touch—hit the bull's-eye: "It starts sweet and finishes dry."

Peconic Bay Vineyards, with a snappy '85, again shows it has a way with Long Island chardonnay. Its brisk, slightly oaky '86 (\$9.99) invites you back for a second glass. The premium wines of the Hargrave Vineyard on Long Island, and of the Hermann J. Wiemer Vineyard and Heron Hill Vineyards in the Finger Lakes, would invite you back, too. Alas, they were absent from the tasting.

I want to walk into a shop anywhere in this state and ask for an '85 Linda's Blush (\$5.50) from Chateau Georges (soon to be renamed Rivendell Winery). Or an '85 Summertime (\$5.99), a Cascade Mountain Vineyard white. I want the clerk to say, "The customer over there—in our Hudson Valley department—just asked for the same wines."

VALUES EDUCATION

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. HALL of Ohio. Mr. Speaker, today I am introducing legislation to create a Commission on Values Education. The purpose of this bill is to find out how we can better educate people to become productive members of society by identifying and promoting basic values.

Our Nation is in the grips of a moral recession. Our country has witnessed Watergate, Abscam, and Ingrate. We pick up the papers and read about insider trading scandals, fraud in scientific research, bribery, kickbacks, and corruption.

Cheating in the schools is out of control. Teen pregnancy, teen suicide, and drug abuse are on the rise.

We are raising a generation of children who cannot distinguish between right and wrong. They are not prepared to make tough choices when there are gray areas or when values seem to conflict.

Mr. Speaker, I am not arguing that this is the fault of our schools. But schools can play a role in helping to instill values in individuals. The 1960's and 1970's saw a move toward "values free" teaching in which students were given the options, but no guidance toward answers. Now, many educators agree that schools should teach civic virtue and take clear positions on right or wrong behavior.

Leaders from a wide range of political and social arenas and religious backgrounds have

called for strengthening the teaching of democratic values.

H.R. —

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 "Commission on Values Education Act of 1987".

SEC. 2. PURPOSE.

The purposes of this Act are—

(1) to establish a commission to examine the issues associated with the teaching of values in elementary, secondary, and post-secondary schools, and in institutions of higher learning;

(2) to recommend to the President and to Congress how the Federal Government, through executive action and legislation, can promote the teaching of values in American schools, including (but not limited to) encouraging the offering of independent courses on values; and the integration of values in existing courses;

(3) to explore and assess a variety of approaches to teaching values;

(4) to identify those values supported by a consensus of Americans as essential to a complete education and preparation for becoming productive members of society, and which may be appropriately endorsed and promoted by the Federal Government; and

(5) to identify the ways in which judgments of values and of right and wrong are implicated in matters of public and private concern.

SEC. 3. FINDINGS.

The Congress finds that—

(1) many Americans no longer made determinations of right and wrong as to their own actions or the actions of others, and this phenomenon crosses economic, social, religious, and age lines, and is evident in matters of both public and private concern;

(2) institutions of education, which have traditionally played a role in assisting students to make such determinations, have abdicated this responsibility;

(3) this abdication is evident in a national epidemic of incidents in which people have failed to consider the ethics governing their behavior, in governmental and political activities, scientific research, and business and commerce;

(4) statistics show alarming increases in the incidence of teenage pregnancy, drug and substance abuse, and suicide among both young people and adults;

(5) polls reflect that Americans overwhelmingly prize values such as honesty, but believe that people are less honest today than in the past;

(6) this national moral recession has impaired the proper functioning of our system of democratic government;

(7) leaders across a wide spectrum of political, social, and religious beliefs believe that education for democracy must extend to education in moral issues, and have called for strengthening the teaching of democratic values; and

(8) while education remains the responsibility of local and State government, the Congress and Federal Government may appropriately provide assistance to educational agencies and institutions attempting to include values education in their curriculums.

SEC. 4. ESTABLISHMENT.

There is hereby established a Commission on Values Education, hereafter in this Act referred to as the "Commission".

SEC. 5. DUTIES.

The Commission shall—

(1) consider the widest range of values for inclusion in the consensus of values that should be taught, including traditional Judeo-Christian values, honesty, integrity, tolerance, self-discipline, self respect, civility, importance of family, justice, equality, the rule of law, individual rights, the common good, love of country, love of knowledge, responsibility and accountability, protection of oneself and others from degradation and abuse;

(2) conduct interviews, meetings, hearings, and conferences in various regions and localities in the United States to gather the opinions of a wide variety of individuals, including educators and educational administrators, students, parents, philosophers and theologians, civic, religious, and professional leaders, social service professionals, political leaders, persons prominent in the arts, entertainment, and sports, and concerned citizens;

(3) report its findings and recommendations to Congress and the President not later than one year after the enactment of this Act;

(4) include in such report its recommendations for specific legislation or executive actions, as well as broad policy goals and objectives;

(5) include in such report a recommendation as to the establishment within the Federal Government of a clearinghouse for current programs and ideas on values education;

(6) include in such report a recommendation to Congress as the appropriateness of institutional changes in the House of Representatives and the Senate, including the establishment of a Select Committee on Values Education;

(7) seek the cooperation, advice, and assistance of the Department of Education and such other Federal, State, and local agencies, and private and religious organizations, institutions, and associations, as may be helpful in carrying out its purposes and duties;

(8) recognize those individuals and institutions which have demonstrated outstanding success in teaching values; and

(9) identify the potential of values education for reducing the incidence of such problems as those mentioned in section 3(4) of this Act.

SEC. 6 MEMBERSHIP AND APPOINTMENT OF COMMISSION.

(a) MEMBERSHIP.—The Commission shall be composed of 17 members as follows:

(1) Seven members each appointed by the Speaker of the House of Representatives and the majority leader of the Senate, in consultation with the respective minority leaders, from among individuals who are broadly representative of, but not restricted to, the following groups—

(A) professional educators and educational administrators;

(B) parents of students at elementary, secondary, and postsecondary levels;

(C) students at secondary and post-secondary levels;

(D) philosophers, theologians, and religious leaders;

(E) State and local elected and appointed government officials, including members of State and local boards of education;

(F) persons prominent in sports, the arts, and entertainment;

(G) persons active in business, the professions, or civic activities;

(H) social service professionals; and

(I) the general public.

(2) One member each of the House of Representatives and the Senate, designated by the Speaker of the House and the majority leader of the Senate, respectively.

(3) The Secretary of Education or his designee.

(b) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(c) TERMS.—Members of the Commission shall be appointed for the life of the Commission.

(d) CO-CHAIRS OF COMMISSION.—The Speaker of the House and the majority leader of the Senate shall each designate one of their appointees as co-chair of the Commission.

SEC. 7. COMPENSATION.

(a) PAY.—Members of the Commission shall serve without compensation.

(b) TRAVEL EXPENSES.—Members of the Commission shall be allowed reasonable travel expenses, including a per diem allowance, in accordance with section 5703 of title 5, United States Code, when performing duties of the Commission.

SEC. 8. POWERS.

(a) MEETINGS.—The Commission shall first meet not more than 30 days after the date on which members are appointed, and the Commission shall meet thereafter upon the call of the chair or a majority of the members.

(b) HEARINGS AND SESSIONS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(c) ACCESS TO INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable it to carry out this title. Upon the request of the either co-chair of the Commission, the head of such agency shall furnish such information to the Commission.

(d) EXECUTIVE DIRECTOR.—The co-chairs of the Commission shall select an executive director of the Commission, who shall be paid at a rate no greater than that payable for grade GS-18 of the General Schedule.

(e) STAFF.—The executive director shall appoint such staff members as may be necessary to perform the work of the Commission. In allocating authorized, appropriated, and contributed funds, priority shall be given to those activities, such as hearings and conferences, designed to elicit the broadest public participation in the Commission's deliberations, rather than to the payment of professional staff.

(f) GIFTS AND BEQUESTS.—The Commission is authorized to accept, use, solicit, and dispose of donations of money, property, or personal services to perform the duties hereinbefore described. No donation may be accepted which prescribes or limits the purpose for which it may be used, or which exceeds \$25,000 in the case of an individual donor, or \$100,000 in the case of a corporation, partnership, association, or other organization or business association.

(g) USE OF SERVICES AND FACILITIES.—Upon the request of the Commission, the head of any Federal agency may make available to the Commission any of the facilities and services of such agency.

(h) PERSONNEL FROM OTHER AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to assist the Commission in carrying out its duties.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title \$300,000 for fiscal year 1987, and such sum as may be necessary for fiscal year 1988. Amounts appropriated pursuant to this section are authorized to remain available until expended.

SEC. 10. TERMINATION.

The Commission shall terminate 30 days after the date of the submission of its final report to the Congress.

SEC. 11. CONGRESSIONAL HEARINGS REQUIRED.

Within 90 days after the submission of the Commission's report to the Congress, the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate shall conduct hearings on such report and the recommendations contained therein, and shall report to their respective Houses on the results of those hearings within 30 days after the completion of the hearing.

OUR INVOLVEMENT IN THE PERSIAN GULF

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DOWNEY of New York. Mr. Speaker, today I am introducing a House resolution which maybe, just maybe, will bring a new, and much needed sense of direction to our involvement in the Persian Gulf.

I don't think that anyone in the House would stand in this well and assert that we have no legitimate interests in the Persian Gulf. We clearly do. But we also have an interest, I would think, in fostering the greatest possible sense of stability in that explosive region. In the interest of promoting that stability, Mr. Speaker, I think it is time that this Congress asked the President to request a meeting of the U.N. Security Council for the purpose of establishing a U.N. Peacekeeping Naval Task Force in the gulf.

I think it is equally clear that very few of my colleagues would come to this well and proclaim that the United Nations has been the vanguard of peace and security that it was originally designed to be. To do so might even be considered dangerous. It is equally dangerous, however, to deny the possibility that someday the United Nations might just provide the answer we need to one of the world's stickier international disputes.

We now have at least four nations "floating their boats" in or near the gulf: the United States, the Soviet Union, Great Britain, and France. And no matter how hard we try, we are unlikely to get any of them to leave, especially the Soviets. But wouldn't it make more sense to have those navies, and perhaps others, patrolling the gulf while flying the U.N. flag? Their mission would be straightforward—to ensure safe passage for nonbelligerent shipping in the gulf.

The United States has already paid dearly for its presence in the gulf, yet our national interests in the area remain the same: freedom of navigation, an end to the Iran-Iraq war, and avoidance of a superpower conflict in the gulf. Maybe the time is right to look to the U.N. Se-

curity Council for at least a partial solution to the problems that endanger those interests. I urge my colleagues to support this resolution.

I am submitting the text of my resolution for inclusion in the RECORD.

The resolution follows:

H. RES. -

Resolved, That (a) the House of Representatives urges the President to seek—

(1) a meeting of the United Nations Security Council for the purpose of establishing a United Nations peacekeeping naval force for the purpose of protecting nonbelligerent shipping in the Persian Gulf, and

(2) an immediate end to the Iran-Iraq war.
(b) The House of Representatives also urges the members of the North Atlantic Treaty Organization and all members of the United Nations Security Council to support the establishment of such a naval force as an effective instrument in bringing greater stability to the present situation in the Persian Gulf.

THE INEQUITY OF EXCISE TAXES

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DYMALLY. Mr. Speaker, I wish to share with my colleagues, information which shows serious inequities in proposals to raise Federal excise taxes, particularly as they affect minorities, blue-collar workers and women. This year we will consider many different options for raising revenues in order to reduce the Federal deficit. No doubt we will see complex analyses of the dollar value of those options. I hope that in this effort, we will not forget to carefully weigh the equity of these revenue proposals.

Excise taxes affect a host of everyday items such as gasoline, telephone service, cigarettes, and beer. It is clear that the impact of these regressive taxes hit low-income Americans much harder than wealthier Americans—as much as 15 times harder, according to a recent report by the Congressional Budget Office.

But perhaps less obvious is the alarming impact on particular population groups. Let me use as an example, tobacco excise taxes. I refer to my colleagues to a June 1986 report by the Policy Economics Group, entitled, "An Analysis of the Burden of Tobacco Taxes on Selected Demographic Groups." According to this detailed study, which considered average income, as well as behavioral factors, the tobacco excise tax is a significantly greater burden on the Nation's blacks, Hispanics, blue-collar families and female-headed households.

The excise tax burden on black households and blue-collar households is more than 30 percent higher than the average burden on all American families. The burdens on Hispanic and female-headed households are also significantly above average. Only white households show a tax burden below the national average.

These data illustrate the serious inequities which will result from utilizing excise taxes as a solution to our Federal deficit, inequities

which already exist in our current excise tax policy. It is unacceptable to compound the damage by further increasing these taxes.

I am attaching an executive summary of the Policy Economic Group for your review.

EXECUTIVE SUMMARY

This report examines the burden of state and federal tobacco taxes by income class for five population subgroups. These subgroups are whites, blacks, Hispanics, blue collar households, and households headed by working women.

Data on actual smoking behavior by sex, age, income, race, and other characteristics of the population were used with a microsimulation model to determine the tobacco taxes paid by families in each income class within each population subgroup. The total tobacco taxes paid were compared to the total income of each income class to determine the distributional impact of combined state and federal tobacco taxes for each of the five subgroups and the total U.S. population.

At 1983 levels of income and taxes, the average effective tobacco tax rate in the United States was 0.32 percent of Household Income. However, a disproportionately large share of these taxes were paid by low income households. The effective tax rates for lower income families is much higher than the effective rate for higher income families.

The burden of tobacco taxes varies widely among different population groups. Of the population subgroups analyzed in this report, only whites have an effective tax rate that is below the average for all households. The other population groups examined have higher than average effective tax rates, reflecting differences in their incomes and smoking behaviors. The relative burden of tobacco taxes on black households and blue collar households is approximately 30 percent higher than the average burden on all families. The effective tobacco tax rates for each of the population subgroups are 0.31 percent for whites, 0.34 percent for households headed by working women, 0.35 percent for Hispanics, 0.42 percent for blue collar households, and 0.43 percent for blacks.

Only whites have a relative tax burden below average. Each of the other subgroups examined have higher than average tobacco tax burdens. Of these groups, the greatest tax burden is on black families and blue collar families, each of which has an effective tobacco tax rate that is more than 30 percent higher than average.

MICHAEL CHUHRA

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. KOLTER. Mr. Speaker, today I rise to honor a constituent of the Fourth District of Pennsylvania who will be honored June 17, 1987, by the community of Butler, in appreciation of years of volunteer work.

Mr. Michael Chuhra, a retired metallurgist of 24 years service at Armco Steel Co., has been active in scouting since February 17, 1924. He is a charter member of Boy Scout Troop No. 16 in Lyndora where he earned the rank of Eagle Scout. In 1944, Mr. Chuhra received the Silver Beaver Award, the highest

award in scouting, for the many hours he has dedicated to young people.

Since 1931, Mr. Chuhra has been a Red Cross Instructor for first aid and CPR. He has trained thousands of State policemen, city and township police and firemen, Boy Scouts, Girl Scouts, school bus drivers and members of social service and community agencies. In 1985, he received an award from the Butler County Mental Health Association for the patient and sensitive manner in which he taught CPR to mentally handicapped people.

He also donated 15 years of volunteer service to the Lyndora VFD Girls Drum and Bugle Corps.

For all these unselfish hours of giving and the many volunteer hours that were to follow, the Butler County Chamber of Commerce honored Mr. Chuhra with the 1983 Man of the Year Award.

Mr. Chuhra, despite numerous awards has never stopped giving to his community. His dedicated service has been invaluable to Butler County and I am proud to honor this distinguished, respected man by informing my colleagues of his untiring efforts.

THE PANAMA CANAL REVOLVING FUND OF 1987

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. FIELDS. Mr. Speaker, I am today pleased to join with some of my colleagues from the House Merchant Marine and Fisheries Committee in introducing the Panama Canal Revolving Fund Act of 1987.

This legislation which is a product of several years of careful consideration will make a fundamental change in the financial structure of the Panama Canal Commission.

By way of background, the Panama Canal Commission [PCC] is an appropriated fund agency of the U.S. Government provided for by the Panama Canal Treaty of 1977 and established by the Panama Canal Act of 1979.

The Commission was established to operate, manage, and maintain the Panama Canal, its installations and equipment, and to provide for the orderly transit of vessels through the canal. Under the provisions of the treaty, the Commission will perform these functions until December 31, 1999, when the Republic of Panama will assume full operational responsibility for the canal.

By law, the Commission is required to recover through tolls and other revenues all costs of operating and maintaining the canal, including interest in the U.S. investment in the canal, depreciation, capital for plant replacement, expansion and improvements, and payments to the Republic of Panama as stipulated by the Panama Canal Treaty of 1977. In addition, the canal is required to operate on a break-even basis at no cost to the U.S. taxpayer.

While it has been 10 years since the signing of the Panama Canal Treaty and nearly 8 years since the creation of the PCC, this agency and its operation continues to be a

source of great confusion for many Members of the House of Representatives.

In fact, the best example of this confusion may have occurred just last year during the debate on the Balance Budget and Emergency Deficit Control Act of 1985.

While no taxpayer funds are authorized or appropriated to the Commission, the PCC was, nevertheless, included under the automatic reduction enforcement provisions of the Gramm-Rudman-Hollings law.

As enacted, the Commission faced the devastating prospect of having its fiscal year 1986 appropriations level reduced by \$18.3 million. While the Commission is a U.S. agency, it was inappropriate to subject the Commission to the provisions of this law since any budget savings could not be used to help balance the Federal budget but would have to be paid to the Republic of Panama as stipulated in paragraph 4(c) of article XIII of the Panama Canal Treaty of 1977.

While fortunately the Congress approved legislation, which I authored, to exempt the Panama Canal Commission from the Gramm-Rudman-Hollings law, it is clear that the Commission will continue to be subjected to further budget reduction efforts in the future.

Because of the unique and self-sustaining nature of the PCC, it makes no sense and is, frankly, counterproductive for this agency to have to fight every year to retain its own self-generated revenues.

It is for this reason, Mr. Speaker, that I am today introducing legislation to replace the PCC's burdensome financial structure with a more simplified and efficient one.

While there are several ways to accomplish that goal, I believe the best approach is to replace the Commission's current appropriated fund structure with that of a revolving fund system.

I will say to my colleagues that this approach was not selected in haste but is based on several years of discussion and testimony before the House Panama Canal/OCS Subcommittee, of which I am the ranking minority member.

This legislation, which is supported by both the Reagan administration and the Republic of Panama, has been carefully drafted to allow the Commission greater flexibility to operate without giving up congressional control over the financial workings of this agency.

If enacted, a revolving fund would allow the Commission to simplify its financial structure, to respond more quickly to changing business and shipping conditions and to eliminate the problem of not having sufficient capital in the beginning of each fiscal year.

In addition, a revolving fund would allow the Commission to avoid having to go through the agonizing budget process of trying to compete for its fair share of its own revenues.

Mr. Speaker, while I intend to submit for the RECORD a detailed section-by-section of the analysis of this proposal, I would like to briefly highlight several key provisions.

First, this legislation transfers all unexpended revenues from the Panama Canal Commission Fund and the Panama Canal Emergency Fund to the newly created Panama Canal Revolving Fund. In this way, the Commission will be able to obligate and spend its financial resources in a much more timely and effective

manner. In addition, it is clear that this approach will eliminate a serious and persistent accounting problem now facing the Panama Canal Commission. This problem is caused because of the significant timelag between when canal revenues are deposited in the U.S. Treasury and when they become available to the PCC. As a result, the Commission invariably has a cash-flow problem at the beginning of each fiscal year.

Second, because the Commission will now have ready access to their revenues, they will no longer require the use of, as a backstop, two types of U.S. taxpayer funds. These include: the \$85.0 million which represents the unpaid balance from the Commission's original appropriation in fiscal year 1980 from the general fund and the \$61.2 million in interest payments on our investment in the canal which were deposited in the PCC Fund from October 1, 1979, to December 31, 1985.

While these funds would have been transferred to the U.S. Treasury on December 31, 1999, this legislation accelerates that transfer by 12 years and ensures that the U.S. taxpayers receive the benefit now of some \$147 million.

Third, this bill will allow the Panama Canal Commission to borrow from the U.S. Treasury up to \$100 million. While the Commission does not anticipate having to utilize this authority, this will ensure that in case of an emergency, like the massive landslide last year, the Commission can respond quickly to those conditions and the canal will remain open and safe for all international shipping. In addition, under this proposal any borrowing would have to be repaid by the Panama Canal Commission.

Fourth, the bill will allow the nine members of the Panama Canal Commission Board of Directors, to receive expenses and compensation when they travel on official Panama Canal business as authorized by the Chairman of the Board.

Fifth, this proposal will allow the PCC to negotiate its own lease for office space and any improvements in those contracts. Since U.S. taxpayer funds are not used to pay the rent on these facilities, it makes little sense for the Commission to fall under the auspices of the General Services Administration.

Finally, while this bill will give the Commission an increasing amount of flexibility, there is a need for Congress to retain some active control over the budget requirements of this U.S. agency. As drafted, this legislation will require the Commission to receive an annual authorization from the Congress. However, in the event that the Congress is unable, for whatever reason, to enact such an authorization bill into law, then the Commission will be able to operate for an additional fiscal year with the limitation that it spend no more than is deposited in the Panama Canal Revolving Fund.

Mr. Speaker, there is no logical reason to continue to subject the Commission to the burdensome, ineffective and inefficient accounting system which they currently operate under as an appropriated fund agency. I urge my colleagues to carefully review this important legislation and join me in supporting the Panama Canal Revolving Fund Act of 1987.

Mr. Speaker, I would ask unanimous consent that the section-by-section analysis of the bill appear in the RECORD at this point.

ANALYSIS OF THE PANAMA CANAL REVOLVING FUND ACT

I. INTRODUCTION

The following analysis is to accompany the Panama Canal Revolving Fund Act of 1987, an Act to convert the Panama Canal Commission from an appropriated-fund agency to a revolving-fund agency.

The most significant change which this Act would accomplish is to convert the Panama Canal Commission from an appropriated-fund agency to a revolving-fund agency. The Congress has established a number of revolving funds to improve and give flexibility to certain business-type activities of the Federal Government that are required to operate on a self-sustaining basis. Bringing the Panama Canal Commission under the revolving-fund arrangement would not only simplify its financial structure, but would also offer it the flexibility in expenditures necessary to meet unforeseen business conditions. The Commission would continue to be subject to review and control by the Congress.

II. SECTION-BY-SECTION ANALYSIS

Section 1. Short title, etc.—This section provides a short title, the "Panama Canal Revolving Fund Act."

Section 2. Panama Canal Revolving Fund.—This section amends section 1302 of Public Law 96-70 to establish the "Panama Canal Revolving Fund" and to terminate the "Panama Canal Commission Fund". This section also provides for the appropriation to the Panama Canal Revolving Fund, on the effective date of this Act, the unappropriated balance in the Panama Canal Commission Fund, and the transfer of the unexpended balance of appropriations available to the Commission. It also terminates the Panama Canal Emergency Fund and transfers the balance remaining in it to the Panama Canal Revolving Fund.

Subsection (b) of section 1302 also provides for the transfer from the Panama Canal Revolving Fund to the general fund of the Treasury amount attributable to interest on the United States' investment in the Panama Canal which accrued after October 1, 1979 and before January 1, 1986 and the transfer of the balance of the fiscal year 1980 appropriation. Unlike appropriations enacted since that fiscal year, appropriations for fiscal year 1980 were not derived from Commission revenues, and the Treasury has not been fully reimbursed for this appropriation. The Commission has retained these funds in order to provide the Commission adequate financial resources to backstop its obligations. Because this amendment would require the funds to be transferred to the general fund, the Act provides a substitute obligational authority in the form of a borrowing authority. (See Section 3 of this Act.) With this payment, the Treasury would be made whole for all funds appropriated for fiscal year 1980.

This section requires that all receipts be deposited into the Panama Canal Revolving Fund and prohibits the Commission from obligating its funds, except in accordance with Congressional authorization. In the event that, for any reason, authorizing legislation is not enacted for a fiscal year, this section authorizes the Panama Canal Commission to continue operating for not longer than the fiscal year following the fiscal year in which the authorization bill failed to

pass. Spending limitations of not more than 30 percent of that amount included in the President's budget pertaining to the Panama Canal may be expended for each quarter of the fiscal year. The total amount of expenditures shall not exceed 100% of the funds deposited in the revolving fund, excluding borrowing authority. This section is intended to preserve the authority of Congress to oversee and authorize each year's budget. Finally, subsection (d) provides that moneys of the Fund may be deposited in any depository, as agreed between the Commission and the Secretary of the Treasury.

Section 3. Borrowing Authority.—This section adds section 1304 to Public Law 96-70 to allow the Panama Canal Commission to borrow money from the Treasury up to \$100,000,000 for any of the purposes of the Commission. Section 1303 requires that any amounts borrowed under this authority be repaid to the U.S. Treasury no later than December 31, 1999. It also provides that any amounts borrowed cannot be used for payments to Panama under Article XIII of the Panama Canal Treaty of 1977 and requires the Commission to report to the Congress and to the Office of Management and Budget on any borrowing made under this authority. This section also requires that any amounts borrowed shall increase the investment of the United States in the Panama Canal and repayments shall decrease the investment. Interest payments to the Treasury would increase and decrease accordingly.

Section 1302(b) of the Panama Canal Act as amended by this Act requires the Commission to transfer to the general fund of the Treasury: (1) interest accrued before January 1986 and, (2) the unreimbursed portion of the fiscal year 1980 appropriation. In the past these two amounts provided an essential backstop obligational authority for the Commission, and, without these funds, some other obligational authority is required. The Panama Canal Company had a similar borrowing authority (in the amount of \$40 million). It is anticipated that the Commission, like the Canal Company, will not actually need to draw on this authority but will use it as a backstop to assure its continued solvency.

Section 4. Calculation of Interest.—This section amends section 1603(b) of Public Law 96-70 to increase the investment of the United States in the Panama Canal by the amount of expenditures made from the Panama Canal Revolving Fund and decrease that investment by the amount of funds deposited in the Panama Canal Revolving Fund. Amended section 1603 would provide that interest on the investment of the United States in the Panama Canal be paid into the Treasury as miscellaneous receipts, and, accordingly, deposits of interest will not serve to reduce the investment base.

Section 5. Payments to the Republic of Panama.—This section amends section 1341(e) of Public Law 96-70 by adding to the list of items to be taken into account in determining whether Panama is to receive a payment under paragraph 4(c) of Article XIII of the 1977 Treaty amounts programmed to meet working capital requirements. (See discussion under section 7, below.)

Section 6. Insurance.—This section amends section 1419 of Public Law 96-70 to authorize the Commission to purchase insurance to protect it against unpredictable events in addition to catastrophic marine accidents. This would include authority to

purchase insurance to cover business interruptions including those which may result from earthquakes, landslides, civil commotions, or labor strife.

Section 7. Bases of Tolls.—This section amends section 1602(b) of Public Law 96-70 to add a provision to include working capital requirements as an element to be recovered from tolls. This working capital provision is necessary to insure that, over time, the solvency of the Commission is not impaired. It would provide a source of funds not presently available to cover the cost of increased working capital requirements which may be needed when necessary inventory levels are increased either in real terms or by inflation. This provision gives recognition to the fact that, under the Panama Canal Act, the Commission is, for all practical purposes, precluded from generating profits which, along with borrowed funds, is the principal source used by the business world for financing working capital needs. For example, if the Commission were to require an increase in inventory levels (or were the values of such levels impacted severely by inflation) it would, without this provision, have no resources available to meet these requirements.

Section 8. Compensation for Board Members.—Members of the Board are allowed travel or transportation expenses and are authorized to be compensated at the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day during which they are traveling to or from or attending meetings of the Board.

This section permits the same expenses and compensation to be paid to Members when they are traveling on other official Panama Canal Commission business as authorized by the Chairman. Such other official business would include travel to Washington, D.C. for appearances before federal government agencies and before the Congress.

Section 9. Authority to Lease Office Space.—Currently, the Washington Office of the Panama Canal Commission is required to lease office space through the General Services Administration (GSA). GSA, in March 1985, required the office to relocate from 13th Street to its current office at 2000 "L" Street. With the expiration of the current lease agreement in 1988, it is entirely possible that this office would be required to move to another building in Washington since GSA is embarked on a program of consolidation of leased space. Another move would be of considerable disruption to Commission operations. This authority would save funds for the U.S. taxpayer in that any directed move is paid for by GSA funds.

This section exempts the Commission from GSA control and authorizes it to negotiate its own lease for office space and contracts for improvements thereof. This authority will be of no cost to the U.S. taxpayer.

Section 10. Technical and Conforming Amendments.—This section makes technical amendments to sections 1246, 1343, and 1344(b)(4) of Public Law 96-70, as amended, to conform those sections to the relevant provisions of this Act. It also makes a technical amendment to section 8348(i)(2) of title 5, United States Code, to conform that section to the relevant provisions of this Act.

Section 11. Effective Date.—This section provides that the Act is effective on October 1, 1987.

INTRODUCTION OF LAKE ANDES-WAGNER BILL

HON. TIM JOHNSON

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. JOHNSON of South Dakota. Mr. Speaker, I have today introduced a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner unit and the Marty II unit as elements of the Pick-Sloan Missouri Basin Program.

Both Lake Andes-Wagner and Marty II are located in Charles Mix County in south central South Dakota, almost literally in the shadow of Fort Randall Dam, one of the six Pick-Sloan dams on the mainstem of the Missouri itself. It is from Lake Francis Case, the reservoir formed by Fort Randall, that the water supply for these units would come.

The Lake Andes-Wagner unit would irrigate about 45,000 acres, including about 1,700 acres of Indian-owned land located on the Yankton-Sioux Reservation. This is substantially less acreage than the 97,000 acres available in the Lake Andes-Wagner irrigation district. All of the lands that are included in the Lake Andes-Wagner unit are being dry-land farmed. No new acreage will be brought in. The Marty II unit is made up entirely of Indian-owned land, about 3,000 acres, located entirely on the Yankton-Sioux Reservation and would be operated by the Yankton-Sioux Tribe.

As is well known, the Pick-Sloan Missouri Basin Program was authorized by section 9 of the Flood Control Act of 1944. Inseparable from Pick-Sloan itself is the O'Mahoney-Millikin amendment contained in section 1 of the 1944 act. O'Mahoney-Millikin guarantees to the arid and semiarid regions of this country the integrity of their State water laws. It does this by providing that in the vast area of our country stretching from the State transected by the 98th meridian westward to the Pacific, comprising the 17 reclamation States, the waters flowing in the river systems of that region will not be preempted, when needed for upstream beneficial consumptive uses, by prior navigation use.

O'Mahoney-Millikin made it possible to coordinate the separate Pick and Sloan plans into one overall basin-wide program. The central theme of that program was that the great mainstem dams would, on the one hand, provide storage for the flood control and navigation benefits to downstream Missouri basin States and, on the other hand, these reservoirs would also provide mainstream water to irrigate substantial acres of land in the upper basin States. An additional feature of Pick-Sloan was the development also of tributary streams, again for flood control but principally for irrigation and other consumptive uses. Nebraska and Kansas, particularly, have benefited from that tributary irrigation development.

Pick-Sloan has always been regarded as a framework in which adjustments and modifications could and would be made while achieving its promised goals. In other words, the means might change, but not the ends.

The mainstream Pick-Sloan dams were built relatively early. Fort Peck, completed in 1939, actually preceded Pick-Sloan itself, but under the Pick-Sloan it has been integrated into the entire program. Therefore it is considered to be one of the six Pick-Sloan mainstem reservoirs. Fort Randall itself was completed in 1952, Oahe and Gavins Point in 1955, Garrison in 1956, and Big Bend in 1963.

The promised upstream irrigation using mainstem Pick-Sloan water has not only lagged but even today it remains nonexistent. In large measure the irrigation from mainstem Missouri waters was intended to compensate the upper basin Missouri River basin States for the vast acreage of bottom lands that became the reservoirs created by the mainstem dams. Unfortunately, that commitment remains unfulfilled.

Nevertheless, time and again Congress has recognized and repeated the Pick-Sloan commitment, we need look no further back than November 17 of last year when Public Law 99-662, the Water Resources Development Act of 1986, was signed into law. Section 1122 of that act renews Congress' commitment to achieve the goals of Pick-Sloan within the framework of the principles underlying that program.

The consequences of the failure thus far to achieve the upstream consumptive uses promised by Pick-Sloan have been particularly severe on South Dakota as well as North Dakota. Of the six mainstem reservoirs, three are located entirely in South Dakota. These are Lake Francis Case, formed by Fort Randall Dam, Lake Sharpe, formed by Big Bend Dam, and Lewis and Clark Lake formed by Gavins Point Dam. A fourth reservoir, Lake Oahe, formed by Oahe Dam, occupies extensive areas in both North and South Dakota. It is ironic that two of these reservoirs are named for South Dakotans who labored hard and long to reach the agreement with the lower basin States that made the 1944 authorization possible. Francis Case in 1944 was a member of the House of Representatives from South Dakota who took an active part in the forging of Pick-Sloan and O'Mahoney-Millikin. M.Q. Sharpe was then the Governor of South Dakota. Governor Sharpe, with his fellow-Missouri River basin State Governors, hammered out the resolution of agreement of the basin State Governors which cleared away the last obstacle to Congress' enactment of both O'Mahoney-Millikin and Pick-Sloan.

As stated earlier, both the Lake Andes-Wagner unit and the Marty II unit are located in Charles Mix County, SD, as is Fort Randall Dam and the greater portion of Lake Francis Case. All in all, a total of about 58,000 acres in Charles Mix County are under the water stored by Fort Randall Dam and have been for more than three decades. An additional 63,000 acres in the neighboring Gregory, Brule and Lyman Counties also have been a part of the reservoir area for the same period. State-side, South Dakota has lost over 500,000 acres to the mainstem Pick-Sloan dams and reservoirs.

The adverse economic impact in South Dakota alone of these land losses is staggering. A research report has been prepared by Dr. Jay A. Leitch of Moorhead, MN, for the State of South Dakota which documents the

economic losses suffered by South Dakota. I include here the "Highlights" portion of Dr. Leitch's report:

"Land inundated by the Oahe, Big Bend, Fort Randall, and Gavins Point dams and associated reservoirs has resulted in a significant amount of foregone economic activity in South Dakota. The amount of potential economic activity in 1985 was estimated for a counterfactual situation where the water projects were absent and the 500,000 acres of land were not inundated. Economic activity foregone due to inundation includes dryland and irrigated cropland, pastureland, and woodland. Expenditures resulting from these activities were applied to an input-output model to estimate foregone personal income, retail trade activity, total business activity, and employment.

"Oahe Reservoir was the largest of the four South Dakota projects with an inundated area estimated at 319,000 acres in 1985. Economic activity foregone as a result of Lake Oahe was estimated to include the loss of \$18 million in personal income, \$18 million in retail trade activity, and \$53 million in total business activity. Also, 835 jobs were lost because of the foregone economic activity from that land.

"The other projects covered smaller acreages, and, as would be expected, had smaller foregone levels of economic activity. Total economic activity lost for Big Bend, Fort Randall, and Gavins Point amounted to \$8 million, \$15 million, and \$4 million, respectively, for 1985. Foregone personal incomes for Big Bend (\$2.5 million), Fort Randall (\$5.3 million), and Gavins Point (\$1.3 million) were smaller than those for the Oahe Reservoir, but were not insignificant. Corresponding lower levels of retail trade activity foregone for the three projects were estimated at \$2.8 million, \$5.2 million and \$1.3 million, respectively.

"Estimated sales and use tax collections lost to South Dakota as a result of inundated land amounted to \$1.1 million for 1985. Cumulative foregone personal income over the approximately 30 years of inundation may be as much as \$378 million. The key economic indicators presented provide an indication of the foregone economic activity that South Dakota has incurred because of land inundated for the four dams and associated reservoirs."

For Fort Randall and Lake Francis Case alone, Dr. Leitch determined that just for the year 1985 \$15,167,000 in business activity was foregone. Jobs foregone for that year totaled 230. The cumulative adverse impact on economic activity from the loss of land occasioned by Fort Randall is \$81,000,000 in personal income, \$92,000,000 in retail trade, for a total cumulative business activity foregone of \$256,000,000. The comparable figure for South Dakota as a whole is \$1,118,000,000 in foregone business activity. No doubt adverse impacts of similar magnitude occur in North Dakota and in the other upper basin States.

The magnitude of these figures helps explain why the upper basin States are so concerned about the delay in the Federal water development aspects of Pick-Sloan that they had every right to expect in order to recompense the sacrifices they made so that downstream States can enjoy the navigation and flood control benefits of Pick-Sloan.

The massive 750,000 acre Oahe Irrigation unit which was to be the principal Pick-Sloan irrigation benefit for South Dakota is no longer

a possibility. It is now incumbent, if the promise of Pick-Sloan water resource development in South Dakota is to materialize rather than remain a mere mirage, to get worthwhile and desperately needed water development projects underway. The Lake Andes-Wagner and Marty II units meet those tests.

As the Bureau's feasibility report on the Lake Andes-Wagner unit observes:

The area is sparsely populated * * *. Since 1950, Charles Mix County has experienced a net outmigration, and the rural population has continued to decline. Agriculture is the mainstay of the economy. About 20 percent of the population in the immediate project area are native Americans of the Yankton Sioux Indian Tribe, among whom the unemployment rate is about 78 percent.—*Lake Andes-Wagner Unit, Planning Report/Final Environmental Statement, S-1.* (Hereinafter, the 'feasibility report' or the Lake Andes-Wagner feasibility report.)

The feasibility report also explains—table 15 at p. 73—that the entire population of Charles Mix County is 9,680—1980 census—and that with existing conditions, and so forth, the no action alternative, the projection is for a further 4-percent decrease in population by 2010. On the other hand, with the project, the county's population would increase about 8 percent by the year 2010.

In sum, without the project, the area's economy and population will continue to shrink.

These facts explain why the local sponsors of the unit are not only willing but anxious to proceed under the conditions spelled out in the bill. They realize that the financial burdens they will bear are heavy but they are willing to bear them if that will enable the project to become a reality. For them it means the difference between continuing the existing economic degeneration and a reasonable chance at economic survival.

The burdens the would-be water users of Lake Andes-Wagner are willing to bear include a reasonable degree of cost sharing over and above the cost sharing that the project sponsors have already provided and the income they have already foregone as a result of the productive land loss that resulted from Fort Randall's construction.

Cost sharing possibilities are being intensively considered by the irrigation district and Gov. George S. Mickelson with the assistance of the South Dakota Department of Water Resources. The Governor expects shortly to be in a position to present proposals to the Interior Department and to the Congress.

In this connection I would emphasize that the local people have already made a major cost sharing contribution and they will take on themselves additional substantial costs even in the absence of the further cost sharing that they expect to propose. For example:

The Lake Andes-Wagner Irrigation District has expended \$1,093,043 for planning and design. These funds were obtained by a bond issue which the district is still paying off with interest.

The project sponsors have also incurred \$600,000 in loan obligations to the State of South Dakota to finance additional planning, surveying and design.

The Southern Missouri Water Development District assisted the project sponsors with

technical and financial assistance totaling an additional \$35,000.

If the Lake Andes-Wagner unit is authorized, the Lake Andes-Wagner Irrigation District is committed to design and to construct the distribution system at a savings to the Federal Government of an estimated \$6,450,000. That saving is reflected in the Federal construction cost stated in the Lake Andes-Wagner feasibility report.

The foregoing already existing cost sharing totals \$9,378,043. That alone represents an initial cost sharing of almost 6 percent of the total Lake Andes-Wagner estimated construction cost of \$157,650,000.

A typical Charles Mix County farm is an integrated livestock and feed grain operation with the farmers growing feed grains—corn, barley, oats, and grain sorghum—as feed for their livestock. A principal reason for the continuing decline in the local economy is the erratic precipitation pattern. When an all too often dry year hits the area, feed grain and alfalfa production suffers and if the operations are to continue, livestock feed must be imported and purchased. Unfortunately, the high cost of feed and hay and related transportation costs often create economic hardship in dry years. As a consequence, when the drought is severe, the farmer is forced to sell off his livestock, including breeding stock, usually at depressed prices. It is little wonder that the number of farmers has been declining for the past 37 years and will continue to decline in the absence of irrigation opportunities.

The project sponsors are, of course, aware that acreage reduction programs are in effect under the provisions of the Agricultural Act of 1949 as amended by Public Law 99-198 and Public Law 99-260 (7 U.S.C. section 1421 et seq.) for corn, barley, oats, and grain sorghum. Indeed, the farmers in the project area participate in those programs which are specifically authorized for the period 1986-90 by title V of Public Law 99-198—7 U.S.C. sections 1461-69.

The plan for the Lake Andes-Wagner unit described in the Bureau's feasibility report calls for a diversification of the area's agriculture by transferring some of the acreage now devoted to feed grains to specialty crops such as potatoes. A recent privately funded feasibility study demonstrates that there is a market for processed potatoes through the establishment of a processing plant in the area. The proposed irrigation development will make this possible. The Bureau's studies substantiate the fact that, under irrigation, potatoes can be successfully grown in the area. The planning report anticipates that an average of 12,000 out of the 45,000 irrigable acres in the unit could be converted from feed grains to specialty crops.

The yield of the lands remaining in feed grains would be stabilized under irrigation, substantially reducing or eliminating the need for purchase and import of feed grains and hay in the dryer years, thereby stabilizing the integrated family farm operation.

In the recently adopted Garrison legislation—Public Law 99-924, May 12, 1986—there was included a provision, section 7, that a "surplus crop production charge" equal to 10 percent of full cost of irrigation development be imposed annually on the delivery of

project water for the production of surplus crops. This charge would be in addition to the annual payment of construction and operation, maintenance and replacement charges required from the water users under their 40-year repayment contracts. A similar provision requiring payment of 100 percent of full construction cost would be required if H.R. 1443, 100th Congress, were to be enacted.

The argument offered in support of such surcharges is that they would eliminate so-called "double subsidies"—one subsidy being that the water users on Federal reclamation projects pay only those irrigation costs which are within their repayment ability, with the balance, without interest, being repaid from other project revenues, such as project power revenues. The other subsidy referred to is the payment made to the farmer under the Farm Program.

This rationale overlooks some significant factors. One is that since, by definition, under the Federal reclamation laws, water user payments are tied to ability to pay, where small, family type farm operations are carried on—as would be the case in Lake Andes-Wagner—there are no excess land holdings, the surcharge means that the farmer will not sign repayment contracts because the cost of water would be prohibitive. The practical result is that the irrigation project would not be undertaken. In the case of Lake Andes-Wagner, without irrigation the area's economy will continue its slow decline and the already sparse population will continue to become smaller. The double subsidy would certainly be eliminated under such circumstances by the simple fact of not having an irrigation project. In the end, in the case of Charles Mix County, there would be no agricultural subsidy at all because the farmers would have to leave the area. That would, of course, bring about its own social costs or subsidies if you will. Is that really a desirable solution to the family farm problem?

A second factor overlooked is that to qualify for farm support payments a substantial percentage of the land previously devoted to supported crops—in this case feed grains—must be retired from such production.

The farmers who constitute the Lake Andes-Wagner Irrigation District propose, and this is reflected in section 2(e) of this bill, propose to eliminate any issue of double subsidy by a workable and realistic provision.

The Feed Grain Program now in effect was established under the provisions of the Food Security Act of 1985, Public Law 99-198, as amended by the 1986 amendments, Public Law 99-260. It is codified as 7 U.S.C. sections 1461-1469. Under that program, if land is converted from dry-land farming to irrigated farming, with a consequent increase in per acre yield, payment for the 1986 and 1987 crop years must be based only on the established dry-land yield determined upon the basis of a formula which involves the previous 5 year dry-land production and acreage. For the 1988 and subsequent crop years, the Secretary of Agriculture is authorized—but not required—to include the preceding year's production in the determination of the 5-year average.

In order that there can be no inclusion of increases in crop yield due to irrigation, in deter-

mining payments under 7 U.S.C. sections 1461-1469, section 2(e) would for the Lake Andes-Wagner and Marty II units require that the Feed Grain Program acreages and production be based upon the dry-land production and acreage. Specifically, the base acreage to which the reduction in acreage planted would be applied would be the average based on the Food Security Act formula applied to the 5 crop years immediately preceding the year in which the development period is initiated. Similarly, the average per acre yield upon which payments are calculated would, for Lake Andes-Wagner and Marty II, be the average per acre yield determined on the basis of the same period. Furthermore, these same bases would, in the case of Lake Andes-Wagner and Marty II, continue in effect during any future extensions of feed grain programs which Congress may enact to succeed the present program which expires with the 1990 crop year.

Under this approach, the Lake Andes-Wagner and Marty II farmers would not be deprived of the Pick-Sloan irrigation benefits which are necessary for their survival as viable farmers but they would not receive additional subsidies because of increased production per acre by reason of converting lands from dry-land to irrigated farming.

A section-by-section analysis of this measure follows.

Section 1(a) recognizes that the authorizations of the Lake Andes-Wagner unit and of the Marty II unit are in partial response to the loss of lands, both non-Indian and Indian, occasioned by construction and operation of the mainstem Missouri River reservoirs which are included in the Pick-Sloan Missouri Basin Program. The adverse economic impact of the taking of lands for Fort Randall Dam and Lake Francis Case is considered at length above.

Section 1(b) provides that construction and operation of the 45,000 acre Lake Andes-Wagner unit—which includes about 1,700 acres of Indian-owned lands—shall be substantially in accordance with the Bureau of Reclamation feasibility report. The feasibility report describes in detail the physical features that would be constructed, the location and irrigability of the lands involved and the facilities for mitigation of adverse environmental impacts and for the enhancement of environmental conditions. Environmental impacts and mitigation are discussed in detail in chapters III and V and the environmental commitments are summarized in appendix A-3—A-5. For convenience this appendix is included with these remarks following the text of the bill itself.

Section 1(c) relates specifically to the Marty II unit and is described separately below.

Section 2(a) is a standard provision by which newly authorized Pick-Sloan units are integrated with the entire Pick-Sloan Missouri Basin Program. This assures, among other things, the availability of Pick-Sloan power reserved for project pumping and assistance in repayment of irrigation costs from Pick-Sloan power revenues, in accordance with the Pick-Sloan principles reaffirmed by Congress in section 1122 of the Water Resources Development Act of 1986, Public Law 99-662.

Section 2(b) deals with the 1,700 acres of Indian lands included in the Lake Andes-Wagner unit. It provides an exception in favor of these Indian lands to the limitation that prevails as to other Pick-Sloan lands against both the availability of power for on-farm irrigation facilities as a project use and the providing of on-farm irrigation facilities as project features. For non-Indian lands, project pumping power is to be available for pumping and distribution only to and including the so-called first lift, which excludes on-farm irrigation use. And on-farm irrigation facilities are the responsibility of the individual farmers rather than of the unit itself. The exception for the Indian lands is in recognition of the special economic needs of the Indians. The cost estimates in the planning report and the amounts authorized to be appropriated—section 4(a)—take these special circumstances into account.

Section 2(c) assures that repayment of irrigation costs will be in accordance with existing reclamation law for the non-Indian lands and in accordance with the Leavitt Act for Indian lands. As to repayment by the water users of irrigation construction costs of non-Indian lands, under section 9 of the Reclamation Project Act of 1939, the repayment period may not exceed 40 years following the development period. The feasibility report assumes a 2-year development period.

Section 2(d) authorizes the acquisition by the Secretary of the Interior of right-of-way over Indian lands by exchange as an alternative—but not to the preclusion of—acquisition of such lands by other authorized means.

Section 2(e) precludes the so-called double subsidy. This provision has been addressed in detail above.

Section 3 is the standard provision which invokes the body of Federal reclamation law except as otherwise provided in the bill, for example, the special provisions dealing with Indian lands.

Section 4 covers the authorizations for appropriations for both the Lake Andes-Wagner and the Marty II units. The formula for indexing is standard.

It should be borne in mind that, as already explained, the appropriation authorizations for the Lake Andes-Wagner unit are net of the more than \$9,340,000 which has already been provided as cost sharing. Also, as discussed earlier, the Governor of South Dakota, with the assistance of the South Dakota Department of Water Resources, and the Lake Andes-Wagner Irrigation District are jointly exploring additional cost-sharing possibilities which Governor Mickelson expects to present in the near future. Such cost sharing proposals, if accepted, would of course further reduce the need for appropriations.

Sections 1(c)(1) and (2) are specific with respect to the Marty II unit. While detailed planning for that unit is not yet complete, studies already completed cover the land classification, enable a specification of the maximum acreage involved and the preparation of the cost-estimate. Section 1(c)(1) includes the authorization for Pick-Sloan power for pressurization and for on-farm irrigation facilities.

Because planning is not yet complete, section 1(c)(2) precludes the initiation of construction of the Marty II unit until the Secretary of the Interior certifies the land classification

and completes the environmental impact statement which will include the mitigation plan.

The text of the Lake Andes-Wagner bill follows, together with the list of environmental commitments for the Lake Andes-Wagner unit—appendix A-3—A-5 inclusive.

H.R. —

A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit and the Marty II Unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin Program, South Dakota

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

Sec. 1(a) In partial recognition of the inundation of lands in South Dakota, including lands in the Yankton Sioux Indian Reservation, by mainstem Missouri River reservoirs constructed and operated by the United States under the comprehensive plan approved and authorized by Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891) as amended and supplemented (hereinafter the "Pick-Sloan Missouri Basin Program") the Secretary of the Interior (hereinafter the "Secretary") is authorized to construct, operate and maintain the Lake Andes-Wagner Unit and the Marty II Unit, South Dakota, as Units of the South Dakota Pumping Division, Pick-Sloan Missouri Basin Program.

(b) The Lake Andes-Wagner Unit shall be constructed, operated and maintained to serve approximately 45,000 acres substantially as provided in the Lake Andes-Wagner Unit Planning Report/Final Environmental Impact Statement filed September 17, 1985.

(c)(1) The Marty II Unit shall include a river pump, irrigation distribution system, booster pumps, irrigation sprinkler systems, farm and project drains, electrical distribution facilities, and pressurization to serve approximately 3,000 acres of Indian owned land in the Yankton Sioux Indian Reservation.

(2) Construction of the Marty II Unit shall not be undertaken until certification of the irrigability of the lands by the Secretary and completion of an environmental impact statement and mitigation plan for any adverse effects.

Sec. 2(a) The Lake Andes-Wagner Unit and the Marty II Unit shall be integrated physically and financially with other Federal works constructed under the Pick-Sloan Missouri Basin Program.

(b) The Lake Andes-Wagner Unit shall include on-farm pumps, irrigation sprinkler systems and other on-farm facilities necessary for the irrigation of approximately 1,700 acres of Indian-owned lands and use of electric power and energy required to operate the facilities for the irrigation of such Indian-owned lands and to provide pressurization therefor shall be deemed a project use.

(c) Repayment of construction costs of the Lake Andes-Wagner and Marty II Units allocated to irrigation (both those assigned for return by the water users and those assigned for return from power revenues of the Pick-Sloan Missouri Basin Program) shall as to each unit be accomplished in not to exceed forty years following the development period, except that repayment of such costs allocated to irrigation of Indian-owned lands shall be governed by 25 U.S.C. § 386a.

(d) Indian-owned lands, or interests therein, required for the Lake Andes-Wagner or Marty II Units may, as an alternative to

their acquisition under authority available to the Secretary under existing law, be acquired by exchange for lands or interests therein of equal or greater value which are owned by the United States and administered by the Secretary or which may be acquired for that purpose by the Secretary.

(e) For purposes of participation of lands in the Lake Andes-Wagner and Marty II Units in programs covered by Title V of the Agricultural Act of 1949 as amended, 7 U.S.C. §§ 1461-1469, and in any successor programs established for crop years subsequent to 1990, the five crop years upon the basis of which the crop acreage base is determined under and pursuant to 7 U.S.C. § 1464 and upon the basis of which the program payment yield is determined under and pursuant to 7 U.S.C. § 1466 shall be the five crop years preceding the crop year in which the development period for each Unit is initiated.

Sec. 3. This Act is a supplement to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplemental thereto). The Federal reclamation laws shall govern the construction, operation and maintenance of the works herein authorized, except as otherwise herein provided.

Sec. 4(a) There are authorized to be appropriated (1) \$150,000,000 (October 1984 price levels) for construction of the Lake Andes-Wagner Unit (other than the facilities described in section 2(b)) and (2) \$1,200,000 (October 1984 price levels) for construction of the facilities described in section 2(b), which amounts include costs of the Lake-Wagner Irrigation District in administering design and construction of the irrigation distribution and drainage systems.

(b) There are authorized to be appropriated \$15,000,000 (October 1984 price levels) for construction by the Bureau of Reclamation in consultation with the Bureau of Indian Affairs of the Marty II Unit.

(c) The amounts authorized to be appropriated by subsection (a) and (b) shall be plus or minus such amounts, if any, as may be required by engineering cost indexes applicable to such construction.

(d) There are authorized to be appropriated such sums as may be necessary for the operation and maintenance of each Unit.

LIST OF ENVIRONMENTAL COMMITMENTS

1. Pumping Plant:
 - a. ¼-mesh fish screens will be installed on each pumping bay.
 - b. Intake velocity at .5 foot per second.
 - c. Top lip of intakes will be maintained at a depth of 20 feet during spawning and rearing periods.
2. To mitigate for wetland losses, up to 4,500 acre-feet of water (Lake Francis Case quality) will be provided to Owens Bay and Red Lake via turnouts and 365 acres of existing wetlands will be purchased and provided a controlled water supply. When practical, operational wastes will be used. In addition, a wetland easement will be acquired for 4 acres.
3. Approximately 2,185 acres will be purchased and seeded to native grasses. Canal and lateral rights-of-way would be seeded to native grasses. All seeded areas will be protected from grazing and other disturbances until the grasses have been established (generally 3 years). Habitat values on acquired tracts will be estimated using habitat evaluation procedures, and purchases will continue until lost habitat values are replaced.

4. Approximately 175 acres of land will be purchased in concert with grassland acres for the planting of woody vegetation.

5. To the extent possible, lands purchased for mitigation of grasslands and woodlands would be adjacent to existing Federal and State wildlife areas or existing wetlands to provide wildlife complexes. If lands in these areas cannot be purchased from willing sellers, other parcels will be sought, with a minimum size of 40 acres. These units would be managed by the U.S. Fish and Wildlife Service or South Dakota Department of Game, Fish and Parks.

6. The mitigation plan will be implemented concurrently with the construction of the rest of the project.

7. Uneconomical land remnants retained in Federal ownership will be managed to offset grassland habitat losses.

8. New project powerlines will be buried except for the 0.5-mile 115-kV line into the main pumping plant. Installation of powerlines will be in accordance with *Suggested Practices for Raptor Protection in Powerlines, the State of the Art in 1981, Raptor Research Report No. 4, Raptor Research Foundation, Inc., 1981.*

9. Water quality sampling and analysis of Choteau Creek and Lake Andes will continue for TDS, nutrient levels, dissolved oxygen, trace elements, and pesticides and herbicides. After construction, the cost of this program will be part of the project OM&R. A ring dike will be constructed to dilute project return flows into Choteau Creek to meet State water quality standards of 2,500 mg/1 TDS. Water will also be added to Lake Andes to meet the State water quality standard.

10. Ring dike construction may require habitat mitigation. Upon final site selection a habitat evaluation team will be assembled and recommend appropriate mitigation measures. After the appropriate review the recommendations will be incorporated into the construction plan.

11. Known sites will be avoided where possible. If any cultural resource sites cannot be avoided, determinations of their significance/eligibility for the National Register of Historic Places will be made. If any sites are determined to be significant, appropriate mitigation measures will be developed in consultation with State Historic Preservation Officer and Advisory Council on Historic Preservation.

12. The South Dakota Department of Game, Fish and Parks will be consulted regarding appropriate measures to be taken during the spawning season during construction of the main pumping plant.

13. The project may require modification of 15 miles of existing drainageways. When these sites are identified, South Dakota Department of Game, Fish and Parks and U.S. Fish and Wildlife Service will be contacted and appropriate mitigation measures will be established.

14. Proposed 50-acre fish rearing pond is included as a project feature.

15. Topsoil will be stripped to a predetermined depth, stockpiled, protected from erosion and compaction, and replaced in all disturbed areas.

16. The following permits will be obtained:

1. Section 10 permit required by the River and Harbor Act
2. Sections 402 and 404 permits required by the Clean Water Act
3. Soil and water compatibility permit from the State of South Dakota
4. Water right from the State of South Dakota

17. It is recognized that certain agricultural chemicals can pose hazards to wildlife and water supplies. As part of the Irrigation Management System, chemical types used on the project will be updated every 5 years and useage of less hazardous chemicals will be encouraged.

HISTORIC REHABILITATIONS DROP DESPITE CONTINUED TAX CREDIT

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mrs. KENNELLY. Mr. Speaker, last year we witnessed the enactment of tax legislation of historic proportions, the Tax Reform Act of 1986. As a Member of the Ways and Means Committee, I was fortunate enough to have had the opportunity to shape that legislation in some areas that I believed to be important to this country, to my State, and to the city of Hartford. One of those significant areas was the retention of tax incentives to preserve and rehabilitate the old and historic buildings in this country.

Like everything else in the tax law, however, the Rehabilitation Tax Credit Program underwent intensive scrutiny and was cut back by a third. By retaining a 20-percent credit for the rehabilitation of historic structures and a 10-percent credit for the rehabilitation of structures built prior to 1936, Congress reaffirmed its commitment to this program, a program that has done so much to revitalize our cities and neighborhoods, and preserve our historic heritage since its enactment in 1981.

Unfortunately, what Congress thought it was retaining on the one hand, it actually appears to have taken away with the other. The passive activity limitations, newly enacted by this act, apply to the rehabilitation credit as well as to losses generated by rehabilitation projects. While a limited exception from these rules was made for the rehabilitation and low-income housing credits, we are finding that this exception—the deduction equivalent of \$25,000, or generally \$7,000 per taxpayer per year, assuming a top-bracket taxpayer—is not nearly enough to generate continued investment in old buildings.

It seems to me that the impact of the new passive activity limitations on rehabilitation is a far cry from what Congress anticipated last year in approving the 1986 Tax Reform Act. Those of us that thought we had preserved the incentives to invest in old neighborhoods are now quite concerned with the results.

I would like, at this point, to include in the RECORD the following article from the Wall Street Journal of last Wednesday, June 3, 1987. This article graphically depicts the difficulties the Rehabilitation Program is facing since the enactment of the Tax Reform Act of 1986.

HISTORIC REHABILITATIONS DROP DESPITE CONTINUED TAX CREDIT (By Robert Guenther)

Since his St. Louis firm has been deeply involved in rehabilitating historic buildings, Guy S. McClellan should have been delighted that the Tax Reform Act of 1986 re-

tained the tax credit for investing in rehabilitation. Not so, Mr. McClellan, a principal in Mead-McClellan Partnership, says the tax credit now is "practically unusable."

Others seem to be thinking the same thing. Ian D. Spatz, legislative counsel for the National Trust for Historic Preservation, says that applications to the National Park Service to qualify for the tax credit have plummeted to about 150 a month since mid-1986, from an earlier rate of 270 a month.

"Very clearly, the volume of certified historic buildings being rehabilitated is way, way off, especially those smaller projects which relied on a limited number of large investors," say Mr. Spatz. "It's the projects costing \$750,000 to \$5 million that are having the greatest difficulties."

Many of the projects that are going ahead were either already under way, involve big offerings through securities firms or else reflect special circumstances. For instance, William Abeloff, a Richmond, Va., developer, anticipated difficulties in rehabilitating a big warehouse complex in Richmond called Tobacco Row into apartments and offices under the new law. So he persuaded his congressional delegation to get the \$130 million project exempted as part of the transition rules in the new law. Now, the more generous old tax laws governing the historic rehabilitations and financings using industrial revenue bonds apply to his project. "Without the transition rules, there's no way this project could be financed now," says Mr. Abeloff.

In St. Louis, the new tax law's toll on rehabilitation is especially noticeable. From 1981 through 1986, the city, with its wealth of old brick buildings and homes, led the nation in the amount of commercial and residential rehabilitation activity. But this year, Barbara Geisman, the former director of the local Community Development Agency, expects about 300 to 400 dwelling units to be rehabilitated, less than one fourth the pace of recent years.

Especially affected are firms such as Mead-McClellan, whose projects aren't massive in size, whose partnership offerings have been placed privately rather than through large securities firms, and whose partnerships haven't resorted to exotic financing variations, such as zero-coupon debt, to make the deals look good. This year, Mead-McClellan has no plans to start any rehabilitations.

The reason that the 1986 tax law hits historic rehabilitations so hard isn't apparent on the surface. After all, the historic rehabilitation tax credit is one of only two tax credits for real estate that wasn't eliminated by congress. It was reduced to 20% from 25% however.

The problem arises with the investment disincentives caused by other features of the law. Various benefits for real estate investors, such as 19-year depreciation, disappeared with the new law. Moreover, the law limits the maximum credit that an investor can apply against his income to \$7,000.

But the big blow to rehabilitations comes from the phasing out of tax credits from passive investments as an investor's income rises above \$200,000. Investors earning \$250,000 or more can't use the rehabilitation credit at all. And these are the people who have supplied the bulk of the equity for historic rehabilitations. "Our investors can't use a dime of that write-off," says Mr. McClellan.

Other sponsors of limited partnerships are putting together large public offerings

aimed at smaller investors who can use the deduction. But some question whether the expenses associated with public offerings coupled with the inherently risky nature of rehabilitation projects make these investments worthwhile for small investors. "The fact is that big developers don't do rehab housing because it's the hardest thing to do," says Mr. McClellan. "With rehabs a lot of things can go wrong."

The tax benefits were not only useful from the standpoint of attracting investors but also for competing against rentals in the suburbs. "We counted on the tax law to allow us to spend 40% more on our units than the typical new units in (St. Louis) county," says Mr. McClellan. "Our units averaged 1,000 square feet in size and cost us \$60,000 to \$75,000 to rehabilitate. We rent them for about 55 to 60 cents a square foot a month."

Moreover, Mr. McClellan says the new tax law will discourage investment in inner cities. Without incentives for capital, he says, "landlords will be tempted to milk projects."

Ironically, the slowdown in rehabilitation activity should benefit some existing Mead-McClellan partnerships. Vacancies in their apartments now stand at 12%; within four months, Mr. McClellan expects the vacancy rate to drop to 5% to 6%.

Except for a work-out on a troubled rehabilitation taken over by a lender, Mead-McClellan is focusing its energies on three new construction projects—two condominiums and a miniwarehouse. "As a company, we're going to be around," Mr. McClellan says. "Over the last four or five years, we've averaged \$6 million to \$8 million a year in deals. This year we'll do \$4 million to \$5 million. But we may end up richer as a result."

The firm will also be abandoning an ample supply of historic properties yet to be saved. Says Mr. Spatz of the National Trust: "There are 500,000 structures on the register of historic places nationwide. Only 10,000 have been done since 1981, so there are plenty of opportunities out there."

THE NATIONAL TRAILS SYSTEM IMPROVEMENTS ACT OF 1987

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mrs. BYRON. Mr. Speaker, earlier this week, I introduced the "National Trails System Improvements Act of 1987."

The intent of this legislation is to allow for and encourage the development of State, local, and Federal trails. My bill would do this in two ways. First, with respect to abandoned rights-of-ways associated with Federal parkland and forests in the West, it would encourage conversion to trail use. Second, if in a particular case such a conversion is not possible, the Secretary of the Interior is authorized to sell the right-of-way and provide State and local agencies and groups with the funding needed to acquire and develop trails throughout the United States.

Thousands of miles of railroad track are abandoned each year. With the proper program to facilitate the conversion of these miles, the possibilities are endless. The demand for trails, particularly near urban centers, has exploded in the past few years.

Trails are among our most useful recreational assets. They can be used for walking, hiking, jogging, horseback riding, and bicycling. They enable us to access camping sites, fishing areas, and scenic vistas. The recently issued report of the President's Commission on Americans Outdoors [PCAO] resoundingly endorsed trails as a principal means of addressing the recreational needs of our growing population. As a result, hikers, runners, bikers, and horseback riders are now approaching their elected officials with a unified voice calling for more trails. My legislation responds to this voice in a way that provides exciting possibilities for recreationalists at little cost to the Federal Government.

The bill has been officially endorsed by the Rails-to-Trails Conservancy, American Recreation Council, Paralyzed Veterans of America, and the American Horse Council. I am pleased to say that I am introducing it with seven original cosponsors: Chairman MORRIS UDALL, Congressmen RAHALL, COELHO, KOSTMAYER, BEREUTER, CAMPBELL, and LEWIS. I have included a section-by-section summary of "The National Trails System Improvements Act of 1987" in order to provide Members with a clear understanding of the bill's intent.

In conclusion, I want to simply urge all of my colleagues to cosponsor this very worthwhile piece of legislation which follows:

SECTION-BY-SECTION ANALYSIS FOR NATIONAL TRAILS SYSTEM IMPROVEMENTS ACT OF 1987

Section 1.—This section specifies the short title for the legislation.

Section 2.—This section notes that state and local governments have a special role to play in acquiring and developing trails and that timely funding is frequently a difficult problem, especially for trail acquisition. A revolving fund would assist in addressing this problem.

Section 3.—This section adds new subsections (c)-(f) to section 9 of the National Trails System Act. New subsection (c) prospectively amends the Act of March 8, 1922 (43 U.S.C. 912) to retain the federal interest in rights-of-way arising from old federal grants upon abandonment or forfeiture, except to the extent embraced within a public highway as currently provided in said Act. New subsection (d) provides that to the extent included in a federal conservation system unit or National Forest, the retained rights-of-way shall be incorporated in such unit or Forest. Retained rights-of-way not within but contiguous to or adjacent to such unit or Forest shall be managed pursuant to the Federal Land Policy and Management Act of 1976 (FLPMA) and other applicable law. Retained rights-of-way located outside the boundaries of a unit or Forest which are suitable for recreational trail and similar uses shall be managed by the Secretary of Interior for such purposes, except that the Secretary may transfer the property to a state or local government or other qualified entity for use only for public recreation. Property outside the boundaries of a conservation system unit or national forest, and not contiguous or adjacent to same, and meeting the disposal criteria of the FLPMA may be sold, with the proceeds deposited in the Treasury in the Trails Fund. New subsection (f) contains definitions.

Section 4.—This section establishes a revolving trails development fund to be known as the Trails Fund in the Treasury. The Secretary of Interior may use the fund for the acquisition of new trails, or for the con-

struction and reconstruction of existing trails, and for loans for these purposes to state, local and federal agencies and qualified private organizations. At least 60% of the funds shall be made available in each fiscal year for loans to state or local agencies or qualified private organizations. At least 60% of the funds shall be devoted to the acquisition of new trails. The Secretary is empowered to determine whether or not to charge interest on the loans, and may establish the rate of interest consistent with the purposes of this Act. The Secretary is required to issue regulations to implement section 9 of the Trails Act and this section. The regulations must provide a mechanism to make funds timely available so that agencies and qualified private organizations can successfully exercise their rights under regulations and orders issued by federal agencies with respect to rights-of-way, such as by the ICC in authorizing rail abandonments subject to public use conditions and so forth. An annual report to the relevant oversight Committees is required. Subsection (e) authorizes appropriations of \$200,000 per year for administration and \$500,000 for fiscal years 1988 and 1989 as seed money for the Trails Fund.

QUESTIONS AND ANSWERS

1. Are recreational trails desirable?

Answer. Yes. Recreational trails are used for virtually all forms of outdoor recreation, such as jogging, walking, horseback riding, and bicycling. They are used to get to prime areas for swimming, fishing, camping, bird-watching and photography. They are a low-cost efficient type of recreational resource. They were endorsed in the recent report of the President's Commission on Americans Outdoors.

2. One of the principal types of rights-of-way available for use for trails are about-to-be abandoned railroad rights-of-way. Will this legislation alter ICC regulation of such rights-of-way?

Answer. No. This legislation neither approves nor disapproves current ICC regulation, and is designed not to affect it. Rather, the legislation creates a revolving fund to provide loans so that agencies and qualified private organizations can obtain access to money to acquire rights-of-way under the existing law. For example, ICC under current law will afford a trail user up to 180 days to negotiate with a railroad after authorization for abandonment to acquire the right-of-way. Frequently state and local agencies are unable to obtain the necessary funds in this time period. A revolving fund will provide a funding alternative.

3. Will this legislation affect shipper or short line rail operator remedies before the ICC?

Answer. No. As indicated, this legislation will not alter ICC regulation.

4. Will this legislation compel transfer of about-to-be abandoned rail rights-of-way for trail or recreational use?

Answer. No. This legislation merely provides a source of funds for acquisition of rights-of-way under existing law.

5. Will this legislation affect any vested property rights?

Answer. No. This legislation will not affect any right to rights-of-way which has already vested.

6. Can grants be made for right-of-way acquisition or development by state or local agencies or private groups under this legislation?

Answer. No. As currently drafted, the legislation provides only for loans, but the loans can be low or no interest.

7. What is a qualified private organization for purposes of the funding provisions in this legislation?

Answer. In several states, private, generally not-for-profit groups have undertaken trail acquisition and development. This is consistent with the emphasis on voluntarism in the National Trails System Act generally. Existing provisions in the Trails Act (e.g., 16 U.S.C. 1247(d)) provide for qualified private organizations to acquire rights-of-way for trails. The legislation envisions that the Secretary of Interior would issue regulations describing those kinds of private organizations qualified to obtain funds from the revolving fund to acquire or to construct recreational trails. The principal constraint in the definition would be to provide reasonable assurance that the loan would be repaid. This in many cases may be accomplished by securing the loan with the property acquired.

8. Can rights-of-way acquired with funds provided by this legislation be used for purposes compatible with trails use?

Answer. A qualified yes. Compatible uses are not intended to be excluded by this legislation. However, it is not the intent of this legislation to fund the acquisition of, for example, a highway or mass transit right-of-way merely because it will have a bikeway alongside it. The principal purpose of the acquisition should be recreational trail use.

9. Will this legislation add to the deficit?

Answer. No. In the last Congress, several millions of dollars were appropriated to acquire a single right-of-way on federal land which belonged to the federal government under existing law. This legislation clarifies further existing law and should assist in preventing recurrence of such problems, thus saving money. The legislation does authorize limited appropriations (\$200,000 per year) for administration and \$500,000 for two fiscal years as seed money. The chief source of revenue for the revolving fund is proceeds from the sale of retained federal rights-of-way (which are currently given away).

INTRODUCTION OF LEGISLATION TO REQUIRE IMMINENT DANGER PAY FOR MEMBERS OF MILITARY SERVING IN THE PERSIAN GULF

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mrs. SCHROEDER. Mr. Speaker, today I am introducing legislation to require that members of the military who are deployed in or around the Persian Gulf receive danger pay.

Under section 310 of title 37, the Secretary of Defense may provide special pay to a member of the uniformed service who is "on duty in a foreign area in which he was subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions." If that does not describe our sailors in the Persian Gulf today, I do not know what does.

I was surprised to learn that we are not paying hostile fire or danger pay to our troops in the Persian Gulf. My colleagues may re-

member that it took an act of Congress in 1983 to get danger pay for our marines in Lebanon. I am afraid it may take an act of Congress to provide danger pay in the Persian Gulf as well.

Danger pay is only \$110 a month. It hardly compensates our brave sailors for the dangers they face patrolling the gulf. Still, it provides an important recognition of the hardships these individuals confront.

The bill is retroactive to May 1, 1987 and continues in effect until the President certifies that members of the military serving in the Persian Gulf are no longer subject to imminent danger.

I will be talking with the chairman of the Committee on Armed Services and with the leadership to find some way to move this bill quickly.

H.R. 2068

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

SECTION 1. SPECIAL PAY FOR DUTY SUBJECT TO HOSTILE FIRE FOR MEMBERS OF THE ARMED FORCES SERVING IN THE PERSIAN GULF.

(a) SPECIAL PAY.—A member of the Armed Forces shall be paid special pay under section 310 of title 37, United States Code, for each month during which that member performs duties in or over the Persian Gulf or in the vicinity of the Persian Gulf while assigned or attached to a naval vessel or other unit deployed in, or in the vicinity of, the Persian Gulf.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on May 1, 1987.

(c) TERMINATION.—Subsection (a) shall terminate upon a determination by the President that members of the Armed Forces performing duty in the Persian Gulf or in the vicinity of the Persian Gulf are no longer subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

MEMBERS SUPPORT COMMUNISTS

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. McCOLLUM. Mr. Speaker, attached are documents which discuss and elaborate on the composition of the front groups which operate in the United States on behalf of the Communist guerrillas in El Salvador and the Marxist regime in Nicaragua.

These documents also show fundraising letters signed by Members of Congress.

The documents in order are:

First, fundraising letter for the Committee in Solidarity with the Peoples of El Salvador [CISPES] signed by Congressman MERVYN DYMALLY.

Second, fundraising letter for New El Salvador Today [NEST], signed by Congressman JOHN CONYERS, JR.

Third, fundraising letter for the Nicaragua Network signed by Congresswoman SCHROEDER.

Fourth, a series of nonclassified cables from the U.S. Embassy in El Salvador to the

U.S. State Department on the activities and relationship of the front groups and the armed Communist guerrillas in El Salvador.

Fifth, a two page flyer on CISPES stationary describing the organization.

Sixth, a news article from the Guardian, a self-proclaimed radical weekly newspaper. This article, dated March 9, 1983, describes the activities of CISPES and medical aid to El Salvador, [MAES].

Seventh, an excerpt from the book, "The Revolution Lobby" by Allan C. Brownfield and J. Michael Waller describing the activities of front groups in the United States.

COMMITTEE ON FOREIGN AFFAIRS,

Washington, DC.

DEAR FELLOW AMERICAN CITIZEN: The United States is deeply involved in a civil war in El Salvador—a war which has cost over a billion taxpayer dollars, killed 50,000 Salvadorans, and driven over one and a half million more from their homes.

U.S. arms provide firepower in the Salvadoran civil war. U.S. advisors provide training and oversight, and U.S. pilots use infrared equipment to identify targets.

The war will not stop without your help.

There are three things you can do to help stop the bombing in El Salvador and end U.S. aid to the Nicaraguan Contras. But before telling you what they are, I must make clear how seriously I view this situation.

During my six years on the Foreign Affairs Committee, I have listened to witnesses chronicle our deepening military involvement in Central America. In my Los Angeles County home district, Salvadoran refugees have told me about the high human toll of the war.

Sporadic news reporting fails to convey a full picture of the intensity of the fighting or of its impact:

Our tax dollars fund an escalating air war which features daily bombings of civilian areas. U.S.-trained pilots fly AC-47 gunships which can put a bullet in every square foot of an area the size of a football field—within three seconds.

Since January, the Salvadoran military has been conducting "Operation Phoenix"—a massive drive to depopulate Guazapa Province, a few miles north of El Salvador's capital city.

Once, 50,000 people—mainly farmers—lived in the area around the Guazapa Volcano. Now, less than 1,500 civilians are estimated to be left. The army has methodically killed livestock, burned fields and fruit trees, and destroyed food stocks—all violations of the Geneva Accords.

According to an April 18th report from the Christian Committee for the Displaced of El Salvador, Operation Phoenix has produced 245 civilians murdered, including 5 pregnant women; 1,345 civilians captured; and 13 villages totally destroyed.

On January 13, 1986 the Washington Post (p. A21) reported, "El Salvador's Roman Catholic Archbishop [Arturo Rivera y Damas] said he witnessed a government aerial bombardment of a populated area during his pastoral visit to guerilla-controlled areas this week . . . he witnessed the bombing last Monday as residents of the embattled northern Chalatenango Province were singing songs of welcome to him. . . . Defense officials denied that there was any bombing in the area where Rivera y Damas visited."

The American people and their representatives in Congress must not allow our gov-

ernment to support the bombing of civilians. That is why the U.S. Committee in Solidarity with the People of El Salvador (CISPES) is organizing a National Emergency Campaign to Stop the Bombing. I ask you to support the campaign.

Members of CISPES are working in local communities across the country, informing their neighbors about the threat of full-scale war in Central America—and asking them to also take action.

With 450 committees in towns and cities in all 50 states, and close working relationships with any other organizations, CISPES is ideally suited to inspire public opposition to the widening U.S. role in Central America. Through films, slide-shows, and public discussions in churches, communities centers, and homes, CISPES' volunteer members are showing Americans what is really happening in Central America.

In its 5½ years of existence, CISPES has helped hundreds of thousands of Americans take action for peace—many for the first time.

CISPES efforts have motivated thousands to call Members of Congress and to write letters voicing opposition to the U.S. war in Central America.

CISPES volunteers are breaking through the news media blackout on El Salvador. Op-ed articles, letters to the editor, and newspaper ads are telling the facts. "Stop the Bombing" bus and subway placards are up in urban transit systems across the country.

CISPES has sent hundreds of thousands of dollars to help meet the basic human needs of those in El Salvador suffering from war. In 1985 alone, CISPES grassroots committees sent over \$180,000 in humanitarian aid.

My House and Senate colleagues have access to the same information as do I. "War stories" will not change their votes—unless they also know that a consensus in opposition to the war is building among their own constituents.

Through organization, that consensus can be built. That is why CISPES is embarking on a two-year educational campaign in 50 key Congressional districts. With trained full-time organizers, CISPES will reach the unconvinced, recruit volunteers and build effective opposition to the bombing.

With generous initial contributions, CISPES has begun the effort—and already shown results in Congress:

47 Members of Congress have co-sponsored a resolution by Rep. John Conyers condemning the continuing human rights violations in El Salvador and calling for a halt to the indiscriminate air and ground attacks on civilians.

At CISPES' urging, House Ways and Means Chair Dan Rostenkowski wrote letters to our colleagues, David Obey, Chair of the Foreign Operations Appropriations Subcommittee, and Michael Barnes, Chair of the Western Hemisphere Subcommittee of the Foreign Affairs Committee. He voiced opposition to the Administration's supplemental request of \$54 million in Central American police training funds.

The police training measure failed—thanks in part to the opposition of Rep. Rostenkowski and other members of Congress contacted by CISPES.

Following Rep. Rostenkowski's letter and thousands of letters from CISPES members, Rep. Barnes held Subcommittee hearings on the human rights situation in El Salvador.

Rep. Frank Annunzio, a former supporter of military aid to El Salvador, credits

CISPES members in his district with changing his point of view about the effects of that aid in El Salvador.

But now our government is escalating the U.S. military role in Central America in ways reminiscent of the expansion of the war in Vietnam—and we must all redouble our efforts to respond.

Here are the three things you can do Right Now to help Stop The Bombing:

(1) Write a check to CISPES today for \$35—or for \$25, \$50 or \$100—and send it to us in the enclosed postage-paid envelope.

The day-to-day work of CISPES is carried out by volunteers, and the CISPES staff are paid subsistence wages. But other expenses are unavoidably high. To finance its National Emergency Campaign to Stop the Bombing, CISPES must raise over \$45,000 in the next two weeks—and most of it must come from individuals like yourself.

(2) Sign the "Urgent Reply Memorandum" I am enclosing and return it along with your contribution. We need to obtain thousands of signatures as part of CISPES' effort to deliver these pledges by the truckload to Members of Congress. Your representatives must recognize that you want them to act to stop the bombings.

(3) If you wish to participate actively in your local community as well, write down your phone number on the enclosed reply memorandum. CISPES staff or other volunteers in your area will contact you with details about grassroots activities in which you may take part.

The Reagan Administration and the Congress are at a crossroads. You can help point out the right path.

One path leads to peace and economic justice. It is the route to the recognition of human rights and the sanctity of human life.

The other path—the way of death squads and massive bombardment—leads to large-scale death and destruction. We took that path in Southeast Asia.

Let us not allow our government to lead us down that path again.

Sincerely,

MERVYN M. DYMALLY,
Member of Congress.

P.S.—Your check for \$100 or more will be tax-deductible if made payable to the "Institute for Effective Action". Contributions will fund CISPES' ongoing educational work.

[Urgent Reply Memorandum]

To CISPES NATIONAL OFFICE,
Washington, DC.

YES, you can count on me to help CISPES' fast-growing national grassroots organizing campaign to stop the bombing in El Salvador and end U.S. aid to the Nicaraguan Contras.

Here is my gift (payable to "CISPES") for:
() \$35 () \$100 () \$25 () \$50
() \$_____.

() Rep. Dymally may use my name in his effort to persuade his colleagues on the House Foreign Affairs Committee to stop the bombing.

() CISPES may contact me about local CISPES efforts to end U.S. intervention in Central America. My phone number is () _____.

Signed: _____.

() I am sending my check along with this form in the postage-paid envelope included in your "Jet Express" envelope.

CISPES,
Washington, DC.

DEAR FRIEND: Since I began my involvement with CISPES just five years ago, I have been fortunate to see our work move many thousands of people from despair to action.

I've come to learn first-hand what I always sensed was true: that most Americans want to end the war in Central America, but they need to be given hope—and a way to help.

CISPES is giving them just that. Our nationwide campaign to Stop the Bombing in El Salvador is bringing people all across the country together to educate themselves and their neighbors—and to act.

Most importantly, we're putting pressure where it's needed most. In 50 key Congressional districts, CISPES is helping tip the balance on critical legislation. Never before have I seen such an opportunity to make an important difference—and you can help.

Your gift of \$35 will support a CISPES organizer in the field for one day—and every additional gift will keep us out there just that much longer.

So, won't you please help? Together I believe that we really can stop this brutal and immoral war.

Thank you so much,

ANGELA SANBRANO,
National Coordinator.

HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR FRIEND: I know you share with me a commitment to peace in Central America, and that's why I'm writing you now.

For the twenty-one years I've served as a U.S. Congressman, I've been proud of the desire of most Americans to protect human rights and their willingness to help those less fortunate when help is necessary.

Today our help is desperately needed in El Salvador.

You are no doubt aware of the shocking facts about the human toll of El Salvador's war—50,000 persons killed largely by the military and right-wing death squads over the past five years; 500,000 refugees struggling for survival within El Salvador alone.

Now in the Salvadoran countryside, human suffering has taken on a new face—a face molded, in large part, by the more than \$1.7 billion in U.S. aid to El Salvador during the Reagan administration.

And the chief victims are El Salvador's civilians.

Determined to destroy any base for the opposition movement, the Duarte government and the Salvadoran military forces are attacking their own people with unrestrained savagery.

Every day planes bought with U.S. tax dollars fly over countryside considered "enemy territory," machine-gunning, firing mortars and dropping anti-personnel bombs on whatever moves below. Ground forces ruthlessly carry out "search and destroy" missions—standard procedures ordered by their U.S. advisors.

And every day, caught up in a war not of their making, hundreds of children, women and men are forced to flee their homes in terror of the military's raids or aerial attacks.

A handful of U.S. observers have taken the perilous journey into these war zones. They have brought back bloodchilling testimonies of military massacres.

Old women unable to run—mowed down with machine guns.

Children stabbed, shot and mutilated.

Babies crying in pain from white phosphorus burns.

When the Salvadoran army mounts a drive through a village, the people flee to avoid the wrath of the military. These marches—called *guindas* (pronounced "GEEN-duz")—sometimes last for weeks.

The *guindas* take a shocking toll on children and the elderly. Often safe drinking water and food are simply unavailable. Without adequate shelter, without medicine, without rest, often the very youngest and the very oldest simply die. As one eyewitness said:

"Sometimes we have suffered for eight days or ten days without water during the different times when we had to be fleeing. I have two children who died and, really, I blame that on the [military] because they didn't have to die. * * *"

"A lot of times when we had to leave, I might be right in the middle of making tortillas or whatever and there was no choice, you just had to leave everything. There have been so many massacres that when you have to leave, you just leave. * * *"

And when the survivors return, bravely determined to rebuild some semblance of a normal life, this is what they find: the military has burned down their houses, killed their chickens and pigs, even razed their newly planted crops. Deprived of their only sources of livelihood and nourishment, they are desperately hungry.

You might well ask: how can this be?

While a wealthy minority controls the bulk of the country's resources, the majority of Salvadorans are trapped in poverty and landlessness. Peaceful attempts at land reform or other democratic change that might ease this chronic impoverishment have been ruthlessly thwarted by the Salvadoran military.

It is not difficult to comprehend why some who oppose the Salvadoran government's war on its own people have fought back in desperation.

But it is difficult to comprehend why the Salvadoran military, in seeking to stop this opposition, is attacking the unarmed population with such ferocious brutality.

In destroying the rural economy and deliberately targeting civilians, Napoleon Duarte's "democratic" government hopes to undercut support for its opposition. But the true sufferers are the innocent.

"Every time when soldiers have come here they have either burnt the fields or trampled down the new plants, so you never know. These are things they are doing against the civilian population because we are not [guerrillas] here. . . ."

We can no longer avoid addressing what is being done in our name in El Salvador.

On the floor of Congress, I have adamantly opposed military aid to the Salvadoran government. And, though Congress ended up approving additional U.S. military assistance to El Salvador, I believe the American public stands with me in opposing this tragic use of our tax dollars.

I hope that someday our government will correct itself, just as it finally extricated itself from the Vietnam War. But until that happens, we cannot help but shoulder part of the responsibility for our country's role in heightening the conflict in El Salvador—and for the human suffering this conflict is causing.

I know that you share my concern for the civilian victims of El Salvador. So I am eager to tell you about a way in which we can help, not hurt, the people of El Salvador.

A small and resourceful organization called New El Salvador Today (N.E.S.T.) is working to provide emergency help for the children, women and men living in economic desperation because of El Salvador's war.

N.E.S.T. is a non-profit tax-exempt foundation which is sending humanitarian aid to those whose lives are most affected by the violence of the U.S.-supported war. Already N.E.S.T. has succeeded in channeling over \$225,000 to the civilian populations in El Salvador's war zones.

The situation these thousands of families face is truly a life-or-death emergency.

They lack even the most basic requirements for life:

Because their crops have been destroyed, they need food.

Because they had to flee for their lives, leaving everything behind, they need clothing.

Because they have walked for weeks on end, wearing out what footwear they had before, they need shoes.

And, most of all, despite their incredible resilience and determination, they need our immediate help.

To respond to this urgent need, N.E.S.T. is mounting an Emergency Relief Campaign to raise \$100,000 for desperately needed food and everyday necessities.

Because the situation is so critical, N.E.S.T. is appealing to individual Americans like you who care enough to support this Emergency Relief Campaign right now.

I am asking you to give whatever you can—\$25, \$35, \$50 or more. Your contribution will be used immediately to support N.E.S.T.'s efforts to provide clothing and food for the civilian populations impoverished by this violent civil conflict. These supplies will then be transported at great risk—often on people's backs—into El Salvador's war zones.

Our government sends billions of dollars to El Salvador that destroy lives. Here is a chance to send something to save human lives.

And it takes so little to help! Simply fill out the enclosed reply form and return it with your tax-deductible contribution—whatever you can afford to give.

As a supporter of N.E.S.T.'s Emergency Relief Campaign, you will have the satisfaction of knowing that you are helping to redress the destruction being done by the U.S. military aid sent to El Salvador.

On behalf of N.E.S.T. and the people of El Salvador, I thank you.

Sincerely,

CONGRESSMAN JOHN CONYERS, JR.,
1st District, MI.

P.S. Every day is critical now for the people of war-torn El Salvador. So, please, don't put this letter aside. I urge you to take a moment to send in your contribution to N.E.S.T.'s Emergency Relief Campaign today.

April 28, 1986.

To my dear friends at NEST:

We wish to express our gratitude for the many times you have come to our aid over these last years. On this occasion the 29,350 colones (\$5,000) Tracey has delivered will help us to meet our most critical needs, the most urgent of which is food. Because of a recent operation carried out in our region by the government armed forces, we have lost all our goods such as corn, beans, and crops—leaving us without the means to feed our children.

We want you to know that your help gives us strength, and reminds us that we are not alone. Please continue your work, as we

know that we are not the only ones in need of your vital assistance.

With infinite gratitude,

EVARISTO LOPEZ.
MARIA SERRANO.

YOU CAN HELP THEM

These children¹ fled their village in Chalatenango, El Salvador, when army bombers destroyed their homes, fields and livestock. Now they and their families are returning to rebuild their lives—and you can help them.

\$15 will buy one hand plow.

\$25 will provide one month's supply of vitamins for 150 children.

\$35 will plant one half acre of beans.

\$50 will pay for enough medicine to treat 30 people for malaria.

\$100 will plant an acre of corn.

\$1000 will provide enough tools and farm equipment of an entire village.

Help NEST bring new life to Chalatenango—and all of El Salvador.

NEST—New El Salvador today.

APPENDIX B.—CONGRESSWOMAN PATRICIA SCHROEDER'S FUNDRAISING LETTER FOR THE NICARAGUA NETWORK, 1985

WASHINGTON, DC.

DEAR FELLOW AMERICAN CITIZEN: I want you to join me in a growing nationwide citizens movement to redeem our country's honor by reversing the Reagan Administration's tragically misguided policy toward Nicaragua.

Our government is responsible for launching a terrorist war of attrition against a poor nation with a population about the same as that of my home state, Colorado.

Thousands of Nicaraguans have been killed—and thousands more have been maimed or raped—by the so-called "contras."

Every international human rights group which has investigated the contras' war has turned up appalling evidence of repeated atrocities.

And our tax dollars made all this possible. Admiral Stansfield Turner, former Director of the CIA, recently termed the Reagan Administration policy "state-supported terrorism."

My constituents in Denver want no part of terrorism and rape. I'm sure you don't, either.

In fact, recent public opinion polls reveal that only one in every seven Americans thinks we should supply military aid to the contras. Yet the Administration continues to press for tens of millions of dollars to arm and supply them in their war against the people of Nicaragua.

To make matters even worse, the U.S. government has undermined the peace negotiations undertaken by Nicaragua's neighbors. It has created severe problems for the Nicaraguan economy by initiating a trade embargo. And it has escalated the war of rhetoric beyond belief by likening the contras to our Founding Fathers and the brave men and women of the French Resistance.

Well, now there is something you and I can do about this.

If you want to change our country's policies toward Nicaragua, you can join me in the Nicaragua Network.

The Nicaragua Network is a resourceful and imaginative group based here in Washington which has been working quietly since

¹ [Photograph not reproducible for the Record.]

1979 to educate the American public about Nicaragua and to build people-to-people connections between our two countries.

Working with a bare-bones budget, they've accomplished wonders:

The Nicaragua Network has channeled over \$320,000 in direct material aid to Nicaragua, showing the humane side of the American character. Its goal for 1985 is to deliver another \$300,000.

The Nicaragua Network has sent over 700 North Americans to Nicaragua as members of work projects—to help in reforestation, erosion control and reconstruction of community centers as well as picking cotton or coffee, hundreds more are scheduled to depart later this year.

The Nicaragua Network has built a grassroots network of 150 local committees in 32 states throughout the United States. And it has established close working relationships with nearly all the other major national groups working to bring sanity to our country's Central American policies.

There are many ways in which the Nicaragua Network is refreshingly unique:

It coordinates its work with other groups, so we can all use our scarce resources more effectively—for example, leaving lobbying on Capitol Hill to other organizations and funneling its material aid through larger and longer-established groups already on the scene. Much of the work of the Nicaragua Network is almost invisible as a result—but it's nonetheless real and effective.

It organizes protest against the Administration's Nicaragua policies, but it also takes positive actions to show the true face of the American people. For example, the Nicaragua Network has worked with city councils in ten municipalities which have established sister-city relationships with Nicaraguan towns, and ten more are in the works.

It's helping thousands of Americans gain first-hand knowledge of Nicaragua, not just by organizing its own projects and helping other groups organize theirs, but also by helping to promote and facilitate group and individual travel there. Since the Nicaragua Network was founded in 1979, as many as 50,000 U.S. citizens have visited Nicaragua. The Nicaragua Network didn't help all of them travel there—but it's doing it's best to get in touch with them, and to stay in touch, after their return.

Its material aid program—called "Let Nicaragua Live!"—is not just providing emergency assistance and medical aid to cushion the blow of contra attacks and the U.S. trade embargo. It's also helping build a new society: training rural health care workers, supplying farm co-ops, and building childcare centers, schools and clinics.

There are many ways you can help the Nicaragua Network:

You can display the enclosed decal on your car or in a window at home.

You can get a local group—at a church or synagogue, a political club, a student group or a labor union—to become a local committee in the Nicaragua Network.

You can write or call your Representative in Congress and express your feelings about or country's support of the contras—or write a letter to the editor of your local newspaper.

But more than anything else, the Nicaragua Network needs your financial support.

You and I receive a great number of fundraising appeals every week, and many of them are from worthy, hard-working groups whose goals we support. But in a complicated and difficult world, we have to pick and choose.

I hope you'll agree with me that this critical point in the history of our country, the way we act toward the people of Nicaragua is an issue of the very highest priority. If you do agree, I hope you'll decide to give this appeal your immediate attention.

To my mind, it's absolutely vital that you and I do everything within our power to press our government to play a peaceable and constructive role in Nicaragua—and to show the people of that tiny, struggling nation that we wish them well.

After all, aren't we big enough and rich enough to "Let Nicaragua Live?"

You can help the Nicaragua Network meet the immense challenge of reversing our country's misguided policy toward Nicaragua by sending a check today for \$100, \$50, or even \$25. Please send as much as you can afford—but send it without delay.

The Nicaragua Network must raise \$33,940 simply to pay its bills for the next 90 days. But expenses are mounting quickly in the current crisis, and most of that sum is needed right away.

Some day, you and I can look back and know that—whatever anyone else did—we did our best to avert disaster and regain a sense of pride in our country's democratic tradition.

Thank you very much for your support.

Sincerely,

PATRICIA SCHROEDER,
Member of Congress.

P.S. The citizens' movement spearheaded by the Nicaragua Network is built on contributions of \$25, \$50, and \$100. But the financial reality is that larger contributions are needed, too. If you can afford a gift of \$200 or more and want a tax deduction, please join me as a sponsor of the Nicaragua Network by making your check payable to "Sisters of Loretto/Nicaragua Network." Smaller checks should be made out simply to the "Nicaragua Network."

[Cable 1]

Subject: Third/Fourth U.S.-Based FMLN/FDR Support Activities Underway.

1. Summary.—The FMLN/FDR continues efforts to activate its U.S.-based support network. Coordinated by the Washington, DC-based National Office of Salvadoran Communist Party front—organization CISPES (Committee in Solidarity with the People of El Salvador) four activities have been initiated in the past few weeks: the November 13-15 Fenestras Labor Convention (ref A), the November 22-23 UNTS/CISPES Conference (Ref B), and the November 30-December 4 medical aid for El Salvador visit. A fourth effort by Berkeley, California-based new El Salvador Today (NEST) is also underway to raise funds for FMLN projects in FPL areas of influence on Chalatenango Province.

2. MAES.—Medical Aid for El Salvador (MAES) aircraft and 32 member delegation arrived in El Salvador November 29. Charter aircraft delivered medical supplies to the Archbishopric of San Salvador. Point of contact in the Archbishopric's office is Rev. Octavio Cruz, who has been identified by defectors from the FMLN-controlled non-governmental human rights commission as a point of contact of the FMLN in the Archbishopric. We can not confirm this assertion. Delegation began a four-day fact finding visit including briefing by charge December 1. In discussion, delegation members, who included representatives from several other U.S. peace and church groups, described MAES as a non-partisan humanitarian organization primarily concerned about

the internationally protected medical rights of civilians living in areas outside government controls (Note: Congressional sponsors of MAES include: Reps. Conyers, George Brown, George Crockett, Ron Dellums, Julian Dixon, Mervyn Dymally, Walter Fauntroy, Thomas Foglietta, Robert Garcia, Mickey Leland, Parren Mitchell, Pete Stark, Bruce Vento and Sen. Tom Harkin). MAES reps defended the August 1986 program to provide microsurgery for captured PRTC-member Nidia Diaz as consistent with group's declared charter. Group members did not comment on June 19, 1985 PRTC assassination of Embassy marines, Diaz's exchange for the kidnapped daughter of President Duarte or her current broadcasts for Radio Havana. Group was denied a meeting with President Duarte but did meet with other government officials, including EMC Chief General Blandon. Visit has received virtually no public notice in the local media.

3. NEST.—A fourth FMLN support activity is also underway. New El Salvador Today (NEST) has begun a fundraising drive for projects in FPL-influenced areas of Northern Chalatenango. NEST defines itself as a "a tax-exempt non-profit foundation sending humanitarian aid to those whose lives are most affected by the violence of the U.S. supported war." Other literature states that "today, in areas protected by the FMLN, zones of control, 300,000 Salvadorans are beginning to live new lives, to build a new society." Among NEST's board of director's is Berkeley, CA. Mayor Gus Newport (Newport is identified as a member of the World Peace Council and the U.S. Peace Council. The latter is a member of the Advisory Council of CISPES. The U.S. Peace Council is run by members of the Communist Party USA).

4. Congressional testimony—Mayor Newport testified in the May 14, 1986 hearings before the House Western Hemisphere Subcommittee on the "air war" in El Salvador concerning his March 1985 visit to FPL "zones of control" in Chalatenango. This is the same area visited in September-October 1985 by medical aid for El Salvador Director Sand Brim and President Christina Cortwright (Note: Dave Cortwright is Executive Director of SANE and was a participant in the UNTS Conference).

The NEST fundraising request went out under the signature of Rep. John Conyers (D-MI) who also testified in the May 14, 1986 hearings. (Note: Reps. Conyers, Dymally and Dellums hosted a reception welcoming NEST to Washington July 10, 1986. Ms. Scott, AA to Conyers submitted a statement for the record in the May 14 hearings on her travels of April 24- May 4, 1986 to Chalatenango as a member of a delegation). Ref (A) noted the participation of Rep Michael Urquhart at the UNTS/CISPES conference and that he had also testified in the hearing on behalf of the Washington area labor committee on Central America and the Caribbean. Ellen Purcell, who testified in the hearing on behalf of San Francisco Archbishop John Quinn Executive Director of the Salvadoran Humanitarian Air Research and Education Foundation (SHARE). Purcell travelled to El Salvador in late October as part of the MAES advance team.

Members of the various visiting groups have all indicated to the embassy that they intend to continue their efforts to terminate U.S. military assistance to El Salvador, that they believe the climate will be changed in the wake of the Iran-Contra issue, and they intend to press early on in the new session

of congress for hearings on the findings of their recent visits.

Comment: In anticipation of congressional hearings based on the results of their visits and the requirement to prepare congressional testimony, the embassy recommends that departments early on establish with the members of the relevant committees the background on the organizations mentioned in embassy reporting. CISPES literature openly states its support of the FMLN/FDR. Further background on CISPES and the interlocking relationships of the various front groups is contained in the November 9, 1983 statements for the congressional record by Reps. Crane, and Bliley. These statements recorded at that time are based on a study of CISPES published by J. Michael Waller of the United Students of America Foundation. The Waller Document is based primarily on the Farid Handal document released by the department which exposed the establishment of CISPES in October 1980 by Farid Handal, brother of Salvadoran Communist Party Head Shafik Handal and on the CISPES-circulated State Department dissent memo entitled "Dissent Paper on El Salvador and Central America dated November 6, 1980 which was identified by the Department as a KGB active measure. Activity over the past few weeks by these Front groups is consistent with the pattern established by CISPES since its inception.

[Cable 2]

Subject: Background on FMLN/FDR U.S. Support Campaign.

1. Following is article from July/August 1986 issue of Alert (described in this publication as follows: Alert is the national publication of the Committee in solidarity with the People of El Salvador (CISPES). Founded in October 1980, CISPES seeks to educate and mobilize public opinion against U.S. intervention in El Salvador and Central America and in solidarity with the FMLN-FDR, the legitimate representative of the Salvadoran people. CISPES activities include fundraising and legislative campaigns, educational and outreach programs, and mass mobilizations, conducted on national, regional, and local grassroots levels.)

2. Begin text of article: Material Aid Training Mobilizes for \$¼ Million Goal. CISPES has closed its campaign to stop the bombing, and has now begun a new cycle of material aid fundraising as part of our campaign to promote peace with justice in El Salvador.

The culminating event of "stop the bombing" took place on June 20 in Washington, D.C.—a dinner to benefit CISPES' healing the wounds of war medical campaign in which CISPES pledged to raise \$130,000 for medical aid for El Salvador and Salvadoran medical relief fund. The dinner itself raised over \$1,500, and featured as speakers Gus Newport, the mayor of Berkeley, CA, and Violetta Delgado, a Salvadoran physician.

CISPES kicked off its new cycle of material aid fundraising with a material aid training in Washington, D.C. July 9-13. The National Coordinators Conference in May set the ambitious goal of \$250,000 to be raised by December, and called for this training to help us meet the challenge. The NCC designate the money to fund projects for new El Salvador today (NEST), medical aid for El Salvador and Salvadoran Medical Relief Fund.

Fourteen people attended the material aid training representing 10 committees in the New England, Mid-Atlantic, Midwest, and

Northwest regions. Ken Jacobs, formerly of NEST of Berkeley, led the training as the new national office material aid coordinator. He considers the most important contribution of the training to be the trainees' increased understanding of just how critical material aid work is in the solidarity movement. The training also increased participants' understanding of how to carry out material aid work, particularly how to integrate it with the rest of the program. The participants learned in skills workshops how to do outreach, bring new people into committees, and increase their visibility within the community through their material aid work.

One of the primary objectives of the training was to show the participants that they could raise a lot more material aid than they thought they could—and the inspiration proved immediate. A goal of \$1,500 had been set for the hands-on phone-banking and streetwork, and the trainees surpassed it by raising \$2,250.

Trainers included staff from NEST, the CISPES National Office, and CISPES regional offices. Diane Greene from NEST told the trainees that those who raise material aid for El Salvador should feel personally responsible for the thousands of lives that are saved through material aid.

Beth Westgarde of San Francisco CISPES gave a workshop on producing dance-a-thons. Beth has worked for two years on Give Peace A Dance (GPAD), a 12-hour dance marathon which after three years has become a bay area tradition, and an astonishingly successful fundraiser. 3,500 dancers participated in GPAD '86, sponsored by San Francisco and Oakland/Berkeley CISPES and the San Francisco Freeze. The event grossed an incredible \$110,000, netting over \$70,000 and Oakland/Berkeley CISPES earmarked half of their share for their medical aid for El Salvador project. (For more information call San Francisco or Oakland/Berkeley CISPES at (415) 861-0425 or (415) 644-3636.)

The participants agreed that one of the greatest strengths of the training was its success in bringing together people from different sized communities and different geographic areas to share experiences and work together. The trainees are now energized to take on the \$250,000 goal; most importantly, they're ready to take the training back to their committees and to other committees in their area, and pass on the information and the inspiration they received.

SUBJECT: GUERRILLA FINANCES—WHERE DOES THE MONEY COME FROM?

1. This is an action message. See para 20.
2. Summary.—Since 1980, the Farabundo Marti National Liberation Front (FMLN) has conducted a widespread guerrilla war that has proved costly in human and material terms. The FMLN receives most of its arms through Nicaragua and other Communist bloc countries. However, the bulk of its funds come from donations collected in western democracies as well as funds channeled to it by sympathetic human rights groups, unions, and elements in the Catholic Church. The FMLN supplements this income with contributions from the Socialist Bloc and local Salvadoran collaborators and income obtained from kidnappings and the collection of "war taxes." Western donations have declined in the last two years, while the support of Socialist states remains static. To cover the resulting budgetary shortfall, the FMLN has increasingly resorted to the banditry, extortion and kidnapping,

the primary funding sources of the 1970's. In the absence of new sources of funding. We may expect these activities to increase substantially in the near future.

Much of the information for this report came from an interview with former FMLN guerrilla leader Miguel Castellanos, who served on the Finance Committee of the Popular Forces of Liberation (FPL) in 1978 and defected from the movement in 1985. Additional information was provided from the documents captured in April 1985 with Nidia Diaz, commandante of the Revolutionary Party of Central American Workers (PRTC)—another of the five organizations making up the FMLN. Salvadorans who were victims of guerrilla extortion also provided first hand accounts of guerrilla fundraising efforts.

For seccate: This document, as prepared by mission, is unclassified. Request department review and declassify. This message may be read in conjunction with San Salvador 8057 (revolutionary networking) to gain a comprehensive view of guerrilla political activities in the U.S.

3. Guerrilla finance in the seventies.—During the seventies, the Salvadoran insurgency was a small urban-based force which relied on terrorizing the political and economic elite for most of its funds. Due to its small size, guerrilla financial requirements for food, housing, and other recurring costs were modest; however, the guerrillas had to purchase their arms on the high-priced world market. The guerrillas acquired most of their funds from 1970s kidnappings conducted in San Salvador. This enabled them simultaneously to support themselves and to terrorize the urban rich.

4. The transformation to guerrilla warfare: An expensive proposition.—Spurred by government and right-wing repressive measures, the FMLN was transformed from a self-sustaining urban force into a large, rural-based guerrilla army. This dramatically altered the nature of their fiscal requirements. From 1980 onward, the guerrillas no longer had to worry about financing the purchase of arms and ammunition. Munitions flowed quantity from Nicaragua and other Communist bloc countries. The FMLN had only to guarantee the safe passage of the weapons. At the same time, however, guerrilla leaders found themselves confronted with millions of dollars of expenses to provision their rapidly expanding army.

5. Where does the money go?—The documents captured in April 1985 with PRTC commandante Nidia Diaz included a number of financial documents, among which was an estimated budget for 1984. Projected annual expenditures for 1984 for the PRTC alone were about \$580 thousand. Housing, food, and health-related expenditures accounted for the bulk of the projected outlays. The PRTC also budgeted \$10,200 yearly for trips to obtain external financing, \$15,000 to cover overseas subscriptions to newspapers and magazines, and \$500 for international phone calls. Funds were also required to purchase and fuel vehicles and buy other provisions and supplies.

6. Support from the East—Let them eat rifles.—The guerrilla organizations originally planned to obtain the bulk of their funds from fraternal Socialist States. To their dismay, although weapons were provided, only Cuba, Libya, and, to a lesser extent, Nicaragua were responsive to requests for money. According to Castellanos, Facundo Guardado, a member of the FPL and of the Finance Committee of the FMLN, visited Libya in 1981. During his visit Col. Muamar

Qadhafi offered the FMLN \$4 million in direct assistance. By 1984, at least \$2 million had been delivered. East Germany, in contrast, offered only uniforms and medicine to the guerrillas. The Soviet Union ignored all direct requests for help, preferring to channel its assistance through Cuba. The extent of past (and current) Soviet assistance to the FMLN is therefore very difficult to estimate.

7. Direct fund-raising efforts in the West.—The Western democracies became the largest source of cash for the guerrillas during the 1980's. The various constituent fronts of the FMLN and its political ally, the Revolutionary Democratic Front (FDR) set up "solidarity" organizations in Western Europe, the United States, Canada, and other Latin American countries. In churches and town halls, on campuses and street corners, these support groups painted a horrific picture of government oppression and portrayed the FMLN-FDR as a force for positive change. The resulting funds soon became the most important source of income for the FMLN, raising millions of dollars in hard currency. In 1982, for example, the "Arms for El Salvador" campaign in West Germany raised approximately \$2 million for the Popular Forces of Liberation (FPL).

8. From FMLN records.—The documents captured with Nidia Diaz clearly reflect the dominant role of external funding as a source of guerrilla financing. One of the documents, dated April 10, 1984, provided a complete accounting of PRTC dollar and colon accounts in 1983. During 1983, 93 percent of the PRTC's total annual revenues came from direct dollar donations. According to the captured financial records, total dollar receipts came to \$389,954. The PRTC during 1983/84 was the smallest of the guerrilla armies, and probably represented less than 10 percent of the total guerrilla combatants in El Salvador. Assuming other guerrilla organizations received similar levels of direct dollar contributions from Western sources relative to the size of their groups, we conservatively estimate that at least \$4 million was donated to the FMLN in 1983.

9. Development projects.—To feed hungry guerrillas.—In addition to the direct contributions which were openly associated with the Leftist cause, the FMLN-FDR set itself up in the economic development business, then proceeded to siphon off the bulk of the project assistance to FMLN combatants. Former FMLN Comandante Castellanos has provided a detailed explanation of how these organizations function. In 1981, Guillermo Ungo's National Revolutionary Movement (MNR—one of three parties belonging to the FDR) founded the Social Action Investment Center (CIAS). The CIAS collected donations from humanitarian organizations and the general public specifically to support FMLN projects in El Salvador. The projects were in areas of strong FMLN persistence and directed to their "masas" support base. A typical project involved the purchase of seed and fertilizer for peasant followers of the FPL. According to Castellanos, many of the projects were fictitious, created to impress Westerners with the FPL's technical sophistication, compassion, and economic need. Only about 30 percent of these donations actually reached the projects; the FPL used the other 70 percent to maintain its combatants.

The success of the CIAS-FPL effort encouraged other FMLN groups to tap private development assistance funds to support

their war efforts. The proliferation of these groups and the FMLN's greed to mine this rich and easy vein was counterproductive. So little care was taken to maintain the facade of requesting funds for legitimate development projects, that, in at least one case, two different guerrilla groups presented virtually identical project proposals to the same international group. The CIAS and the other "Development" Front Groups eventually lost credibility in the West. Donor agencies began to require detailed accounting of the use of their funds, including photographs of the projects and copies of receipts. The ability of the CIAS to collect funds for the FPL diminished in 1984, and it was eventually disbanded.

10. More from Nidia Diaz.—The Nidia Diaz documents reflect that the PRTC also milked the development projects as a source of finance. The colon account shows receipts of \$21,996.50 from "projects" in 1983, or five percent of total PRTC revenues. The same April 1984 report projects a budget for 1984 and lists as a method to obtain funds "an increase in projects proposed to CIAS, Liaconia, and other sources." The picture had clearly changed by 1985. In a section entitled "The Humanization Source," a document explaining financing sources dated 16 March 1985 and addressed to Front Commanders cynically states that "in the last few years a good quantity of funds from these agencies has been received by presenting projects that need developing in various zones. It is essential to develop the projects in an effective way since reports have to be furnished in case of a visit from the agencies * * * being able to show proof, we lose credibility * * * ourselves off from the possibility of receiving * * * resources."

11. The Church steps in.—With the discrediting of CIAS and other guerrilla fronts development agencies, the Catholic Church, * * * Diaconia, became a leading management agency for funneling private development donations to qualified projects. According to Castellanos, the church's involvement brought with it much tighter controls over the use of the funds. For example, the church-sponsored projects required the approval of local parish priests. The closer controls * * * stymied widespread guerrilla appropriation of project funds. Castellanos said there were * * * complaints within the FMLN because the church * * * little for FMLN projects.

12. The "Human Rights" link.—As a consequence of the diminution of project funding, the FMLN fronts were forced to create new, more * * * fund-raising organizations in the West * * * of these new groups—CRIPDES (Christian Committee * * * the displaced of El Salvador), CDHES (Non-Government Human Rights Commission of El Salvador), Comadres (Committee of Mothers and Relatives of Political Prisoners, Disappeared and Assassinated of El Salvador Monsignor Oscar Arnulfo Romero), and CONIP (National Coordinating Conference of the Popular Church) were essentially reconstituted versions of the CIAS—they solicited funds for humanitarian reports and channeled the funds to FMLN fronts. Some of these groups have recently lost credibility as well—particularly since the recent defection and public testimony of two of their members in June—and they will likely be reincarnated under new names, according to Castellanos.

13. Labor organizations channel funds to guerrillas.—The guerrillas have found that they can obtain a substantial amount of capital from donations from labor unions

which they control. Groups like FENAS-TRAS (National Federation of Workers' Unions), FUSS (United Federation of Salvadoran Unions), ASIES (Independent Union Association of El Salvador), ANDES (National Association of Salvadoran Educators—21st of June), and CCACES (Confederation of Cooperative Associations of El Salvador) all channel Western donations to the FPL. As "representatives" of the Salvadoran working class, these organizations attract sympathy and support from many Westerners who would not consciously assist a Communist insurgency. Castellanos stated that the wife of French President Francois Mitterrand provided ANDES with \$40,000 in 1984, much of which found its way to the FPL's coffers. Castellanos estimates that the FPL receives about 50 percent of the funds donated by the West to labor groups like ANDES.

14. Auxiliary funding sources.—Assistance from abroad, though substantial, has never provided enough money to fund the guerrilla effort completely. The guerrillas have thus found it necessary to supplement their income with local means of support. Relying on local sources for each month's revenue is not possible, as a memo which accompanied the PRTC's 10 April 1984 financial report noted. Flows may be relatively strong one month, then dry up completely the next. Unlike the external financing and the project financing, which are centrally controlled by each guerrilla organization, auxiliary funding sources are managed independently at the front or sub-front level. Cash is also sent from Nicaragua. In 1985, for instance, a lada from Nicaragua crashed in Honduras. A search of the vehicle revealed secret compartments which contained arms and \$27,400 in cash. Castellanos said this was not destined for the FPL, and he considered it "amateurish."

15. Collaborators.—The guerrillas prefer, of course, to obtain funds through donations offered by collaborators. This is a painless, easy way to procure money, but it is not lucrative, because FMLN collaborators are few and generally relatively poor. A letter dated March 13, 1984, which was captured with Nidia Diaz discusses recent progress in generating resources. "The ranch will be ready shortly and will be handed over to some collaborators. We have thought about sending Victor to the front. His wife will remain in Santa Tecla and help set up a small business."

16. Kidnappings.—Another guerrilla fund-raising technique involves kidnapping. The FMLN does not discriminate in the selection of its victims; it kidnaps small cotton farmers in Usulután and big businessmen in San Salvador. A survey of recent incidents shows that ransoms range from as little as \$20 to more than \$60,000, with the bulk in the \$4,000 to \$6,000 range. By early 1986, the need for money had driven the guerrillas to seek to rebuild their capability to conduct large-scale kidnapping activities. The FMLN conducted kidnapping operations in Costa Rica and Honduras; Castellanos attributes the kidnapping of a Japanese businessman in Costa Rica in the early 1980s to the FPL.

Although potentially far more lucrative than contributions from collaborators, this strategy is problematic. It is difficult and expensive to create urban commando units which are capable of carrying out successful kidnappings. The task is all the more difficult now, because the urban infrastructure of the guerrillas is in shambles as a result of the government's thorough investigations of the Inez Duarte kidnapping and the Zona

Rosa massacre. Although in need of additional professionalism, the security forces have improved their anti-terrorist capabilities. The kidnapping of wealthy members of San Salvador's elite would prove both ideologically satisfying and remunerative to the FMLN, but the guerrillas do not now appear to be in the position to carry out many of these operations.

As a result, FMLN groups direct the bulk of their operations against small farmers in rural—and generally impoverished—areas. This places the self-proclaimed "representatives of the people" in the uncomfortable position of victimizer. The victims rarely have anything to do with the government and are often individuals of modest means. Indeed, those kidnapped by one guerrilla front are sometimes sympathizers of another; on more than one occasion, says Castellanos, this type of mistake has strained relations between allied guerrilla bands. This kind of infighting has also been revealed in numerous captured documents.

17. War taxes.—"War taxes" provide another means of guerrilla finance. This is the guerrilla term for the banditry and blackmail which they perpetrate. Guerrillas sometimes stop buses and rob or "solicit" money and watches from the indigent, working-class passengers. They also demand extortion payments (often a combination of cash and provisions) from farmers and businessmen who work in areas of guerrilla activity. Because of FMLN weakness in Salvadoran cities, urban dwellers and businesses usually are not subject to war taxes. According to Castellanos, the FMLN leadership does not like to rely on these activities, because they reveal the guerrillas as enemies of the people and make it difficult for the leadership to prevent their groups from deteriorating into bands of common thieves.

Two typical examples of war taxes follow. The manager of a small coffee farm received a form letter in late 1985 from the FMLN informing him that if he wished to harvest his coffee in peace, he had to:

(A) Comply with the salary schedule endorsed by the FMLN;

(B) Pay 10,000 colones in cash (\$2,000);

(C) Deliver 15 pounds of aluminum oxide, 10 pounds of potassium chlorate, 10 meters of slow wick, and 10 fuses.

The manager was given 17 days to purchase and deliver the cash and the goods. Another grower, who received a similar form letter, faced much stiffer demands. This time the guerrillas demanded 250,000 colones (\$50,000), 100 pounds each of aluminum oxide and potassium chlorate, 200 blasting caps, and a rotary multicopier. The coffee grower had only 11 days to respond.

Guerrillas also asked for boots, materials for uniforms, and knapsacks, as well as money.

Nonetheless, as foreign funding sources diminish, some fronts increasingly rely on war taxes. Castellanos says that since 1984 the San Vicente front of the FPL has received much of its funds from war tax collections. Property owners in a village in the western shadow of the San Vicente volcano report that guerrilla harassment over the past year has been at its highest level in years. A middle class resident of the village was kidnapped and ransom notes were distributed not only to his family, but to a dozen of the leading villagers as well. (Although many of the villagers did not accede to the extortion demands, the victim eventually was released.) The guerrillas also prevented property owners from harvesting from the higher elevations. Posing as small

farmers, they harvested the coffee themselves and sold it to incafe. Transportation interruptions and collections of war taxes have greatly increased in frequency in this area.

18. Current trends in guerrilla finance.—Finances are a grave problem for the FMLN. Castellanos estimates the FPL's amount of nonmilitary expenses in 1985 at 800,000 colones; its monthly income from external donations had dropped from 300-400,000 colones in earlier years to 200,000 in 1985. It had to collect the rest from its union allies and through auxiliary measures. The crux of the shortfall lies in the increasing difficulty of raising funds for the Salvadoran guerrilla movement in the west. Past donors are no longer convinced of the inevitability of guerrilla victory, and they have turned their attention to newly urgent areas of struggle like Chile and South Africa. Parring spectacular FMLN military triumphs on severe political or human rights deterioration in El Salvador, the decline in western contributions to the guerrillas will accelerate.

Unless the guerrillas manage to convince the socialist FICC to increase its financial assistance to their cause, they will find it necessary to deepen their reliance on auxiliary measures. Because potential increases in collaborator donations are marginal, the FMLN will have to collect more war taxes and conduct more kidnapping operations, especially of wealthy targets. The financial exigencies of FMLN guerrilla warfare will subject Salvadorans to heightened levels.

19. * * * Directed from: this document * * * use for central congressional and * * *

20. Action request.—Request department review, revise where appropriate or needed, and declassify. Upon declassification, please * * * all addresses.

[Cable 4]

Subject: U.S. Groups Working With FMLN To Increase Support for Guerrillas

1. Summary.—U.S. * * * groups are planning a series of activities to take * * * action in El Salvador in November and December aimed at increasing U.S. public and material support for the * * * In-dr and pressuring Congress to cut off U.S. aid to El Salvador. The groups hope their activities will obtain publicity which will refocus the attention of the U.S. public on El Salvador. The two major U.S. groups involved are the Committee in Solidarity with the People of El Salvador [CISPES] and Medical Aid to El Salvador [MAES]. CISPES has openly proclaimed its support for the FMLN-FDR [the self-avowed Marxist-Leninist guerrilla organization whose stated purpose is to replace by force the democratically-elected government of El Salvador with a one-party Communist government]. MAES has given funds to set up FMLN military hospitals in the past. Its current activities support the archbishopric. The most prominent Salvadoran group working with CISPES is the National Unity of Salvadoran Workers [UNTS], a leftist labor umbrella group composed almost entirely of FMLN-connected unions.

2. CISPES is co-sponsoring with units UNTS a conference which will kick off November 22 with a demonstration in front of Embassy San Salvador and end November 24 with a press conference. MAES hopes to airlift one million dollars of medical supplies to El Salvador on November 30. Celebrations will accompany the airlift to deliver

the supplies and ensure publicity. End summary.

3. UNTS—Background.—UNTS, which is co-sponsoring the November 22-23 "U.S.-El Salvador Conference in Search of Peace" with CISPES, is a labor umbrella group composed almost entirely of FMLN-connected unions. Though CISPES claims that UNTS is the "largest and most representative array of labor and peasant organizations in El Salvador's history" and that it has 300,000 members, UNTS in reality has only about 55,000 members. By contrast, the Democratic Labor Umbrella Group, the National Workers-Campesinos Union [UNOC] represents between 215,000 and 290,000 members. As "proof" that UNTS is democratic, CISPES emphasizes that the popular democratic unity [UPD], which supported the Christian Democratic Party [PDC] in the elections, belongs to UNTS. In fact, the UPD formally withdrew from the UNTS on November 15 because UNTS "limited the pluralistic work of the UPD." In June 1986, the Clat-Affiliated Salvadoran Workers Central [CTS] quit UNTS because of "ideological differences."

4. Fenestras—background.—The National Federation of Salvadoran workers (FENASTRAS) is a labor federation with close links to the FAPU/FARN guerrilla components of the FMLN. Fenestras has observer status with the Moscow-line world federation of trade unions (WFTU) headquartered in Prague. Fenestras L.S. representative Francisco Acosta is also U.S. co-director of the cispes-unts conference. In a letter inviting certain U.S. labor leaders to attend Fenestras' November 13-15 congress in San Salvador, Acosta called Fenestras "Democratic" in spite of its guerrilla and WFTU connections. Only two U.S. labor officials attended the congress. One of them, Jerry Oliveira of the international association of machinists (IAM), endorsed Fenestras by allowing his name to be placed on a Fenestras newspaper ad. British labor M.P. Jeremy Corbyn and French, Australian, and Swiss union members also lent their names to the ad. unclassified

Subject: U.S. groups working with FMLN to increase

5. CISPES—background—CISPES is a U.S. organization founded by the leader of the Salvadoran communist party, Shafik Handal, in 1980. At its 1985 convention, CISPES proclaimed that one of its goals was to "Provide political support for the FMLN-FDR." In a 1986 issue of CISPES' newsletter "alert," CISPES wrote it "seeks to educate and mobilize public opinion against U.S. intervention in El Salvador and in solidarity with the FMLN-FDR, the legitimate representative of the Salvadoran people." CISPES also states that it strives to have all U.S. aid to El Salvador cut off.

6. CISPES organizing efforts—CISPES has been active in organizing letter and telegram campaigns to President Duarte, the embassy and members of congress protesting against the arrest of people with clear ties to the FMLN (REFTEL). As part of this program, CISPES urges its members to persuade people to sign a form authorizing CISPES to send telegrams in their name "when a human rights emergency occurs." CISPES brags that it targeted eight house foreign operations subcommittee members' congressional districts during the elections and, as a result, representatives have moved closer to opposing aid to El Salvador. CISPES mentions that it launched a major media campaign in the districts of Matt McHugh (D-NY) and David Obey (D-WI).

CISPES also noted that the May 14 hearings before the subcommittee on western hemisphere affairs of the house committee on foreign affairs on "the air war and political developments in El Salvador" was a CISPES project to pressure Congress.

7. CISPES hopes to raise 290,000 dollars for the Non-Governmental Human Rights Commission in El Salvador (ODHES), which has been identified as an FMLN-front group by former ODHES leaders. CISPES asks that L.S. teacher groups support the Salvadoran teachers union. Andes 21 de union and U.S. student groups, donate funds to AGEUS, an FMLN-front group at the National University. Miguel Castellanos, an FPL (one of the five groups in the FMLN) political officer who defected to the government, has said that the FPL controls ANDES and that ANDES gives about 90 percent of the donations it receives to the guerrillas. CISPES also encourages people to channel funds through the Salvadoran medical relief fund (SMRF), New El Salvador Today (NEST), and Medical Aid for El Salvador (MAES), all of which are U.S.-based groups.

8. CISPES-UNTS conference.—CISPES has been working energetically with UNTS to sponsor a November 22-23 conference at the Jesuit-run Central American University (LCA) in San Salvador. The conference will kick-off with a demonstration in downtown San Salvador and end with a press conference. CISPES claims a 250-member delegation of U.S. labor, community, and religious leaders, elected officials, and media personalities will attend the conference entitled "In Search of Peace: A U.S.-El Salvador Conference." Among those CISPES lists as "current endorsers" of the conference are Rev. Jesse Jackson, Dr. Benjamin Spock, and Amalgamated Clothing and Textile Workers Union International Vice President Ed Clark.

9. CISPES claims the conference will "bring Salvadoran and U.S. representatives together to explore and propose concrete steps toward peace and to work for a negotiated settlement to the war." CISPES states in other parts of its literature, however, that "just unclassified."

Subject: U.S. groups working with FMLN to increase knowing that there are people in the United States who oppose the war our government is waging is a tremendous boost to the people's will to go on." CISPES also says that "focusing on support to the popular opposition in El Salvador now is one of our greatest opportunities to affect the fight for justice here and to build broad understanding here about how bankrupt the whole (U.S.) regional policy is." (Note: CISPES repeatedly refers to the FMLN as the popular opposition.)

10. In its letter recruiting delegates to the conference CISPES stipulates that each delegate "must be recommended by an organization or individual endorsing the conference as well as send in a recommendation from the organization, church, union, school, etc. that they will be representing at the conference." Delegates must have a valid passport and visa, attend or receive an orientation and "agree to abide by conference regulations." One regulation requires delegates to arrive in El Salvador on November 20 and depart by November 24. According to CISPES, this is "to ensure that our delegation is respectful of and acts responsible toward our hosts. No one connected with the conference can stay in El Salvador longer than this time period unless previous

arrangements have been made." A CISPES-connected organization, Tacomans for Peace in Central America (TAPICA), states that "for safety reasons" participants can only remain from November 18 to November 25 unless they are part of another organized delegation.

11. "A million voices for peace".—CISPES wants to obtain pledges from one million Americans for a resolution to cut all U.S. and economic aid to El Salvador and "support a peaceful solution to the conflict among the Salvadorans." CISPES advises its followers to identify an "internal advocate" in institutions and groups it is trying to convince to endorse the pledges, which are to be delivered at the conference. CISPES includes "how-to's," a sample letter, and a "sample rap" in its packet of advice on obtaining endorsements. CISPES tells its members to inform audiences that the Duarte government "continues to imprison, torture, and even murder trade unionists, human rights activists, and others who speak out for peace and justice." Nowhere in the packet does CISPES say that prospective endorsers of the pledge should be informed that CISPES supports the FMLN-FDR.

12. Medical aid for El Salvador—background.—Medical aid for El Salvador [MAES] was founded in February 1982. Its most famous board of directors member is actor Edward Asner. Dr. Charles Clements, whose book "Witness to War" describes a year he spent working with FMLN guerrillas and their supporters in the Glazapa volcano area, is also a MAES member. According to MAES, it has donated over 750,000 dollars worth of medical aid which "has gone to rural areas where government bombardment of civilian targets has made the need for health care most critical." MAES also reports that in January 1983, it spent 80,000 dollars to train and equip 110 medical "brigadistas." MAES claims that in August 1985, it gave 195,000 dollars worth of medical supplies to a student-run clinic and pharmacy at the national university. (Note: They were never established, and the supplies "disappeared." Presumably they were given to the guerrillas.) MAES' biggest coup came in 1985 when it sent a surgical team to El Salvador to operate on the hand of Nidia Diaz, an FMLN guerrilla commander who was wounded and captured in a battle with the Salvadoran armed forces. MAES refers to Diaz as a political prisoner and its literature states the operation took place in a prison though it occurred in a hospital. A CISPES article which praised the operation referred to Diaz as "a participant in the La Palma peace talks." Both groups unclassified.

Subject: U.S. groups working with FMLN to increase fail to mention that Diaz was among those released in exchange for freedom for President Duarte's kidnapped daughter.

13. MAES funds hospitals in conflictive zones. The descriptions of these hospitals by MAES leads us to suspect these hospitals treat FMLN wounded as well as civilians. MAES says that the hospitals must be able to move constantly in case of military attacks. One hospital MAES funded was on Guazapa Volcano and another is in the northern part of La Union Department.

14. Medical airlift to El Salvador.—On November 30, MAES plans to fly one million dollars worth of medical supplies and a 40-member "fact finding" team of labor, Congress, religious, and medical, community leaders and celebrities to El Salvador.—

Those among the one million war refugees (Note: There are actually about 500,000 displaced persons in El Salvador); civilian as well as combatant amputees; and, Salvadoran children who are sick or wounded because of the war. Some of these children are to be brought back to the U.S., and their accompanying family members will be hosted by "sanctuary congregations."

MAES literature states that the airlift will be used as "an organization tool for the Central American peace movement." MAES hopes the airlift will attract publicity to "refocus the American public's attention on the problems in El Salvador."

15. In a packet asking support for the airlift in the form of tax-deductible donations, MAES also includes a translation of a letter from San Salvador Archbishop Rivera Damas. In his letter the Archbishop accepts aid and blesses the airlift and promises the church will ensure the help will reach the most needy. MAES apparently brought in much of the medical supplies intended for the airlift during the earthquake relief effort. Those supplies as well as a single plane load to arrive November 30 are consigned to the Archbishop. MAES states it is looking for an overt vehicle to continue its medical program in conflictive zones, i.e., FMLN military hospitals.

16. The MAES delegation plans to depart San Salvador on December 6 for Mexico City accompanied by Salvadoran children and their families. MAES claims it has a meeting scheduled in Mexico City on December 7 with Contadora foreign ministers and leaders of the Salvadoran opposition (i.e. FMLN-FDR).

U.S. COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR [CISPES]

WHAT IS CISPES?

The 450 committees of CISPES work nationwide to end U.S. intervention in Central America. As we complete our fifth year, CISPES continues to grow, uniting students, community and religious activists, third world and women's groups, academics and trade unionists in community-based action. We build at the grassroots level, organizing people in their communities and providing them with the means to act through creative, effective programs.

CISPES also provides current information about the social, military and political reality of Central America, as well as the U.S. involvement there. We have consistently united education with action, giving the means of dissent to thousands of Americans. We give voice and visibility to the movement through demonstrations, ballot initiatives, grassroots lobbying, material aid fundraising, and other efforts. We work to transform opposition to U.S. intervention into a national political force.

CISPES programs are nationally coordinated, and carried out at the community level. Our committees also initiate programs, using a regional and sub-regional decision-making process which maximizes their participation. Over the years, we have conducted many programs and national campaigns, among them:

Local and national demonstrations, such as the November 12 Demonstration, a coalition effort we helped to organize, which brought 40,000 people to the streets of Washington, DC.

Material aid for refugee relief, medical assistance, and economic production in El Salvador. In 1985, we raised over \$180,000 for medical and developmental aid.

Human rights campaigns to free the captured and "disappeared." In 1981, our campaign freed Ramon Cardona of the FDR/FMLN from prison and certain death in Honduras.

Tours of Salvadoran, sponsored in 350 cities, have reached an estimated 17,000 people directly, and millions more through effective local and national media.

Street work and canvassing efforts, like the National Neighborhood Project to End U.S. Intervention, which reached 75,000 people at their doors, put up 30,000 window signs, and raised \$30,000 to buy 79 billboards in 40 towns and cities.

Congressional action, and national skills training, such as our Grassroots Organizer Training Project, described on the other side of this letter.

CISPES GRASSROOT ORGANIZER TRAINING PROGRAM

The goal of our program is to train and establish 50 grassroots organizers in targeted congressional districts by mid-1987. These organizers will launch intensive STOP THE BOMBING CAMPAIGNS, to pressure Congresspeople to speak and vote against the U.S. sponsored air war in El Salvador. The Congressional targets sit on the House Foreign Affairs or Appropriations Committees, or exert influence in Congress on U.S. Central America policy.

Our project grows out of an experiment in Fort Worth, Texas in the district of influential House Majority Leader Jim Wright. During the summer of 1984, CISPES and other groups held a five-week intensive community organizer training. Fifteen talented activists from across the country came together to learn methods developed by Fred Ross, program director for the United Farm Workers, during 40 years of labor and community organizing.

The Fort Worth training yielded excellent results, and important lessons. We learned that the training must be coupled with a long-term national political strategy to stop U.S. intervention. Organizers and their committees must make a year's commitment to the project to implement the strategy. Only prolonged organizing and pressure campaigns will induce the Congressional targets to speak out and vote against the war in Central America. The trainees held 85 house meetings, educated thousands of citizens about the effects of U.S. policies, and got them to take action. The drive raised over \$4,000, and set up a pledge system for \$1,000 every month. The drive brought out many new volunteers and has kept them active, invigorating the Fort Worth Interreligious Task Force with new leadership.

Organizer John Adler applied those lessons that next winter in Chicago. A highly successful CISPES organizing drive took place in the district of House Ways and Means Committee chair Dan Rostenkowski. A permanent core of 150-active members formed a new STOP THE BOMBING committee. The activists collected \$3,000 and increased the monthly sustainer base of Chicago CISPES. At our request, Rostenkowski publicly opposed President Reagan's supplemental aid request for Central American police training.

From August to October, 1985, John trained five more organizers in the nearby district of Representative Frank Annunzio. Five activists from our committees in Champaign-Urbana and Chicago, IL, Kalamazoo and Detroit, MI, and Washington, DC, conducted an eight-week organizing drive which brought 165 new people together for a meeting against the air war.

The next training, April, 1986 will be in Los Angeles, with 10 participants from the Midwest and Southwest. Later this summer, we will conduct training in another region for 10 organizers from other key districts. CISPES has developed a successful and promising strategy which in time will challenge U.S. intervention. Our organizing will recruit hundreds of new volunteers, and enlarge the funding base and effectiveness of the U.S. anti-intervention movement.

For more information, contact our national CISPES office in D.C.

[From the Guardian, Mar. 9, 1983]

CISPES AIDS CLINICS IN REBEL-HELD AREAS

A national "People-to-People Aid to Build the New El Salvador" campaign has been organized to raise money for medical supplies to be sent to clinics in areas under the control of the Farabundo Marti National Liberation Front (FMLN).

CISPES, the Committee in Solidarity with the People of El Salvador, is sponsoring the campaign, which will continue until April 30. "The goal of the campaign is to raise money while educating the broad public about the FMLN-FDR (Democratic Revolutionary Front), and presenting a picture of the new society being built in the FMLN zones of control," explained Beth Perry, national coordinator for the CISPES campaign.

"We want to give people a concrete way of opposing U.S. government military and economic aid, and of showing their solidarity with the Salvadoran people." Money raised will be channeled through the Los Angeles-based organization "Medical Aid for El Salvador," supported by actor Ed Asner. From there, the money is sent to an FMLN-FDR approved team of physicians in Mexico, who buy medical supplies to be taken clandestinely into FMLN-controlled areas of El Salvador.

"The recent escalation to air attacks against the Salvadoran people, waged with U.S. government-supplied bombers," said Perry, "makes the need for medical supplies more critical than ever—from antibiotics and anesthetics to bandages and surgical equipment. Swiss army knives are being used to perform amputations, often with no anesthetics."

Fundraising plans include concerts, parties, raffles, church collections, film showings, door-to-door canvassing and the distribution of collection boxes.

Checks should be made payable to "Medical Aid for El Salvador and mailed to: People-to-People Aid, P.O. Box 12056, Washington, D.C. 20005; tel.: 202-887-5019. For more information, contact the CISPES National Office at 202-887-5019 or your local CISPES chapter.

THE REVOLUTION LOBBY

(Allan C. Brownfeld and J. Michael Waller)
COMMITTEE IN SOLIDARITY WITH THE PEOPLE OF EL SALVADOR (CISPES)

One of the most active organizations lobbying to end American support for a free El Salvador calls itself CISPES, the Committee in Solidarity with the People of El Salvador. CISPES, along with many other groups, has won the support of Congressmen such as Tom Harkin, Edward Markey (D-MA), Barbara Mikulski (D-MD), Patricia Schroeder (D-CO), and Gerry Studds (D-MA). Other public figures like Jesse Jackson, Ed "Lou Grant" Asner, former Ambassador Andrew Young, and actress Jane Fonda have also given CISPES their support.

CISPES' stated goal is to end American military aid to the Salvadoran government, allowing the people of El Salvador to determine their own destiny. However, CISPES also has a hidden agenda.

As we have seen, CISPES was formed in 1980 as a result of an organizational tour by an agent for the Salvadoran FMLN guerrillas. Originally set up to oppose the weak policy of President Jimmy Carter toward El Salvador (which in itself should demonstrate its extremist political orientation), CISPES is a coalition of political, service, and religious groups. It was formed months before President Carter sent American military advisors to the region in the final days of his term. Carter's tepid support for the socialist-leaning junta led by Jose Napoleon Duarte was reason enough for CISPES to oppose his policies.

During his organizational tour, Farid Handal met with and received assistance from the Cuban Mission to the United Nations, the Institute for the Policy Studies, the Washington Office on Latin America, the Central Committee of the Communist Party USA, and the office of Congressman Ronald Dellums. Handal's contact at the IPS was Isabel Letelier. Handal also met with Philip Wheaton of EPICA and Counter-spy; Wheaton became a CISPES advisory board member.

Congressman Edward Boland (D-MA) released a report titled Soviet Active Measures which revealed that at about the time of Handal's trip to the United States, the guerrillas were setting up a political front of their own in Mexico City. At that time, they had not yet unified under the name Farabundo Marti National Liberation Front (FMLN). This report revealed that "with Soviet and Cuban encouragement and participation, Salvadoran leftists in the spring of 1980 established the Democratic Revolutionary Front (FDR), the political front that represents the insurgency abroad. In June 1980, Salvadoran leftists created the United Revolutionary Directorate (DRU), the central political and military planning and tasking operation for the insurgents."

The report added that "These two organizations collaborate closely but not always openly with the Soviets, Cubans and East Europeans. Nevertheless, they represent themselves as indigenous, independent organizations in an effort to conceal the Soviet and Cuban role in planning and supporting their activities."

It was the DRU which "called for the establishment of solidarity committees" worldwide "to serve as propaganda outlets, conduits for aid, and organizers of solidarity meetings and demonstrations," the report said organizers of "solidarity committee" was CISPES.

The CISPES leadership denies that it was founded or influenced by the FMLN, and in the May 1984 edition of its monthly El Salvador Alert, it printed an editorial denouncing people who dared make the charge. Yet the FMLN itself has admitted that it was responsible for setting up its own support apparatus in America and elsewhere. On March 13, 1983, the FMLN's Radio Venceremos said, "We have organized a large solidarity apparatus that encompasses the whole planet, even in the United States, where one of the most active centers of solidarity exists."

Documents captured from the FMLN guerrillas by the Salvadoran army, and others obtained by journalists from CISPES sources indicate that CISPES was indeed organized by FMLN agent Farid Handal, by

the Central Committee of the Communist Party USA, and with help from Cuban intelligence operatives at the United Nations. Former Newsweek foreign correspondent Arnaud de Borchgrave also determined this from his own sources, and has described CISPES as "a Cuban active measures operation." The Washington Post, as we have seen, has also reported on CISPES' ties to Communist Party fronts, saying that the United States Peace Council is a CISPES steering committee member and that it may have given clandestine funds to CISPES.

Democracy and freedom are not the goals of CISPES, which has shunned the electoral process. An analysis of each of CISPES' monthly El Salvador Alert newsletters will show that CISPES has not deviated from the FMLN line. It has condemned American aid to the Salvadoran government—including humanitarian aid such as food, medicine, and agricultural assistance. The only aid CISPES supports is medical aid to the FMLN and its controlled areas, thereby freeing up funds to purchase military supplies. In 1983, CISPES raised over \$450,000 in cash, food and clothing for the FMLN's "liberated zones," working through fronts called "People to People Aid," and "Medical Aid to El Salvador." Actors Ed Asner and Martin Sheen have signed direct mail fundraising letters for these campaigns.

CISPES' lies have been repeated by well-meaning, sincere Americans who believe that by supporting CISPES they are supporting the cause of the suffering people in El Salvador. Even leaders of the Protestant and Catholic churches have been taken in by CISPES' aggressive well-organized campaign.

In spite of its mild Congressional support and its enthusiastic support of religious and "human rights" groups, CISPES is a dangerous organization. One of its leading speakers has been Rafael Cancel-Miranda, who was one of four Puerto Rican terrorists who shot up the House of Representatives in 1954, wounding five congressmen. He and two others were pardoned by President Carter. Other speakers at CISPES events have included diplomats from Communist Vietnam, Nicaragua and Grenada. In spite of its "No more Vietnams" rhetoric, CISPES has distributed flyers at radical events saying, "Vietnam has won. El Salvador will win."

In March 1984, FBI director William Webster appeared before the Senate Subcommittee on Security and Terrorism, where he was questioned about CISPES links to terrorist groups in the United States. He said he would answer in detail only in secret. CISPES activists in Minnesota were questioned by the FBI in relation to the November 1983 bombing of the U.S. Capitol. Press reports nearly a year after the bombing said that "congressional sources with access to classified information said CISPES appears to be the focus" of an FBI investigation "and that six to 12 other groups are also being investigated." But a CISPES spokesman denied any ties to terrorism. In any case, CISPES is not a mainstream group.

Nevertheless, CISPES has made itself felt in the halls of Congress by creating public pressure against American policy in El Salvador through an aggressive, emotional, grassroots disinformation campaign. Along with other Communist front groups, CISPES has organized demonstrations on college campuses and in cities across the country protesting against U.S. aid to El Salvador. It is the country's leading grassroots pressure group on behalf of the

FMLN. In addition to raising funds for the Communist guerrillas, CISPES has coordinated letter-writing and phone campaigns to United States representatives and senators in all fifty states. It is expanding its focus to the other Central American republics.

FMLN defector Alejandro Montenegro, who was intimately involved in the guerrilla leadership, told a group on Capitol Hill in July 1984 that CISPES is "managed from Managua." Captured guerrilla documents back up his claim.

Cuban influence over CISPES was further displayed when the Castro government hosted a "consultative meeting" of solidarity committees from 16 nations in Havana in November 1984. Reports from Mexico said that CISPES and similar groups operating under the World Front in Solidarity with the People of El Salvador attended, in order to "help the guerrillas of the Parabundo Marti Front in El Salvador and the pro-Soviet Sandinista regime in Nicaragua." Another attendee, according to the Mexican report which originated in Havana, was a group called the Committee in Solidarity with Nicaragua, known in the United States as the National Network in Solidarity with the Nicaraguan People.

NATIONAL NETWORK IN SOLIDARITY WITH THE NICARAGUAN PEOPLE (NNSNP) (NICARAGUA NETWORK)

The Sandinistas began setting up their own solidarity committee in the United States three years before the FMLN sent Farid Handal to Washington to organize CISPES. While working out of bases in Costa Rica prior to the overthrow of Somoza, the Sandinistas invested heavily in propaganda to influence the American Congress and President Carter. In 1977, Sandinista activist Miguel Bolanos and two other Nicaraguans started a solidarity committee at Louisiana State University in Baton Rouge. This was two years before the U.S. Peace Council's National Conference on Nicaragua, and two years after the "victory" in Vietnam.

Bolanos returned to Nicaragua, and after the revolution, became a highly-placed intelligence officer. Upon the birth of his son in the fall of 1982, Bolanos became disillusioned with the totalitarian nature of the Sandinista regime, and in May 1983, he seized a plane to Costa Rica and eventually brought his young family to safety in the United States. In an interview with the Institute on Religion and Democracy, Bolanos described how the National Network in Solidarity with the Nicaraguan People (NNSNP) was founded.

Independently setting up solidarity committees at LSU, the University of Texas at Austin, and "in other parts of the south," Bolanos said, "We sent all the money and other aid we collected to the headquarters in Costa Rica. And we received our directions and propaganda from Costa Rica. What we were creating became the National Network in Solidarity with the People of Nicaragua." The movement quickly lost its independence, according to Bolanos, who said, "by 1978 the Sandinistas realized the value of the solidarity committees in the United States. So they placed a couple of key people from the Sandinista organization in charge of the solidarity network in this country. They were under orders from the Sandinista directorate."

Bolanos later told the council for Inter-American Security that the National Network in Solidarity with the Nicaraguan People is "guided by the intelligence organs of Cuba."

The National Network was initially housed in the office of the Ecumenical Program for Interamerican Communication and Action (EPICA), the educational-action project which focuses on the social, economic and political struggles (euphemisms for Communist revolutions) in Central America and the Caribbean.

An EPICA "task force" published a document describing the purpose of the National Network in Solidarity with the Nicaraguan People as being to "educate" the American public on "the true nature" of the Nicaraguan struggle and to "underscore the imperialist role of special U.S. interests." Naturally, EPICA and the NNSNP ignore any imperialist role of Cuban or Soviet interests.

The purpose of the National Network is, like CISPES, to spread propaganda and raise funds for a Communist revolutionary movement, in this case, the Sandinistas. Its new national office, now at 2025 I Street in northwest Washington, distributes pro-Sandinista literature, helps furnish speakers, and organizes tours to Nicaragua through the official Sandinista travel agency, and on the official Sandinista airline, Aeronica.

These trips are "Potemkin village" type tours, which leave most guests lavishing praise on the Sandinista regime. One student who went on the tour in June 1984 was unable to see members of the Jewish community, the Miskito Indians, the Catholic Church hierarchy, and other representatives he had been promised he could visit. He described the tour as "first-rate propaganda" and added that most participants are sympathetic to the Sandinista regime and are eager to overlook its faults during the tour.

These tours, coordinated by the National Network and the Sandinista Interior Ministry, create a favorable impression of the revolution among the visitors, while generating the hard currency the Marxist government needs. Other tours organize Venceremos Brigade-style trips to pick cotton and coffee on Sandinista plantations; like those in Cuba, they also pick sugar cane and work on construction projects. The Marxist Guardian noted that "the strong impact" of a visitor's "experience in Nicaragua can be seen in the kind of enthusiasm many have shown in solidarity work on their return." Miguel Bolanos said that the tours are managed by the Sandinista Directorate for State Security (DGSE), which he said is "effectively controlled by Cubans." The DGSE is modeled after the KGB; its director is, appropriately, named Lenin Cerna.

Staffers with the National Network can often be reached by phone at the Sandinista Embassy in Washington; the Embassy itself said that the National Network is a part of the Embassy's operations. A Council for Inter-American Security staffer called the Sandinista Embassy for information, and was given the number of the National Network by the Embassy receptionist.

The National Network in Solidarity with the Nicaraguan People is an agent for the Sandinista government in Managua, performing "public relations" duties and raising money for the Sandinistas through a variety of grassroots educational and health projects such as its tax-deductible fund, Humanitarian Aid for Nicaraguan Democracy (HAND).

Demonstrations against American support for the democratic resistance forces in Nicaragua are often sponsored by the NNSNP, sometimes in conjunction with CISPES. This solidarity committee has fueled the intense public debate on aiding the democrat-

ic guerrilla contras fighting the Sandinistas, and has found comfort in the actions of Congressmen Michael Barnes and Edward Boland, House Speaker Tip O'Neill, Senators Edward Kennedy and Christopher Dodd, and others of similar ideological persuasion.

In 1985, changed its name to "Nicaragua Network." Congressman Patricia Schroeder (D-CO) signed a direct-mail fundraising appeal for it that July.

THE RETIRED SENIOR VOLUNTEER PROGRAM

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. HUGHES. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to the Retired Senior Volunteer Program which this year celebrates its 15th anniversary of service. As you know this program was designed to create opportunities to involve and utilize the talents of our Nation's senior citizens 60 years and over in meaningful volunteer positions.

For the past 15 years these caring individuals have been serving their communities in a truly significant manner. Their efforts are highly commendable. These selfless volunteers provide an invaluable assistance to their communities by performing tasks in settings such as health care centers and schools to helping to feed the homeless by transporting food and preparing it.

There are many in our country who think of retirement as the termination of a career and working life. Some do not realize the valuable skills and experience that retirees can and do offer to their communities. This program rightfully asserts, among other things, that the participants are productive, civic-minded, and community conscious members of our society. They are all of this and more.

I recently had the good fortune of hearing first hand about the remarkable record of achievement by one such program in Cumberland County, NJ. The 458 workers in the county who are associated with the RSVP, including 378 volunteers, are a shining example of the high productivity and value of the program. Goldie Wulderk, the director of RSVP: in Cumberland County, NJ., her staff, the board and advisory committee members as well as the hundreds of volunteers are part of a team that make this outstanding program possible. I am proud of their great work.

At this point in the RECORD, Mr. Speaker, I would like to submit the text of a speech given by Goldie Wulderk which most eloquently articulates their accomplishments.

GOLDIE'S SPEECH

Congressman Hughes, Mr. Chairman, County Freeholders and friends, I present to you once again the largest group of workers in Cumberland County R.S.V.P. (the Retired Senior Volunteer Program)—funded in part by ACTION, the Older American's Volunteer Act (the domestic volunteers) a Federal agency and granted to the County Board of Chosen Freeholders—The Honorable Charles (Chuck) Fisher, chairman.

We involve and utilize the talents of our senior citizens 69 years and over in meaningful volunteer positions.

We have 378 volunteers, 24 R.S.V.P. advisory council members, 10 senior thrift and Craft Center, Inc. board members, 28 volunteers temporarily on sick leave, 5 new volunteers waiting to be placed, 3 paid staff, a full-time volunteer in the Fayette Street office, 3 Green Thumb employees in our downtown center, 8 "friends of R.S.V.P." for a total of 458 people working for R.S.V.P. and Cumberland County. Our thanks to the New Jersey State Green Thumb for all their support.

They serve in 58 different non-profit organizations and businesses all over the county, made and gave out hundreds of bed pads and cancer dressings to the bedfast and frail elderly. (Our thanks to the county health dept. for materials.) Our volunteers have picked up and distributed surplus food over 50,000 lbs. of cheese, 19,000 lbs. of dry milk, hundreds of loaves of breads, muffins and pita bread, 3,000 lbs. of rice, 30,000 lbs. of flour, 25,000 lbs. of cornmeal and 500 quarts of honey to the daily meals for the needy, street people and jobless. Even delivering this food to the shut-ins and to the rural isolated senior citizens. They have distributed over 2,433 cases of frozen food pizza, strudle, pancakes, muffins, popcorn, and frozen vegetables. Thanks to the efforts of Lou Amico and the Pillsbury Co. who felt it was needed here in Cumberland rather than all going to Philadelphia and Newark.

Our volunteers serve in 58 volunteer stations that include 4 hospitals, 6 nursing homes, 2 day care centers, enrichment center for the blind, visually impaired, 3 Red Cross chapters, 5 nutrition centers, they deliver Meals on Wheels to the shut-ins and serve at the Good Sheppard dining room. Where the needy families and street people can go for a free meal every week day.

They have provided transportation for the frail elderly and handicapped to doctors, drug stores, hospitals, nursing homes—even for groceries and to the bank,

Frail elderly can now stay in their homes because these volunteers bring hot food, do chores, call and check on their needs, walk and ride the neighborhoods so they can once again feel secure.

They act as secretaries, receptionists, nursing and clinical aides, library aides, stuff envelopes, serve food at nutrition sites, take garbage out, etc. Hospital volunteers just visit and give a smile to the shut-ins, even put on fashion shows for entertainment.

They teach crafts and deliver materials so the shut-ins might participate once again with a feeling of dignity and pride not just sit with their hands in their laps waiting to die.

Even residents of hospitals and nursing homes now participate by helping those residents not able to help themselves. The handicapped now prove they have a lot to contribute to society. They are here tonight.

You have served 101,895 hours this past year. Our goal was 70,000 hours. They have surpassed it by 31,895 hours thus fulfilling our personal goal of 100,000 hours. Our "friends or R.S.V.P." have served 1,934 hours.

When you multiply that number of hours by the minimum wage of \$3.35 an hour, it adds up to a whopping \$341,351.25 (bringing it closer to a half million dollars in service).

An even more impressive total is the 873,364 hours served since the programs inception in 1973 this came to a tidy \$2,925,769.40. You retired people putting your skills and talents gained from a life

time of experience, and your youthful exuberance gained from keeping your minds and bodies busy and alert to very constructive use.

This is all accomplished on a \$35,399 (cut by Gramm-Rudman by \$1,285) Federal ACTION grant and \$22,250 appropriated by our grantee for a total of \$62,399.

These volunteers have accomplished miracles.

With the purchase and restoration of our own building and big red truck (totally without Federal and State funds or taxpayers money). We have realized a dream of our own center where no one can say, you have to move on.

This has all been done through the hard work and generosity of volunteers and citizens of Cumberland County except for where codes, etc. were required to have the expertise of licensed tradesmen.

I would like to give thanks to Mr. Phil Lipman and his staff who have helped to acquire our 501-C3 Federal tax exempt status, reincorporated our store board and much needed funds. The city of Bridgeton and Upper Deerfield Township for their support. With their help our center has become a reality.

The building is a caring center, a volunteer station where community needs are met by volunteers who care. A place where seniors can wait on the bus, get a cup of coffee, find companionship and a waiting friend.

When there is a disaster in South Hersey the first thought is of R.S.V.P. We have the knowledge of where to refer—or the materials to meet the need. Clothing, furniture, linens and food for the burned our victims, clothing for children who might not be able to attend school due to family illness or parents out of work, good fresh vegetables for all the needy.

Do you know what our application form is? Just an open hand. No red tape, no one falls between the cracks. Our private non-profit caring center board makes this possible.

This past year our cleaning volunteers and Green Thumb workers gathered from area farms and distributed to the needy over 4,000 baskets of apples, peaches, zucchini, nectarines, egg plants, cucumbers lettuce, cabbages, greens and much more. This food would have otherwise gone to the pigs.

Our thanks to the area farmers, Blue Valley Farms, Sunny Slope, B&B Farms, Levari, Pearlsteins, Bisconti's, Romano, Sorantino and Sparcio Farms—for their patience and generosity.

They have picked up thousands of articles of clothing household articles, furniture tools, etc. All have been donated by the citizens of Cumberland County.

To these people our thanks—for they have made it possible for us to help the needy in our community and finance and maintain the center from where our volunteers, provide all these services.

Just because most of these employees work for nothing. This should not minimize their importance. They are fulfilling a need where there are no longer funds to provide the services.

Our thanks to the Board of Chosen, Freeholders and Chairman, Chuck Fisher for their financial support. For providing us with office space and technical and moral support.

Also I would like to thank Henry Ricci (Office on Aging & disabled executive staff) for their support.

They have made my life and that of my staff a more secure happier existence.

Again, I salute all the volunteers tonight for their courage, unselfishness and sensitivity for helping to pull our community a little closer together thru their efforts.

**NEW USDA PLANT AT TEXAS
TECH UNIVERSITY**

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. COMBEST. Mr. Speaker, today I am introducing, along with Mr. DE LA GARZA and Mr. STENHOLM of Texas, a bill to authorize the construction of a new Department of Agriculture [USDA] Plant Stress and Water Conservation Research Laboratory at Texas Tech University. This research facility is needed to house an existing cooperative research program that is fragmented between the Texas Tech campus and temporary buildings located on land owned by USDA/ARS. There is an immediate need for greater emphasis on research which seeks genetic crop improvement in environmental extremes such as drought and high temperature, and which pursues cropping systems that conserve water. Architectural plans for this facility have already been funded and completed, and a long-term land lease with Texas Tech University has been in place since 1980. A program with excellent State and USDA/ARS research personnel has been developed over the last 7 years. A new research facility will allow this program to continue the momentum of its development, and to fulfill its research commitment.

In Texas, as well as most other Western and Southern States, crops often experience unpredictable and extensive periods of environmental stress during their yearly growth cycle usually attributable to drought or extreme temperature. As a result of these stress periods, crop yields often are dramatically reduced if supplemental water for irrigation is unavailable or limited. On the great plains of our United States, a land area of approximately one-fifth of the total United States, over one-half of the food and fiber is produced on land that is irrigated by pumping water from the virtually non-rechargeable Ogallala aquifer. In total, over 50 million acres of United States crop land is dependent on periodic irrigation during the growing season. While this irrigated acreage represents approximately 10 percent of the total cropland in the United States, it accounts for more than 25 percent of the crop production due to a decrease in water availability and to higher water pumping costs. World population projections of a doubling of the population by the year 2030 will put new and unprecedented demands on the ability of agriculture to produce higher yields on currently available lands with less water and with better tolerance to unpredictable weather extremes. The extended 1986 drought in the southeastern United States brought many of us back to the real world of weather unpredictability and the vulnerability of our current agronomic ecosystems to environmental stress.

EXTENSIONS OF REMARKS

The research currently underway by the plant stress and water conservation research program at Texas Tech is seeking to improve agronomic management systems to prevent water loss from open fields and to improve water use efficiency of cropland. The improvement of water use efficiency involves changes in cultural practices that can be implemented in the short term and in improved genetic design of crops in the system. To make such genetic advances, basic physiological and biochemical processes that control water and gas uptake and loss from plants must be precisely defined. The genetic control of these mechanisms must then be differentiated at the gene level. Planned genetic design of plants to survive the extremes of drought, temperatures, and other stresses is possible only through concerted efforts of cooperative research teams such as those which exist in the program at tech. While Lubbock scientists are developing essential research linkages with other research groups, the breadth and depth of expertise at Lubbock must also be expanded to include scientists expert in the new technologies of genetic engineering and gene movement and expression. Such expansion is dependent on the proposed building.

Planning for a Plant Stress and Water Conservation Research Laboratory was initiated as a result of a 1959 Senate report—Senate Document 59—entitled "Facility Needs—Soil and Water Conservation Research" developed by a working group appointed by the Secretary of Agriculture. Discussions continued between Members of Congress and administrators of USDA that resulted in an appropriation of \$100,000 in fiscal year 1977 for a feasibility study of a plant and Moisture Stress Laboratory by a blue ribbon committee of distinguished scientists appointed by the Department of Agriculture. This committee visited many sites including Lubbock, and concluded in the feasibility report to Congress that Lubbock would be the most ideal location for such a facility. For fiscal year 1979 Congress appropriated \$800,000 to initiate planning for the research program and proposed facility in cooperation with Texas Tech University at Lubbock. An architectural plan of the proposed laboratory has been prepared which contains approximately 67,000 square feet of research space for 22 permanent senior scientists. The location for the building was established in 1980 by a long-term lease for 50 acres on the Texas Tech campus.

Specific research program dollars designated for the Plant Stress and Water Conservation Program were initiated for fiscal year 1980 when Congress appropriated \$200,000 for basic research on the problem. Subsequent appropriations have been \$400,000 for fiscal year 1981, \$450,000 for fiscal year 1982, \$750,000 for fiscal year 1983, \$750,000 for fiscal year 1984, \$900,000 for fiscal year 1985, \$1,150,000 for fiscal year 1986, and \$1,150,000 for fiscal year 1987.

The current USDA/ARS Research Program works closely with Texas Tech University scientists and scientists associated with the Texas Agricultural Experiment Station—Lubbock. Scientists from all three units are members of the regular appointments in the Department of Plant and Soil Science in the College of Agricultural Sciences. Graduate and

postgraduate research training programs are in place and are an integral part of the overall philosophy of the research program. Other linkages of program scientists are evolving into fertile collaborative research ventures with scientists from private, State, and Federal institutions throughout the Southwest and Great Plains.

It is our strong hope that the Agriculture Committee, the House and the Senate will recognize the urgency of this research program, and concur with our opinion that it is time to appropriate the monies required to construct the Plant Stress and Water Conservation Research Laboratory at Texas Tech University. Further delays in providing adequate research space and facilities for the scientists involved in this already-dynamic research program would seriously affect the progress of a research effort that is critically needed as we address the problems of food and fiber production in the 21st century.

**FAIR TRADE AND WORKERS'
RIGHTS**

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SOLARZ. Mr. Speaker, it is an article of faith in this country that fair trade is a condition for free trade. Increasingly, moreover, there is the realization that one component of fair trade is observance of basic standards of workers' rights by countries which export to the United States. In this regard, I commend to my colleagues an article which appeared in the business section of the New York Times on May 31, 1987, written by Charles D. Gray, the executive director of the Asian-American Free Labor Institute.

[From the New York Times, May 31, 1987]

**DO WE SUBSIDIZE EXPLOITATION OF FOREIGN
WORKERS?—PUTTING HUMAN RIGHTS INTO
TRADE POLICY**

(By Charles D. Gray)

Trapped by locked doors and barred windows, 19 persons died in a fire that swept a small factory in a Bangkok suburb one night last year. The victims, part of a work force of 30 producing leather goods, had bedded down for the night on three floors of their factory. Their normal work day was from 8 A.M. to 11 P.M. On that fatal night they had worked till 1 A.M.

In the teeming metropolitan areas of that Thai capital and other third world cities, it is not uncommon for men, women and children to work long hours. Nor is it unusual for workers to spend 24 hours a day in a factory compound. The workers who died in the Bangkok fire, many of them rural migrants, did not earn enough to pay for housing. Their wages were between \$20 and \$80 a month, with the lower pay going to 13- and 14-year-olds.

In Southeast Asia, the huge textile and electronic export industries thrive on the exploitation of young unmarried women between 16 and 23. According to the International Labor Organization, the women work long hours for lower pay than men and are subjected to sexual harassment, job insecurity and psychological stress.

The Bangkok tragedy and the I.L.O. report underscore a reality that confounds conventional wisdom among economists. According to their view, the United States must reduce its wages and working standards to adjust to the global economy. A Brookings Institution economist recently prescribed that the steel industry cut wages in half to meet foreign competition. The advice is wrong-headed.

Why stop there? If the highest priority in international commerce is to beat the competition, we should also consider the following:

Putting a large number of high-school-age children into the full-time labor force.

Abolishing rules and practices that save lives and limbs on the job.

Giving manufacturers greater leeway to pollute the environment at work and in the community.

Removing the penalties that now apply to discrimination against women and minorities.

There is another choice. Rather than adjusting our way of life—our standard of living—to that of nations with lower standards, we can help them raise their standards closer to ours. We can make the rights of working men and women more of a factor in international commerce.

Most Americans would abstain from buying a foreign-made shirt or blouse, even at discount prices, if they knew it was stained with the sweat of exploited 13- and 14-year-old girls hired because they are more likely than older women to accept starvation wages and night-time work. But most consumers are uninformed. In any case, the whole burden of making moral choices in the huge international marketplace should not be left to consumers.

That principle was recognized in Federal law as early as 1890 when Congress banned the import of goods made by convict labor. Since then there have been only piece-meal efforts, always strongly resisted by business, to put a human rights dimension into American trade and investment policy.

A major breakthrough came with the passage of the Trade and Tariff Act of 1984, which renewed duty-free privileges of certain imported goods from 114 developing countries under what is called the Generalized System of Preferences. Countries had already been ineligible for G.S.P. privileges if they expropriated the property of American citizens without compensation, failed to prevent drug trafficking to the United States or failed to meet several other conditions. The 1984 law added a human rights element to those conditions.

At the urging of the A.F.L.-C.I.O. and over the opposition of the Administration, Congress now requires countries to follow certain "internationally recognized workers rights" to continue to qualify for trade benefits. The President must withhold duty-free privileges from a country that "has not taken or is not taking steps to afford internationally recognized worker rights to workers."

Those rights, spelled out in the conventions of the I.L.O., include the right to organize and bargain collectively, a minimum age for the employment of children and acceptable conditions of work with respect to minimum wage, maximum hours and occupational safety and health.

These worker rights provisions should be extended beyond G.S.P., which covers less than 5 percent of imports, to the entire range of our international trade. In fact, the trade bill now before Congress would do just

that. It is essential that these provisions be preserved.

Pasting the label of "protectionism" on these concerns for human welfare is a gross error. At one time, most Americans did not care what happened in other states—plantation owners could do what they wanted with their slaves, just so consumers got their cotton cheap. That callous indifference is no longer acceptable. In domestic commerce, we find no contradiction between free trade and fair labor standards, such as a prohibition of child labor.

In today's vastly more interdependent global economy, indifference to human rights abuses outside our boundaries is also becoming less tolerable to Americans. Thanks to television, people now can see naked exploitation, whether of migrant workers in the United States or blacks in South Africa. Whatever its final form, the trade bill should reflect a commitment to a trade policy that fosters basic rights in the workplace.

AMNESTY PROGRAM IN CHICAGO INSENSITIVE TO IMMIGRANTS' NEEDS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. LIPINSKI. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues recent events involving the amnesty program.

Yesterday, June 10, 1987, the Chicago Office of Immigration and Naturalization refused to take action on a request from numerous Hispanic organizations to place a legalization center in at least one of three highly populated Hispanic neighborhoods in the city of Chicago. They chose instead to stand by their decision to place centers in neighborhoods with few or no Mexican aliens. Their only concession in this matter was to promise to study the placement question for the next 90 days. This program is already 1 month old, a further delay of 90 days will effectively remove the need for additional legalization centers—this is totally unacceptable.

The failure of INS to establish a legalization office in the Pilsen, Little Village, or Back of the Yard communities was both a mistake and a major oversight on their part. This decision places an undue hardship on Mexican and Eastern European aliens seeking to benefit from the amnesty program.

It was my understanding that the INS intended to establish offices in places that can best serve a community. If that is the premise we are to follow, then the neighborhoods of Pilsen, Little Village, and the Back of the Yards deserve a center. These are the areas where the program will be fully utilized.

If we are to be truly sensitive to the needs of all those eligible under the amnesty program we must provide them with reasonable access to a legalization facility. The current program set up by the INS in Chicago is not, in my opinion, sensitive to the needs of the people it purports to help—I intend to do all that I can to change that.

TRIBUTE TO THE HONORABLE ANTONIO H. WON PAT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. BIAGGI. Mr. Speaker, it was with a great deal of sadness that I pay tribute to our former colleague, the Honorable Antonio H. Won Pat, who served the people of Guam from 1973 to 1985. Tony passed away at the age of 78, and his passing leaves a void in the hearts of his beloved family, friends, and those of us who had the honor to serve with him.

I was one who served alongside Tony during his tenure in the House of Representatives. Throughout those years, I had many opportunities to get to know Tony, and found him keenly devoted to the people of his island. Before coming to Washington, Tony was a key figure in the move that gained U.S. citizenship for Guamanians in 1950. Additionally, he served as Speaker of the Guam Territorial Assembly and then of its legislature. His role as chief lobbyist for Guam before being elected to Congress in 1972 provided him with endless opportunities to find the best way to help the people of Guam. Once he was elected to Congress in 1972 as Guam's first non-voting delegate, Tony continued to fight for the rights of his constituency, most of whom are employed by the Federal Government. Guam, which is almost entirely dependent on Federal funding for its economy, needed a strong voice, and Tony's voice could always be heard loud and clear. His concern for the public welfare of his people brought them increased funding for a variety of social services, including urban renewal projects, VISTA, and food stamps. He also was responsible for the creation of a national cemetery honoring Guam's war veterans.

Tony's leadership on the Committee on Interior and Insular Affairs, where he served as chairman of its Subcommittee on Insular Affairs ensured that Guam would always receive its fair share of Federal appropriations. He never wavered from his goal—to secure the most possible benefits for the people of Guam.

Although as a delegate, Tony had no vote on the floor of the House, his presence was always felt. Although he did not return to Congress after his narrow defeat in 1984, he remained in Washington, staying abreast of any activity that would affect Guam and other U.S. territories. At the time of his passing, Tony was in Washington to monitor Senate Appropriations Committee hearings concerning U.S. territories.

Tony's death has brought great sorrow to me, because he was my friend. I knew I could always count on his support. Antonio H. Won Pat may have been a man slight in stature, but he was a man who was very, very big in the eyes of the people who cared for him. I would like to extend my sincere condolences to his family during this time of sadness, to Tony's wife, Ana, and to their eight children, my thoughts are with you. Tony is certainly missed.

June 11, 1987

CONGRATULATIONS TO JOHN JORDAN FOR DEDICATION AND SERVICE TO HIS PROFESSION

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ORTIZ. Mr. Speaker, I would like to pay tribute to a dedicated man that has served his community for many years. Mr. John Jordan is a retiring leader from the Postal Service. He has served as a Texas legislative chairman and president of the Texas State Association of Letter Carriers. Under Mr. Jordan's leadership, Texas letter carriers have been ably represented.

John was elected a district 5 board member in 1972 at the Laredo, TX, convention. He was elected vice president of the Texas State Association of Letter Carriers in 1978. He also took on the job as a State legislative chairman.

John was elected president of the State association in 1985. He previously served as president of the Corpus Christi branch. He has worked with Texas State AFL-CIO and been a shop steward within his National Association of Letter Carriers branch.

Many Members of Congress know John personally. Some of his finest work was as legislative chairman. In that capacity, I have met with John many times and have the highest regard for him. The National Association of Letter Carriers will greatly miss his leadership. Enjoy your retirement, John.

HONORING THE UKRANIAN-AMERICAN VETERANS

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. HERTEL. Mr. Speaker, I rise today to honor the 40th anniversary of the National Ukrainian-American Veterans.

Although the permanent national organization was not established until the 1940's, this important organization has a long and proud history. It was first envisioned by two Ukrainian veterans of the Spanish-American War; Denis Labovsky and Fedko Kochan, both from Pennsylvania. However, it was not until after World War I that Post No. 1 was officially chartered. This post helped to initiate a number of other posts throughout the Eastern States with the help of its most active charter and lifetime member, Maj. Michael Darmopray, who served under George Patton.

After World War II, Post No. 1 was renamed for Anthony Byli. This young sailor's interest in the sea began even before his enlistment into the U.S. Navy. He died in the Japanese attack on Pearl Harbor at the age of 20. During this time, other posts throughout the East were officially chartered. One of these posts was the forerunner of the veterans' welfare fund, which helps members and families in emergency situations. The Ukrainian Youth League also founded a post in Philadelphia.

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Ukranian-American Veterans became active in many community and military activities, including the distribution of a newsletter, The Bugler, to the Armed Forces; and keeping lines of communication open between soldiers in various combat zones around the world.

It was during a convention of the Ukrainian Youth League of North America, in 1947, that the first steps were taken to establish a permanent national Ukrainian-American veterans organization. A feasibility study was ordered, and a united national Ukrainian-American Veterans' organization became a reality.

Post No. 101, from Warren, MI, in my district, was founded in early 1983 by a small group of World War II, Korean, and Vietnam veterans. They chose the No. 101 as a symbolic title in hopes of someday reaching that number on their membership roles. After becoming formally installed in 1984, they became extremely active in our community. This post has initiated and given leadership to a number of human rights causes, lobbied for national reforms, and helped to preserve the rich cultural fabric of the Ukrainian community.

To this end, the almost 90 members of this young post are proudly hosting the 40th anniversary convention in Warren, MI. This event will feature a banquet and ball, and calls upon Ukrainian-American veterans everywhere to "remain ever vigilant" in the fight against the "tyranny and totalitarian ideology" * * * led by the Soviet Union."

I call upon my colleagues and ask them to join with me in honoring the Ukrainian-American veterans who have fought for our freedom, and to thank them for their sacrifices in the name of the United States of America.

IN RECOGNITION OF THE OUTSTANDING WORK OF CHARLES FAZIO

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SCHUMER. Mr. Speaker, I would like to call the attention of my colleagues to the longstanding service of Charles Fazio.

On June 30, 1987, Charles Fazio, financial secretary of St. Pius X Council Knights of Columbus, will retire after 25 years of service. Mr. Fazio was appointed chief financial officer of the Knights of Columbus Council on May 12, 1962, and has since served with distinction and integrity in the administrations of 12 grand knights.

In addition to his work for the Knights of Columbus, Charlie Fazio has played an important role in many neighborhood organizations. He has been an elected member of Community School Board 18 since its inception in July 1970, and currently serves as secretary-treasurer. A member of the board of the Canarsie Mental Health Clinic, Charlie was honored as their "Man of the Year" in a 1982 tribute for his accomplishments in community service. Mr. Fazio served as commodore and chief executive officer of the Midget Squadron Yacht Club from 1984 to 1986, under his leadership club members were drawn to participate in community service work.

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Charles Fazio was selected as the first recipient of the Community Service Award by the St. Pius X Council, Knights of Columbus at their annual community breakfast in June 1984. He was recognized for his contribution to the people of Canarsie and for his dedicated efforts on their behalf.

Charles is a lifelong Canarsie resident and has been married for 38 years to his lovely wife, Carol. They have four beautiful daughters and sons-in-law, and five wonderful grandchildren.

Charles Fazio's hard work and sincere commitment to the principles of charity, unity, fraternity, and patriotism have earned him the respect and admiration of his brother knights and his friends in the Canarsie community. I share their admiration for his decades of dedication and hard work. Charlie is a unique individual, treasured by Iris and myself and I ask my colleagues to join me in wishing him well in his future endeavors.

DENNIS GJERDINGEN NAMED TO NATIONAL COMMISSION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. CONTE. Mr. Speaker, I am delighted that today you are appointing one of my constituents, Dennis B. Gjerdingen of Northampton, MA to be a member of the National Commission on the Education of the Deaf.

Mr. Gjerdingen is a distinguished educator who has devoted virtually his entire career to the education of the deaf. As the father of a deaf child and a hearing-impaired individual himself, Dennis brings a personal understanding of deafness to his professional duties.

As a Member of the National Commission, his unique perspective will be a great asset as he joins his fellow commissioners in reviewing existing education programs and services, identifying deficiencies in the current system, and recommending better ways of serving the education needs of deaf Americans.

Dennis currently serves as president of the Clarke School for the Deaf in Northampton and has done a wonderful job there since his appointment in 1981. Under his leadership, the reputation of Clarke School for the Deaf has continued to grow so that today it is one of the finest institutions for deaf people in the Nation.

Mr. Speaker, the fact that you have appointed Mr. Gjerdingen today to serve on the National Commission is a recognition of his own reputation not only in Massachusetts, but throughout the country. Dennis has served as headmaster of the Central Institute for the Deaf in Missouri, as an assistant professor of education for the deaf at Washington University in St. Louis, and as president of the respected Alexander Graham Bell Association for the Deaf.

I am pleased that I was able to bring Mr. Gjerdingen to your attention, Mr. Speaker, and honored to have been able to support his candidacy. I commend you for making this appointment and I congratulate Dennis Gjerdingen.

gen on this wonderful opportunity to continue his contributions to the education of the deaf.

MILTON HIGH PICKED AS ONE OF NATION'S BEST

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DONNELLY. Mr. Speaker, I wish to share with my colleagues an article from the May 28, 1987 Patriot Ledger reporting on the selection of Milton High School as one of the best in the Nation. It is the third school in Milton to receive a Federal award in the last 2 years.

The Excellence in Education award is a well-deserved recognition of the hard work and endless dedication of the school administration, faculty, and students of Milton High School. The Milton High School parents deserve special recognition for their contribution in promoting a positive student attitude toward the school.

I wish to add my name to the list of those who have joined in congratulating Milton public schools and all the residents of the town of Milton on this proud occasion.

MILTON HIGH PICKED AS ONE OF NATION'S BEST

(By Della Klemovich)

MILTON.—Milton High School has been chosen one of the best in the nation by the U.S. Department of Education.

Only two other Massachusetts secondary schools were selected for the annual Excellence in Education awards announced in Washington yesterday.

Students and educators said today that they are thrilled with the award, adding that it proves that there is little justification for Milton families to choose private education over the public high school. One out of four Milton youngsters of high school age attends a private school.

"I'm very happy for the school," said high school senior Joan Winchester, the student member of the Milton School Committee. "I think Milton is finally getting the recognition it deserves. A lot of parents send their children to private schools. Now maybe they'll send them here."

She herself chose the high school over private education four years ago.

"My parents are glad I did," said Winchester, who will attend Dartmouth come fall.

"I feel we're very honored," said high school Principal Allen Adams this morning. "It's a tribute to our faculty. It's certainly a tribute to our students. And it's a tribute to our community, which has supported us."

Adams, who has been principal for six years, said federal evaluators were impressed by a newly positive attitude of students and parents towards the school, which has helped stem the drain to private education. The positive attitude contributes to the school's low dropout rate, paucity of drug-related incidents, and an atmosphere of order and discipline, he said.

In announcing the winners, Education Secretary William J. Bennett said:

"Excellent schools like these renew our faith in American education. They have worked extraordinarily hard and, as a result, they have much to show for it."

For years, Milton typically lost one-third of its high school population to Catholic

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and private schools. And high school attendance was frequently poor, Adams said.

But now, Adams said, a more structured school day and a continually updated and enriched curriculum have helped reduce transfer to private schools from one-third to 25 percent. Attendance "has improved dramatically," too, he said.

Milton High School is one of 271 schools in 46 states to receive the Excellence in Education award. The two other Massachusetts schools honored: the private Northfield Mount Hermon School in Northfield and the public Wayland High School.

The high school is the third Milton school to receive a federal award within two years. Last year, the Tucker Elementary School was named one of 270 outstanding public and private schools in the country. In 1985, the Pierce Middle School was named one of the best secondary schools in the country by the U.S. Education Department.

Schools nominated for this year's award nationwide were judged by a panel of 71 reviewers—two-thirds of them from outside the field of education—on a wide range of attributes, from test scores to dropout rates. They checked attendance rates for both students and faculty and the school's civil rights record.

Schools got points for being drug-free. They also were judged on how well they taught citizenship and the U.S. Constitution in the bicentennial year of its signing.

The winning school principals and superintendents will be invited to Washington at their own expense this fall for a ceremony bestowing on each a "flag of excellence."

INTRODUCTION OF LEGISLATION TO CONTROL ACID RAIN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. WAXMAN. Mr. Speaker, I am pleased to cosponsor the Acid Deposition Control Act of 1987, introduced today by my colleague, Congressman GERRY SIKORSKI.

This bill is needed to curb the severe health and environmental damage caused by acid rain.

The bill requires significant nationwide cutbacks in acid rain forming pollutants; 10 million tons of sulfur dioxide and 4 million tons of nitrogen oxide would be eliminated by 1997. Those that contribute the most to acid rain—electric utilities, industrial boilers, factories, and cars and trucks—would be required to reduce emissions.

In addition to achieving significant reductions, the bill provides strong worker and consumer ratepayer protections.

Our legislation recognizes that the Governors of each affected State are in the best position to create sensible and effective acid rain control strategies. Governors may decide to install technology to protect high-sulfur coal jobs in their States. Governors may also decide to switch to less polluting fuels if they conclude that this solution would minimize costs. Or the Governors can select any mix of control methods.

This flexibility ensures that decisions are made with the best information available. Governors are in the best position to make tough choices. Moreover, the bill includes provisions

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to assure that residential rates will not increase more than 10 percent as a result of acid rain control technologies. Most residential ratepayers will face less than a 1 percent rate increase.

I urge my colleagues to signal their support for control of acid rain by cosponsoring this vital legislation.

ACID DEPOSITION CONTROL ACT OF 1987

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SIKORSKI. Mr. Speaker, John F. Kennedy said, "We must use time as a tool, not a couch. We must carve our own destiny."

Today I am introducing legislation to carve our destiny by controlling the threat of acid rain. With this bill, we can forge a cleaner environment, a sounder economy, and a healthier world for ourselves and our children.

SILVIO CONTE, TOM TAUKE, HENRY WAXMAN, and others join me in sponsoring this new bill, H.R. 2666, which is nearly identical to last year's acid rain legislation, H.R. 4567. With over 170 cosponsors from every region of the United States, H.R. 4567 was the most widely supported and successful acid rain legislation in the history of the House. Today we are ready to move ahead from where we left off.

H.R. 2666 has five major features, combining solid environmental policy with job protection, cost efficiency, and flexibility.

First, it reduces sulfur dioxide emissions by 10 million tons and nitrogen oxides by 4 million tons. That includes tougher standards for new powerplants and new cars and trucks.

Second, the legislation is flexible and cost efficient. Governors decide how to meet those standards in their respective States in the most cost-effective way.

Third, our approach is fair. All States must meet the same emissions standard.

Fourth, consumers are protected against "rate shock." Residential utility bills will not increase more than 10 percent, with rate increases averaging 25 cents to 50 cents per month.

And finally, this bill would protect jobs. Each Governor will promote his or her State's best interests by choosing an emissions reduction plan suited to the local economy. Federal trust fund money will be available to those States that want to cleanup and protect jobs in the high sulfur coal industry.

After years of research and reports, hearings and markups, summits and special envoy pronouncements, the time to act is now. We cannot lounge languidly on the couch of time, letting America's future slip away. Our people, our children deserve more than a destiny of dirty air, devastated resources, and damaged lungs.

Last year, opponents of acid rain control spent more than any other special interest group lobbying against H.R. 4567. That's a true measure of our success. But despite the \$3 million they spent to twist arms on acid rain, our support is stronger than ever.

Just last week, the House rejected an amendment for more research moneys because it was concerned that this amendment meant no real action on acid rain cleanup; and the vote was 124 to 278. That vote contains an important message: We already have over 6,000 studies and we'll never have all the answers. It's impossible to link a particular auto exhaust pipe to a particular dead fish, one smokestack to one dead lake, one powerplant to one destroyed national forest. But we do know enough to move ahead. And the scientists 6 years ago told us that if we wait any longer, it may be too late.

There's no point in operating if the patient has already died. The Congress is ready to move ahead while there is still time. I look forward to working with my colleagues to enact acid rain control this year.

A summary of H.R. 2666 follows:

SUMMARY OF SIKORSKI-CONTE ACID RAIN BILL

The program would result in a ten million ton reduction in sulfur dioxide emissions and a four million ton reduction in nitrogen oxide emissions from a 1980 base by 1997 through the following steps:

(1) *State-developed strategies are required to reduce sulfur and nitrogen oxide emissions.* A two phase program is mandated giving States until 1993 to reduce sulfur emissions by five million tons from electric utilities, and until 1997 to reduce sulfur emissions by an additional five million tons from major stationary sources. States are given until 1997 to reduce nitrogen oxide emissions by about two million tons from electric utilities and industrial boilers. Each state would have the flexibility to pursue any control strategy within the source category to achieve the required reductions. Failure of a state to submit an approvable plan would result in congressionally imposed emission limitations. Western smelters would have to be in compliance with the Clean Air Act by 1988.

(2) *Congressional midcourse correction is possible before phase II.* EPA is required to submit a study to Congress in 1993 to determine the reduction in acid rain achieved under phase I and the feasibility of meeting phase II requirements. If Congress fails to act to adjust the program by January 1994, Phase II requirements go into effect.

(3) *A Federal subsidy program to keep residential rates from increasing more than 10%.* A Governor can receive Federal assistance if residential rates exceed 10% as a result of the sulfur dioxide control program. To be eligible for the subsidy, the Governor must take steps to substantially equalize and levelize residential rate hikes attributable to the program. A Federal trust fund is created by levying fee on electricity generated not to exceed 1/2 mill per Kwh (about 25 to 50 cents per month on a typical electric bill). The fund would be available to pay for program control costs to maintain residential electric rates below 10%.

(4) *Allowance for Innovative Technologies.* A Federal program can be established at the option of interested states to promote the use of innovative technologies as control methods for sulfur dioxide and nitrogen oxides.

(5) *Tougher standards for new power plants.* The new source performance standards would be tightened for nitrogen oxide emissions from new power plants. This tightening would reduce nitrogen oxide emissions by about 1 million tons by 1997.

(6) *Tighter standards for new cars and trucks.* New trucks would have to meet tighter standards for nitrogen oxide and hydrocarbon emissions. The levels required for trucks would be comparable to those already being achieved by new cars. New cars would have to meet tighter standards for nitrogen oxide emissions.

RETIREMENT OF SANFORD HOWARD

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. FISH. Mr. Speaker, It gives me great pleasure to have the opportunity to recognize a resident of my district who is about to retire after an especially successful and rewarding career as a school administrator, principal and teacher. Mr. Sanford A. Howard, Sandy as he likes to be called, has been principal of the Nassau Spackenkill School, located in the town of Poughkeepsie, NY for 20 years. In all these years, this caring man has helped many children and their families as they passed through the school doors. Sandy has that quality of making school an enjoyable experience.

Sandy always enjoyed teaching history, visiting classes from time to time. His excitement and enthusiasm for the subject is so contagious that the students truly looked forward to his classes.

This tireless enthusiasm and excitement extend to all he does. For the past 20 years, he has supervised over 150 sixth-grade students on a 3-day trip to the Nation's Capital. Sandy inspires them with his love of country, the pride he has in his profession, and a show of sincere concern that they learn all he has to offer. While never losing sight of the "3 R's", Sandy looks to the future unafraid of instituting new programs to improve the quality of education.

Sandy is a veteran of the Korean conflict, 1950-53, serving as a quartermaster aboard the U.S.S. *Roanoke*, U.S.S. *Missouri*, and the U.S.S. *Raymond*. His love for country shows, as he tells the children stories about this period. A loving husband and father, he still finds time to become involved in community projects.

His love, his concern, and his respect for all the children are deep roots that we can all build on. I take great pride in sharing his accomplishments with my colleagues.

REVIVING THE FARM CREDIT SYSTEM

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. STANGELAND. Mr. Speaker, I rise today for the purpose of focusing on the Farm Credit System. There has been much discussion in recent weeks about what needs to be done to revive this System. Before any changes are made, we must thoughtfully and carefully examine the successes and failures

this System has had in implementing its goals. To obtain a clear picture, we must be willing to listen to people who are involved with the System. I would like to therefore enter into the RECORD the contents of a statement of a constituent of mine before the Agriculture Subcommittee on Conservation, Credit and Rural Development. I feel the following comments made by Mr. Wally Nord are worth the attention of all my colleagues:

Mr. Chairman and Members of the Subcommittee: My name is Wally Nord and I am a stockholder of the Farm Credit System. I am also a member of the executive committee of the National Association of Farm Credit Stockholders, formerly known as the National Federation of Federal Land Banks. In addition to this, I have served as Chairman of the Board of a local association for 15 years, and let me emphasize, a very successful association.

For those of you who may not be familiar with the National Association of Farm Credit Stockholders, our organization was created more than 30 years ago. We have always been responsive to the changing conditions of American agriculture. For example, our bylaws were amended 3 years ago to make the organization available to all Farm Credit Stockholders, rather than only Federal Land Bank members. I feel compelled to tell you that our organization in 1980 sent 4 members of its executive committee, of which I was one, to discuss with then Governor of the Farm Credit Administration, Donald Wilkinson, what we thought were severe problems developing in the Farm Credit System. At that time, we told him collateral values were being set too high and that nothing was being done to pay the extra cost of high priced bonds. Our ideas were totally rejected. Perhaps they shouldn't have been. By examining the successes and failures of past policies, we can develop a better future.

The Congress is now debating whether to use public funds to save the Farm Credit System from possible collapse. If the plans serve the best interest of the national economy, then we think they are necessary. However, the request made by the System seems to indicate to stockholders that most of the funds would be directed toward the System's bureaucratic form. In other words, it would open the vault and let them conduct business as usual. The System was built like a pyramid and now in the last decade that pyramid has been inverted. We are opposed to any assistance that would allow Farm Credit System to conduct business-as-usual. The Farm Credit Service Center or Association is the most important entity in the Farm Credit System. Management must be able to directly manage its own loan portfolio and also be held responsible for that portfolio.

There are certain fundamental principles which need to be followed if there is going to be financial assistance to the Farm System. These principles are:

1. Farm Credit Service Centers or Associations should be the primary lenders. Agency Centers with centralized capital stimulates unresponsive management.

2. There should be a central entity which would be responsible for the orderly sale of bonds. The central entity should be responsible for examinations of service centers or associations with the authority to take appropriate action if they are not operated according to law.

The Farm Credit System has lost sight of its fundamental goal of delivering dependable credit to farmers and ranchers at the lowest possible cost.

The stockholders of the Farm Credit System have experienced tremendous changes over the last decade. The unbelievable increases in the cost of operation coupled with the loss of markets has created an impossible situation. There are many stockholders paying their bills on time. They are also paying a premium on the interest rate because of the inflation of the late 1970's and the decisions that were made during that time.

The National Association of Farm Credit Stockholders is willing to work with Congress to insure that assistance to the Farm Credit System be directed toward improving the delivery of competitive funds, rather than enhancing the bureaucratic system.

CONGRESSIONAL SALUTE TO
ARTHUR GLOVER, 34 YEARS
OF SERVICE TO HOUSING AU-
THORITY OF THE CITY OF
PASSAIC, NJ

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ROE. Mr. Speaker, today I rise to pay tribute to a man who has spent his life aiding others in the pursuit of one of the most fundamental necessities of life, clean adequate shelter. Mr. Arthur Glover has spent the past 34 years in the service of the housing authority of the city of Passaic, NJ, and on June 16 he will be honored for his work by his colleagues at a retirement reception. Mr. Speaker, I know you and our fellow Members of Congress will want to join me in extending our best wishes on an outstanding job well done. Arthur Glover has performed in an exemplary fashion and we applaud his endeavors in the vanguard of service to his community.

Mr. Glover is truly an example of the American work ethic. Born in Cordele, GA, on March 20, 1918, he migrated to Passaic in December 1929 and began work for the housing authority on December 15, 1953. From his start as a building maintenance worker, Mr. Glover rose through the ranks as a grounds worker; foreman of the building maintenance workers; and supervisor of the grounds, equipment, and maintenance repairmen.

On November 9, 1969, the PHA Board of Commissioners, then chaired by Maurice J. Miller and the executive director of the PHA Edward Rabb, elevated Mr. Glover to the post of assistant executive director, a position he held for nearly 18 years. He currently holds the title of public housing manager and was recognized with 25 year and 30 year service awards.

Mr. Glover is active in his community not only as part of his employment, but he has been and continues to be a vital part of the Union Baptist Church in Passaic. A member for some 50 years, Mr. Glover holds the distinct honor of being a church deacon. In addition to also serving on the church's advisory youth committee, he is blessed with a fine bass baritone and sings with the male chorus

and the inspirational choir and acts as adviser for the young adult choir.

Married in 1939, Mr. Glover has two sons, Marvin and Kenneth; a daughter, Melissa; and four grandchildren. He was educated and has resided in Passaic for most of his life, serving God and his community.

Mr. Speaker, it is individuals such as Arthur Glover which truly represent what is best in public service. Helping the less fortunate to fulfill a basic need and performing that duty in a kind and admirable fashion is a difficult task, and yet it is one which Mr. Glover has done for 34 years. Mr. Glover attributes his success and perseverance to cooperation and teamwork. Important words which are often spoken, then neglected in practice. It is obvious that Arthur Glover did not neglect them, and both he and all who serve the public interest can certainly be proud of what he has achieved.

Mr. Speaker, this man is not only an inspiration to those serving the needs of the people but indeed for the people themselves. He has worked his way up the ladder in the strongest tradition of hard work and honest effort which has allowed so many of our citizens to improve their lives. Doing this, as Mr. Glover has done, in the service of his fellow man serves to emphasize the importance of his contribution to society. I am sure, Mr. Speaker, that my colleagues in Congress join me honoring this fine individual.

THE RETIREMENT OF MR.
JAMES CREGAN

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. FORD of Michigan. Mr. Speaker, the Committee on Post Office and Civil Service, which I have the honor of chairing, has lost one of its most valuable staff members.

I refer to Mr. James Cregan, who for the past several years has been the committee's deputy general counsel specializing in postal matters. Mr. Cregan has entered the private practice of law in Washington with David Minton, another former lawyer with the committee esteemed by his colleagues.

Mr. Speaker, to say that Mr. Cregan will be missed is an understatement. I seriously doubt that there is another lawyer in this country who knows any more about postal law than Mr. Cregan. Moreover, Mr. Cregan has proven himself a shrewd and capable negotiator.

I certainly do not envy the adversaries he will encounter in the private practice of law. They do indeed have their work cut out for them.

Mr. Cregan is another poignant example of just how difficult it is to keep our very best people in Government. For many years, out of dedication, Mr. Cregan rejected opportunities in the private sector with substantial sacrifice. There comes a time, however, when the pressing needs of one's family must take precedence.

I, personally, want to thank Mr. Cregan for his outstanding service. There is no question in my mind that his presence on the commit-

tee made a difference. The people of our Nation were well served by his talent and devotion.

MEDICARE HMO/CMP
IMPROVEMENT ACT OF 1987

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. MICA. Mr. Speaker, today I am pleased to introduce the Medicare Health Maintenance Organization Quality Improvement Act, a collection of reforms which was partially enacted in 1986.

Today I will testify before an Aging Committee hearing which was convened to review Federal HMO operations. This hearing was also convened in response to a dire situation in south Florida, wherein the Federal Medicare contract of International Medical Centers, one of the Nation's largest HMO's, was terminated by the Health Care Financing Administration. IMC served 130,000 Medicare beneficiaries at the time of the contract termination. Currently, IMC is in receivership with the office of Florida's Insurance Commissioner. The president of IMC has been criminally indicted.

I am sure that this is not a situation which we would like to have repeated in the future. The provisions of this bill would enhance Federal oversight of HMO's and specifically address the financial solvency of these organizations. It would require the Federal Government to make a greater effort to monitor the fiscal health of an HMO's affiliates; it would make it illegal for health care service providers to dun HMO members for services; it would require the Secretary of Health and Human Services to study the quality of care provided to HMO members as compared to the kind of care offered by other health care provider structures.

I have long been an advocate of the HMO concept of health care, and I would encourage efforts to increase the enrollment of Medicare beneficiaries in HMO's. However, we must make strenuous efforts to safeguard not only the significant Federal monetary investment in these organizations, but, most importantly, we must be vigilant in our oversight of the kind of care HMO's provide our Nation's seniors.

A TRIBUTE TO DR. PAUL
VOCHKO

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. KOLTER. Mr. Speaker, today I rise to pay tribute to a constituent of my Fourth District of Pennsylvania, Dr. Paul R. Vochko.

An educator for 40 years and superintendent of the Ambridge Area School District for 20 years, Dr. Vochko of Ambridge, PA, has contributed greatly to his community as a civic leader and a humanitarian.

Dr. Vochko was graduated from Geneva College and did graduate and doctoral work at the University of Pittsburgh and Slippery Rock State University. He attained certification in secondary school studies, history, physical science, and guidance.

He served as Senator ARLEN SPECTER'S official representative for the service academies for Beaver County, and on the board of directors of the Ambridge Chamber of Commerce, the Laughlin Memorial Library, the Beaver County Federated Library Association, Harmonie Associates, and the Geneva College Alumni.

Dr. Vochko developed and administered a licensed practical nursing school program in the Ambridge area as well as administering a successful preschool program. He organized and administered a standard evening high school program for adults and developed a community relations newsletter.

Dr. Vochko was appointed to the State board of education for a 5-year term scheduled to end in 1989.

His professional associations include membership of the National and Pennsylvania School Board Associations. He served as a member of the advisory board of the University of Pittsburgh Tri-State Study Council, and on the Intermediate Unit Task Force for Special Education. He served on committees for the United Fund, the Heart Fund, Muscular Dystrophy, St. Mary's Church Committee, the Inter-Faith Clergy Advisory Committee and the Greek Catholic Union.

Dr. Vochko served in the Air Force for 2½ years and later became a member of numerous armed service organizations. He is also a Phi Delta Kappa and a Delta Pi Epsilon.

Because of Dr. Vochko's outstanding community activities, he has been awarded with honors such as "Man of the Year in 1972" by the Ambridge Chamber of Commerce, and the St. Nicholas Award in 1977, the highest honor bestowed by the Archbishop of Pittsburgh Diocese, Byzantine Catholic Rite. He has been honored with numerous other local, church, civic and ethnic awards.

The dedicated service of Dr. Paul R. Vochko has been a valuable asset to the Ambridge community and I am proud to introduce him and his achievements to my colleagues in the full House of Representatives.

JOSEPH NARDONE, LABOR LEADER FROM BAYONNE, HONORED ON HIS RETIREMENT

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. GUARINI. Mr. Speaker, on June 18, 1987, a testimonial dinner marking the retirement of one of my constituents is being held. The function, which will be attended by several hundred friends, coworkers, and business affiliates of Joseph Nardone of Bayonne, NJ, will be held at the Casino in the Park, Lincoln Park, Jersey City.

Joseph Nardone is retiring as president and chief financial officer of the labor organization he founded, Production Worker's Union, Local 148, the unit is affiliated with AFL-CIO.

Mr. Nardone was born on June 24, 1917, in Boston's North End. He was married on February 7, 1953 to former Sylvia DeCicco and they have one son, Joseph Nardone, Jr. The best man at their wedding, the Honorable Edward F. Zampella, is now Hudson County's central judicial processing judge.

Joseph Nardone described by his son as a self-made, self-educated man who speaks very few words. Denied a formal education because of the depression, he had to go to work to assist his mother in raising a brother and sister. Doing so was quite difficult, but indeed he assisted.

According to those who know Mr. Nardone, he always possessed a thirst for knowledge which he instilled in his son, assuring him every educational opportunity possible. Nardone's doctrine was to avoid easy money, to work hard every day, building and investing in solid things.

Joseph Nardone is described as a man from the old school. He often did business with a handshake. He would often say, to his business associates that formal agreement or not, his handshake guaranteed what he agreed to live up to.

The periods of history during which Joseph has lived were indeed trying ones. His year of birth saw America's entry into the war against Germany, World War I on April 6, 1917, causing many difficult days for families seeking to survive.

After the war ended, Joe Nardone's early years, during the 1920's, welcomed Winnie Winkle, George White's Scandals, Babe Ruth's career, 14 years with the New York Yankees, and the Black Sox Scandal, and with the first Miss America being crowned at Atlantic City in 1920.

In 1921, the U.S. sweat shop operators resisted efforts by union men to organize garment workers in big city loft factories with signs that read: "If you do not come in Sunday, do not come in Monday."

On July 2 that year, Jack Dempsey knocked out George Carpentier at Boyle's 30 Acres in Jersey City at boxing's first \$1 million gate.

It was in 1929 when the Nardone family, with Joseph nearing his teen years, felt the impact of the stock market price crashing in Wall Street. For the next several years the Nardone family saw lean days.

No doubt in an effort to correct some wrongs that he witnessed, Joe Nardone began his love affair with organized labor.

There is no question that Joe Nardone was motivated by the philosophy of Samuel Gompers who led the American Federation of Labor until his death in 1924.

Gompers said,

*** to recognize that first things must come first. The primary essential in our mission has been the protection of the wage-worker, how to increase his wages, to cut hours off the long work-day, which was killing him, to improve the safety and the sanitary conditions of the workshop, to free him from the tyrannies, petty or otherwise, which serve to make his existence a slavery.

While the ranks of labor were growing it was most specialized and crafts and laboring people who were organized. Joe Nardone saw a need for the little people working in small establishments to have the benefit of a productive union. His concern has led to the Pro-

duction Workers Union, Local 148, to represent thousands of workers in scores of businesses.

Joe Nardone believed it is the function for every union to develop the philosophy indicating that the interests of labor are one without distinction by race or nationality, religion, profession, or creed. Every individual deserves a fair day's pay for a fair day's work. He has earned the respect of the laboring man and the employers he has dealt with.

When learning of Joe Nardone's retirement this year, one corporate vice president wrote,

I sincerely doubt if any man has contributed more to the progress of relations between a local and their corporate associates than you have. I am certain too that no man has ever left behind him a more gratifying record of loyalty and devotion to the highest ideals of union and management.

While another colleague wrote,

I do remember some trying times, but always, the thoughts that crystallize are of a friend, an advisor, a worthy adversary, and a fair negotiator *** Part of our growth derives from the working relationship that we have had with this union. We have always found that those, represented by Joe Nardone, have kept the interest of the employer in mind, as well as those of the members they represent. Joe's philosophy has always been that without employers there would be no jobs, and he must keep them alive and profitable for his members to prosper. I am proud to be counted as one of Joe's friends.

Joe Nardone is known in Hudson County as a low-key, honest, hard-working respectful individual. Only recently has he gotten due recognition for helping thousands of working people and their families when the city of Jersey City gave the building, which houses his union headquarters, the address of One Nardone Place.

Joseph Nardone has done an excellent job for his family, maintaining a beautiful residence in Bayonne. He has served as a role model to Joseph, Jr., and has inculcated many of his own attributes and ambitions. He heads the Top Cat Sound Recording Studio in New York City, which has many Hollywood and Broadway entertainers as clients.

I am sure we will hear a lot from Joseph Nardone, Jr., in the labor and business world because, the apple does not fall far from the tree.

When this tribute to Joseph Nardone is given to him, he will be surrounded by hundreds of his friends at his surprise retirement dinner being held at the Casino in the Park. It has been my pleasure to salute a man who came into this world at the height of World War I, helped his family survive the depression, stood with America during World War II, in Korea and Vietnam conflicts, witnessed several recessions and contributed to many worthwhile charitable causes while representing the working class.

I am certain that my colleagues here in the House of Representatives wish to join me in wishing Joe Nardone and his wife Sylvia, and his family good health and peace during his retirement years.

**EXCLUDING EDUCATIONAL
GRANTS AND SCHOLARSHIP**

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. HENRY. Mr. Speaker, I am pleased to join today with my colleagues Congressman WILLIAM FORD and Congressman FRED GRANDY in introducing legislation to revise one aspect of the Tax Reform Act of 1986—the provision by which grants and scholarships awarded to college and university students may be subject to Federal tax.

The Tax Reform Act provides that grants and scholarships—which include everything from Federal Pell grants to NSF research grants to State and privately funded scholarships—are taxable except to the extent that they are used by degree candidates to pay for tuition and "course related" fees, books, supplies, and equipment. In contrast, previous law exempted all scholarships and grants received by degree candidates, as well as amounts up to \$300 per month received by nondegree candidates from tax exempt organizations or Government agencies. The Tax Reform Act also made other changes pertaining to amounts received which are actually payments for past, present, or future services. The legislation which we have introduced only affects the first of these changes—it broadens the exclusion in the case of degree candidates to include scholarship and grant amounts used for "travel, research and living expenses—including room and board."

The Department of Treasury has, at least for the present, provided relief from one of the most obvious problems caused by the 1986 change in the tax law—the recordkeeping burden on students and institutions to be able to document which portion of grant and scholarship funds, which are often not divided or earmarked, was used for taxable and which for nontaxable purposes. However, while this ruling provided relief from the immediate concern, there remains the problem that taxpayers will still have to be able to substantiate the share of scholarships and grants used for excludable expenses.

It is not likely, however, that we are about to change the law simply to relieve this recordkeeping burden, no matter how unwarranted. But the 1986 changes have more serious problems, both from the viewpoint of a coherent Federal education policy, and because they work unfairly against some of the lowest income students and families.

Each year Congress makes available about \$5 billion in grants and scholarships. In addition, the Federal Government encourages States and private parties to contribute scholarships, through tax incentives, leveraging funds, and so forth. We do so essentially for two purposes—to allow students who for income reasons could otherwise not afford to attend the schools of their choices, and to encourage and facilitate the fulfillment of national manpower and research needs. Thus each of our programs has, in that sense, been historically "needs based." It is indeed ironic that in the same year in which there has been so much talk about our national needs in both of

these areas, we have begun to treat scholarships and grants like just another payment.

The effect of taxing a portion of grants and scholarships is to either reduce the value for recipients or force grantors to increase the size of the grant in order to maintain the same "buying power." Thus the National Science Foundation, recently increased the size of graduate student stipends by \$1,200 per year, to prevent the tax law from reducing the value of the fellowship.

The change in the Tax Reform Act also works unfairly against many low income students. The following example illustrates this problem.

Student A, who is from a low-income family and has tuition and books paid for by private scholarships, has \$4,100 in earnings from employment and receives a \$2,000 Pell grant award for a total of \$6,100 in taxable income. This student must pay \$165 in tax—15 percent of \$1,100.

Student B, who is from a middle-income family, has \$4,100 in earnings from employment and receives \$2,000—which is not considered as income—from his parents for a total of \$4,100 in taxable income. This student pays \$0 in tax. Further, to obtain the \$2,000 the parents have taken out a home equity loan, for which the interest is fully deductible. This student also receives a scholarship for tuition and books.

As described above, Student A clearly is disadvantaged. In addition to coming from a low-income family, he must pay \$165 in taxes, thereby reducing the value of the Pell Grant. Student B, on the other hand, has the same amount of money as Student A, pays no tax, and his parents receive a tax benefit for borrowing the \$2,000 against their home mortgage.

Some of our colleagues have introduced legislation which would simply repeal the changes made in section 123 of last year's Tax Reform Act. Our bill does not do that. It only addresses what we think is a contradictory and unfair Federal education policy. Other changes in the Tax Reform Act, particularly those tightening the line between service connected payments and truly "no-strings" education grants, we do not seek to change.

Finally, the Joint Committee on Taxation has estimated that this bill would cost \$72 million in lost revenues in the first year, with somewhat higher numbers in the following years. While we disagree with those numbers, they also need to be considered in the context of the appropriations process, as was illustrated with the recent NSF action.

**OIL EXPLORATION IN ARCTIC
NATIONAL WILDLIFE REFUGE**

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DeFAZIO. Mr. Speaker, I rise to commend to my colleagues the recent review by Robie G. Russell, Regional Administrator of the Environmental Protection Agency for EPA region 10, of the Department of Interior's final legislative environmental impact statement on

its proposal to allow oil exploration within the Arctic National Wildlife Refuge.

I would, in particular, emphasize two lines from the comments:

"Although additional discussion has been provided in response to many of our comments, the majority of EPA's concerns have not been adequately addressed in the final LEIS. In several important instances, EPA's level of concern has been increased by the revisions to the document."

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
REGION 10,

Seattle, WA, June 1, 1987.

Re: Arctic National Wildlife Refuge Report Final Legislative Environmental Impact Statement.

Hon. WILLIAM P. HORN,

Assistant Secretary for Fish and Wildlife and Parks, U.S. Department of the Interior, Washington, DC.

DEAR MR. HORN: The Environmental Protection Agency (EPA) has reviewed the final Legislative Environmental Impact Statement (LEIS) and Report to Congress concerning the proposal to allow oil exploration, development, and production within the Arctic National Wildlife Refuge (ANWR). This letter, with its enclosure, provides EPA's comments on the recommended action and alternatives that were considered.

On February 6, 1987, EPA commented on the draft LEIS and recommended that several elements of the document were in need of revision or expansion. The final LEIS has undergone significant revision since the draft LEIS. Although additional discussion has been provided in response to many of our comments, the majority of EPA's concerns have not been adequately addressed in the final LEIS. In several important instances, EPA's level of concern has been increased by the revisions made to the document.

In reviewing the final LEIS, EPA found a document incomplete in its presentation of scientific data that would support the impact conclusions and the Secretary's recommendation. A large body of scientific information on the 1002 area's resources has been collected in recent years by the U.S. Fish and Wildlife Service (FWS). Likewise, information specific to the existing environmental regulatory program (including monitoring information) is available. Yet, this information does not appear to be reflected in the final LEIS.

The final LEIS constitutes the first step in the Secretary's recommendation for Congressional decision-making that must balance economic needs and environmental risks. Greater attention to, and better use of, the resource data that have been generated in ANWR and elsewhere on Alaska's North Slope can provide for a better understanding of the following environmental priorities:

Assurances that the overall significance of environmental impacts, including cumulative impacts, and the ability to mitigate them are properly stated. In particular, we do not believe it appropriate to suggest that the Prudhoe Bay experience would be duplicated in ANWR. The data in the LEIS are insufficient to support such a conclusion.

A wider range of limited exploration/development leasing alternatives are developed and considered. The impacts of the limited leasing alternative (Alternative B) as revised in the final LEIS are now of the

same high level of concern as for full leasing (Alternative A).

Identify potential regulatory conflicts which may involve interagency coordination. We are concerned about potential regulatory conflicts if, for example, leasing were proposed in environmentally sensitive areas for which the granting of other necessary permits would be inconsistent with existing laws and policies.

These and other concerns are discussed further in the enclosure which represents a summary of our more detailed technical review comments.

Based upon the inadequacy of the information presented in the final LEIS, EPA would normally recommend that a revised document be prepared. The final LEIS remains in need of corrective measures that require substantial changes, including the expansion of the range of alternatives, in order for it to be an adequate basis for any Congressional action. Since Congressional hearings have already begun, EPA recommends that the Secretary of the Interior's final recommendation to Congress be modified to better reflect the available scientific information.

Thank you for the opportunity to review the final LEIS. If the Department of the Interior has questions about EPA's comments, please feel free to contact me directly or Mr. Alvin L. Ewing, EPA's Assistant Regional Administrator in Anchorage. We look forward to answering your questions and helping you prepare the final recommendation to Congress.

Sincerely,

ROBIE G. RUSSELL,
Regional Administrator.

Enclosure.

EPA REVIEW COMMENTS, ARCTIC NATIONAL WILDLIFE REFUGE FINAL LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT

The primary issues and concerns identified during EPA's review of the ANWR final LEIS are outlined below. Comments are broadly organized under three major headings: Responsiveness to Comments, Technical/Scientific Issues, and Alternatives Analysis.

RESPONSIVENESS TO COMMENTS

The final LEIS has acknowledged most of EPA's concerns expressed in our comments on the draft document. However, an adequate analysis of the impacts associated with these issues is not apparent. Detailed analysis of the following issues, as referenced from our previous correspondence, remains a prerequisite to rational decision-making.

Air quality: Available knowledge of Prudhoe Bay development effects was not utilized, evaluation is deferred to future analyses.

Water and gravel supply needs: Significant shortages are acknowledged, but the final LEIS has not presented an adequate analysis to show whether water quantity/gravel quantity are sufficient to support the recommended action. The final LEIS assumes that major adverse effects can be handled in a manner which will not result in adverse impacts to water quality or habitat.

Marine transportation facilities: Existing significant impacts due to causeways around Prudhoe Bay are not reflected.

Wetlands: Only a very limited evaluation of large-scale hydrologic impacts and habitat fragmentation has been conducted. If the hydrologic impacts are greater than the brief discussions imply, the large amount of

wetland acreage that could be affected could be greater.

Mitigation: The effectiveness of proposed measures is not evaluated. Discussions about rehabilitation are incomplete.

Regulatory processes: There is no discussion of how the new authorities requested by the Secretary in his recommendations would relate to existing environmental laws, other than that a leasing program 'might' require compliance with NEPA, the Clean Water Act, and the Clean Air Act.

Noise impacts: There is no quantitative evaluation of noise levels which makes it difficult to reliably assess the disturbance effects on sensitive wildlife species.

Cumulative effects: The final LEIS acknowledges cumulative effects by providing a list of projects which might occur but does little to actually evaluate their effects.

Subsistence impacts: An expanded discussion of the off-ANWR effects on distant inland native settlements has been provided. The impacts to the exchange network from the recommended action have not been evaluated.

These issues remain important even from a programmatic perspective. Their significance is increased by the Secretary's proposed recommendation that the final LEIS be statutorily adopted as the EIS for the leasing program itself. We disagree that this document is adequate for that purpose. Specifically the leasing program inferred from the final LEIS might not provide the opportunity to consider alternatives for individual lease block deletions. Such deletions could be aimed at locally reducing risk to environmentally sensitive tracts. A greater degree of site-specific information (e.g. a tiered EIS) is necessary to evaluate such a program.

TECHNICAL/SCIENTIFIC ISSUES

In a variety of instances, the final LEIS conclusions and the Secretary's Recommendations do not appear to be well substantiated by the information provided in the draft and final LEIS.

Definitions of impact significance

Definitions of significance of impacts are inappropriate in many cases. For example, impacts are not considered "major" in the final LEIS unless they exceed 30 years or more duration. For many fish and wildlife species, several generations could be adversely affected within this time, leading to severe population- and community-level impacts.

The final FEIS is inconsistent in its application of impact definitions. Often discussions in the text describe a "moderate" effect, but it is labeled in the conclusions as "minor."

Also, impacts are in many cases downgraded from the draft LEIS without any explanation or justification. The final LEIS has numerous examples of impact conclusions that are minimized in this manner. It is not clear on what basis these changes were made in the preparation of the final LEIS. As one example, modification of 12,650 acres of wetlands was evaluated in both the draft and final LEIS. The draft labeled this as a "moderate" effect, but in the final it was downgraded to "minor" with no explanation. Considering the potential for hydrologic disruption and habitat fragmentation, the impact could be "major".

Underestimation of impacts

Potential underestimation of impacts occurs throughout the LEIS. This is particularly true of impacts predicted for the Porcupine Caribou Herd (PCH), largely be-

cause they are based on selectively-chosen data from the Central Arctic Herd (CAH) in the vicinity of Prudhoe Bay. For example, the text notes that although the CAH no longer calves where development occurs around Prudhoe Bay, it has nonetheless increased in size. This is used as a basis to conclude that development in the 1002 area (and subsequent displacement) should similarly not affect the PCH. However, the text notes a variety of important differences between these two herds which include:

(1) the CAH has a much lower population density;

(2) the majority of the CAH's important calving grounds have not experienced development activities;

(3) the CAH's calving grounds have not become overcrowded (even with displacement due to development around Prudhoe Bay); and

(4) predation by wolves and brown bears on the CAH has been minimized.

These differences strongly suggest that the LEIS predictions, based on data for the CAH, are likely to underestimate impacts to the PCH.

Placing such emphasis on CAH data is not necessary. A large body of data on the PCH (summarized in the 1002 Area Final Baseline Report) has been gathered by FWS in the last few years. The Final Baseline Report contains additional PCH data that appear to not be adequately reflected in this final LEIS. The final LEIS conclusions are apparently not based on all the available information.

Mitigation

The mitigation discussions throughout the final LEIS raise several concerns. The entire 1002 area has been designated Resource Category 2. However, several discussions in the text make a distinction in habitat value. The overall "2" designation is not supported by the information in the final LEIS. The final LEIS indicates that site-specific habitat designations will be conducted during the site-specific development/production phase. Characterization of habitat after leasing and exploration has occurred could result in habitat being upgraded to Resource Category 1. The impacts may not be mitigatable.

Mitigation discussions in the final LEIS are incomplete. The final LEIS assumes that mitigation measures will be both consistently implemented and completely successful. No analysis or references are provided to support these assumptions. Rather, the final LEIS states that the experience at Prudhoe Bay provides a basis for minimizing or eliminating adverse effects through the careful application of mitigation measures tested in that area. As the Corps of Engineers noted in its comments on the draft LEIS, industry has been reluctant to apply compensatory mitigation and restoration techniques on the North Slope, except in very limited experimental circumstances. EPA's own extensive experience with the major operators at Prudhoe Bay supports this conclusion; rehabilitation technology for the North Slope is particularly lacking.

Cumulative effects

Cumulative effects are not adequately evaluated in the final LEIS. The final LEIS provides a list of criteria for determining which actions should be included in the cumulative effects analysis. The criteria appear to be unduly restrictive and narrow the focus of the analysis. By using these criteria, a list of projects that constitute the cumulative case scenario has been developed

for the final LEIS. Use of the criteria has resulted in only existing projects being considered. The potential for future large-scale development of offshore Beaufort Sea leases, oil and gas development in the Canadian Arctic, and construction of large diameter gas pipelines are only marginally considered.

The final LEIS suggests a particular development infrastructure that may result from ANWR leasing; however, other scenarios are possible. No useful cumulative effects analysis is presented either for those projects and activities listed or for other reasonably foreseeable scenarios. For any scenario, an adequate effects analysis must begin with a full reflection of existing impacts. For example, the LEIS could have described the existing cumulative effects to anadromous fish attributed to causeway construction in the Prudhoe Bay area. These effects are "major" by the final LEIS definitions. Conclusions regarding level of impacts should include the cumulative effects that are reasonably foreseeable.

Air Quality

The final LEIS does not adequately assess primary and secondary air quality impacts. Secondary air quality effects (e.g., arctic haze and acidification of tundra) may result from upset situations and normal low level emissions even if standards are being met. Impairment of visibility is a potential impact where there is increasing concern relative to existing north slope emission sources.

ALTERNATIVES ANALYSIS

Alternative B, limited leasing, has been substantially revised in the final LEIS. This alternative is purported to reduce the impacts to the PCH; it implies that the most important calving area would be protected by setting aside the area where multiple years of heavy use overlap. However, the basic concept behind the limited leasing alternative appears to be flawed. The "overlap" area is merely the FOCUS of where concentrated calving has repeatedly occurred in the most recent years.

Alternative B is further complicated by other assumptions within the final LEIS. For example, the document states that only 27 percent of the "concentrated" calving area for the PCH exists in the 1002 area. In contrast, the draft LEIS stated that 80 percent of "core" calving was in the 1002 area. Although both statements may be statistically correct, the final LEIS does not point out that the 1002 area's 27 percent of the PCH's "concentrated" calving grounds has experienced approximately 85 percent of the PCH's total calving. The question of whether this small area can physically support calving for a significant proportion of the PCH casts doubt on the potential for Alternative B to satisfactorily reduce identified environmental risks.

Changes made to Alternative B have reduced the geographical area slated for maximum protection within the 1002 study area. The rationale for these changes have not been tied to a biological foundation. Therefore, Alternative B is now the same high level of concern as Alternative A (full leasing). EPA believes that a new limited leasing option should be developed that can achieve the stated objective of substantially reducing impacts to the PCH while still allowing for development of oil resources. Alternative C, further exploration only, remains environmentally preferred should Congress consider only those alternatives presented by the Department of the Interior. Inde-

pendent expert review of all information generated during the exploration activities outlined in Alternative C should be encouraged.

THE DEDICATION OF BENIGNO AQUINO TRIANGLE

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ACKERMAN. Mr. Speaker, I would like to bring to the attention of my colleagues an important event which will take place this Saturday, June 13, in Hollis, Queens County, NY. On that date, the intersection of Hillside Avenue with 184th Place and 185th Street will be dedicated as "Benigno Aquino Triangle."

In the excitement of victory and the establishment of a new constitutional government, the public tends to overlook the significance of Benigno Aquino's life-long struggle. He was a man who had a clear sense of purpose, who realized the problems facing his country, and who sought to rectify them. He did so fully cognizant of the fact that in opposing the forces of repression, he risked becoming the victim of these injustices. His quest for freedom brought him pain and suffering. Through personal experience, he knew the inhumanity of Ferdinand Marcos and felt the isolation and frustration of being driven from the country he loved. But he never stopped fighting for the rights and freedoms he knew should be enjoyed by all people—not only the rich and corrupt. At great peril, like Daniel entering the lion's den, Benigno Aquino returned to the Philippines. As we know, he was tragically gunned down as he disembarked from the airplane that flew him home.

Mr. Speaker, Nino's adversaries hoped that with his death, the dream of a free Philippines would also perish. But this was not to be. The struggle intensified and the power that Marcos and his cronies so viciously defended was overwhelmed by the mass of popular support under the banner of "People Power."

From the streets of Manila to streets of New York, the Filipino community made clear its desire to see an end to tyranny. When tanks were halted by human barricades, the entire world took notice. In those few intense moments, when life or death hung in the balance, the strength inherent in goodness was reaffirmed.

Now Nino's widow, Cory Aquino, stands at the helm and is guiding the country toward her husband's goals. The struggle will be long and difficult, but she is not alone. New York's Filipino-American community and the Congress of the United States are committed the survival of democracy in the Philippines.

My colleagues, I need not remind you that the United States and the Philippine Islands share a long history of mutual sacrifice in the name of freedom. Benigno Aquino may not have survived to see his dream fulfilled but that does not diminish the importance of his life. His strength still guides Cory's hand and instills confidence in the people of the Philippines. His life was dedicated to the preservation of those precious values that both our Nations have held sacred. We must be com-

mitted to defend the foundation Benigno Aquino constructed. The dedication of the Benigno Aquino Triangle reminds everyone who passed by that a great man paid the ultimate price for his country and for freedom.

REFORM THE UNEMPLOYMENT INSURANCE SYSTEM

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. CLINGER. Mr. Speaker, now is the time to reform the unemployment insurance system. We need to correct the serious problems with the extended compensation system so that we are prepared for whatever economic eventuality might be faced in the future—and we need to act now while unofficial unemployment levels are low. Towards that end, Representative DON PEASE and I are today introducing legislation to provide a fair, more understandable and predictable system of unemployment insurance, one that includes some important incentives for training, retraining and job search assistance.

In 1935, Congress created the Nation's unemployment compensation system as part of the Social Security Act to avoid a repetition of the desperate plight of millions of Americans that found themselves jobless during the Great Depression.

Now, after more than 50 years, the unemployment insurance system has not kept pace with the considerable changes in our economy. During the profound economic transformation of the last decade, we patched up the system whenever an emergency presented itself instead of having a system which was responsive in its own right.

In my State of Pennsylvania, the profile of heavy manufacturing is changing rapidly yet the industry continues to play a crucial role in the economy. Throughout the country, companies are reorganizing, diversifying and introducing new technologies. The result of this is the present system does not work for those dislocated workers who are permanently unemployed and do not have the necessary skills to find another job.

In addition, the unemployment insurance system discourages people from seeking retraining for a new job because they are afraid of losing their unemployment benefits.

Representative PEASE and I feel that the reforms we have introduced will make the unemployment insurance system more responsive to changes in the economy, more effective in providing relief and help to put people back to work.

Our legislation includes a sliding scale of Federal reimbursements for benefits in States hardest hit by unemployment and a mechanism for combining training with unemployment benefits. It also changes the formula for repaying unemployment insurance indebtedness to ensure that States will not pay more than they owe annually and strengthens the capability of the employment service to aid the unemployed by testing, assessment and counseling to guide displaced workers to new jobs and retraining opportunities. Also pro-

posed is a demonstration project to test the feasibility of paying unemployment insurance in a lump sum to displaced workers who want to start a business.

Clearly, the present unemployment insurance system penalizes the long-term unemployed and we do not know—nor can we predict—what the next economic cycle will bring, nor where workers will fall victim to economic dislocation. Reform of the unemployment insurance under the guidelines we have introduced today will help hard hit States and localities wherever they may be.

I urge my colleagues on both sides of the aisle to carefully consider this proposal and I welcome their comments on improving this legislation.

VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Mr. Smith Jenkins, Jr., Director of the VA Medical Center at Brockton and West Roxbury, MA, that demonstrates how the VA employees feel about "their" medical computer system. The letter follows:

*Brockton/West Roxbury VAMC,
BROCKTON, MA, MAY 19, 1987.*

HON. G.V. MONTGOMERY,
Chairman, Committee on Veterans Affairs,
U.S. House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN, I am writing to express my concern over the deliberations by the Appropriations Subcommittees on HUD-Independent Agencies to curtail the expenditures of \$35 million in DHCP funds by the Veterans Administration. This funding is vital to the continued development and expansion of the computerization effort within the VA.

During the past several years, the VA has taken major strides in developing an integrated ADP system to assist in the delivery of medical care to our veteran patients. The treatment teams have accurate up-to-the-minute information on medications, laboratory test results, x-ray interpretations—data which is vital in the management of the patient's care. Other disciplines such as Dietetics, Mental Health, Nursing and Surgery have or are in the process of developing modules that will be integrated into the system.

The software that has been written is "user friendly" requiring minimal training time for the staff and is easily customized by the individual Medical Centers to meet their unique programs and circumstances. In addition, through the use of the data base manager (FILEMAN), the extraction of data and/or reports is easily available to managers at all levels. The development of the DHCP software has been accomplished internally by the VA and, therefore, is sensitive to the various needs of the agency at all levels. To abandon this effort now would be devastating to the agency as well as demoralizing to the staff.

Also under discussion is the notion of changing to commercial vendors for the software. This VA has had previous experience with this concept and it did not prove to be effective. The inability of the vendor to make expeditious changes to the programming was a detriment to the delivery of medical care as well as being expensive to accomplish. DHCP allows for effective and efficient changes to the software and through the use of FILEMAN, the extraction of reports/data of various types is determined to be necessary by local VA Medical Center management teams.

I urge you to carefully consider the long-term benefits that the VA will realize through the expanded development of DHCP. Your continued support of this effort will ensure the delivery of the best medical care possible for our veterans to whom we owe so much.

Sincerely,

SMITH JENKINS, JR.,
Medical Center Director.

TRIBUTE TO NORMAN MAWBY

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SCHULZE. Mr. Speaker, today I rise in order to pay tribute to a special person in the Fifth Congressional District, Norman Mawby.

For nearly 23 years, Norm Mawby has ably served as Tredyffrin Township manager. During Norman's tenure, Tredyffrin has grown from a mostly rural area to a thriving suburban community which is experiencing unparalleled growth and economic prosperity. Through it all, Norm has faithfully served the residents and has expertly guided Tredyffrin through this dramatic transition.

While at Tredyffrin Township, Norm was instrumental in building both the Paoli and Stratford Libraries. He was active in securing the passage of the home rule charter in 1976 and was instrumental in the preparation of the 1970 comprehensive growth plan. He has charted the growth of the township and has improved public services; he oversaw the construction of the public sanitary system for over 95 percent of the township.

Norman Mawby has successfully managed the important transition which has given us the Tredyffrin Township of today and has laid the groundwork for its future. In 1964, when Norm took the reins of township management, there were approximately 13,000 residents; today, that number is well above 25,000 and climbing rapidly. In 1964, there were only about 5,300 dwellings; today Tredyffrin has roughly 9,600. Tredyffrin Township offers busi-

nesses 8.5 million square feet of office space, and that too is growing rapidly. All of this growth required a man who could professionally develop, provide, and maintain services to the residents of Tredyffrin. I think Norm Mawby has done an outstanding job.

Thus, Mr. Speaker, it is with great pleasure that I join the people of Tredyffrin Township in extending a special thanks to Norman Mawby for his over 20 years of outstanding service to our community.

ARTIST ALICE LOK CAHANA PAYS TRIBUTE TO WALLENBERG THROUGH HER ART

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. LANTOS. Mr. Speaker, today I would like to recognize Alice Lok Cahana. Her works, which are currently on exhibit at the Skirball Museum at the Hebrew Union College at Los Angeles, honor a great man, Raoul Wallenberg, who gave hope through a dark night of hate and intolerance.

Cahana, who is Hungarian by descent, is an artist whose earlier abstract works of mixed media and poetry were rooted in her desire to testify artistically to her first-hand experiences during the war years. But a trip to her homeland in 1978 changed her artistic style and focus dramatically. Living amongst her people revealed that fellow Hungarians had left no memorial to the many Jews who had contributed so much to Hungarian society. Her artistic style became less abstract and more real, and to communicate adequately to viewers the reality of her message, she incorporated into her works a number of photos and other memorabilia of the renowned Swedish diplomat, Raoul Wallenberg, who risked his life to save her people.

Mr. Speaker, on earlier occasions I have taken the opportunity to praise Raoul Wallenberg for his unsolicited heroism and immeasurable courage which effectively saved the lives of 100,000 Hungarian Jews. Their lives, doomed unjustifiably by a vicious and evil doctrine of racial superiority, were then snatched from the executors' hands by the brave and ingenious exploits of a man who was not Jewish, not Hungarian, and not a partisan in the great war which witnessed the genocide of more than 6 million Jews.

Alice Cahana's art and her poetry manifest an enduring determination to overcome the indifferent silence of history. One very enlightening commentary on Cahana is found in Barbara Rose's essay "From Ashes to the Rainbow: A Tribute to Raoul Wallenberg, Works by Alice Lok Cahana." She writes,

She believed that art could not be a negative statement, and that her message had to be about the transcendence of the human spirit, the triumph of human spirituality over inhuman evil and bestiality. From the horror of her experience, there was one positive image: that of Raoul Wallenberg, the young Swedish diplomat who risked his life to save the Jews of Budapest.

So, Mr. Speaker, just as we have recognized Raoul Wallenberg on various past occasions, so may we recognize artists, such as Alice Cahana, who continues to keep alive his legacy of hope and compassion through her creations.

WHY ARE WE THERE?

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. TALLON. Mr. Speaker, the fatal attack on the U.S. *Stark*, and the administration's subsequent announcement of its plan to protect Kuwaiti oil tankers with naval support, has raised a number of questions in the minds of Americans. The most obvious is simply, what are we doing there?

According to the administration, we are there to protect oil shipments through the Persian Gulf to the West. Certainly, the United States has national and strategic interests in maintaining access to the gulf region. But, the interests of our allies in the region are even greater.

The United States now imports only about 3 percent of its oil from the Persian Gulf while Europe gets 35 percent and Japan 60 percent. Yet, American warships continue to patrol the gulf alone, without assistance from allied nations.

Our national security should be measured in terms of economic as well as military strength. With the dollar falling, a trade deficit of \$170 billion, and a budget deficit of \$107 billion for 1988, our economic security is fragile at best. In an effort to provide an umbrella of military and economic security to other friendly nations, we are jeopardizing our own security.

Look at the cycle: U.S. warships protect the tankers leaving the Persian Gulf. The tankers steam to Japan where the oil is offloaded and piped to an automobile factory. That factory uses the oil to produce low-priced cars which are then driven on cargo ships. United States warships stand guard while these ships steam over the sealanes linking Japan with the American west coast. The United States then imports these cars by the thousands to the detriment of our own domestic auto industry.

While spending almost one-half of our defense budget on NATO, we have assumed almost the entire burden of defending Western interests in the Middle East and southwest Asia. Most of our allies spend considerably less than 4 percent of their GNP on defense, yet the United States is spending approximately 6.7 percent. Japan represents the most severe instance, spending just 1 percent of its very healthy GNP on defense. Ironically, we seem to provide greatest protection to those allied nations with whom we have the greatest trade deficit.

And, as the U.S.S. *Stark* tragedy demonstrates, not only are we paying in financial terms but we have also paid the ultimate price of human lives. Enough is enough. The burden simply must be shared. That is why I am cosponsoring the Defense Protection Act which addresses the inequitable burden of financial support for the alliance, particularly

NATO and our defense agreement with Japan.

The defense protection fee bill which imposes a defense protection fee on countries relying on the United States for their defense. Under the bill, allied countries would be required to pay an import duty equivalent to the share of the GNP spent on defense minus the percentage of GNP spent on defense by the exporting ally.

The bill would establish a defense protection fee to be collected at the point that foreign goods enter the United States. The percentage of the defense protection fee is calculated first by categorizing all countries which sell goods to the United States into one of three groups:

Category A: Adversaries of the United States or nations which support terrorism against the United States.

Category B: Countries which are neutral.

Category C: Countries which are parties to mutual defense arrangements with the United States, countries which host American military bases, and countries which, by custom or practice, rely on the United States for defense or territory or lanes of communication and transportation.

The defense protection fee on goods from countries in category A would be 10 percent of the value of the goods. The fee on goods from countries in category B would equal the percent of gross domestic product which goes to defense, currently about 6.6 percent. The fee on goods from countries in category C would equal the percentage of gross domestic product which goes to defense—for example, 1 percent in the case of Japan or 3.4 percent in the case of Germany. In no case, however, would the defense protection fee go below zero percent. So, for category C countries, the fee would range from zero percent—for a country like Israel, which spends more than we do, as a percentage of GDP on defense—to 5.6 percent—in the case of Japan.

I do not see how we can expect American taxpayers to continue to spend large amounts of U.S. tax revenues for the defense of the alliance if the allied nations themselves are not willing to join in the effort. It only makes sense that the United States should not be alone in defending Western interests in the Persian Gulf. This legislation will be a clear signal to our allies that we are serious about achieving a better balance of defense expenditures.

Currently, Western European nations are making a strong effort to extend their commercial and political contacts in the Arab states of the gulf while we provide the necessary protection. They are doing so in the hope that, whatever the coming shifts in the region's political and religious tides, they will be in a position to continue their presence. Thus, they speak softly and the United States carries the big stick.

This situation has to change. The United States must demand a minimum general support for the importance on keeping the straits open and protecting the vitality of gulf shipping.

Recently, Defense Secretary Weinberger called for volunteer gestures of support from among the defense ministers of the North Atlantic Treaty Organization. His request was to no avail. The response of Italy's acting Prime

Minister to these request was simply, "We are not Marines." Is that the sort of allied attitude we reward by protecting their future energy supplies? I say, no way.

A TRIBUTE TO THE ST. GEORGE SOCIETY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. TRAXLER. Mr. Speaker, I rise today to pay tribute to the Saint George Society of Bay City, MI. This year commemorates St. George's centennial and I am honored to recognize this distinguished organization for its many years of service and its contribution to the ethnic culture of Michigan's Eighth Congressional District.

I would like to take this opportunity to share with my colleagues some important information about the St. George Society and the role it has played in the surrounding community. Through the early years of this newly organized society it was a hardship for the members to keep up their sworn duty to aid their sick and needy members. With the minor dues of 25 cents per month, which were paid by each member, it was soon insufficient to meet the request of aid to sick members. When the treasury was in very poor condition the members contributed to a collection at the meetings which was used to aid the needy sick members. It is exactly this kind of effort and dedication to helping the needy that exemplifies today's St. George Society.

Lending a helping hand to those in need hardly tells the whole story of the St. George Society. A significant contribution has been made to the community by providing an ethnic base for the Polish-Americans of the area. After all, this country's overall moral fabric lay in each individual ethnic subculture. Since taking ownership of Pulaski Hall, a building which provided a meeting place for the members of St. George since the turn of the century, the society soon became a place where the Polish members of the area could meet and share the common bond of their ethnic heritage.

The success of many of its members can be attributed to the close, personal ethnic experience which the St. George Society provided. The society has had a number of notable figures on its roster including: judges, city managers, attorneys, doctors, and numerous elected officials. Membership continues to flourish and now has extended into areas outside greater Bay City.

Today I am greatly honored to pay tribute to the St. George Society. For we as Americans can all be grateful to organizations such as St. George's for providing a cultural homeland for those committed to maintaining a strong sense of ethnic heritage.

EXPLANATION OF VOTE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. PORTER. Mr. Speaker, I was unavoidably absent during the roll call vote on the Hefley amendment—Rollcall No. 174, had I been present and voting, I would have voted "aye."

**THE COSTA MESA CHAMBER OF
COMMERCE AND ORANGE
COAST DAILY PILOT MAN AND
WOMAN OF THE YEAR**

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. BADHAM. Mr. Speaker, it is my privilege today to recognize two truly outstanding citizens who have devoted countless hours to community service. Mr. Nate Reade and Mrs. Orville Amburgey are long-time residents of southern California and long-time community volunteers. They received special recognition for their service on June 3, 1987, when they were named Costa Mesa Chamber of Commerce and Orange Coast Daily Pilot Man and Woman of the Year.

Bea Amburgey, a fifth-generation California, moved to Costa Mesa on June 21, 1953, 2 days before residents voted to form a city. Since then, she has served the Costa Mesa Junior Women's Club, St. John the Baptist School Auxiliary, the Costa Mesa-Newport Harbor Lions' Club, the Cub Scouts, the Girl Scouts, and the Mesa Verde School PTA. She told the Daily Pilot that the work most important to her is the work she does for Share Our Selves, a group that provides medical help for people who have no money or insurance.

Mr. Speaker, we can certainly learn from Mrs. Amburgey's involvement with Share Our Selves. This is an example of a group that through its private initiatives has done unmeasurable good for those less fortunate among us. I hope Share Our Selves can serve as a model for other such organizations in our country. Indeed, it is an example of the spirit of voluntarism that President Reagan has been asking us to promote for years now.

Nate Reade, who moved with his parents to Costa Mesa about 40 years ago, has participated in more than 20 community organizations. He recently retired following 10 years as executive manager for the Costa Mesa Chamber of Commerce. Perhaps his most significant work has been done for the Child Guidance Center of Orange County, an organization that helps mentally disturbed children.

Mr. Reade has also been chairman of Costa Mesa's United Way Fund, president of the Costa Mesa/Newport Harbor Lions Club and a member of the Costa Mesa Planning Commission. He expresses the spirit of voluntarism very well.

He told the Daily Pilot:

I think people should help each other and you can't help each other if you're not involved in things.

Mr. Reade and Mrs. Amburgey are certainly involved in things and they deserve our recognition for their sincere efforts to help our fellow citizens. On behalf of my colleagues, I would like to thank Mr. Reade and Mrs. Amburgey and hereby bestow that recognition upon them.

**REMEMBERING HOMELESS
CHILDREN**

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. TOWNS. Mr. Speaker, I would like to bring to the attention of my colleagues the dedication and support of the Children's Community Fair Committee of Williamsburg, NY. Founded by Mr. Ismael Torres in June 1983, the committee has, in the last 5 years, sponsored a country fair bringing farm animals, horses, et cetera, to inner city children. Each year the committee has perpetuated a theme in honor of their children. This year they have chosen the theme of "Homeless Children."

Mr. Speaker, I ask my colleagues to join me in recognizing the Children's Community Fair Committee of Williamsburg for their years of community service and in wishing them continued success in keeping us every mindful of the plight of America's homeless children.

ROYCROFT RENAISSANCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. KEMP. Mr. Speaker, more than 90 years ago, an entrepreneur turned philosopher established a campus in East Aurora, NY, dedicated to "better art, better work, and a better and more reasonable way of living." This entrepreneur/philosopher was Elbert Hubbard, and founder and guiding light of the American Craftsman Movement, which reached its renaissance in the early 1900s.

The Roycroft Campus in East Aurora embodied Hubbard's ideal "to make beautiful things and to make them as well as they can be made." During its heyday, the Roycroft Campus employed more than 500 Roycrofters, who produced some of America's finest decorative Arts and Crafts pieces, including furniture, metalware, and hand-bound books. Today, these pieces are valued by collectors for their functional design and high quality.

The participants in the Roycroft experience did more than produce beautiful decorative arts pieces. They also celebrated Hubbard's philosophy emphasizing self-reliance, individualism, and a commitment to exploring the full potential of human ability and ingenuity. While the Arts and Crafts movement faded during the Great Depression, Hubbard and the other Roycrofters made an invaluable contribution to our cultural heritage.

The Roycroft spirit and philosophy have enjoyed a renaissance in recent years through the tremendous efforts and diligence of two

very outstanding individuals, Kitty Turgeon and Bob Rust. Both Kitty and Bob have devoted their considerable energy and talents to restoring the Roycroft Campus as a living interpretive museum, where artisans once again create works of high quality and where visitors can still enjoy fine food and lodgings surrounded by original Roycroft furniture and other period pieces.

Kitty first became involved in revitalizing the Roycroft Campus in the early 1970s. She was instrumental in having the campus placed on the National Register of Historic Places in 1974. She also founded the Roycrofters-At-Large Association in 1976; this group is dedicated to rekindling arts-and crafts activities, as well as the philosophy of the original Roycrofters.

In 1982, Kitty and Bob purchased the Roycroft Inn, which they continue to operate and refurbish. Just last year, they were successful in their efforts to have the Roycroft Campus designated as a National Historic Landmark, in recognition of its significant contribution of our Nation's heritage.

Spurred on by their vision for the Roycroft Campus, Kitty and Bob have worked tirelessly to find the resource to restore the Inn so it can continue as the cornerstone for the Roycroft Renaissance, as well as an exciting addition to Western New York's tourism industry. Those of us who know Kitty and Bob, and have supported their efforts, are confident that they will succeed in this endeavor as well.

Kitty and Bob have fought long and hard to preserve and extend the spirit and dream that the Roycroft Campus embodies. Due to their efforts, as well as those of a loyal core of Roycroft supporters, the national treasure remains a jewel attraction in our western New York community, which is a richer place for it. I am sure my colleagues join with me in extending thanks and gratitude to Kitty and Bob for their commitment to a Roycroft Renaissance.

A WINNING COMBINATION

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. DAUB. Mr. Speaker, today along with a number of my colleagues, I am introducing a resolution—House Resolution 193—urging the Environmental Protection Agency to approve the use of ethanol, methanol, and other oxygenated fuels as an accepted air pollution control strategy.

It is rare when we have at hand a public policy option like alcohol fuels that addresses so many thorny problems at once. Alcohol fuels can assist in energy independence, reduce air pollution, reduce farm program costs, and increase demand and thus price, for the farmer.

With the uneasy military situation in the Persian Gulf, we are reminded again of the tenuous nature of foreign fuel supplies. Alcohol fuels can reduce foreign oil dependence.

Furthermore, grain supply gluts overhang markets depressing prices farmers receive and driving up the costs of Government farm

programs. Aggressive alcohols fuels use can relieve these pressures on the farmer and taxpayer alike.

Finally, air pollution is still a chronic problem in some 80 urban areas. Unacceptable carbon monoxide levels mean that these areas will be out of compliance with the Clean Air Act early next year; 90 percent of the problem is caused by auto emissions.

A 10 percent ethanol gasoline blend could reduce these carbon monoxide emissions by over 25 percent. Furthermore, alcohol fuels reduce the use of cancer causing gasoline additives like benzene.

States are now proposing air pollution control plans. This resolution urges EPA to encourage States to include alcohol blends as one important pollution control strategy. I urge my colleagues to join me in this effort, and cosponsor House Resolution 193.

INTRODUCTION OF THE STEVEN McDONALD PUBLIC SAFETY OFFICER COMPENSATION ACT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. MANTON. Mr. Speaker, as a former New York City police officer, it is my great privilege today to introduce the Steven McDonald Public Safety Officer Compensation Act. This much needed and long overdue piece of legislation will provide a cash benefit to State and local public safety officers who are permanently disabled as the result of an injury they receive in the performance of their duties. This bill is named in honor of Steven McDonald, a young New York City police officer who is permanently paralyzed as the result of a shooting.

On July 12, 1986, Officer McDonald was gunned down as he confronted three young suspects. As a result of this heinous act, Steven McDonald now faces the lifelong trials and tribulations of a quadriplegic. His will not be an easy life. Yet, he and his family have faced this ordeal with unparalleled strength and courage. Only last March, at the baptism of Officer McDonald's first child, Steven issued a statement forgiving his assailant, a 12-year-old youth. The courage and spirit of forgiveness Steven has shown should be an inspiration to us all. In speaking to him about my intention of introducing this legislation, Steven thanked me, not for himself, but for future public safety officers who may suffer a similar debilitating experience in the line of duty.

For more than three generations, Steven McDonald's family has served the citizens of New York as police officers. Steven followed in the footsteps of his father and grandfather in joining the New York City Police Force. His goal was simply to be a good cop and to help his fellow citizens. In doing so, he has been permanently disabled. While many in New York have pitched-in to help the McDonald family, they will face many hardships in the years ahead. The legislation I am introducing today provides a small monetary benefit from the Federal Government for Steven and others like him to help ease the burden. This

is a recognition by the Federal Government of the service of our Nation's public safety officers.

The legislation I am introducing today expands upon existing law, which provides a one-time Federal payment to the family of a public safety officer killed in the line of duty, by providing the exact same benefit to those members of State and local police, fire, and ambulance squads who suffer a total and permanent disability as a result of an injury suffered in service to their communities. Many of these individuals like Steven McDonald face a lifetime of pain and suffering because of their dedication to ensuring the safety of others. This small effort on the part of the Federal Government will provide them with a small token of the Nation's appreciation for their service to their fellow citizens.

Mr. Speaker, I hope the House will act expeditiously on this humanitarian effort. We need to enact this legislation for Steven McDonald, for his family, and for the many other public safety officers throughout our country who might face similar hardships. In closing, Mr. Speaker, I offer my best wishes to Steven, his wife, Patti Ann, and his 5-month-old son, Conor Patrick.

H.R. 900

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. MOLLOHAN. Mr. Speaker, on May 27, 1987, H.R. 900, the West Virginia National Interest River Conservation Act, passed the House of Representatives. H.R. 900 seeks to establish the Gauley River National Recreation Area and designated segments of the Meadow, Bluestone, and Greenbrier Rivers as components of the National Wild and Scenic Rivers System. The bill also modifies the boundaries and provides several specific management directives for the New River Gorge National River.

As a cosponsor of H.R. 900, I supported the legislation because it seeks to conserve some of the finest scenic and recreational rivers in the Eastern United States. I also believed that H.R. 900 would maintain and enhance existing recreational opportunities within the designated areas. Unfortunately, this was not the case. H.R. 900, as passed by this body, excludes a traditional recreational use of these areas' wildlife resources. The traditional use I am referring to is trapping. Trapping and the associated businesses are important to West Virginians. In addition, the bill clearly impinges on the State fish and wildlife agency's authority to conserve and manage resident fish and wildlife.

The reason for this extraordinary situation began several years ago when the National Park Service revised its regulations governing park management. According to these regulations, activities such as hunting and especially trapping are prohibited, unless there is specific authority for these activities contained in the legislation creating each area. Such regulatory policy clearly denies a historic and traditional recreational use of many areas and removes

State authority for managing resident fish and wildlife.

H.R. 900 does permit hunting, a traditional recreational use. Trapping, like hunting, is a traditional recreational use of wildlife resources. Creation of federally designated recreation areas and wild and scenic rivers should not deny the public recreational opportunities and should not interfere with any State's authority to manage its resident fish and wildlife resources.

This legislation has elevated a serious concern among State fish and wildlife agencies and sportsmen. The National Park Service policy erroneously challenges historical recreational uses. I, too, share these concerns and in the future will be working to ensure that proper State authorities remain intact as well as the provisions for traditional and historical activities, particularly hunting and trapping.

ACID RAIN: THE TIME IS AT HAND

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. BOEHLERT. Mr. Speaker, no one should be surprised that the debate over cleaner air has not gone away. I'm referring specifically to the debate over new acid rain controls, although we are learning every day that this popular term vastly oversimplifies the weaknesses of the Clean Air Act.

As we all know, there was a heated debate on the House floor last week, in which some of my colleagues argued we should spend more money on acid rain research before ordering tighter air pollution standards.

A very strong, bipartisan vote of this body rejected that argument, demonstrating quite clearly that we can pass a package of strengthening amendments to the Clean Air Act in this Congress, if only we can summon the courage to reach a compromise in the Energy and Commerce Committee, and report a bill to the floor. Various factors convince me that the time for acid rain controls is at hand.

Mr. Speaker, today I am joining with Congressmen SIKORSKI, CONTE, TAUKE, RINALDO, JEFFORDS, SCHEUER, MINETA, KENNELLY, and GREEN in introducing the "Acid Deposition Control Act of 1987," which is essentially the same as H.R. 4567 of the 99th Congress. As chairman of the House Republican Working Group on Acid Rain, a group of about 40 from across the spectrum and across the country which took a major role in drafting this legislation last year, I welcome this opportunity to kick off the debate in the 100th Congress.

Let me begin by making a few things perfectly clear. First, none of us who are offering this bill for the second time around view it as the final solution, but we believe it is a good starting point. We are proud that it enjoyed a record-breaking 171 cosponsors in 1986; we are proud that it cleared the Health and Environment Subcommittee by a strong, bipartisan 16-to-9 vote; and most of all, we are proud that it embodies the moderate, reasonable principles upon which the final solution will be based.

Those principles are deep reductions in nitrogen oxides and sulfur dioxide emissions; maximum flexibility for States and industry to comply, so costs and economic impacts and the need for cost sharing can be minimized; and regional equity. All regions must reach exactly the same pollution rate; heavily impacted regions have the freedom to develop strategies which will protect their economic resources; and regions which have already invested heavily in cleaner air are not penalized with redundant new requirements.

Just the same, I am willing to recognize that more work toward a consensus package is necessary. I believe I can speak for my fellow procontrol Republicans when I say that this bill is meant to spur debate, not conclude it. In fact, I strongly supported a change which was adopted by the subcommittee last year to add greater flexibility in calculating the pollution rate. We are exploring promising ideas to modify this bill's language and gain a strong, bipartisan, interregional vote to report a bill from the Energy and Commerce Committee to the full House.

At this point, I would like to address a few of the most common concerns offered as reasons to delay or even reject new controls.

First, we are told again and again that scientific uncertainty still exists, that we should wait until 1990 for the results of the congressionally mandated NAPAP study before ordering new controls. As I said in floor debate last week, I am a strong supporter of continued research because we will never know enough about this or any other natural phenomenon.

But the General Accounting Office has just told us that NAPAP is 2½ years behind schedule, and has discontinued the kind of cost-benefit analyses that we need to evaluate whatever controls are adopted. In other words, in 1990 Congress will still have to make a decision in the absence of concrete scientific conclusions, or allow the environmental damage to continue.

And in any case, if the House debate and vote last week is any guide, more and more Members of Congress are coming to the same conclusion: we have enough scientific evidence in hand to determine the cause of the problem and to begin taking corrective action. Scientists around the world, from Western Europe to Canada to our own National Academy of Sciences tell us that the causes and effects of acid rain are complex, and include natural factors as well as man-made. But the majority will also agree that over \$300 million of American Government research and more than 1,200 university studies all point to the same conclusion: that airborne emissions of NO_x and SO₂ are the smoking gun in the widespread deterioration of freshwater ecosystems, forest and crop health, visibility, materials damage, and even human health.

A second reason we are urged to resist new acid rain controls is that the high-sulfur coal mining economies of the so-called polluting States are already weakened by the requirements of the Clean Air Act, which is working to reduce SO₂ emissions. Now certainly my colleagues are aware that I am not the kind of green eye-shade Republican who ignores economic dislocation. I come from an area that has seen more than its share of

painful job losses, and share my colleagues' sincere concern for their districts.

But the Clean Air Act is not working to control acid rain. Current levels of emissions are too high. The older, dirty powerplants which we expected to be replaced by new Clean Air Act plants are having their lives extended far beyond original projections. The Clean Air Act has not been enforced with an eye toward acid rain control; in fact, the decision to meet Clean Air Act standards by encouraging tall smokestacks has exacerbated the problem. And finally, the Clean Air Act does not guard against growth in emissions, which could easily occur in the absence of stricter controls.

What I suggest is that these areas have more to gain by participating in the solution than they do by opposing all solutions in a knee-jerk fashion. If my coalition's efforts have been hampered by a supposed lack of understanding of the polluters' concerns, my opponents simply invite punitive, overambitious legislation by refusing to make a constructive counteroffer.

Studies have shown that thousands of jobs can be created in this country as new technologies are developed to control emissions. I understand that Ohio and Illinois, two of the States who would face some of the deepest reduction requirements, have the most advanced technology development programs in the country, and that could translate into more high-sulfur coal mining jobs. And thousands of jobs can be created in the depressed Eastern and Western low-sulfur fields. With the crises in oil and nuclear energy, we have an opportunity to expand coal use, and an acid rain bill, constructed appropriately, will not affect that fact.

Some Members are concerned about the impact of higher electricity rates on our economic competitiveness. Here again, let me emphasize that we are receptive to ways to smooth out economic impacts. Let me point out that last year the Office of Technology Assessment estimated this legislation would produce rate increases of 3 percent or less in 44 States, 7 percent or less in 3 States, and greater than 7 percent in only 3 States. Sponsors repeatedly expressed their desire to do more to limit electricity rate hikes, and the same holds true today.

Also, we can look to the Federal Republic of Germany, which probably has the worst environmental damage in the world due to acid rain. West Germany has witnessed electricity rate increases due to very stringent new controls, but enjoys one of the most prosperous economies in the world. Our competitiveness problems have many causes, but let me point out that some of the Midwestern States have cheaper electricity than the booming areas of the Northeast and Far West. There are many steps we can take to improve our economic performance, and a properly written acid rain law need not interfere.

Finally, it is said that the ozone nonattainment problem is far more severe than acid rain, and that a solution to that crisis should not be held hostage to the acid rain impasse. Since we know that opportunities for amendments to the Clean Air Act are few and far between, it would be irresponsible to address

ozone alone. In fact, the ozone and acid rain crises have a pollutant in common: NO_x.

There are reasonable steps we can take to reduce ambient levels of ozone; one of the best would be tighter limits on NO_x emissions from powerplants, which is required by our bill. The industry is well aware that better NO_x control technology is available, and is inexpensive to implement.

In addition, my colleagues should note that our standards for cars and trucks are a far cry from those proposed in other legislation. We would require EPA to ratchet NO_x standards down to the current California standards. We know these standards are being met without upheaval in the Nation's largest new auto market, and in fact, many 1987 models are already in compliance with these standards. As the greatest source of NO_x and hydrocarbon emissions, autos and trucks must be covered by any ozone solution, and this provision of our bill offers a way to do it without draconian pressures.

In closing, Mr. Speaker, let me repeat a phrase I have referred to often. It was spoken by the Republican Governor of New Jersey, Mr. Kean, and it goes as follows: "If all we do is continue to study the problem, we'll end up with the best documented environmental disaster in history." The visible destruction in West Germany occurred almost overnight, and God willing that won't happen here.

But destruction is already occurring, and we have the knowledge to stop it. The legislation we are offering today is a first step, and I'm confident that working with my colleagues in a consensus, bipartisan spirit, we can enact a reasonable, responsible package of amendments to the Clean Air Act in the 100th Congress.

HAROLD AND SYBIL EFFRON
CELEBRATE 50TH ANNIVERSARY

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. CARDIN. Mr. Speaker, on Saturday, June 13, two of my constituents will celebrate their 50th wedding anniversary. I am proud to honor this momentous occasion in their lives.

I congratulate Harold and Sybil Efron for their lifelong commitment to values which have made this country great. Through their 50 years of wedded bliss they have raised a fine family which is devoted to them and follows their fine example.

I am happy to salute Harold and Sybil Efron and their family—Tova, Barry, Leslie and Michelle Efron; Deborah, James, Jill, and Melissa Efron; Rochele, Mark, Malcah, and Shoshana Efron.

A CONGRESSIONAL SALUTE TO
ELAINE W. HUTCHISON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Elaine W. Hutchison, chairman of the board of the Long Beach Area Chamber of Commerce and president of the California Apartment Association. The Long Beach Area Chamber of Commerce board of directors will hold a special celebration and installation of the 1987-88 officers and directors at the 96th Inaugural Celebration Friday June 19, 1987 at the Spruce Goose Dome Banquet.

Elaine W. Hutchison was born in North Dakota but her roots in Long Beach go back to World War II when she came to Long Beach with her family. After graduating from Wilson High School, Elaine majored in sociology at California State University at Long Beach. Upon graduation, Elaine pursued graduate studies in urban planning and development. She also completed numerous courses in tax work, business, and real estate. Elaine's background and interest in real estate eventually lead to her founding of Paragon Equities Inc., specializing in real estate investment, management, and development.

In addition to Elaine's substantial professional commitment, she also has an extensive history in local government, and community development. Elaine chaired the mayor's blue ribbon task force on the issue of restructuring city government which resulted in the passage of a successful ballot measure calling for the popular election of the mayor of Long Beach. She also chaired Mayor Ernie Kell's year 2000 task force on housing and neighborhoods, and is currently serving on the year 2000 implementation task force. Elaine serves as trustee of the Memorial Women's Hospital and the Psychiatric Clinic for the Youth. For 2 years Elaine served as vice president of the board of the Public Corporation for the Arts, and continues to serve on their board of directors. Locally, Elaine served two terms as president of the board of directors of the Apartment Association of California Southern Cities.

My wife, Lee, joins me in congratulating Elaine on her accomplishments and we wish Elaine and her husband John all the best in the years to come.

McCLATCHY HIGH SCHOOL—
CLASS OF 1987

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. MATSUI. Mr. Speaker, it is with great pleasure that I offer my congratulations to the members of the 50th graduating class of McClatchy High School—the Class of 1987.

I take great personal pride in being a part of McClatchy's 50 years of history as a member of the Class of 1959. As a former McClatchy Lion, I firmly believe that no other Sacramento school can match or surpass the accomplish-

EXTENSIONS OF REMARKS

ments of McClatchy High. Since the school first opened its doors to students in the fall of 1937, over 20,000 young men and women have graduated. As one of the city's oldest schools, many members of the community are emotionally attached to McClatchy, as parents have seen their children, and, ultimately, their grandchildren attend their alma mater.

Through the school's renovation project in the late 1970's, the public demonstrated its strong attachment and support of McClatchy, despite pressure that it would be simpler to tear the structure down. Thankfully, Sacramento voters wisely passed several ballot measures that allowed the facility to remain intact. It would have been quite an emotional blow to me personally, to know that the campus which became as familiar to me as my home would only exist in my memories and yearbooks.

The Class of 1987 is yet another fine example of McClatchy's continuing excellence in education. Although many will follow in the footsteps of past McClatchy graduates and receive recognition for their achievements as scientists, doctors, lawyers, teachers and politicians, it is important to always remember that one person's measure of success can be very different from another's. No matter what they aspire to, achieving the goals they have set for themselves is essential to establishing a sense of satisfaction and accomplishment in their lives.

Mr. Speaker, again, I congratulate the graduating Class of 1987 on their fine work and accomplishments and wish them continued success.

TWO HUNDRED YEARS AGO
TODAY AT THE CONSTITUTIONAL
CONVENTION—JUNE 11

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. SHARP. Mr. Speaker, during the summer of 1787 there were several crucial moments when a compromise appeared to save the Convention from a seemingly impossible deadlock.

On June 11, Connecticut's Roger Sherman offered such a rescue plan on the question of how votes in the National Legislature would be proportioned among the States. Sherman proposed that one house allocate its membership by the State's number of free citizens while the other house maintain the system of equal representation that was used in the Continental Congress.

Sherman hoped to satisfy representatives of the larger States who wanted more power and the smaller States who worried about losing influence in the new nation. This system, he noted, had worked well in England's House of Commons and House of Lords.

The plan did not initially gain support. But by the end of the Convention it turned out to be the basis of the compromise which both groups could accept.

June 11, 1987

IN HONOR OF THE RENEWAL OF
UKRAINIAN INDEPENDENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. BROOMFIELD. Mr. Speaker, I want to take this occasion to mark an important date for Ukrainian people everywhere. June 30 of this year is the 46th anniversary of the renewal of Ukrainian independence. I want to commend the Ukrainian Congress Committee of America, and Mr. Bohdan Fedorak in particular, for their efforts to commemorate this important event on June 28 in Warren, MI.

We all know the tragic history of the Ukraine and its people. The Ukraine issued its proclamation of independence on January 22, 1918, and enjoyed the freedoms of a western democracy for a scant 3 years. An elected parliament governed the Ukraine and that nation had close diplomatic ties with England, France, and other countries while the Ukrainian people pursued their own destinies and practiced their own religion.

That free nation was quickly crushed by the soldiers of the expanding Soviet Empire. The Bolshevik armies swept into Ukrainian cities and a puppet government was soon established. The freedom-loving Ukrainian people then began their years of suffering under the oppression and tyranny of the Kremlin dictators.

The Ukrainian people, however, were not ready to submit to slavery imposed by either the Soviets or the Nazis. In 1941, the German Army invaded the Ukraine and met heavy resistance from representatives of the Ukrainian National Liberation Movement and a provisional Ukrainian Government. As the Soviet troops retreated, the Ukrainian underground broadcast the declaration of restoration of independence and established a Ukrainian free state. Hitler's response to this event precipitated the Nazi-Ukrainian war of 1941 to 1944. This long and bitter conflict cost the Ukraine over 7 million of her citizens.

The Nazi imprisonment and murders of members of the Ukrainian Government and leaders of the organization of Ukrainian nationalists failed to crush the brave Ukrainian resistance. The nationalists in the Ukraine undertook a program of civil disobedience, sabotage, and resistance warfare which challenged the German occupation forces. The Ukrainian Insurgent Army forced the Nazi occupiers to retreat to heavily defended garrisons. Large areas of the Ukraine came under the control of the Ukrainian Insurgent Army. It is important to note that all of this was accomplished without any external assistance to the Ukrainian resistance. With the collapse of the German war machine in the east, the Ukrainian Peoples' Army became the third military and political power in Eastern Europe at the end of World War II. As we all know, peace would not come to the Ukraine. The freedom-loving resistance fighters would soon turn their efforts against their Soviet oppressors.

The Soviets were forced to commit in excess of 1 million troops and police in their efforts to crush the Ukrainian Freedom Fight-

ers. The Ukrainian resistance was never defeated in a military sense, and they continued their struggle underground.

Today, over 47 million people suffer under Soviet domination in the Ukraine. They have no assurances of civil or political rights. Another 2 million Ukrainians live in the United States where these descendants of a rich Ukrainian heritage hold high the beacon of liberty. All of us share a common desire to see the Ukraine free again.

This is why the 46th anniversary of the renewal of Ukrainian independence is important to free men everywhere. We must all renew our resolve to fight communism and to free all of the captive peoples under Soviet rule. I commend the Ukrainian Congress Committee of America, southeastern Michigan branch, for their outstanding efforts in celebrating this historic event and for their deep commitment to freedom and democracy.

THE CHILD CARE INFORMATION AND COORDINATION ACT OF 1987

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am delighted to join Representative CARLISS COLLINS in introducing the Child Care Information and Coordination Act of 1987. This legislation will stitch together the patchwork of day-care programs across the Nation, to form a more holistic policy to determine and meet the needs of families.

Not since the Lanham Act in the 1940's, when the first significant Federal child-care funding was provided for working mothers, has there been a concerted Federal effort to assist working parents with child care.

The Lanham Act was discontinued after World War II, when it was felt that mothers could go home again. But child care assistance is every bit as necessary today as when mothers were mobilized for the war effort. Today, the Bureau of Labor Statistics estimates that nearly 10 million children under age 6—nearly half the children in that age group—live in households where the mother works.

Child care assistance authorities today span the Federal bureaucracy: moneys are administered through the Department of Health and Human Services, the Department of Labor, the Department of Agriculture, the Department of Defense and the IRS. And, Federal support is not limited to funding for day care services—we also provide funds to help train workers in day care settings, business incentives, and assist working parents by partially offsetting the cost of child care.

But despite the range of child-care assistance, we do not have comprehensive information on child care. Child-care tax benefits are not monitored; reporting requirements in title XX of the social services block grant are minimal. States may set their own policies and within States, counties may set their own policies. A recent book on child care policy calls the United States a country with at least 50 different child care policies, maybe more.

Our bill would designate the Federal Administration for Children, Youth and Families as the locus for all federally authorized child-care moneys. It would also authorize ACYF to conduct a comprehensive survey, and issue a report on the availability and impact of current programs and policies on the provision and quality of services.

We simply believe that any serious effort to help parents and children must be backed up by the basics: information about and coordination of existing programs and services.

TRIBUTE TO RICHARD M. VENTRE

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a truly outstanding program Project HEAVY/SFV—Human Efforts Aimed at Vitalizing Youth and Families in the San Fernando Valley—and to its newly appointed executive director, Richard M. Ventre. I ask my colleagues to join me in honoring this exceptional program as it enters its 12th year of community service and to join me in congratulating Mr. Ventre on his appointment.

Project HEAVY/SFV was founded in 1975 to help the youth of the San Fernando Valley lead full and satisfying lives, free from drugs and crime. The project is noted for its exemplary job training and placement program which provides both classroom and on-the-job training. In just the last 6 years this program has placed over 1,600 young adults in full-time positions.

Project HEAVY/SFV also maintains a Juvenile Delinquency Prevention Program [JDPP], one of the most successful programs of this type in the country. The JDPP provides counseling, educational, employment, and recreational services to over 18,000 youth and their families. By helping youth find alternatives to delinquency and gang affiliation, this program has seen nearly 90 percent of its participants reject crime as a way of life. All of the organization's programs are premised on the idea that through the assistance of community and family, youth can be guided to productive involvement in society.

Richard Ventre has been with Project HEAVY/SFV almost since its inception. He first worked on the streets, reaching out to youth on the periphery of San Fernando Valley gangs. His success in this work led to a position as Gang Consortium Director, followed by a position as Juvenile Justice Delinquency Prevention Project Coordinator. In 1985 he was appointed deputy director of Project HEAVY/SFV, and in 1986 he assumed the duties of acting executive director. On April 22 he was unanimously chosen by the project's board as executive director.

Throughout his tenure, Rick's work has been instrumental to the success of Project HEAVY/SFV. His rapport with youth, law enforcement personnel, State agencies, and the community has enabled him to achieve much success in the San Fernando Valley. As executive director, his efforts will become even more meaningful.

It is my distinct pleasure and honor to pay tribute to Rick Ventre and Project HEAVY/SFV, who together have helped countless young people find better lives and have provided an invaluable service to the community.

CONVENTION DELEGATES DEBATE OVER REPRESENTATION IN THE HOUSE AND SENATE

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. PACKARD. Mr. Speaker, 200 years ago today, the Convention Delegates resumed their heated debate over representation in the House and Senate. The discussion fell into such disarray that Benjamin Franklin delivered a short speech which first complimented the delegates for the "coolness and temper" of their earlier debates, then criticized those who came to the Convention with a "fixed opinion" who "neither enlighten nor convince" the other delegates. These words seemed to mellow the delegates and soon they passed a plan which allowed for representation in the House in proportion to the number of citizens living in each State.

Later that day, the Convention considered Resolution 13 of the Virginia plan which provided for amending the National Constitution. Though some delegates found no reason to support such a resolution, Col. Mason urged the necessity of the proposal. He pointed to the faults in the Articles of Confederation as proof of the inevitable changes in the Nation's needs. This resolution was then agreed to by the Convention.

Years after this historic meeting, Thomas Jefferson wrote for Samuel Kerchval, ". . . I am certainly not an advocate for frequent and untried changes in laws and constitutions. . . . but I know also, that laws and institutions must go hand in hand with the progress of the human mind." Though the "progress of the human mind" has outpaced many systems and traditions, the thoughtful construction of the Constitution makes sure that it still provides a sure framework upon which we build our dreams for a better world.

COLLOQUY WITH THE HONORABLE ROY DYSON CONCERNING IMPROVED ACOUSTIC PROCESSOR

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ASPIN. Mr. Speaker, during consideration of H.R. 1748, the Department of Defense authorization bill, on May 19, 1987 I engaged in a colloquy with the gentleman from Maryland, Mr. DYSON, concerning the Navy's SQR-17 acoustic processor. Apparently there has been some confusion about the Armed Services Committee's intentions with respect

to this matter, and so I would like to state clearly what those intentions are.

The committee recognizes the need for continued improvement of the Navy's antisubmarine capabilities as the Soviet submarine threat improves at an accelerated pace. In recognition of this need, the committee established a program for an improved acoustic processor that would be obtained by competitive procurement. As a result, the committee agreed to an addition of \$12 million in the Navy's fiscal year 1988 budget for this purpose.

Mr. Speaker, I trust that this will clear up any uncertainties as to the committee's intentions about this matter.

FATHER RICHARD CONWAY

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 11, 1987

Mr. ATKINS. Mr. Speaker, today I rise to honor Father Richard Conway, who on June 15, will be leaving his position as pastor at St. Patrick's Church in Lowell, MA to assume new responsibilities at Our Lady Help of Christians in Newton, MA.

Father Conway began his association with St. Patrick's as the church administrator in 1980. Two years later, he was called to the position of pastor. During his tenure at St. Patrick's, Father Conway worked tirelessly to revitalize St. Patrick's parish—a congregation that will sorely miss him.

Father Conway's dedication to humanitarian causes lead him outside the church walls and

into the community as a prominent leader. He was often at the homeless shelters lending a hand in whatever needed to be done. He was a resource to new immigrants in Lowell, providing clothes, food, furniture, shelter, and most importantly friendship. Respected and trusted by the city's youth, he was a vital member of the Mayor's Task Force on Drug and Alcohol Abuse. His ability to communicate with teenagers provided the committee with valuable insights, and the teens with a place to turn.

On Saturday, June 13, the Lowell community is gathering to honor Father Conway and the work he has performed for all the citizens of Lowell.

On this day I rise on behalf of the citizens of Lowell to pay tribute to Father Richard Conway, whose tireless dedication, and invaluable contributions to our community will be remembered always.